PMB TECHNOLOGY BERHAD
(Company No. 584257-X)

ANNUAL REPORT 2010

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PMB TECHNOLOGY BERHAD (584257-X)
Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan, Selangor Darul Ehsan.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Koon Poh Keong
Chairman

Koon Poh Ming
Chief Executive Officer

Koon Poh Weng

Koon Poh Tat

Tuan Haji Mohamad Faiz bin Abdul Hamid

Loo Lean Hock

David Tan Hung Hoe

Ernest Bong Miau Fatt

COMPANY SECRETARIES

Tai Yit Chan *(MAICSA 7009143)*
Tan Ai Ning *(MAICSA 7015852)*

SHARE REGISTRAR

Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur,
Malaysia.
Tel : 603 - 2264 3883
Fax : 603 - 2282 1886

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower,
8 First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel : 603 - 7720 1188
Fax : 603 - 7720 1111

CORPORATE OFFICE

Lot 1797, Jalan Balakong,
Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan,
Malaysia.
Tel : 603 - 8961 5205
Fax : 603 - 8961 1904
Website URL :
www.pmbtechnology.com

PRINCIPAL BANKERS

Malayan Banking Berhad
Bangkok Bank Berhad
RHB Bank Berhad
CIMB Bank Berhad

AUDITORS

KPMG (Firm No.: AF 0758)
(Chartered Accountants)
Level 10, KPMG Tower,
8 First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel : 603 - 7721 3388
Fax : 603 - 7721 3399

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of PMB Technology Berhad will be held at the Conference Room, Level 3, Eastin Hotel, 13 Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 29 June 2011 at 9.30 a.m.

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon.

2. To declare a final single tier dividend of 1.5% for the financial year ended 31 December 2010. ***Resolution 1***

3. To approve the payment of Directors' Fees for the financial year ended 31 December 2010. ***Resolution 2***

4. To re-elect the following Directors retiring pursuant to Article 84 of the Articles of Association of the Company:

   (i) Ernest Bong Miau Fatt ***Resolution 3***

   (ii) Loo Lean Hock ***Resolution 4***

   (iii) Koon Poh Tat ***Resolution 5***

5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

   "That pursuant to Section 129(6) of the Companies Act, 1965, Tuan Haji Mohamad Faiz bin Abdul Hamid be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company." ***Resolution 6***

6. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 7***

As Special Business

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

7. **Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued Share Capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue." ***Resolution 8***

8. **Proposed Renewal of Shareholders' Mandate for PMB Technology Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

   "THAT approval be and is hereby given for the renewal of Shareholders' Mandate for the Company and its subsidiaries ("PMBT Group") to enter into Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties as set out in Section 2.3 (i) of the Circular to Shareholders dated 7 June 2011 ("Circular") which are necessary for day-to-day operations of the PMBT Group, as subject to the following:-

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

NOTICE OF ANNUAL GENERAL MEETING
cont'd

b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year on the type of Recurrent Related Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:

i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;

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

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

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate." ***Resolution 9***

9. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares**

"THAT subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise the maximum amount of funds available in the Company which shall not exceed the Company's aggregate retained profits and/or share premium account to purchase such amount of ordinary shares of RM0.50 each in the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company;

THAT an amount not exceeding the Company's share premium account and retained profits account be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 67A of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them;

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company (being the Tenth ("10th") AGM of the Company), at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

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

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

NOTICE OF ANNUAL GENERAL MEETING
cont'd

whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority." ***Resolution 10***

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Ninth Annual General Meeting, a final single tier dividend of 1.5% for the financial year ended 31 December 2010 will be paid to shareholders on 12 August 2011. The entitlement date for the said dividend shall be 15 July 2011.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

(a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 15 July 2011 in respect of transfers.

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Secretaries

Selangor Darul Ehsan
Date: 7 June 2011

NOTICE OF ANNUAL GENERAL MEETING
cont'd

NOTES:

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. 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. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.*

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 8
- Resolution pursuant to Section 132D of the Companies Act, 1965

The Company had, during its Eighth Annual General Meeting held on 22 June 2010, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act"). The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 8 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

Resolution 9
- Proposed Renewal of Shareholders' Mandate for PMB Technology Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

For further information on Resolution 9, please refer to the Circular to Shareholders dated 7 June 2011 accompanying the Annual Report of the Company for the financial year ended 31 December 2010.

Resolution 10
- Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

For further information on Resolution 10, please refer to the Statement to Shareholders in Part B of the Circular to Shareholders dated 7 June 2011 accompanying the Annual Report of the Company for the financial year ended 31 December 2010.

PROFILE OF DIRECTORS

Dato' Koon Poh Keong
Chairman, Non-Independent

Age 50. Malaysian. Non-Independent and Executive Chairman since 15 September 2003. Attended all four Board meetings held in the financial year. He is also the Group Chief Executive Officer of Press Metal Berhad. He graduated with a Bachelor of Science in Electrical Engineering from The University of Oklahoma, United States of America, in 1986. He is the brother to Koon Poh Ming, Koon Poh Weng and Koon Poh Tat. He maintains a clean record with regard to convictions for offences.

Koon Poh Ming
Chief Executive Officer, Non-Independent

Age 54. Malaysian. Non-Independent and Chief Executive Officer since 15 September 2003. Attended all four Board meetings held in the financial year. He is also the Executive Vice Chairman of Press Metal Berhad. He graduated from University of Wales, United Kingdom with a degree in Civil and Structural Engineering in 1981. After graduation, he started his career with an international consulting, engineering firm based in Kuala Lumpur. He is a professional engineer registered with the Board of Engineers, Malaysia and The Institute of Engineers, Malaysia. He has actively been involved in the aluminium trading and manufacturing for more than 20 years. He is the brother to Dato' Koon Poh Keong, Koon Poh Weng and Koon Poh Tat. He maintains a clean record with regard to convictions for offences.

Koon Poh Weng
Executive Director

Age 56. Malaysian. Non-Independent, Executive Director since 15 September 2003. Attended all four Board meetings held in the financial year. He is also an Executive Director of Press Metal Berhad. His experiences include the management of major projects throughout the country. He has been responsible for all aspects of the management and for producing satisfactory results on large variety of projects ranging from schools, government complexes to prominent hotels. He is the brother to Koon Poh Ming, Dato' Koon Poh Keong and Koon Poh Tat. He maintains a clean record with regard to convictions for offences.

PROFILE OF DIRECTORS
cont'd

Koon Poh Tat
Executive Director

Age 51. Malaysian. Non-Independent, Executive Director since 15 September 2003. Attended all four Board meetings held in the financial year. He is also an Executive Director of Press Metal Berhad. He has more than 20 years of experience in the aluminium industry. He is the brother to Koon Poh Ming, Dato' Koon Poh Keong and Koon Poh Weng. He maintains a clean record with regard to convictions for offences.

David Tan Hung Hoe
Executive Director

Age 46. Malaysian. Non-Independent, Executive Director appointed on 3 May 2007. Prior to that he was Independent Director appointed on 15 September 2003. Attended all four Board meetings held in the financial year. He holds a Master Degree in Business Administration from University of Georgia and a Bachelor of Science Degree from University of Arkansas majoring in Banking and Finance. He started his career in the United States with a regional investment bank as a Corporate Finance Analyst for a period of three (3) years covering industries such as banking, high-tech manufacturing and oil and gas operations. Upon returning to Malaysia in 1993, he joined a local merchant bank as a Corporate Finance Executive, involved in wide range of corporate advisory services and was promoted to the position of Vice-President Corporate Finance. From 1996 to 2007, he was the Corporate Affairs General Manager of a public listed company, overseeing various corporate developments and expansion. He has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.

Tuan Haji Mohamad Faiz Bin Abdul Hamid
Independent Non-Executive

Age 71. Malaysian. Independent, Non-Executive Director, Chairman of Nomination and Remuneration Committees. He is also a member of the Audit Committee. Appointed as Director on 15 September 2003. Attended three out of four Board meetings held in the financial year. He is also an Independent Non-Executive Director of Press Metal Berhad and an Alternate Director in Malayan United Industries Berhad. He is a Fellow of the Royal Institution of Chartered Surveyors England and the Institution of Surveyors Malaysia since 1981. He was the past President of the Institution of Surveyors, Malaysia. He has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.

PROFILE OF DIRECTORS
cont'd

Loo Lean Hock
Independent Non-Executive

Age 51. Malaysian. Independent, Non-Executive Director and Chairman of Audit Committee. He is a member of the Nomination and Remuneration Committees. Appointed as a Director on 15 September 2003. Attended all four Board meetings held in the financial year. He is also an Independent Non-Executive Director of Press Metal Berhad. He is a Chartered Accountant of the Malaysian Institute of Accountants, a practicing member of Malaysian Institute of Certified Public Accountants, an associate member of Malaysian Institute of Taxation and Malaysian Institute of Management. He obtained his Master of Business Administration from University of Bath, United Kingdom in 1992. He started his professional career in Coopers & Lybrand from 1980 to 1990. He joined Press Metal Berhad in 1990 as the Financial Controller. After that, he joined The Crown Princess Kuala Lumpur (a hotel division of Asia Pacific Land Berhad) as the Financial Controller. He set up his own auditing firm, L.H. Loo & Co. in July 1993 as the sole practitioner. He is also a director of L. H. Loo Taxation Services Sdn. Bhd., a service provider in accounting, taxation and consulting services. He has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.

Ernest Bong Miau Fatt
Independent Non-Executive

Age 55. Malaysian. Independent, Non-Executive Director. He was appointed as a Non-Executive Director on 30 November 2007 and is a member of the Audit, Nomination and Remuneration Committees. Attended three out of four Board meetings held in the financial year. He holds a Bachelor Science Degree in Engineering from University of Wales, United Kingdom. He has been in engineering business for 29 years since 1981. He is a registered competent person for elevators with Jabatan Keselamatan dan Kesihatan Pekerjaan Malaysia. He has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.

GROUP STRUCTURE

PMB TECHNOLOGY BERHAD

- 100% **PMB Facade Technology S/B** (Co. No. 291486-H)
  - 100% **PMB-Cyberwall Ltd.** (Co. No. 704047)
    - 100% **PMB-Cyberwall (Macau) Ltd.** (Co. No. 21975)
  - 100% **PMB Facade Technology (HK) Ltd.** (Co. No. 675899)
    - 55% **PMB System Builders Ltd.** (Co. No. 923087)
  - 51% **Kai PMB Facade Technology Ltd.** (Co. No. C-41554 (913)/2000)
  - 70% **PMB Facade Technology (S) Pte. Ltd.** (Co. No. 200006381M)
- 100% **Everlast Aluminium (M) S/B** (Co. No. 170443-T)
  - 100% **Everlast Access Technologies S/B** (Co. No. 491803-H)
  - 100% **PMB Quick Access S/B** (Co. No. 516692-V)
  - 100% **PMB Central S/B** (Co. No. 446486-M)
  - 100% **PMB Northern S/B** (Co. No. 460005-X)
  - 100% **PMB Eastern S/B** (Co. No. 439685-T)
  - 100% **Everlast Environmental Management S/B** (Co. No. 207793-P)
    - 100% **AG Terminal S/B** (Co. No. 725045-A)
- 100% **PMB Aluminium Sabah S/B** (Co. No. 772936-H)
  - 100% **PMB.POIC Bulking S/B** (Co. No. 777915-W)
- 100% **PMB Carbon S/B** (Co. No. 817599-X)

GROUP STRUCTURE
cont'd

Details of the subsidiary companies of PMB Technology Berhad are summarised below : -

Name	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest (%)	Principal activities
Subsidiary Companies held directly				
PMB Façade Technology Sdn. Bhd. ("PMBF")	05.03.94 Malaysia	RM1,500,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and manufacturing and trading of aluminium related products
Everlast Aluminium (M) Sdn. Bhd. ("EASB")	07.05.88 Malaysia	RM130,110	100.00	Marketing of aluminium and other related products
PMB Aluminium Sabah Sdn. Bhd. ("PMBAS")	11.05.07 Malaysia	RM200,000	100.00	Marketing of all types of aluminium sections, gypsum boards and other products
PMB Carbon Sdn. Bhd.	14.05.08 Malaysia	RM1,000,000	100.00	Dormant
Subsidiary Companies held indirectly through PMBF				
PMB Facade Technology (H.K.) Ltd. ("PMBFHK")	17.05.99 Hong Kong	HKD10,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and other related products
PMB - Cyberwall Ltd. ("PMBC")	11.02.00 Hong Kong	HKD13,000,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and other related products
PMB Facade Technology (S) Pte. Ltd.	20.07.00 Singapore	SGD25,000	70.00	Supplying, installing and fixing all kinds of furnishing and fixtures and to provide interior decorating consultancy services
KAI PMB Facade Technology Ltd.	18.10.00 Bangladesh	Taka 5,000,000	51.00	Supplying, manufacturing, fabricating and installing structural glazing and ventilated thermal flow aluminium cladding in buildings
Subsidiary Company held indirectly through PMBFHK				
PMB System Builders Ltd.	27.09.04 Hong Kong	HKD10,000	55.00	Dormant
Subsidiary Company held indirectly through PMBC				
PMB-Cyberwall (Macau) Ltd.	20.07.05 Macau	MOP25,000	100.00	Supply and installation of curtain wall, aluminium windows and related works for buildings
Subsidiary Companies held indirectly through EASB				
Everlast Access Technologies Sdn. Bhd.	19.08.99 Malaysia	RM2,000,000	100.00	Manufacturing and marketing of aluminium and other related products
Everlast Environmental Management Sdn. Bhd. ("EEM")	15.11.90 Malaysia	RM3,000,000	100.00	Dormant
PMB Central Sdn. Bhd.	11.09.97 Malaysia	RM2,000,000	100.00	Marketing of gypsum boards, aluminium extrusion and other products
PMB Northern Sdn. Bhd.	27.03.98 Malaysia	RM1,000,000	100.00	Marketing of aluminium and other products
PMB Eastern Sdn. Bhd.	16.07.97 Malaysia	RM150,000	100.00	Marketing of gypsum boards and other products
PMB Quick Access Sdn. Bhd.	13.06.00 Malaysia	RM100,000	100.00	Manufacturing and marketing of scaffolding tower, rental of machinery and scaffolding tower and trading of other related products
Subsidiary Company held indirectly through EEM				
AG Terminal Sdn. Bhd. ("AGT")	28.02.06 Malaysia	RM1,000,000	100.00	Providing liquid bulking, storage facilities and other related services
Subsidiary Company held indirectly through PMBAS				
PMB.POIC Bulking Sdn. Bhd.	21.06.07 Malaysia	RM100,000	100.00	Dormant

CALENDAR HIGHLIGHTS

JUNE 2010
Blood Donation

OCT 2010
Hari Raya Celebration

JAN 2011
Annual Lucky Draw

FEB 2011
BIG 5 Jeddah KSA Exhibition

CALENDAR HIGHLIGHTS
cont'd

MAR 2011
Annual Dinner Wild Wild West

MAR 2011
BUILDEX Dammam KSA Exhibition

MAR 2011
Long Year Service Awards

MAR 2011
Power Brand Award

AUDIT COMMITTEE REPORT

COMPOSITION

The present Audit Committee consists entirely of Non-Executive Directors. The Company has complied with the Bursa Malaysia Securities Berhad Main Market Listing Requirements, which require all of Audit Committee members to be non-executive, with a majority of them being independent directors. In addition, one of the members of the Audit Committee is also a member of the Malaysian Institute of Accountants ("MIA") and the Chairman of the Audit Committee is an Independent Director.

MEMBERS

The members of the Company's Audit Committee are as follows:-

Loo Lean Hock
(Chairman)
Independent Non-Executive Director; Member of the MIA

Tuan Haji Mohamad Faiz bin Abdul Hamid
Independent Non-Executive Director

Ernest Bong Miau Fatt
Independent Non-Executive Director

TERMS OF REFERENCE

Composition of the Audit Committee

The Audit Committee shall be appointed by the Directors from among their members (pursuant to a resolution of the Board of Directors) which fulfills the following requirements:-

a) the Audit Committee must be composed of no fewer than 3 members;

b) all members of the Audit Committee must be non-executive directors;

c) a majority of the Audit Committee must be independent directors;

d) all members of the Audit Committee should be financially literate and at least one member of the audit committee:-

   i) must be a member of the Malaysian Institute of Accountants; or

   ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

      - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
      - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

   iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad and/or other relevant authorities from time to time.

e) No Alternate Director of the Board shall be appointed as a member of the Committee.

The members of the Audit Committee shall elect a chairman from among their members who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of items (a) to (d) above, the vacancy must be filled within 3 months of that event.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.

AUDIT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE *cont'd*

Composition of the Audit Committee *cont'd*

Objectives

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:-

a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;

b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and

c) Determine the adequacy of the Group's administrative, operating and accounting controls.

Functions

The functions of the Audit Committee are as follows:-

a) To review the following and report the same to the Board of Directors:-

    i) with the external auditors, the audit plan;

    ii) with the external auditors, his evaluation of the system of internal controls;

    iii) with the external auditors, his audit report;

    iv) the assistance given by the Company's employees to the external auditors; and

    v) any related party transaction 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.

b) To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and the letter of resignation from the external auditors if applicable;

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

d) To review the quarterly and year-end financial statements of the company, focusing particularly on:-

    - Any changes in accounting policies and practices;
    - Significant adjustments arising from the audit;
    - The going concern assumption; and
    - Compliance with accounting standards and other legal requirements.

e) 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);

f) To review the external auditors' management letter and management's response;

g) 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;

AUDIT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE *cont'd*

Composition of the Audit Committee *cont'd*

Functions *cont'd*

g) To do the following, in relation to the internal audit function:- *cont'd*

- 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 cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

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

i) To ensure the internal audit function is independent of the activities it audits and the head of internal audit reports directly to the Audit Committee. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company.

j) To consider other areas as defined by the Board of Directors or as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authority from time to time.

Rights of the Audit Committee

The Audit Committee shall, wherever necessary and reasonable for the Company to perform of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

a) have authority to investigate any matter within its terms of reference;

b) have the resources which are required to perform its duties;

c) have full and unrestricted access to any information pertaining to the Company and Group;

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

e) be able to obtain independent professional or other advice;

f) be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other Directors and employees of the Company whenever deemed necessary.

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

Meetings

The Audit Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. However, at least twice a year the Audit Committee shall meet with the external auditors without the presence of the executive Board members and the Management.

In addition, the Chairman may call a meeting of the Audit Committee at the request of any committee member, the Company's Chief Executive Officer, or the internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

AUDIT COMMITTEE REPORT
cont'd

ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2010, the Audit Committee held four (4) meetings. The details of attendance of the Audit Committee members are as follows:-

Name of Audit Committee member	No. of meetings attended
Loo Lean Hock	4/4
Tuan Haji Mohamad Faiz bin Abdul Hamid	3/4
Ernest Bong Miau Fatt	3/4

ACTIVITIES OF THE COMMITTEE

The main activities undertaken by the Committee in the discharge of its duties and responsibilities were as follows:-

1. Reviewed the external auditors' scope of work and audit plan and discuss the results of their recommendation for the year.

2. Reviewed with the external auditors the results of the audit and the audit report, management letter and management's response.

3. Met with the external auditors and outsourced internal auditors twice during the financial year without the presence of any executive Board members and employees of the Group.

4. Considered and recommended to the Board for approval, the audit fee payable to the external auditors.

5. Reviewed the quarterly unaudited financial results before recommending for the Board of Directors' approval.

6. Reviewed the internal audit reports presented by internal auditors and considered the major findings by the internal auditors and management's responses thereto.

7. Reviewed the Internal Audit Department's resource requirements, programmes and plan for the financial year to ensure adequate coverage over the activities of the respective business units/ subsidiaries.

8. Conducted the yearly review on the adequacy of the competency of the internal audit function.

9. Reviewed related party transactions that arose within the Group.

10. Reported to and updated the Board of Directors on significant issues and concerns discussed during the Committee meetings and where appropriate made the necessary recommendation to the Board of Directors.

INTERNAL AUDIT FUNCTION

The Internal Audit department, which is independent of the activities and operations of other operating units reports directly to the Audit Committee. The principal role of the department is to undertake independent, regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the internal audit department to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and extent of the compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

The Company outsourced its internal audit functions with the objective to assist the Audit Committee to discharge its duties and responsibilities more effectively. The main role of the internal auditors is to review the effectiveness of the system of controls in the Company and its subsidiaries.

The Internal Audit department has carried out the independent audit assignments on business units of the Group according to the approved annual audit plan. The resultant internal audit reports were presented to the Audit Committee for deliberation and forwarded to the Management for their necessary action.

AUDIT COMMITTEE REPORT
cont'd

INTERNAL AUDIT FUNCTION *cont'd*

A summary of the activities of the internal audit function is as follows:

1. Performed operational audits on business units of the Group to ascertain the adequacy of the internal control systems and to make recommendations for improvement where weaknesses exist.
2. Performed follow-up reviews to ensure that prompt actions on the audit recommendations were taken by the Management.
3. Reviewed related party transactions.
4. Prepared the annual audit plan for Audit Committee's consideration.

The total cost incurred for the outsourced internal audit function of the Group for the financial year ended 31 December 2010 was RM 44,698.00.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

As at to-date, no options have been granted pursuant to the ESOS to eligible directors and employees of the Group.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of PMB Technology Berhad ("PMBT"), it is my pleasure to present this Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 December 2010.

CHAIRMAN'S STATEMENT
cont'd

It was our expectation, and I believe it is yours as well that year 2010 should be a better year than 2009 and it turned out to be so.

Asia and other emerging economies have performed well in 2010 and are expected to continue to grow with the growing domestic demand. Globally, however, business environment is expected to remain challenging in view of the rising inflationary pressures, especially from high commodity and fuel prices.

For the Malaysian economy, it did well in 2010 and is projected to continue to grow in 2011 in view of the positive response to the implementation of the Economic Transformation Programme.

THE GROUP'S PERFORMANCE IN 2010

Revenue for the financial year ended 31 December 2010 increased slightly by 3% over the previous financial year to RM219.4 million. In line with the higher revenue coupled with improved operational efficiency, the profit attributable to the shareholders increased by 39% from RM5.2 million to RM7.2 million.

The Group's earnings per share rose from 6.66 sen to 9.29 sen, representing an increase of 39% from the previous financial year.

DIVIDENDS

An interim single tier dividend of 1.5% totaling RM581,098.00 for the financial year ended 31 December 2010 was declared and paid during the year. The Board is pleased to propose a final single tier dividend of 1.5% amounting to RM581,098.00 for the Company in respect of the financial year ended 31 December 2010, subject to the shareholders' approval at the forthcoming Annual General Meeting.

FORWARD TO 2011

The development in Japan, post earthquake, unrest in North Africa and a couple of the Middle Eastern countries, the continue debt issue of several of the Eurozone countries, and the persistent deficit faced by the United States are the recent headline news. Further, emerging countries, especially China and India are facing inflationary pressures.

Nonetheless, in general, business sentiment and consumers' confidence remain to be positive. The majority of the economists are projecting positive growth for the global economy, with emerging countries remain to grow at a higher rate than the developed countries.

The implementation of various initiatives announced by the Malaysian Government under the Economic Transformation Programme is expected to provide a significant impetus to the continued growth of our local economy.

The Group recognises that the global economic condition will remain challenging and competitive. However, barring unforeseen circumstances, with the continuing implementation of our stringent cost measures coupled with our appropriate pricing and marketing strategy, the Board is confident to continue deliver sustainable returns to our shareholders.

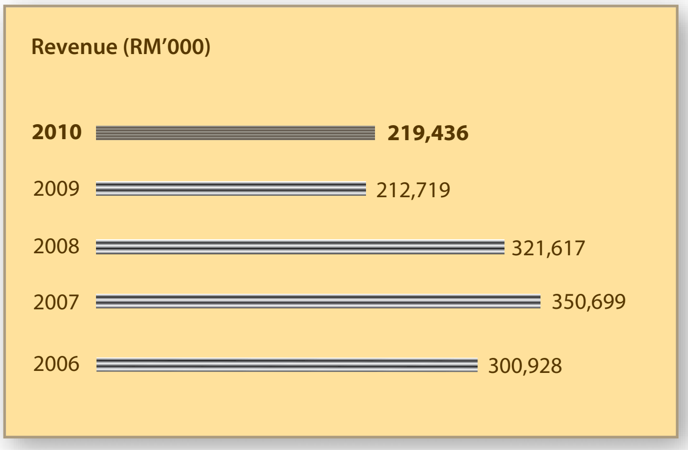
APPRECIATION

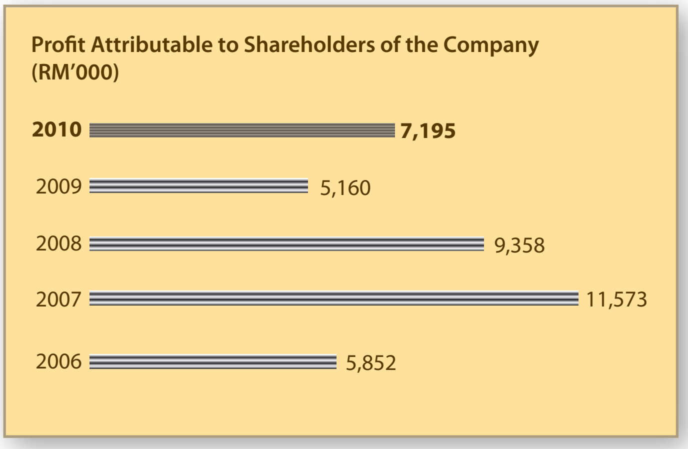
On behalf of the Board, I would like to express my gratitude and appreciation to all the shareholders, customers, financiers and business associates for the continuous support and trust over the years. To our staff, thank you for your dedication, hard work and contributions made to the Company for the past year.

Dato' Koon Poh Keong
Chairman

Date : 9 May 2011

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS





Summary of the consolidated audited results of PMB Technology Berhad Group for the five (5) financial years ended 31 December 2010.

	2006 RM' 000	2007 RM' 000	2008 RM' 000	2009 RM' 000	2010 RM' 000
Revenue	300,928	350,699	321,617	212,719	219,436
Profit before taxation	8,004	14,795	11,268	6,797	9,193
Profit for the Year	5,832	11,572	9,357	5,159	7,194
Attributable to:					
Shareholders of the Company	5,852	11,573	9,358	5,160	7,195
Minority interests	(20)	(1)	(1)	(1)	(1)
	5,832	11,572	9,357	5,159	7,194
Earnings per share (sen) (Attributable to shareholders of the Company)	7.32	14.74*	12.08 ^	6.66 ^	9.29 ^

* *Based on the weighted average number of ordinary shares outstanding during the year of 78,502,892*

^ *Based on the weighted average number of ordinary shares outstanding during the year of 77,479,800*

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of PMB Technology Berhad ("the Company") is committed to exercise good corporate governance by supporting and applying the prescriptions of the principles and best practices set out in Parts 1 and 2 respectively of the Malaysian Code on Corporate Governance ("the Code"). In addition, the Board follows global developments of internationally recognised best governance practices, and through complying in many respects already, continually reviews the Company and its subsidiaries' ("the Group") corporate governance processes and makes adjustments as may be appropriate. The key intent is to adopt the substance behind good governance and not merely the form, with the aim of ensuring the Board's effectiveness in enhancing shareholders' value.

The Board is pleased to provide the following statement on how the Group has applied the principles and best practices set out in Parts 1 and 2 of the Code. Unless otherwise stated, the Board has throughout the financial year ended 31 December 2010 complied with the best practices indicated in the Code.

DIRECTORS

The Board

The Group recognises the important role played by the Board in the stewardship of the Group's direction and operations, and ultimately, the enhancement of long-term shareholders' value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has a formal schedule of matters, that ensures on the governance of the Group, reserved for decision, which includes the overall Group's strategy and direction, acquisition and divestment policy, approval of major capital expenditure projects and significant financial matters.

Meeting

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year ended 31 December 2010, the Board met on four (4) occasions, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions and the business plan and direction of the Group.

The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions are made. All proceedings from the Board Meetings are minuted.

Details of Directors' attendance at Board Meetings held in the financial year ended 31 December 2010 are as follows:-

Name of Directors	No. of Meetings Attended
Dato' Koon Poh Keong	4/4
Koon Poh Ming	4/4
Koon Poh Weng	4/4
Koon Poh Tat	4/4
Tuan Haji Mohamad Faiz bin Abdul Hamid	3/4
Loo Lean Hock	4/4
David Tan Hung Hoe	4/4
Ernest Bong Miau Fatt	3/4

CORPORATE GOVERNANCE STATEMENT
cont'd

DIRECTORS *cont'd*

Board Committees

The Board delegates certain responsibilities to the Board Committees, as follows:-

Board Committee	Key Functions
Audit Committee	Explained on pages 14 to 18 of this Annual Report
Executive Committee	Oversees all pertinent operational issues
Remuneration Committee	Explained on page 25 of this Annual Report
Nomination Committee	Explained on pages 24 and 25 of this Annual Report

All committees have written terms of reference and operating procedures and the Board receives reports of their proceedings and deliberations. The Chairman of the various committees will report to the Board on the outcome of the Committee meetings and such reports are incorporated in the Minutes of the Board meetings. These committees are formed in order to enhance business and operational efficiency as well as efficacy.

Board Balance

As at the date of this Statement, the Board consists of a Chairman, a Chief Executive Officer, three (3) Executive Directors and three (3) Independent Non-Executive Directors. A brief profile of each Director is presented on pages 7 to 9 of this Annual Report.

There is also balance in the Board with the presence of Independent Non-Executive Directors possessing the calibre necessary to carry sufficient weight in Board's decisions. Although all the Directors have equal responsibility for the Company's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined, and taking account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Company conduct business.

The Independent Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. Together with the Executive Directors who have in-depth knowledge of the business, the Board constituted of individuals who are committed to business integrity and professionalism in all its activities.

There is a clear division of responsibilities on the leadership of the Company to ensure a balance of authority and power. The Board is led by Dato' Koon Poh Keong as the Chairman and the executive management of the Company is led by Koon Poh Ming, the Chief Executive Officer.

The roles of the Chairman and the Chief Executive Officer are clearly defined in their individual position descriptions. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board's decisions. The Chief Executive Officer is responsible for the day-to-day management of the business as well as the implementation of Board's policies and decisions. Loo Lean Hock is the Senior Independent Non-Executive Director designated to clarify matters or enquiries that may be raised by shareholders or investors.

The Board is satisfied that the current Board composition fairly reflects the interests of minority shareholders in the Company.

Supply of Information

The Board recognises that the decision making process is highly contingent on the strength of information furnished. As such, Directors have unrestricted access to any information pertaining to the Company.

The Chairman plays a key role in ensuring that all Directors have full and timely access to information with Board papers circulated at least five (5) working days in advance of Board Meetings. This ensures that Directors have sufficient time to appreciate issues deliberated at the Board Meeting and expedites the decision making process. A comprehensive balance of financial and non-financial information is encapsulated in the papers covering strategic, operational, regulatory, marketing and human resources issues.

CORPORATE GOVERNANCE STATEMENT
cont'd

DIRECTORS *cont'd*

Supply of Information *cont'd*

Every Director has also unhindered access to the advice and services of the Company Secretary. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board while the terms of appointment permit their removal and appointment only by the Board as a whole.

The Audit Committee and Executive Committee play a pivotal role in channeling pertinent operational and assurance related issues to the Board. Both Committees function as a filter to ensure that only pertinent matters are tabled at the Board level. There is also a formal procedure sanctioned by the Board, whether the Board as a whole or in their individual capacity, for Directors to obtain independent professional advice at the Company's expense.

Detailed periodic briefings on the industry outlook and the Company's performance are also conducted for the Directors to ensure that the Board is well informed on the latest market and industry trends.

APPOINTMENTS TO THE BOARD

Nomination Committee

The Nomination Committee comprised the following members:-

Tuan Haji Mohamad Faiz bin Abdul Hamid	-	*Chairman, Independent Non-Executive Director*
Loo Lean Hock	-	*Independent Non-Executive Director*
Ernest Bong Miau Fatt	-	*Independent Non-Executive Director*

The Nomination Committee consists entirely of Independent Non-Executive Directors. The Nomination Committee is empowered by the Board and its terms of reference to bring to the Board recommendations as to the appointment of new Directors. The Nomination Committee also systematically assesses the effectiveness of the Board, the Nomination Committee and the contribution of each individual Director on an annual basis.

The Nomination Committee also keeps under review the Board structure, size and composition.

The Nomination Committee held one (1) meeting during the financial year ended 31 December 2010.

Appointment Process

The Board through the Nomination Committee's annual appraisal believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively.

The Board appoints its members through a formal and transparent selection process, which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

Directors' Training

All the Directors have completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities Berhad. To keep abreast with the latest market development, the Directors have participated in training programmes, conferences, seminars and briefings during the financial year.

Among the training programmes, conferences, seminars and briefings attended by the Directors during the financial year are as follows:-

- Financial Impact and Disclosure under the New Financial Reporting Standards and IC interpretations;
- Amendments to the Main Market Listing Requirement relating to e-Dividend;
- Disclosure for the breakdown of the unappropriated profits into realized and unrealized profit or losses
- Challenges – Transition to Goods and Services Tax

CORPORATE GOVERNANCE STATEMENT
cont'd

APPOINTMENTS TO THE BOARD *cont'd*

Directors' Training *cont'd*

During the financial year, the Directors had attended the plant visit to several aluminium plants both locally and overseas to further enhance their professionalism in discharging their duties to the Group.

The Senior Management also briefed the Directors on general economic, industry and technical developments from time to time.

The Directors will continue to attend relevant training courses to further enhance their skills and knowledge to enable them to discharge their responsibilities more effectively.

Re-Election

The Articles of Association of the Company provide that all Directors shall retire at least once in every three (3) years but shall be eligible for re-election. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election. This provides an opportunity for shareholders to renew their mandates. The re-election of each Director is voted on separately.

Remuneration Committee

The Remuneration Committee consists entirely of Non-Executive Directors. The Committee is responsible for recommending the remuneration framework for Directors as well as the remuneration packages of Executive Directors to the Board. None of the Executive Directors participated in any way in determining their individual remuneration.

Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

The members of the Remuneration Committee are as follows:-

Tuan Haji Mohamad Faiz bin Abdul Hamid	-	*Chairman, Independent Non-Executive Director*
Loo Lean Hock	-	*Independent Non-Executive Director*
Ernest Bong Miau Fatt	-	*Independent Non-Executive Director*

The Remuneration Committee held one (1) meeting during the financial year ended 31 December 2010.

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company who served during the financial year ended 31 December 2010 are as follows:-

Category	Fees (RM'000)	Salaries and Other Emoluments (RM'000)	Benefits in kind (RM'000)
Executive Directors	-	789	-
Non-Executive Directors	54	-	-

The number of Directors of the Company who served during the financial year ended 31 December 2010 and whose income from the Group are as follows:-

	Executive	Non-Executive	Total
RM50,000 and below	-	3	3
RM100,001 - RM150,000	1	-	1
RM150,001 - RM200,000	4	-	4

The Company does not disclose each director's remuneration separately as required by the Code as the Board is of the view that the disclosure of the remuneration bands of the Company's Directors is sufficient.

CORPORATE GOVERNANCE STATEMENT
cont'd

SHAREHOLDERS

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders a clear and complete picture of the Company's performance and position as possible.

The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both private and institutional shareholders on all issues relevant to the Company at the AGM. It is the Company's practice to send the Notice of the AGM and related papers to shareholders at least twenty-one (21) days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the AGM. The Chairman of the Board also addresses the shareholders on the review of the Group's operations for the financial year and outlines the prospects of the Group for the subsequent financial year. Additionally, a press conference is held immediately after the AGM where the Chairman advises the press of the resolutions passed, and answers questions on the Group. The Chief Executive Officer and Executive Directors are also present at the press conference.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly results to shareholders as well as the Chairman's Statement and review of operations in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' Responsibility Statement in respect of the preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their profit or loss and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been complied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Statement on Internal Control

The Statement on Internal Control furnished on page 29 of the Annual Report provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on pages 14 to 16 of this Annual Report.

A summary of the activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out in the Audit Committee Report on pages 17 and 18 of this Annual Report.

The Company has complied throughout the financial year with all the best practices of corporate governance set out in Part 2 of the Code, except for Principles BIII – Disclosures on remuneration of Directors.

CORPORATE GOVERNANCE STATEMENT
cont'd

OTHER INFORMATION

(1) Material Contracts

During the financial year, there were no material contracts including contracts relating to any loans entered into by the Group involving Directors and substantial shareholders.

(2) Options, Warrants or Convertible Securities

The establishment of an ESOS was approved at the Extraordinary General Meeting held on 20 June 2005. As at to-date, no options have been granted pursuant to the ESOS to eligible directors and employees of the Group.

There were no options, warrants or convertible securities issued by the Company during the financial year ended 31 December 2010.

(3) Revaluation policy

The Group did not adopt any revaluation policy on the landed properties in respect of the financial year.

(4) Sanctions and/or penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

(5) Non-audit fees

During the financial year ended 31 December 2010 the non-audit fees paid to the external auditors by the Company amounted to RM15,000.

(6) Share buy-back

There were no share buy-backs for the financial year ended 31 December 2010.

As at 31 December 2010, a total of 2,520,200 shares were held as treasury shares at cost in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. None of the treasury shares repurchased has been sold or cancelled.

(7) Corporate Social Responsibilities Statement

PMB Technology Berhad recognises its responsibility to contribute to the development of the community as these are the core values that helped us grow. As such, we take into account all our stakeholders – customers, shareholders, financiers, suppliers, employees, local communities as well as the environment – as we build up our corporate value and ensure sustainable growth in tandem with society.

Our employees are our vital assets. We believe in nurturing the personal growth of our employees, as they are the wheels that drive the Company. We strive to promote diversity and to ensure equal opportunities for all staff. We also foster employee opportunities for advancement and mobility through career enhancement initiatives.

In keeping with good employment practices, we strive to create a stable and healthy working environment that promotes mutual respect, productivity and diversity. To equip our staff with better skills and to maximize their potential, we have throughout the year conducted several external and in-house trainings for our employees.

To boost morale and teamwork, we also reward our employees with activities and awards accordingly, based on their accomplishments. The Company also subsidised some employees' recreational activities within their work groups to foster better team spirit among our employees and with the senior management. A sports committee was formed to initiate such activities. On the other hand, the Company has been contributing in cash and in kind to its employees in need.

We also emphasize in maintaining a clean, organized, safe and healthy working environment for our employees. We conduct frequent occupational and safety awareness programs to educate better awareness, and continuously improve on equipment safety measures. The Group has also implemented the 5'S, as a practice of continuously maintaining a clean, organized workplace by eliminating all unnecessary waste in the workplace and maintain discipline at workplace.

CORPORATE GOVERNANCE STATEMENT
cont'd

(7) Corporate Social Responsibilities Statement *cont'd*

With Our Communities & Society

We believe that responsible citizenship is essential to the vitality of our communities. We encourage volunteer activities and actively create opportunities for interaction with the local communities, emphasizing on continuity to establish our roots firmly with them.

The Company has supported and will continue to contribute to a broad array of charities, with a primary focus directed in aiding the underprivileged. Besides regular donations to old folks home or orphanages, we also encourage our employees to personally visit together with their own families to promote better kinship and social awareness.

By strongly supporting our employees' involvement in the community, we aim to inculcate such essential values upon them. Hence, we will continue to actively pursue more activities that will match the sentiments of our local communities – because they are our strong foundation that will help propel mutual growth and success.

To our customers, we offer high quality products with products' warranty for our curtain wall business and product's liability insurance up to RM 1 million for our access equipment business.

With Our Global Environment

We seek to maintain harmony with nature and we recognise the importance of improving the environment in which we operate. We also communicate with our employees to ensure awareness of environmental objectives and support employee-driven environmentally protective initiatives.

We constantly monitor the environmental impact of every facet in our operations and apply cost-efficient means of reducing the use of natural resources.

(8) Recurrent Related Party Transactions

The details for the Recurrent Related Party Transactions of a Revenue or Trading Nature transacted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2010 is stated in Section 2.2 and Section 2.3 of the Circular to Shareholders dated 7 June 2011 and Note 25 of the Financial Statements.

(9) Profit Guarantee

There was no profit guarantee issued by the Company during the financial year ended 31 December 2010.

(10) Profit Estimates, Forecast, Projections and Variations in Results

There was no material variance between the results for the financial year ended 31 December 2010 and the unaudited results previously announced by the Company.

There was no profit estimate, forecast or projection published by the Company during the financial year ended 31 December 2010.

(11) Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2010.

(12) Utilisation of Proceeds

There were no proceeds raised from any corporate proposal in the financial year ended 31 December 2010.

STATEMENT ON INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board affirms its responsibilities for the Group's internal controls and risk management, and for reviewing the adequacy and integrity of its internal control system. It should be noted, however, that due to the inherent limitations in any system, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system can provide only reasonable, and not absolute, assurance against material misstatement or financial losses or fraud.

Set out below is the Board's Statement on Internal Control, which has been prepared in accordance with the "Statement on Internal Control: Guidance to Directors of Public Listed Companies."

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT FRAMEWORK

The Audit Committee has engaged the services of external consultants to assess the adequacy and effectiveness of the internal control systems. The same external consultants have also been appointed to assist in the development of a risk management framework. The risk management framework was completed in prior years. The Audit Committee is kept informed of the audit process, from the annual audit plan up to the audit findings and reporting. The details on the Internal Audit function are further explained on pages 17 and 18 of this Annual Report. Management is responsible for ensuring that corrective actions are taken within the required time frame on reported weaknesses.

KEY INTERNAL CONTROL PROCESSES

The key processes that have been established in reviewing the adequacy of the internal control system include the following:

- A management structure with job descriptions and lines of responsibilities are in place for all business operating units;
- Proper guidelines for hiring of staff, staff's training programs and annual performance appraisals are in place to ensure competency of staff in carrying out their duties.
- Formalised internal policies and procedures are in place to ensure compliance with internal controls and relevant regulations. Two of the subsidiaries, Everlast Aluminium (M) Sdn Bhd and PMB Façade Technology Sdn Bhd, have ISO 9001: 2008 accreditation for their operational processes;
- Review all proposals for material capital and investment acquisitions by management prior to review and approval by the Board of Directors;
- Monthly information provided to management, covering financial performance as well as key performance indicators, such as cash flow performance, product sales analysis and operating cost analysis while annual budget is prepared on a yearly basis;
- Quarterly monitoring of results and financial position by the Board;
- Regular visits to business operating units by key members of the Board and the management team;
- Quarterly review of Group's related party transactions by the Audit Committee.

REVIEW OF THE STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Internal Control for the inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

GROUP INFORMATION

PMB Technology Berhad ("PMBT") was incorporated in Malaysia under the Companies Act, 1965 on 26 June 2002 as a public limited company under its present name. PMBT is principally an investment holding company. It was incorporated to facilitate the listing of the subsidiary companies of Press Metal Berhad ("PMB"), namely the PMB Façade Technology Group ("PMBF Group") and the Everlast Aluminium Group ("Everlast Group"). It was listed on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities") on 5th November 2003 and was transferred to the Main Market of the Bursa Securities on 3 August 2009.

The principal activities of PMBT Group are:

- Design, fabricate and installation of aluminium curtain wall, skylight and façade works
- Fabrication and installation of aluminium system formwork
- Manufacturing and marketing of aluminium access equipment
- Trading and distribution of aluminium related products and building materials
- Oil and chemical bulking

PMBT Group complements the activities of its corporate shareholder, PMB, which is the largest producer of aluminium extrusion in Malaysia.

PMBT Group is an established specialist in the designing, fabrication and installation of aluminium facade systems for buildings. Since commencement of its operations, PMBT Group had successfully designed, fabricated and installed facade systems on some of the very prestigious buildings in the Asia Pacific Region and the Middle East.

PMBT Group is an established leader in the manufacturing of aluminium ladders and access equipment, being in this business for more than 20 years. "Everlas" the product brand, is a well recognized household and industrial name in Malaysia for aluminium ladders.

PMB FACADE TECHNOLOGY GROUP OF COMPANIES

PMBF Group has established itself as an international specialist fabricator in the aluminium curtain wall and cladding industry and is well recognized in the international market. The operations of PMBFT Group are undertaken by the following overseas subsidiary and associate companies:

- ❑ PMB-Cyberwall Limited in Hong Kong
- ❑ PMB-Cyberwall (Macau) Limited in Macau
- ❑ PMB Facade Technology (H.K.) Limited in Hong Kong
- ❑ PMB System Builders Limited in Hong Kong
- ❑ PMB Facade Technology (S) Pte. Ltd. in Singapore
- ❑ Kai PMB Facade Technology Limited in Bangladesh
- ❑ PMB Qatar Co. W.L.L in Qatar

The group has brought together complimentary resources of the PMBT Group to provide the latest state of the art designs and technologies for modern day façade systems. Our experienced and skillful personnel combined with the rich knowledge in advanced design and engineering programs ensure that all the projects undertaken by us are completed on time without compromise on quality. PMBF Group's quality management system has been accredited with the ISO9001 : 2000 in January 2005.

GROUP INFORMATION
cont'd

The group offers a one stop centre, from conceptual design to complete installation and commissioning of the following products/ systems and services:

PRODUCTS/SYSTEMS

- Aluminium Curtain Wall Systems
- Cladding System
- Skylights and Sunshade System
- Aluminium Windows and Door Systems
- Aluminium System Formwork

Aluminium System Formwork is a modular, panel system used for the concreting of building structures. It is fabricated entirely from Structural Grade Aluminium and is probably the most versatile construction System available in today's market. The System is custom designed to suit specific project requirements, it can cater for straightforward wall and slab construction to complicated structures involving architectural features such as bay windows, stairs, balconies, window sills and hoods, and other details planted on the exterior of the structure. It can cater for both high rise and low rise construction.

The Aluminium Formwork is pre-engineered to rigid tolerances, and as a result the structure achieved is extremely accurate in dimension and of the highest quality in terms of surface finish. Because of its accuracy, the System allows for pre-fabrication of cast-in items such as door and window frames, mechanical and electrical components.

The System uses a quick strip propping system which allows record breaking floor cycles of four day to be achieved, without compromising the structural integrity of the building. Each component used in The System is light enough to be handled by one operative, thus there is no need for heavy mechanical lifting equipment or craneage, in its operation. Due to the inherent strength of The Aluminium Formwork, it can be used again and again, from Project to Project. It has been known to achieve in excess of 300 reuses and as a result gives almost unbeatable cost efficiencies.

Some of the current and completed projects undertaken are as follows:-

Current Projects

Quadro KLCC	- 38-storey Service Apartment, Persiaran KLCC, Kuala Lumpur
Vipod KLCC	- 42-storey Service Apartment at Jalan Kia Peng, Kuala Lumpur
Oval Damansara	- 34-storey Office Tower at Jalan Damansara, Kuala Lumpur
Scott SOHO	- 2 Towers 27-storey Office Tower at Jalan Kelang Lama, Kuala Lumpur
The Peak Residence	- 4 Towers 38-storey Condominium, Penang& LMC
One Tanjung	- 2 Towers 41-storey Condominium at Jalan Tanjung Bungah, Penang
Verticas Residence	- 3 Towers 40-storey Residential Towers at Bukit Ceylon, Kuala Lumpur
Sky Residence	- 2 Towers 40-storey Service Apartment at Jalan Tun Razak, Kuala Lumpur
5 Stones	- 4 Towers 38, 15, 25 & 36-storey Residential Towers at Jalan SS2/72, Selangor
The Shore	- 2 Towers 38 & 19-storey Residential Towers, Persiaran / 8 Gurney Gurney, Penang
Island Resort	- 3 Towers 33-storey Residential Towers, Jalan Batu Feringghi, Penang

GROUP INFORMATION
cont'd




Completed Projects

KL Pavilion Residences	- 2 Towers 50 and 43-storey Residential Towers, Kuala Lumpur
The One Menerung	- 3 Towers 38 & 23-storey Residential Towers, Bangsar Kuala Lumpur
Northshore Gardens	- 40-storey Residential Tower at Desa Parkcity, Kuala Lumpur
The Zehn	- 2 Towers 25-storey Luxury Apartment at Bukit Pantai, Kuala Lumpur
Nautica Lake Suites	- 3 Towers 16, 21 & 24-storey Residential Towers at Sunway South Quay, Selangor
The View	- Twin towers 30-storey Residential Towers, Penang
The Cove	- 4 Towers 42-storey Residential Towers, Tanjung Bungah,Penang
Times Square	- 23-storey Commercial Tower, George Town, Penang
Titiwangsa Sentral	- 2 Towers 38-storey Residential Towers at Jalan Pangkor, Kuala Lumpur
Pelangi 2	- 19-storey Apartment at Bandar Utama, Selangor Damansara
Paragon Heights	- 345 Units 3-storey Terrace House at Bukit Jalil, Kuala Lumpur

GROUP INFORMATION
cont'd

SERVICES

- Complete Structural Design and Analysis of Curtain Wall and Cladding System

- Design and Drafting Production

    - Preparation of Design Concept Drawings
    - Preparation of Mock-up Drawings
    - Preparation of Shop Drawings
    - Preparation of Extrusion Die Drawings
    - Preparation of Fabrication Drawings
    - Preparation of Field Tag Drawings

- Extraction of Bills of Material for Ordering

- Extraction of Glass Sizes for Production

- Estimation Services (during pre-tender and post-tender stage)

- Project Management Services

- Evaluation and Repair of Curtain Wall with Water Leakage Problem

Our workforce comprises of committed professional and experienced supervisory and production workers as to ensure the supply of fabricated products of the highest quality. Some of the prestigious completed and on going projects are as follows:

- 45-storey Commercial cum Residential, Al Bidda Tower, Doha, Qatar
- Catering Facility of New Doha International Airport, Qatar
- 20-storey Global Bayview 1 Tower in Dubai, UAE
- 3 blocks of 55-storey hotel towers and sky garden on top of the towers, Marina Bay Sands, Singapore
- Sarawak Energy Berhad Headquarters, Kuching
- 72-storey MTRC Kowloon Station Development of Commercial cum Residential , Hong Kong
- 60-storey of Commercial cum Residential, Hanoi Road, Hong Kong
- 34-storey of The Crown Hotel, Macau
- Putrajaya Convention Centre, Putrajaya
- 2 blocks of 44-storey and 45-storey KLCC Luxury Condominiums, Kuala Lumpur
- Government Building at Lot 4G3 and 4G4, Putrajaya
- Kuala Lumpur International Airport (KLIA), Sepang
- Menara Landmark, Johor Bahru
- Chek Lap Kok Airport Hotel, Hong Kong

GROUP INFORMATION
cont'd

- 43-storey Commercial cum Residential, Tsuen Wan, Hong Kong
- 30-storey Commercial cum Residential, Wyndham Street, Hong Kong
- 8 blocks of 35-storey Commercial cum Residential, King's Park, Kowloon, Hong Kong
- 24-storey Westin Hotel Dhaka, Bangladesh
- 58-storey Commercial cum Residential, Kong Hui Plaza Shanghai, China
- 1 block of 12 storey Government Leisure and Culture Centre for Youth, Hong Kong
- Union Hospital, Hong Kong




With the proven track record amongst the reputable developers in Hong Kong, the group has been invited to tender for new development projects especially in China undertaken by these reputable property developers.

Over the years, the group has received numerous awards for outstanding achievements from reputable international contractors such as Fluor Daniel International (M) Sdn. Bhd. (USA), Taisei Corporation (Japan), Ssang Yong Engineering & Construction Sdn. Bhd. (Korea) and IJM Construction Sdn. Bhd. (Malaysia).

EVERLAST ALUMINIUM GROUP OF COMPANIES

Everlast Group of Companies is involved in the manufacturing and distribution of ladders and access equipment and the distribution of extruded aluminium profiles and related building materials.

The manufacturing and distribution of ladder and access equipment are undertaken by :-

- Everlast Aluminium (M) Sdn. Bhd.
- Everlast Access Technologies Sdn. Bhd.
- PMB Quick Access Sdn. Bhd.

The distribution of extruded aluminium profiles and related building materials are undertaken by :-

- PMB Central Sdn. Bhd.
- PMB Northern Sdn. Bhd.
- PMB Eastern Sdn. Bhd.
- PMB Aluminium Sabah Sdn. Bhd.

The oil and chemical bulking business is undertaken by :-

- AG Terminal Sdn. Bhd.

GROUP INFORMATION
cont'd

EVERLAST LADDERS

Quality

Ladder is a safety equipment used in homes or at work sites. Quality is of paramount importance. Everlast Group manufactures quality ladders to meet market requirements.

Everlast Group is the first ladder manufacturer in Malaysia to be accreditated with ISO9001 quality management system in 1999. Everlast Group is also the first ladder manufacturer to produce ladders that are certified to British Standards BS2037 : 1994 and BS EN131 : 1993. It is the Company's aim to further developed ladders complying to international standards to maintain the leadership of the company in the market as well as to expand internationally.

Research And Development

As the leading ladder manufacturer in Malaysia, Everlast Group prides itself as the Company that has the widest range of models to supply to both domestic as well as export markets. The increasing range is contributed by a strong Research and Development team which not only creates and upgrades designs that fulfills international certification requirements but also improves production process through the incorporation of the latest state of the art technology and automation in ladder manufacturing.

GROUP INFORMATION
cont'd

Marketing

Everlast's ladder is widely distributed throughout Malaysia. They can be found in most hardware outlets, DIY chains as well as hypermarkets. The brand name is synonymous with quality and reliability as each ladder sold is covered by a RM1.0 million product liability insurance against material and manufacturing defects. For the range of models that is certified by SIRIM and in compliance with British Standards BS2037 : 1994 and BS EN131 : 1993, the Company offers a 5 year product warranty to enhance customers' confidence.

Everlast Group has been exporting aluminium ladders to a growing number of countries over the years and the major ones are United Kingdom, Australia, South Africa, United Arab Emirates, Qatar, Kuwait, Saudi Arabia, Egypt, Lebanon, Kingdom of Bahrain, Bangladesh, Maldives, Yemen, Thailand and Singapore.

For the Middle-East market, Everlast Group operates a branch factory performing final assembly of components shipped from Malaysia to service the need for the ladder and access equipment in the vibrant region and oil and gas segments.

ACCESS EQUIPMENT

Scaffold towers have always been imported mainly from the European countries. However, with the capability of Everlast Group, these products are now manufactured locally and also exported to the neighbouring countries. The scaffold towers manufactured by Everlast Group is certified with HD1004 : 1992 by SIRIM and complies to British Standard BS 1139:1994 (Part 3).

Everlast Group offer the widest range of aerial work platforms (Personnel Lift, Scissors Lift, Boom Lift and Trailer Mounted Lift) and aluminium scaffold towers on both sales and rental basis.

Our Scaffold Towers have been used in:

- Oil & Gas industries
- International convention centre
- Power plant s
- Aeroplane hanger
- Hotels
- Hypermarkets
- Shipyards
- International tournament or events
- Factories & warehouses
- Government buildings





GROUP INFORMATION
cont'd

FABRICATION EXPERTISE

All aluminium extrusion will have to go through some form of fabrication process before it can be used to assembly end products. Maximizing the strength in the knowledge of aluminium material and manufacturing processes performed with CAD technology and lean manufacturing principles, the Company offers fabrication services, particularly to overseas manufacturers, as a solution to the ever increasing cost of production in the developed countries, such as the US, Western Europe and Australia.

Beyond basic fabrication techniques of punching, pressing, notching, shearing and de-burring, the Company is able to provide precision machining, forming, joining and tooling design for sophisticated fabrication processes.

Fabricated products are shipped in CKD mode to foreign manufacturers to bring about reduced inventory levels, shorter production cycles with ready-to-assemble product and improved shipment cost when compared with the need to ship in CBU mode.

TRUCK-BODY

From the continuing effort in the Research and Development, the Company had introduced into the Malaysian market the aluminium truck-body as an alternative to the current wooden or steel bodies. Due to its light-weight nature, the aluminium bodies will be a logical substitute for the wooden or steel bodies in view of the rising fuel cost. Installing the aluminium body effectively brings about better fuel efficiency apart from being more environmental friendly as aluminium is fully recyclable. Wood is currently widely used in the truck-body construction but as it is a depleting resource, it is becoming more costly and the demand for those made of aluminium will increase. Further, comparison with the steel truck-body, aluminium truck-body is non-corrosive and will be more suitable for application where the body surface is exposed to the environment and subject to the damage of corrosive agents.

The Company is working closely with a marketing company and the coach-builders with the expectation to bring about a swift change in the market for aluminium truck-body.

GROUP INFORMATION
cont'd

DISTRIBUTION OF ALUMINIUM & RELATED BUILDING MATERIALS

Strategic Locations

Everlast Group is well represented throughout Peninsular Malaysia, offering full geographical coverage for the products it is distributing. The subsidiaries are strategically located at Sungai Petani (PMB Northern Sdn. Bhd.), Kuantan (PMB Eastern Sdn. Bhd.), Kuala Lumpur (PMB Central Sdn. Bhd.) and Kota Kinabalu (PMB Aluminium Sabah Sdn. Bhd.).

The Group established its distribution channel in Sabah in November 2009 with an aim to penetrate market in East Malaysia.

One-Stop Interior Construction Materials Centre

Distributing the extruded aluminium profiles from Press Metal Berhad (largest corporate shareholder of PMB Technology Berhad), Everlast Group enhanced its strong position with other related building materials to become a one-stop-centre for the supply of interior construction materials. The Company has a reliable supply from the strong support of Press Metal Berhad. This position is further strengthened by the ownership of several prestigious distribution agencies.

Everlast Group is the authorized distributor of gypsum partition boards and ceiling panels manufactured by Boral Plasterboard (Malaysia) Sdn Bhd and cement board and asbestos free cement fibre board manufactured by Hume Cemboard Berhad.

A branch factory was established in United Arab Emirates' Jebel Ali Free Zone in 2004. The branch is growing positively since its inception. Our expectation is that the factory in Jebel Ali will be a platform for growth in the Middle East for Everlast Group.

FINANCIAL STATEMENTS 2010

DIRECTORS' REPORT
for the year ended 31 December 2010

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	7,195	641
Minority interests	(1)	-
	7,194	641

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid:

i) a final ordinary dividend of approximately 0.75 sen per ordinary share less tax at 25% totalling RM435,820 (0.563 sen net per share) in respect of the year ended 31 December 2009 on 9 August 2010; and

ii) an interim single tier ordinary dividend of 0.75 sen per ordinary totalling RM581,098 in respect of the year ended 31 December 2010 on 17 September 2010.

The final single tier ordinary dividend recommended by the Directors in respect of the year ended 31 December 2010 is 0.75 sen per ordinary share totalling RM581,098.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Dato' Koon Poh Keong
Koon Poh Ming
Tuan Haji Mohamad Faiz bin Abdul Hamid
Koon Poh Tat
Koon Poh Weng
Loo Lean Hock
David Tan Hung Hoe
Ernest Bong Miau Fatt

DIRECTORS' REPORT
for the year ended 31 December 2010
cont'd

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
	At 1.1.2010	**Bought**	**Sold**	**At 31.12.2010**
Direct interests in the Company:				
Dato' Koon Poh Keong	1,089,700	-	-	1,089,700
Koon Poh Ming	30,000	-	-	30,000
Tuan Haji Mohamad Faiz bin Abdul Hamid	100,000	-	-	100,000
Koon Poh Tat	3,000,000	-	-	3,000,000
David Tan Hung Hoe	30,000	-	-	30,000
Ernest Bong Miau Fatt	48,000	-	-	48,000
Deemed interests in the Company:				
Koon Poh Ming *	3,517,700	-	-	3,517,700

* *In accordance with Section 134(12)(c) of the Companies Act, 1965, the deemed interests of the spouse of Koon Poh Ming in the shares of the Company shall be treated as the interests of Koon Poh Ming.*

	At 1.1.2010	Bought	Sold	At 31.12.2010
Indirect interests in the Company:				
Koon Poh Ming #	6,797,288	-	-	6,797,288
Koon Poh Tat #	6,797,288	-	-	6,797,288
Koon Poh Weng #	6,797,288	-	-	6,797,288

Deemed interested by virtue of their interests in Weng Fatt Stainless Steel Sdn. Bhd.

By virtue of their interests in the shares of the Company, Dato' Koon Poh Keong, Koon Poh Ming and Koon Poh Tat are also deemed interested in the shares of the subsidiaries during the financial year to the extent that PMB Technology Berhad has an interest.

None of the other Directors holding office at 31 December 2010 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

REMUNERATION COMMITTEE MEMBERSHIP

The members of the Remuneration Committee are as follows:

Tuan Haji Mohamad Faiz bin Abdul Hamid
Loo Lean Hock
Ernest Bong Miau Fatt

DIRECTORS' REPORT

for the year ended 31 December 2010
cont'd

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object 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.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year.

OTHER STATUTORY INFORMATION

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

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have 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:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and the Company financial statements misleading, or

iii) 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, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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 as and when they fall due.

DIRECTORS' REPORT
for the year ended 31 December 2010
cont'd

OTHER STATUTORY INFORMATION *cont'd*

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2010 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

KOON POH MING **KOON POH WENG**

Petaling Jaya, Selangor

Date: 22 April 2011

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2010

		Group			Company	
		31.12.2010	**31.12.2009**	**1.1.2009**	**31.12.2010**	**31.12.2009**
	Note	**RM'000**	**RM'000 Restated**	**RM'000 Restated**	**RM'000**	**RM'000**
Assets						
Property, plant and equipment	3	**72,196**	72,039	65,504	**6**	7
Goodwill	4	**792**	792	792	**-**	-
Investment properties	5	**1,233**	1,260	7,150	**-**	-
Investments in subsidiaries	6	**-**	-	-	**39,120**	37,112
Investments in associates	7	**55**	64	534	**-**	-
Trade and other receivables	8	**4,977**	-	-	**-**	-
Total non-current assets		**79,253**	74,155	73,980	**39,126**	37,119
Trade and other receivables	8	**127,034**	103,447	131,395	**7,526**	8,535
Inventories	9	**20,736**	15,232	17,018	**-**	-
Current tax assets		**1,199**	1,559	1,430	**156**	155
Assets classified as held for sale	10	**-**	6,157	214	**-**	-
Cash and bank balances	11	**15,842**	12,845	19,923	**45**	78
Total current assets		**164,811**	139,240	169,980	**7,727**	8,768
Total assets		**244,064**	213,395	243,960	**46,853**	45,887
Equity						
Share capital		**40,000**	40,000	40,000	**40,000**	40,000
Reserves		**1,927**	4,469	5,347	**6,941**	6,941
Treasury shares		**(2,220)**	(2,220)	(2,220)	**(2,220)**	(2,220)
Retained earnings		**57,536**	51,358	47,505	**674**	1,050
Total equity attributable to owners of the Company		**97,243**	93,607	90,632	**45,395**	45,771
Minority interests		**-**	1	2	**-**	-
Total equity	12	**97,243**	93,608	90,634	**45,395**	45,771
Liabilities						
Loans and borrowings	13	**5,878**	5,995	10,276	**-**	-
Deferred tax liabilities	14	**3,948**	3,634	3,179	**-**	-
Total non-current liabilities		**9,826**	9,629	13,455	**-**	-
Trade and other payables	15	**51,771**	33,546	66,361	**1,458**	116
Loans and borrowings	13	**84,985**	76,530	73,464	**-**	-
Current tax liabilities		**239**	82	46	**-**	-
Total current liabilities		**136,995**	110,158	139,871	**1,458**	116
Total liabilities		**146,821**	119,787	153,326	**1,458**	116
Total equity and liabilities		**244,064**	213,395	243,960	**46,853**	45,887

The notes on pages 50 to 98 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

		Group		Company	
	Note	2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Revenue	16	**219,436**	212,719	**1,375**	1,773
Cost of sales	17	**(177,670)**	(175,308)	**-**	-
Gross profit		**41,766**	37,411	**1,375**	1,773
Other income		**1,161**	1,461	**-**	25
Distribution expenses		**(3,375)**	(2,736)	**-**	-
Administrative expenses		**(16,329)**	(14,742)	**(262)**	(239)
Other expenses		**(10,028)**	(10,471)	**(214)**	(241)
Results from operating activities		**13,195**	10,923	**899**	1,318
Finance income		**1**	8	**-**	-
Finance costs		**(3,994)**	(3,664)	**-**	-
Operating profit	18	**9,202**	7,267	**899**	1,318
Share of loss of equity accounted associates, net of tax		**(9)**	(470)	**-**	-
Profit before tax		**9,193**	6,797	**899**	1,318
Income tax expense	20	**(1,999)**	(1,638)	**(258)**	(382)
Profit for the year		**7,194**	5,159	**641**	936
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		**(2,542)**	(878)	**-**	-
Other comprehensive income for the year, net of tax		**(2,542)**	(878)	**-**	-
Total comprehensive income for the year		**4,652**	4,281	**641**	936
Profit attributable to:					
Owners of the Company		**7,195**	5,160	**641**	936
Minority interests		**(1)**	(1)	**-**	-
Profit for the year		**7,194**	5,159	**641**	936
Total comprehensive income attributable to:					
Owners of the Company		**4,653**	4,282	**641**	936
Minority interests		**(1)**	(1)	**-**	-
Total comprehensive income for the year		**4,652**	4,281	**641**	936
Basic earnings per ordinary share (sen)	21	**9.29**	6.66		

The notes on pages 50 to 98 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2010

		Attributable to owners of the Company							
		Non-distributable				Distributable			
		Share capital	Share premium	Translation reserve	Treasury shares	Retained earnings	Total	Minority interests	Total equity
Group	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2009		40,000	6,941	(1,594)	(2,220)	47,505	90,632	2	90,634
Total comprehensive income for the year		-	-	(878)	-	5,160	4,282	(1)	4,281
Dividends to owners of the Company	22	-	-	-	-	(1,307)	(1,307)	-	(1,307)
At 31 December 2009/1 January 2010		40,000	6,941	(2,472)	(2,220)	51,358	93,607	1	93,608
Total comprehensive income for the year		-	-	(2,542)	-	7,195	4,653	(1)	4,652
Dividends to owners of the Company	22	-	-	-	-	(1,017)	(1,017)	-	(1,017)
At 31 December 2010		**40,000**	**6,941**	**(5,014)**	**(2,220)**	**57,536**	**97,243**	**-**	**97,243**

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2010

		Non-distributable			Distributable	
Company	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Treasury shares RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 January 2009		40,000	6,941	(2,220)	1,421	46,142
Total comprehensive income for the year		-	-	-	936	936
Dividends to owners of the Company	22	-	-	-	(1,307)	(1,307)
At 31 December 2009/ 1 January 2010		40,000	6,941	(2,220)	1,050	45,771
Total comprehensive income for the year		-	-	-	641	641
Dividends to owners of the Company	22	-	-	-	(1,017)	(1,017)
At 31 December 2010		**40,000**	**6,941**	**(2,220)**	**674**	**45,395**

The notes on pages 50 to 98 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2010

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
		Restated		
Cash flows from operating activities				
Profit before tax	**9,193**	6,797	**899**	1,318
Adjustments for:				
Depreciation of investment properties	**27**	99	**-**	-
Depreciation of property, plant and equipment	**7,158**	7,277	**1**	1
Dividend income	**-**	-	**(1,375)**	(1,773)
Finance costs	**3,994**	3,664	**-**	-
Finance income	**(1)**	(8)	**-**	-
Gain on disposal of property, plant and equipment	**-**	(28)	**-**	-
Loss/(Gain) on disposal of assets classified as held for sale	**223**	(76)	**-**	-
Property, plant and equipment written off	**-**	126	**-**	-
Share of loss of equity accounted associates, net of tax	**9**	470	**-**	-
Operating profit/(loss) before changes in working capital	**20,603**	18,321	**(475)**	(454)
Changes in working capital:				
Inventories	**(5,504)**	1,780	**-**	-
Trade and other receivables	**(29,352)**	26,502	**-**	16
Trade and other payables	**18,000**	(32,391)	**(8)**	13
Cash generated from/(used in) operations	**3,747**	14,212	**(483)**	(425)
Income tax paid	**(1,956)**	(1,262)	**(349)**	(373)
Income tax refunded	**788**	-	**90**	-
Interest received	**1**	8	**-**	-
Net cash from/(used in) operating activities	**2,580**	12,958	**(742)**	(798)
Cash flows from investing activities				
Acquisition of investment properties	**-**	(366)	**-**	-
Acquisition of property, plant and equipment	**(6,425)**	(13,398)	**-**	(3)
Dividends received from a subsidiary	**-**	-	**1,375**	1,773
Increase of investments in subsidiaries	**-**	-	**(2,008)**	-
Proceeds from disposal of assets classified as held for sale	**5,934**	290	**-**	-
Proceeds from disposal of property, plant and equipment	**3**	29	**-**	-
Net cash (used in)/from investing activities	**(488)**	(13,445)	**(633)**	1,770

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2010

cont'd

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
		Restated		
Cash flows from financing activities				
Decrease in amounts due from affiliated companies	**788**	658	**-**	-
Decrease in amounts due from subsidiaries	**-**	-	**1,009**	343
Decrease in amounts due to affiliated companies	**(8)**	(7)	**-**	-
Dividends paid to owners of the Company	**(1,017)**	(1,307)	**(1,017)**	(1,307)
Increase in amount due to associates	**233**	-	**-**	-
Increase in amounts due to subsidiaries	**-**	-	**1,350**	-
Interest paid on loans and borrowings	**(3,994)**	(3,664)	**-**	-
Proceeds from bills payable	**12,455**	89	**-**	-
Repayment of finance lease liabilities	**(308)**	(881)	**-**	-
Repayment of revolving credits	**(460)**	(1,768)	**-**	-
Repayment of term loans	**(3,763)**	(1,353)	**-**	-
Net cash from/(used in) financing activities	**3,926**	(8,233)	**1,342**	(964)
Net increase/(decrease) in cash and cash equivalents	**6,018**	(8,720)	**(33)**	8
Effect of exchange rate fluctuations on cash held	**(2,479)**	(709)	**-**	-
Cash and cash equivalents at 1 January	**7,648**	17,077	**78**	70
Cash and cash equivalents at 31 December	**11,187**	7,648	**45**	78

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	**15,842**	12,845	**45**	78
Bank overdrafts	**(4,655)**	(5,197)	**-**	-
	11,187	7,648	**45**	78

Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM7,381,000 (2009 - RM13,943,000), of which RM956,000 (2009 – RM545,000) were acquired by means of finance lease.

NOTES TO THE FINANCIAL STATEMENTS

PMB Technology Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its principal place of business and registered office are as follows:

Principal place of business
Lot 1797, Jalan Balakong
Bukit Belimbing
43300 Seri Kembangan
Selangor Darul Ehsan

Registered office
Lot 6.05, Level 6,
KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates. The financial statements of the Company as at and for the year ended 31 December 2010 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 April 2011.

1. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010
- *Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010
- FRS 1, *First-time Adoption of Financial Reporting Standards (revised)*
- FRS 3, *Business Combinations (revised)*
- FRS 127, *Consolidated and Separate Financial Statements (revised)*
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopter
  - Additional Exemption for First-time Adopters
- Amendments to FRS 7, *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfer of Assets from Customers*
- Improvements to FRSs (2010)

1. BASIS OF PREPARATION *cont'd*

(a) Statement of compliance *cont'd*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures (revised)*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011, except for Amendments to FRS 2 and IC Interpretation 12 which are not applicable to the Group and the Company; and

- from the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012, except for Amendments to IC Interpretation 14 and IC Interpretation 15 which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption, other than expected changes in accounting policies as discussed below:

(i) FRS 3 (revised), Business Combinations

FRS 3 (revised) incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transactions costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

FRS 3 (revised), which becomes mandatory for the Group's 2011 consolidated financial statements, will be applied prospectively and therefore will be no impact on prior periods in the Group's 2011 consolidated financial statements.

(ii) FRS 127 (2010), Consolidated and Separate Financial Statements

- The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between the group and its minority (will be known as non-controlling) interest holders.

- The amendments to FRS 127 require all losses attributable to minority interest to be absorbed by minority interest i.e., the excess and any further losses exceeding the minority interest in the equity of a subsidiary are no longer charged against the Group's interest. Currently, such losses are accounted for in accordance with the accounting policies as described in Note 2(a)(iii).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

1. BASIS OF PREPARATION *cont'd*

(a) Statement of compliance *cont'd*

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

IC Interpretation 4, *Determining whether an Arrangement contains a Lease*

IC Interpretation 4 provides guidance on determining whether certain arrangements are, or contain, leases that are required to be accounted for in accordance with FRS 117, Leases. Where an arrangement is within the scope of FRS 117, the Group and the Company apply FRS 117 in determining whether the arrangement is a finance or an operating lease.

The adoption of IC Interpretation 4 will result in a change in accounting policy which will be applied retrospectively in accordance with FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors in which certain arrangements are to be accounted for as a finance lease.

The above changes in accounting policies are not expected to have material impacts to the Group and the Company.

Following the announcement by the MASB on 1 August 2008, the Group's and the Company's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 January 2012.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised or disclosed in the financial statements other than those disclosed in the following notes:

- Note 4 - measurement of the recoverable amounts of cash-generating units
- Note 5 - valuation of investment properties

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, other than those disclosed in the following notes:

- Note 2(c) - Financial instruments
- Note 2(e) - Leased assets
- Note 2(v) - Operating segments

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale.

(ii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale.

(iii) Minority interests

Minority interests at the end of the reporting period, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the comprehensive income for the year between minority interests and the owners of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR within equity.

(c) Financial instruments

Arising from the adoption of FRS 139, Financial Instruments: Recognition and Measurement, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in Note 29.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(c) Financial instruments *cont'd*

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) 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 (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(n)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(c) Financial Instruments *cont'd*

(ii) Financial instrument categories and subsequent measurement cont'd

Financial liabilities *cont'd*

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(d) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Leasehold land is amortised over the remaining period of the lease. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Motor vehicles	5-10 years
• Office renovation	5-10 years
• Furniture and fittings	5-25 years
• Office equipment	5-25 years
• Plant and equipment/machinery	5-50 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position of the Group. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments, except for leasehold land classified as investment property.

The Group has adopted the amendment made to FRS 117, Leases in 2010 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represented the excess of the cost of acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Amortisation

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(g) Affiliates

An affiliated company is a company which holds a long term equity interest of between 20% to 50% of the issued equity capital of the Company, and exercises significant influence over the financial and operating policies of the Company. In the context of these financial statements, an affiliated company also includes the subsidiaries of the affiliated company.

(h) Investment properties

(i) Investment properties carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Determination of fair value

For the purpose of disclosure, the Directors estimate the fair values of the Group's investment properties without involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The Directors adopted the comparison method in arriving at the market value. The comparison method entails critical analyses of recent evidences of values of comparable properties in the neighbourhood and making adjustment for differences such as differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of investment properties. Freehold land is not depreciated. Leasehold land is amortised over the remaining period of the lease. The estimated useful lives for the current and comparative periods for buildings are 50 years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(j) Receivables

Prior to 1 January 2010, receivables were initially recognised at their costs and subsequently measured at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorised and measured as loans and receivables in accordance with Note 2(c).

(k) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(l) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade and other receivables in the statements of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as customer advances for construction work-in-progress as part of trade and other payables in the statements of financial position.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2(c).

(n) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and investments in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(n) Impairment *cont'd*

(i) Financial assets *cont'd*

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, assets arising from construction contract, deferred tax assets and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(o) Equity instruments

Instruments classified as equity are stated at cost on initial recognition and are not remeasured subsequently.

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(p) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, traded discount and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(r) Revenue and other income *cont'd*

(ii) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to date bears to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(iii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(s) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are interrupted or completed.

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

(t) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(t) Income tax *cont'd*

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(u) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is not presented as the Group has no shares or other instruments with potential dilutive effects.

(v) Operating segments

In the previous years, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, Operating Segments, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM'000	Buildings RM'000	Motor vehicles RM'000	Office renovation RM'000	Furniture and fittings RM'000	Office equipment RM'000	Plant and equipment/ machinery RM'000	Under construction RM'000	Total RM'000
Cost									
1 January 2009, restated	6,831	10,511	5,964	302	2,290	2,600	58,910	1,560	88,968
Additions	6,763	210	139	126	118	337	6,250	-	13,943
Disposals	-	-	(67)	-	-	(2)	(55)	-	(124)
Write off	-	-	(166)	-	-	(7)	-	-	(173)
Transfer from asset under construction	-	1,499	-	-	-	-	-	(1,499)	-
Effect of movements in exchange rates	-	-	-	(3)	(2)	(4)	(3)	-	(12)
At 31 December 2009, restated/ 1 January 2010	13,594	12,220	5,870	425	2,406	2,924	65,102	61	102,602
Additions	250	908	1,137	-	152	267	4,667	-	7,381
Disposals	-	-	-	-	-	(2)	(3)	-	(5)
Write off	-	-	-	-	-	(1)	-	-	(1)
Effect of movements in exchange rates	-	-	(4)	(39)	(17)	(57)	(21)	-	(138)
At 31 December 2010	**13,844**	**13,128**	**7,003**	**386**	**2,541**	**3,131**	**69,745**	**61**	**109,839**
Depreciation									
At 1 January 2009, restated	317	1,733	2,697	193	1,478	1,343	15,703	-	23,464
Depreciation for the year	54	243	660	38	140	258	5,884	-	7,277
Disposals	-	-	(67)	-	-	(1)	(55)	-	(123)
Write off	-	-	(41)	-	-	(6)	-	-	(47)
Effect of movements in exchange rates	-	-	-	(2)	(1)	(3)	(2)	-	(8)
At 31 December 2009, restated/ 1 January 2010	371	1,976	3,249	229	1,617	1,591	21,530	-	30,563
Depreciation for the year	118	257	695	33	144	279	5,632	-	7,158
Disposals	-	-	-	-	-	(2)	-	-	(2)
Write off	-	-	-	-	-	(1)	-	-	(1)
Effect of movements in exchange rates	-	-	(2)	(19)	(7)	(30)	(17)	-	(75)
At 31 December 2010	**489**	**2,233**	**3,942**	**243**	**1,754**	**1,837**	**27,145**	**-**	**37,643**
Carrying amounts									
At 1 January 2009, restated	6,514	8,778	3,267	109	812	1,257	43,207	1,560	65,504
At 31 December 2009, restated/ 1 January 2010	13,223	10,244	2,621	196	789	1,333	43,572	61	72,039
At 31 December 2010	**13,355**	**10,895**	**3,061**	**143**	**787**	**1,294**	**42,600**	**61**	**72,196**

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company	Furniture and fittings RM'000
Cost	
At 1 January 2009	10
Additions	3
At 31 December 2009/1 January 2010/ 31 December 2010	13
Depreciation	
At 1 January 2009	5
Depreciation for the year	1
At 31 December 2009/1 January 2010	6
Depreciation for the year	1
At 31 December 2010	7
Carrying amounts	
At 1 January 2009	5
At 31 December 2009/1 January 2010	7
At 31 December 2010	6

3.1 Security

Property, plant and equipment of the Group with a carrying amount of RM9,854,000 (2009 - RM6,862,000) have been pledged as security for term loans granted to certain subsidiaries (see Note 13).

3.2 Leased plant and equipment/machinery and motor vehicles

At 31 December, the net carrying amounts of leased plant and equipment/machinery and motor vehicles are as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
Plant and equipment/machinery	**1,291**	883
Motor vehicles	**2,205**	1,899
	3,496	2,782

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

3.3 Land

Included in the carrying amounts of land are:

	Group		
	31.12.2010	**31.12.2009**	**1.1.2009**
	RM'000	**RM'000**	**RM'000**
		Restated	**Restated**
Freehold land	**5,001**	5,001	5,001
Long term leasehold land	**8,354**	8,222	1,513
	13,355	13,223	6,514

The carrying amounts of land at 1 January 2009 and 31 December 2009 have been adjusted following the adoption of the amendments to FRS 117, Leases, where leasehold land in substance is a finance lease, has been reclassified from prepaid lease payments to property, plant and equipment.

4. GOODWILL

	Group	
	2010	**2009**
	RM'000	**RM'000**
Cost		
At 1 January/31 December	**792**	792

Impairment testing for cash-generating units containing goodwill

The goodwill is attributable to the investments in the following subsidiaries:

	Group	
	2010	**2009**
	RM'000	**RM'000**
PMB Quick Access Sdn. Bhd.	**2**	2
PMB-Cyberwall Limited	**790**	790
	792	792

For the purpose of impairment testing, goodwill is allocated to the business units acquired, at which the goodwill is monitored for internal management purposes.

The recoverable amounts of the business units were based on value in use and were determined by the management.

Value in use was determined by assessing the budgets of the business units and was based on the following key assumptions:

- The budgets were arrived at based on actual operating results.
- The principal activities of the business units will not change significantly.
- The business environment or industry in which the business units operate in will not change significantly.
- Discount rate is based on weighted average cost of capital.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

4. GOODWILL *cont'd*

The values assigned to the assumptions represent management's assessment of future trends in the business units' principal activities and are based on internal sources (historical data).

The above estimates are not sensitive in relation to the carrying amount of goodwill.

5. INVESTMENT PROPERTIES

Group	Land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 January 2009, restated	4,183	3,175	7,358
Additions	-	366	366
Transfer to assets classified as held for sale	(4,141)	(2,160)	(6,301)
At 31 December 2009/1 January 2010/31 December 2010	42	1,381	1,423
Depreciation			
At 1 January 2009, restated	40	168	208
Depreciation for the year	41	58	99
Transfer to assets classified as held for sale	(81)	(63)	(144)
At 31 December 2009/1 January 2010	-	163	163
Depreciation for the year	-	27	27
At 31 December 2010	-	190	190
Carrying amounts			
At 1 January 2009, restated	4,143	3,007	7,150
At 31 December 2009/1 January 2010	42	1,218	1,260
At 31 December 2010	42	1,191	1,233
Fair values			
At 1 January 2009, restated	5,435	3,413	8,848
At 31 December 2009/1 January 2010	48	1,262	1,310
At 31 December 2010	70	1,384	1,454

Investment properties comprise of leasehold land, industrial properties and commercial properties. Following the adoption of the amendments to FRS 117, Leases, where leasehold land in substance is a finance lease, has been reclassified from prepaid lease payments to investment properties.

The fair values of the investment properties are determined based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. INVESTMENT PROPERTIES *cont'd*

Group	31.12.2010 RM'000	31.12.2009 RM'000 Restated	1.1.2009 RM'000 Restated
Included in the above are:			
Freehold land	**42**	42	42
Buildings on freehold land	**561**	576	589
Long term leasehold land	**-**	-	4,101
Buildings on leasehold land	**630**	642	2,418
	1,233	1,260	7,150

The following are recognised in profit or loss in respect of investment properties:

	Group 2010 RM'000	2009 RM'000
Rental income	**16**	16
Direct operating expenses:		
- income generating investment properties	**(12)**	(12)
- non-income generating investment properties	**(24)**	(19)

Security

In 2009, investment properties of the Group with a carrying amount of RM5,071,000 has been pledged as security for term loans granted to certain subsidiaries (see Note 13) and classified as assets held for sale (see Note 10). The security has been discharged following full repayment of the term loan during the year.

6. INVESTMENTS IN SUBSIDIARIES

	Company 2010 RM'000	2009 RM'000
Unquoted shares, at cost	**39,120**	37,112

NOTES TO THE FINANCIAL STATEMENTS
cont'd

6. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2010 %	2009 %
PMB Facade Technology Sdn. Bhd.** and its subsidiaries:-	Malaysia	Design, fabrication and installation of aluminium curtain wall, cladding system and manufacturing and trading of aluminium related products	**100**	100
PMB Facade Technology (H.K.) Limited* and its subsidiary:-	Hong Kong	Design, fabrication and installation of aluminium curtain wall and cladding systems and other related products	**100**	100
PMB Systems Builders Limited*	Hong Kong	Dormant	**55**	55
PMB-Cyberwall Limited* and its subsidiary:-	Hong Kong	Design, fabrication and installation of aluminium curtain wall and cladding systems, trading and computer related business	**100**	100
PMB-Cyberwall (Macau) Limited*	Macau	Supply and installation of curtain wall, aluminium windows and related works for buildings	**100**	100
PMB Facade Technology (S) Pte Ltd*	Singapore	Supplying, installing and fixing all kinds of furnishing and fixtures and to provide interior decorating consultancy services	**70**	70
Kai PMB Facade Technology Limited*, #	Bangladesh	Supplying, manufacturing, fabricating and installing structural glazing and ventilated thermal flow aluminium cladding in buildings	**51**	51
Everlast Aluminium (M) Sdn. Bhd. and its subsidiaries:-	Malaysia	Marketing of aluminium and other related products	**100**	100
Everlast Environmental Management Sdn. Bhd. and its subsidiary:-	Malaysia	Dormant	**100**	100
AG Terminal Sdn. Bhd.	Malaysia	Liquid bulking and break bulking operations	**100**	100
PMB Northern Sdn.Bhd.	Malaysia	Marketing of aluminium and other products	**100**	100
PMB Central Sdn. Bhd.	Malaysia	Marketing of gypsum board, aluminium extrusion and other products	**100**	100
Everlast Access Technologies Sdn. Bhd.	Malaysia	Manufacturing and marketing of aluminium and other related products	**100**	100

NOTES TO THE FINANCIAL STATEMENTS
cont'd

6. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2010 %	Effective ownership interest 2009 %
PMB Eastern Sdn. Bhd.*	Malaysia	Marketing of gypsum board and other products	**100**	100
PMB Quick Access Sdn. Bhd.*	Malaysia	Manufacturing and marketing of scaffolding tower, rental of machinery and scaffolding tower and trading of other related products	**100**	100
PMB Carbon Sdn. Bhd. @	Malaysia	Dormant	**100**	100
PMB Aluminium Sabah Sdn. Bhd. ^ and its subsidiary:-	Malaysia	Marketing of gypsum board, aluminium extrusion and other products	**100**	100
PMB.POIC Bulking Sdn. Bhd.	Malaysia	Dormant	**100**	100

* *Not audited by member firms of KPMG International*

\# *Consolidated based on management accounts*

** *During the year, the Company subscribed an additional 807,874 new ordinary shares of RM1.00 each at par for a total cash consideration of RM807,874 in PMB Facade Technology Sdn. Bhd..*

@ *During the year, the Company subscribed an additional 999,998 new ordinary shares of RM1.00 each at par for a total cash consideration of RM999,998 in PMB Carbon Sdn. Bhd..*

^ *During the year, the Company subscribed an additional 199,998 new ordinary shares of RM1.00 each at par for a total cash consideration of RM199,998 in PMB Aluminium Sabah Sdn. Bhd..*

7. INVESTMENTS IN ASSOCIATES

	Group 2010 RM'000	Group 2009 RM'000
Unquoted shares outside Malaysia, at cost	**354**	354
Share of post-acquisition reserves	**(299)**	(290)
	55	64

NOTES TO THE FINANCIAL STATEMENTS
cont'd

7. INVESTMENTS IN ASSOCIATES *cont'd*

Summary financial information of the associates, not adjusted for the percentage ownership held by the Group:

	Effective ownership interest %	Revenue (100%) RM'000	Profit/ (Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2010					
PMB-Qatar W.L.L	**49**	**4,859**	**43**	**11,512**	**12,164**
PMB Facade Technology International Limited Liability Company	**49**	**-**	**(19)**	**291**	**187**
2009					
PMB-Qatar W.L.L	49	6,161	(1,721)	8,410	9,193
PMB Facade Technology International Limited Liability Company	49	-	(19)	283	150

PMB-Qatar W.L.L was incorporated in Qatar and PMB Facade Technology International Limited Liability Company was incorporated in United Arab Emirates.

8. TRADE AND OTHER RECEIVABLES

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Non-current					
Trade					
Amounts due from affiliated companies	8.1	**4,977**	-	**-**	-
Current					
Trade					
Trade receivables		**34,097**	31,084	**-**	-
Progress billings receivable	8.2	**32,058**	28,491	**-**	-
Less: Individual impairment allowance		**(4,099)**	(4,571)	**-**	-
		62,056	55,004	**-**	-
Construction work-in-progress	8.3	**32,676**	19,080	**-**	-
		94,732	74,084	**-**	-
Amounts due from associates	8.1	**12,399**	8,485	**-**	-
Amounts due from affiliated companies	8.1	**4,030**	13,237	**-**	-
		111,161	95,806	**-**	-

8. TRADE AND OTHER RECEIVABLES *cont'd*

		Group		Company	
	Note	2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Non-trade					
Amounts due from subsidiaries	8.1	**-**	-	**7,524**	8,533
Amounts due from affiliated companies	8.1	**1,877**	2,665	**-**	-
Other receivables, deposits and prepayments	8.4	**13,996**	4,976	**2**	2
		15,873	7,641	**7,526**	8,535
		127,034	103,447	**7,526**	8,535
	8.5	**132,011**	103,447	**7,526**	8,535

8.1 Related party balances

The trade balances due from associates and affiliated companies are subject to normal trade terms except for an amount of RM4,977,000 (2009 - Nil) which is unsecured, interest free and is repayable in more than a year.

The non-trade balances due from subsidiaries and affiliated companies are unsecured, interest free and are repayable on demand.

8.2 Progress billings receivable

Included in progress billings receivable of the Group at 31 December 2010 are retentions of RM13,435,000 (2009 – RM12,936,000) relating to construction work-in-progress.

Retentions are unsecured, interest-free and are expected to be collected as follows:

	Group	
	2010	2009
	RM'000	RM'000
Within 1 year	**2,813**	1,191
1-2 years	**10,622**	11,745
	13,435	12,936

8.3 Construction work-in-progress

	Group	
	2010	2009
	RM'000	RM'000
Aggregate costs incurred to date	**432,195**	502,030
Add: Attributable profits	**62,924**	58,288
	495,119	560,318
Less: Progress billings	**(469,432)**	(548,765)
	25,687	11,553
Customer advances for construction work-in- progress (Note 15)	**6,989**	7,527
	32,676	19,080

NOTES TO THE FINANCIAL STATEMENTS
cont'd

8. TRADE AND OTHER RECEIVABLES *cont'd*

8.4 Other receivables, deposits and prepayments

Included in other receivables, deposits and prepayments of the Group are deposits paid for the acquisition of land and advance payment made to a technology provider totalling RM11,139,000 (2009 - RM3,139,000).

8.5 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities are as follows:

		Group		Company	
		2010	**2009**	**2010**	**2009**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Functional currency	**Foreign currency**				
RM	QAR	**12,166**	8,485	**-**	-
RM	GBP	**960**	717	**-**	-
RM	AED	**1,710**	3,098	**-**	-
RM	USD	**941**	1,082	**-**	-
RM	SGD	**4,875**	143	**-**	-

9. INVENTORIES

	Group	
	2010	**2009**
	RM'000	**RM'000**
At cost:		
Raw materials	**5,921**	4,366
Work-in-progress	**628**	426
Trading inventories	**14,187**	10,440
	20,736	15,232
Recognised in profit or loss:		
Inventories recognised as cost of sales	**122,188**	118,442

10. ASSETS CLASSIFIED AS HELD FOR SALE

In 2009, certain leasehold land and buildings were presented as assets classified as held for sale following the commitment of the Company's management, on 17 July 2009, to sell the investment properties. The sale of the investment properties was completed during the year.

10. ASSETS CLASSIFIED AS HELD FOR SALE *cont'd*

The following are the details of the assets classified as held for sale:

	Note	Group 2010 RM'000	Group 2009 RM'000 Restated
Assets classified as held for sale			
Investment properties	10.1	-	6,157

10.1 Investment properties

Investment properties held for sale comprises the following:

	Group 2010 RM'000	Group 2009 RM'000
Leasehold land		
Cost	-	4,141
Accumulated depreciation	-	(81)
	-	4,060
Buildings on leasehold land		
Cost	-	2,160
Accumulated depreciation	-	(63)
	-	2,097
	-	6,157

11. CASH AND BANK BALANCES

Analysis of foreign currency exposure for significant cash and bank balances

Significant cash and bank balances as at year end that are not in the functional currencies of the Group entities are as follows:

		Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Functional currency	**Foreign currency**				
RM	AED	**101**	585	**-**	-
RM	USD	**804**	1,178	**-**	-
RM	Taka	**2**	3	**-**	-
RM	GBP	**44**	1	**-**	-
RM	SGD	**709**	-	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

12. CAPITAL AND RESERVES

Share capital	**Group and Company**			
	Amount	**Number of shares**	**Amount**	**Number of shares**
	2010	**2010**	**2009**	**2009**
	RM'000	**'000**	**RM'000**	**'000**
Ordinary shares of RM0.50 each:				
Authorised	**50,000**	**100,000**	50,000	100,000
Issued and fully paid	**40,000**	**80,000**	40,000	80,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Group (see below), all rights are suspended until those shares are reissued.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of Group entities with functional currencies other than RM.

Treasury shares

The shareholders of the Company, by a special resolution passed in an extraordinary general meeting held on 28 April 2006, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

In 2007, the Company repurchased 2,520,200 of its issued share capital from the open market at an average price of RM0.88 per share. The total consideration paid was RM2,219,801 including transaction costs of RM14,120. The repurchase transactions were financed by internally generated funds. The shares repurchased are retained as treasury shares.

There were no shares repurchased for the current and previous financial years.

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has Section 108 tax credit and tax exempt income to frank and distribute approximately RM39,000 (2009 - RM475,000) of its distributable reserves at 31 December 2010 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2008. As such, the remaining Section 108 tax credit as at 31 December 2010 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier. During the year, the Company has opted for single tier company income tax system and under the Act this option is irrevocable. The remaining balance of Section 108 tax credit is therefore forfeited.

13. LOANS AND BORROWINGS

	Group	
	2010	**2009**
	RM'000	**RM'000**
Non-current		
Term loans (secured)	**4,249**	4,966
Finance lease liabilities	**1,629**	1,029
	5,878	5,995
Current		
Term loans (secured)	**717**	3,763
Revolving credits (unsecured)	**4,960**	5,420
Bills payable (unsecured)	**73,844**	61,389
Bank overdrafts (unsecured)	**4,655**	5,197
Finance lease liabilities	**809**	761
	84,985	76,530
	90,863	82,525

13.1 Security

The revolving credits, bills payable and bank overdrafts of the Group entities are guaranteed by the Company.

The securities of term loans are disclosed in Note 13.2.

13.2 Term loans (secured)

	Group	
	2010	**2009**
	RM'000	**RM'000**
Loan 1	**2,069**	2,195
Loan 2	-	3,055
Loan 3	**2,897**	3,479
	4,966	8,729

Securities

Loan 1

Secured by way of a first legal charge over a freehold land of a subsidiary and is guaranteed by the Company (Note 3).

Loan 2

Secured by way of a first legal charge over the investment properties of a subsidiary and is guaranteed by the Company. The charge has been discharged following full repayment of the term loan during the year (Note 5).

Loan 3

Secured by way of a first legal charge over the machinery and equipment of a subsidiary and is guaranteed by the Company (Note 3).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

13. LOANS AND BORROWINGS *cont'd*

13.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Payments 2010 RM'000	Interest 2010 RM'000	Principal 2010 RM'000	Payments 2009 RM'000	Interest 2009 RM'000	Principal 2009 RM'000
Less than one year	**924**	**(115)**	**809**	847	(86)	761
Between one and five years	**1,759**	**(134)**	**1,625**	1,088	(73)	1,015
More than five years	**5**	**(1)**	**4**	15	(1)	14
	2,688	**(250)**	**2,438**	1,950	(160)	1,790

14. DEFERRED TAX LIABILITIES

Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Group						
Property, plant and equipment	**-**	-	**4,641**	3,936	**4,641**	3,936
Provisions	**(229)**	(215)	**-**	-	**(229)**	(215)
Other temporary differences	**(464)**	(87)	**-**	-	**(464)**	(87)
Tax (assets)/liabilities	**(693)**	(302)	**4,641**	3,936	**3,948**	3,634
Set off	**693**	302	**(693)**	(302)	**-**	-
Net tax liabilities	**-**	-	**3,948**	3,634	**3,948**	3,634

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group 2010 RM'000	Group 2009 RM'000
Unutilised tax losses	**32**	214
Unabsorbed capital allowances	**79**	-
Other deductible temporary differences	**(53)**	-
	58	214

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits there from.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. DEFERRED TAX LIABILITIES *cont'd*

Movement in temporary differences during the year

Group	At 1.1.2009	Recognised in profit or loss (Note 20)	At 31.12.2009	Recognised in profit or loss (Note 20)	At 31.12.2010
Property, plant and equipment	3,540	396	3,936	705	**4,641**
Provisions	(361)	146	(215)	(14)	**(229)**
Other temporary differences	-	(87)	(87)	(377)	**(464)**
	3,179	455	3,634	314	**3,948**

15. TRADE AND OTHER PAYABLES

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Trade					
Trade payables		**20,874**	14,920	**-**	-
Customer advances for construction work-in-progress	8.3	**6,989**	7,527	**-**	-
Amounts due to affiliated companies	15.1	**15,501**	7,599	**-**	-
		43,364	30,046	**-**	-
Non-trade					
Amounts due to associates	15.1	**300**	67	**-**	-
Amounts due to affiliated companies	15.1	**1**	9	**-**	-
Amounts due to subsidiaries	15.1	**-**	-	**1,350**	-
Other payables and accruals		**8,106**	3,424	**108**	116
		8,407	3,500	**1,458**	116
	15.2	**51,771**	33,546	**1,458**	116

15.1 Related party balances

The trade balances due to affiliated companies are subject to the normal trade terms.

The non-trade balances due to associates, affiliated companies and subsidiaries are unsecured, interest free and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

15. TRADE AND OTHER PAYABLES *cont'd*

15.2 Analysis of foreign currency exposure for significant payables

Significant payables that are not in the functional currencies of the Group entities are as follows:

		Group		Company	
		2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Functional currency	**Foreign currency**				
RM	**AED**	**67**	67	**-**	-
RM	**USD**	**5,471**	2,018	**-**	-
RM	**GBP**	**276**	56	**-**	-

16. REVENUE

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Sale of goods	**146,159**	140,578	**-**	-
Construction	**73,277**	72,141	**-**	-
Dividends	**-**	-	**1,375**	1,773
	219,436	212,719	**1,375**	1,773

17. COST OF SALES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Sale of goods	**122,188**	118,442	**-**	-
Construction	**55,482**	56,866	**-**	-
	177,670	175,308	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

18. OPERATING PROFIT

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		Restated		
Operating profit is arrived at after charging:				
Allowance for doubtful debts	**-**	1,067	**-**	-
Auditors' remuneration:				
- Statutory audit				
KPMG	**116**	97	**35**	28
Other auditors	**48**	41	**-**	-
- Other services				
KPMG	**15**	10	**15**	10
Bad debts written off	**62**	94	**-**	-
Depreciation of investment properties	**27**	99	**-**	-
Depreciation of property, plant and equipment	**7,158**	7,277	**1**	1
Finance costs:				
- Bank overdrafts	**383**	318	**-**	-
- Bills payable	**2,775**	2,223	**-**	-
- Term loans	**409**	546	**-**	-
- Finance lease liabilities	**124**	138	**-**	-
- Revolving credits	**145**	180	**-**	-
- Others	**158**	259	**-**	-
Impairment loss on trade receivables	**405**	-	**-**	-
Loss on disposal of assets held for sale	**223**	-	**-**	-
Personnel expenses (including key management personnel)				
- Contributions to Employees Provident Fund	**1,093**	959	**20**	17
- Wages, salaries and others	**16,506**	16,444	**242**	224
Property, plant and equipment written off	**-**	126	**-**	-
Realised foreign exchange loss	**48**	-	**-**	-
Rental expense on equipment and machinery	**395**	169	**-**	-
Rental expense on motor vehicles	**72**	45	**-**	-
Rental expense on property leases	**2,140**	1,961	**-**	-
Share of loss of equity accounted associates	**9**	470	**-**	-
and after crediting:				
Dividend income from subsidiaries	**-**	-	**1,375**	1,773
Finance income	**1**	8	**-**	-
Gain on disposal of assets classified as held for sale	**-**	76	**-**	-
Gain on disposal of property, plant and equipment	**-**	28	**-**	-
Realised foreign exchange gain	**-**	520	**-**	-
Rental income from motor vehicles	**8**	1	**-**	-
Rental income from properties	**172**	128	**-**	-
Reversal of impairment loss on trade receivables	**772**	-	**-**	-
Reversal of allowance for doubtful debts	**-**	251	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

19. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors:				
- Fees	**54**	54	**54**	54
- Remuneration	**789**	717	**151**	120
- Other short-term employee benefits	**180**	135	**27**	35
Total short-term employee benefits	**1,023**	906	**232**	209
Other key management personnel*:				
- Short-term employee benefits	**2,207**	1,902	**-**	-
	3,230	2,808	**232**	209

* *Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.*

20. INCOME TAX EXPENSE

		Group		Company	
		2010	**2009**	**2010**	**2009**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax expense					
Malaysian	- current year	**1,695**	1,586	**267**	382
	- prior year	**(186)**	(510)	**(9)**	-
Overseas	- current year	**176**	107	**-**	-
Total current tax		**1,685**	1,183	**258**	382
Deferred tax expense					
- origination of temporary differences		**745**	421	**-**	-
- prior year		**(431)**	34	**-**	-
Total deferred tax		**314**	455	**-**	-
Total income tax expense		**1,999**	1,638	**258**	382

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. INCOME TAX EXPENSE *cont'd*

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Reconciliation of tax expense				
Profit before tax	**9,193**	6,797	**899**	1,318
Income tax calculated using Malaysian tax rate of 25%	**2,298**	1,699	**225**	330
Effect of tax rates in foreign jurisdictions	**(41)**	(49)	**-**	-
Difference in effective tax rate on equity accounted associates	**2**	88	**-**	-
Non-deductible expenses	**396**	1,083	**42**	49
Non-taxable income	**-**	(433)	**-**	-
Double deduction expenses	**-**	(195)	**-**	-
Effect of deferred tax assets not recognised	**(39)**	-	**-**	-
Other items	**-**	(79)	**-**	3
Over provided in prior year	**(617)**	(476)	**(9)**	-
	1,999	1,638	**258**	382

21. BASIC EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share for the year ended 31 December 2010 was based on the net profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
Profit for the year attributable to ordinary shareholders	**7,195**	5,160

	Group	
	2010	**2009**
	'000	**'000**
Weighted average number of ordinary shares at beginning and end of the year	**77,480**	77,480

	Group	
	2010	**2009**
	Sen	**Sen**
Basic earnings per ordinary share	**9.29**	6.66

NOTES TO THE FINANCIAL STATEMENTS
cont'd

22. DIVIDENDS

Dividends recognised by the Company are:

2010	Sen per share (net per tax)	Total amount RM'000	Date of payment
Final 2009 ordinary	**0.563**	**436**	9 August 2010
Interim 2010 ordinary	**0.75**	**581**	17 September 2010
Total amount		**1,017**	
2009			
Final 2008 ordinary	1.125	871	3 August 2009
Interim 2009 ordinary	0.563	436	9 October 2009
Total amount		1,307	

After the reporting period, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share (net per tax)	Total amount RM'000
Final 2010 ordinary	**0.75**	**581**

23. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
Less than one year	**188**	186
Between one and five years	**72**	150
	260	336

The Group leases a number of office premises, apartments, warehouse and factory facilities under operating leases, with an option to renew the leases after the expiration. None of the leases includes contingent rentals.

24. CAPITAL COMMITMENTS

	Group	
	2010	**2009**
	RM'000	**RM'000**
Property, plant and equipment		
Contracted but not provided for and payable within a year	4,513	12,513

The capital commitment mainly relates to the remaining consideration payable for the acquisition of two pieces of leasehold land with a total purchase consideration amounting to RM13,890,000 (2009 - RM13,890,000). As at 31 December 2010, RM9,389,000 (2009 - RM1,389,000) has been paid as deposits.

25. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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. The key management personnel include all the Directors of the Group.

The significant related party transactions of the Group and the Company, other than key management personnel compensation are as follows:

	Amount transacted for the year ended 31 December		Gross balance outstanding as at 31 December	
	2010	**2009**	**2010**	**2009**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trade				
Affiliated companies				
- Sales	**14,494**	39,748	**9,007**	13,237
- Purchases	**(92,310)**	(86,601)	**(15,501)**	(7,599)
Associates				
- Sales	**4,047**	543	**12,399**	8,485
Non-trade				
Affiliated companies				
- Rental income on properties	**30**	30	**-**	-
- Rental income on motor vehicles	**1**	15	**-**	-

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are not more favourable to the related parties than those arranged with independent third parties.

There was no impairment loss on receivables being recognised in the current and previous financial years in respect of the abovementioned related party transactions.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

26. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Manufacturing and trading*. Includes manufacturing and marketing of aluminium products and other related products.
- *Construction and fabrication*. Includes contracting, designing and fabrication of aluminium and stainless steel products.

Other non-reportable segments comprise operations related to investment holding and dormant companies.

There are varying levels of integration between reportable segments, the manufacturing and trading and construction and fabrication reportable segments. This integration includes transfers of raw materials and shared distribution services, respectively. The accounting policies of reportable segments are the same as described in Note 2(v).

Performance is measured based on segment profit before tax, interest and depreciation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total assets are used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Chief Executive Officer. Hence no disclosure is made on segment liabilities.

	Manufacturing and trading		Construction and fabrication		Total	
	2010	2009	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit	**8,509**	7,224	**3,349**	4,231	**11,858**	11,455
Included in the measure of segment profit are:						
Revenue from external customers	**133,390**	129,918	**82,744**	80,706	**216,134**	210,624
Inter-segment revenue	**5,929**	218	**2,733**	275	**8,662**	493
Depreciation	**1,671**	1,727	**5,041**	5,242	**6,712**	6,969
Segment assets	**100,886**	89,947	**133,374**	115,464	**234,260**	205,411
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	**2,350**	1,199	**4,732**	6,536	**7,082**	7,735

26. OPERATING SEGMENTS *cont'd*

Reconciliation of reportable segment revenues, profit or loss, assets and other material items

	2010 RM'000	2009 RM'000
Revenue		
Total external revenue for reportable segments	**216,134**	210,624
Other non-reportable segments	**3,302**	2,095
Consolidated revenue for the year	**219,436**	212,719
Profit or loss		
Total profit for reportable segments	**11,858**	11,455
Other non-reportable segments	**2,724**	1,241
Elimination of inter-segment profits	**(1,387)**	(1,773)
Share of loss of associates not included in reportable segments	**(9)**	(470)
Finance costs	**(3,994)**	(3,664)
Finance income	**1**	8
Income tax expense	**(1,999)**	(1,638)
Consolidated profit for the year	**7,194**	5,159
Total assets		
Total assets for reportable segments	**234,260**	205,411
Other non-reportable segments	**80,574**	72,105
Elimination of inter-segment balances	**(70,770)**	(64,121)
Consolidated assets for the year	**244,064**	213,395
Depreciation		
Total depreciation for reportable segments	**6,712**	6,969
Other non-reportable segments	**473**	407
Consolidated depreciation for the year	**7,185**	7,376
Additions to non-current assets		
Total additions to non-current assets for reportable segments	**7,082**	7,735
Other non-reportable segments	**299**	6,574
Consolidated additions to non-current assets for the year	**7,381**	14,309

NOTES TO THE FINANCIAL STATEMENTS
cont'd

26. OPERATING SEGMENTS *cont'd*

Geographical segments

The manufacturing and trading and construction and fabrication segments are managed on a worldwide basis, but operate in two principal geographical areas, Malaysia and Hong Kong for the Asia Region.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information	Revenue RM'000	Non-current assets RM'000
2010		
Malaysia	**169,457**	**78,762**
Asia Region	**43,009**	**491**
Others	**6,970**	**-**
	219,436	**79,253**
2009		
Malaysia	148,460	73,540
Asia Region	56,527	615
Others	7,732	-
	212,719	74,155

Major customers

The Group does not have any customers contributing to equal or more than 10 percent of Group revenue.

27. FINANCIAL INSTRUMENTS

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

27.1 Categories of financial instruments

All the financial assets of the Group and of the Company, which include trade and other receivables and cash and bank balances and the financial liabilities of the Group and of the Company, which includes trade and other payables and loans and borrowings are categorised as loans and receivables and other financial liabilities measured at amortised cost respectively.

27.2 Net gains and losses arising from financial instruments

	Group 2010 RM'000	Company 2009 RM'000
Net gains/(losses) arising on:		
Loans and receivables	**135**	-
Financial liabilities measured at amortised cost	**(3,871)**	-
	(3,736)	-

27. FINANCIAL INSTRUMENTS *cont'd*

27.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and investment securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to financial institutions for facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through review of trade receivables ageing. Credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 30 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for receivables as at the end of the reporting period by geographic region was:

	Group 2010 RM'000	Company 2009 RM'000
Domestic	**116,231**	7,526
Asia region	**15,116**	-
Others	**664**	-
	132,011	7,526

NOTES TO THE FINANCIAL STATEMENTS
cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

27.4 Credit risk *cont'd*

Receivables *cont'd*

Impairment losses

The ageing of trade receivables (excluding inter company balances) as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
2010			
Not past due	**44,426**	**-**	**44,426**
Past due 0 - 30 days	**3,359**	**-**	**3,359**
Past due more than 30 days	**18,370**	**(4,099)**	**14,271**
	66,155	**(4,099)**	**62,056**

No allowance for impairment losses of trade receivables has been made for the remaining past due receivables as the Group monitors the results and repayments of these customers regularly and is confident of the ability of the customers to repay the balances owing.

The movements in the allowance for impairment losses of receivables during the financial year were:

	Group 2010 RM'000	Company 2010 RM'000
At 1 January	**4,571**	**-**
Impairment loss recognised	**405**	**-**
Impairment loss reversed	**(772)**	**-**
Impairment loss written off	**(4)**	**-**
Effect of movements in exchange rates	**(101)**	**-**
At 31 December	**4,099**	**-**

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM88,425,000 (2009 - RM88,072,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

27. FINANCIAL INSTRUMENTS *cont'd*

27.4 Credit risk *cont'd*

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans and advances to affiliated companies and subsidiaries. The Group and the Company monitor the results of the affiliated companies and subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the affiliated companies and subsidiaries are not recoverable.

27.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2010	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Group							
Trade and other payables	**51,771**	**-**	**51,771**	**51,771**	**-**	**-**	**-**
Term loans	**4,966**	*****	**5,790**	**1,173**	**1,112**	**2,960**	**545**
Revolving credits	**4,960**	**2.51-4.56**	**5,024**	**5,024**	**-**	**-**	**-**
Bills payable	**73,844**	**2.68-5.75**	**74,363**	**74,363**	**-**	**-**	**-**
Bank overdrafts	**4,655**	**6.3**	**4,655**	**4,655**	**-**	**-**	**-**
Finance lease liabilities	**2,438**	**2.26-5.75**	**2,688**	**924**	**656**	**1,103**	**5**
Company							
Trade and other payables	**1,458**	**-**	**1,458**	**1,458**	**-**	**-**	**-**

* *Loan 1 is subject to a fixed interest rate of 7.25% per annum while Loan 3 is subject to a floating interest rate of 0.75% per annum above the bank's base lending rate.*

NOTES TO THE FINANCIAL STATEMENTS
cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

27.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

27.6.1 Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Great Britain Pound (GBP), Australian Dollar (AUD), Singapore Dollar (SGD), Hong Kong Dollar (HKD), Qatari Rial (QAR) and UAE Dirham (AED).

Risk management objectives, policies and processes for managing the risk

The Group actively monitors its exposure to foreign currency risk. The Group does not hedge this risk but keeps the policy under review.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period is as disclosed in Note 8, Note 11 and Note 15.

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a HKD functional currency. The exposure to currency risk of Group entities which do not have a HKD functional currency is not material and hence, sensitivity analysis is not presented.

A 10 percent strengthening of HKD against the RM during the reporting period would have increased post-tax profit or loss by RM24,000. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10 percent weakening of RM against the above currency during the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

27.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Interest rate exposure arising from the Group's borrowings is managed through the use of fixed and floating rate debts. The Group does not use derivative financial instruments to hedge their debt obligations.

27. FINANCIAL INSTRUMENTS *cont'd*

27.6 Market risk *cont'd*

27.6.2 Interest rate risk *cont'd*

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments				
Financial liabilities	**83,311**	70,794	**-**	-
Floating rate instruments				
Financial liabilities	**7,552**	11,731	**-**	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 30 basis points (bp) in interest rates during the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
	30 bp increase	**30 bp decrease**
Group	**RM'000**	**RM'000**
2010		
Floating rate instruments	(12)	12

27.6.3 Other price risk

Other price risk arises from price fluctuation risk on commodities mainly on aluminium related products. The Group does not hedge this risk but keeps the policy under review.

27.7 Fair value of financial instruments

The carrying amounts of cash and bank balances, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

27.7 Fair value of financial instruments *cont'd*

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2010		2009	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
Amounts due from affiliated companies - non-current	**4,977**	**4,756**	-	-
Term loans	**4,966**	**4,872**	8,729	8,589
Finance lease liabilities	**2,438**	**2,438**	1,790	1,717

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Non-derivative financial assets and financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	Group	
	2010	**2009**
Amounts due from affiliated companies (non current)	**4%**	-
Term loans	**7.13%**	5.94%
Finance lease liabilities	**3.27%**	6.20%

28. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

28. CAPITAL MANAGEMENT *cont'd*

The debt-to-equity ratios at 31 December 2010 and at 31 December 2009 were as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
Total borrowings (Note 13)	**90,863**	82,525
Less: Cash and bank balances (Note 11)	**(15,842)**	(12,845)
Net debt	**75,021**	69,680
Total equity	**97,243**	93,608
Debt-to-equity ratio	**0.8**	0.7

There were no changes in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

29. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

29.1 FRS 139, Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Financial guarantee contracts

Prior to the adoption of FRS 139, financial guarantee contracts were not recognised in the statement of financial position unless it becomes probable that the guarantee may be called upon. With the adoption of FRS 139, financial guarantee contracts are now recognised initially at their fair values and subsequently measured at their initially measured amount less cumulative amortisation. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made.

Inter-company loans

Prior to the adoption of FRS 139, inter-company loans were recorded at cost. With the adoption of FRS 139, inter-company loans are now recognised initially at their fair values, which are estimated by discounting the expected cash flows using the current market interest rate of a loan with similar risk and tenure. Finance income and costs are recognised in profit or loss using the effective interest method.

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

29. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES *cont'd*

29.1 FRS 139, Financial Instruments: Recognition and Measurement

Discounting of trade and other payables

With the adoption of FRS 139, the difference between the liability's carrying amount and the present value of estimated future cash flows discounted at the liability's original effective interest rate is recognised as finance costs.

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance to the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted. There were no adjustments made to the opening balance of retained earnings or another appropriate reserve of the Group and the Company as the impact arising from the adoption of FRS 139 is not material to the opening balances.

29.2 FRS 8, Operating Segments

As of 1 January 2010, the Group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114_{2004}, Segment Reporting.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

29.3 FRS 101, Presentation of Financial Statements (revised)

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

29.4 FRS 117, Leases

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which in substance are finance leases and has reclassified the leasehold land to property, plant and equipment and investment properties in accordance to their usage. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

30. COMPARATIVE FIGURES

30.1 FRS 101, Presentation of Financial Statements (revised)

Arising from the adoption of FRS 101 (revised), income statements for the year ended 31 December 2009 have been re-presented as statements of comprehensive income. All non-owner changes in equity that were presented in the statements of changes in equity are now included in the statements of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statements of changes in equity.

Balance sheets as at 31 December 2009 have been re-presented as statements of financial position.

30. COMPARATIVE FIGURES *cont'd*

30.2 FRS 117, Leases

Following the adoption of the amendment to FRS 117, certain comparatives have been re-presented as follows:

	Group			
	31.12.2009		1.1.2009	
	As restated	As previously stated	As restated	As previously stated
	RM'000	RM'000	RM'000	RM'000
Cost				
Property, plant and equipment	72,039	63,817	65,504	63,991
Prepaid lease payments	-	8,222	-	5,614
Investment properties	1,260	1,260	7,150	3,049

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2010 into realised and unrealised profits, pursuant to the directive, is as follows:

	2010	
	Group RM'000	**Company RM'000**
Total retained earnings of the Company and its subsidiaries		
- realised	**91,656**	674
- unrealised	**(3,948)**	-
	87,708	674
Less: Consolidation adjustments	**(30,172)**	-
Total retained earnings	**57,536**	674

The determination of realised and unrealised profits is based on the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 44 to 97 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 31 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

KOON POH MING

KOON POH WENG

Petaling Jaya, Selangor

Date: 22 April 2011

STATUTORY DECLARATION

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

I, **Wan Shuw Yee**, the officer primarily responsible for the financial management of PMB Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 98 are, to the best of my knowledge and belief, 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.

Subscribed and solemnly declared by the above named in Kuala Lumpur in the Federal Territory on 22 April 2011.

WAN SHUW YEE

Before me:

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the Members of PMB Technology Berhad

(Company No. 584257-X) (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of PMB Technology Berhad, which comprise the statements of financial position as at 31 December 2010 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 information, as set out on pages 44 to 97.

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 Financial Reporting Standards and the Companies Act, 1965 in Malaysia, 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 about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

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 the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

c) 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.

d) The 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.

INDEPENDENT AUDITORS' REPORT

to the Members of PMB Technology Berhad
(Company No. 584257-X) (Incorporated in Malaysia)
cont'd

OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 31 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by 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.

KPMG
Firm Number: AF 0758
Chartered Accountants

CHIN SHOON CHONG
Approval Number: 2823/04/13(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 22 April 2011

ANALYSIS OF SHAREHOLDINGS
as at 16 May 2011

Authorised Share Capital	:	RM50,000,000
Issued and Paid-Up Share Capital	:	RM40,000,000
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per share

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
Less than 100	4	0.31	104	0.00
100 to 1,000	356	28.01	336,900	0.43
1,001 to 10,000	585	46.03	3,021,096	3.90
10,001 to 100,000	270	21.24	8,778,500	11.33
100,001 to less than 5% of issued shares	53	4.17	32,271,666	41.66
5% and above of issued shares	3	0.24	33,071,534	42.68
Total	1,271	100.00	77,479,800*	100.00

* *Excluding a total of 2,520,000 shares bought-back by the Company and retained as treasury shares as per the Record of Depositors as at 16 May 2011.*

DIRECTORS' SHAREHOLDINGS
as at 16 May 2011

	Direct		Indirect	
Name	No. of Shares Held	% of Issued Capital #	No. of Shares Held	% of Issued Capital#
Dato' Koon Poh Keong	1,089,700	1.41	0	0.00
Koon Poh Ming	30,000	0.04	10,314,988@	13.31
Koon Poh Tat	3,000,000	3.87	6,797,288*	8.77
Koon Poh Weng	0	0.00	6,797,288*	8.77
Tuan Haji Mohamad Faiz Bin Abdul Hamid	100,000	0.13	0	0.00
Loo Lean Hock	0	0.00	0	0.00
David Tan Hung Hoe	30,000	0.04	0	0.00
Ernest Bong Miau Fatt	48,000	0.06	0	0.00

@ *Deemed interested by virtue of his interest in Weng Fatt Stainless Steel Sdn Bhd and shares held by his spouse, Ong Soo Fan.*
* *Deemed interested by virtue of their interest in Weng Fatt Stainless Steel Sdn Bhd.*
\# *Excluding a total of 2,520,200 shares bought-back by the Company and retained as treasury shares.*

SUBSTANTIAL SHAREHOLDERS
as per Register of Substantial Shareholders as at 16 May 2011

Name	Direct No. of Shares Held	Direct % of Issued Capital #	Indirect No. of Shares Held	Indirect % of Issued Capital #
Press Metal Berhad	21,475,958	27.72	0	0.00
Weng Fatt Stainless Steel Sdn Bhd	6,797,288	8.77	0	0.00
Koon Poh Ming	30,000	0.04	10,314,988 @	13.31
Koon Poh Tat	3,000,000	3.87	6,797,288 *	8.77
Koon Poh Weng	0	0.00	6,797,288 *	8.77
Estate of Kuan Poh Fatt	0	0.00	6,797,288 *	8.77
Koon Poh Kong	0	0.00	6,797,288 *	8.77
Ong Sow Yong	4,798,288	6.19	0	0.00
Ong Soo Fan	3,517,700	4.54	6,827,288 ^	8.81

@ Deemed interested by virtue of his interest in Weng Fatt Stainless Steel Sdn Bhd and in the shares held by his spouse, Ong Soo Fan.
* Deemed interested by virtue of their interest in Weng Fatt Stainless Steel Sdn Bhd.
^ Deemed interested in the shares held by her spouse, Koon Poh Ming and his interest in Weng Fatt Stainless Steel Sdn Bhd.
\# Exluding a total of 2,520,200 shares bought-back by the Company and retained as treasury shares.

THIRTY LARGEST SHAREHOLDERS
as at 16 May 2011

	Name of Shareholders	No. of Shares	% of Issued Capital [#]
1	Press Metal Berhad	21,475,958	27.72
2	Weng Fatt Stainless Steel Sdn Bhd	6,797,288	8.77
3	Ong Sow Yong	4,798,288	6.19
4	Ong Soo Fan	3,517,700	4.54
5	Ong Sow Mei	3,492,100	4.51
6	Casatechnic Sdn Bhd	3,457,200	4.46
7	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Koon Poh Tat*	3,000,000	3.87
8	Lim Boon Kuan	2,919,415	3.77
9	Cyberwall Limited	2,057,651	2.66
10	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Dato' Koon Poh Keong*	1,000,000	1.29
11	Chan Yat Wai	868,000	1.12
12	Chua Seng Sam	813,000	1.05
13	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Koon Yun Hong @ Koon Pow Shyang*	800,000	1.03
14	Chow Kai Chong	616,900	0.80
15	Tan Kar Pin	489,200	0.63
16	Lee Tek Mook @ Lee Teh Moh	476,800	0.62
17	ECML Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Koh Lye Siang*	463,600	0.60
18	Law Eng Choon	431,000	0.56
19	Everpress Aluminium Industries Sdn Bhd	414,900	0.54
20	ECML Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Irene Toh Lai Ping*	400,400	0.52
21	Tie Ming Chuon	390,100	0.50
22	Mayban Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Loh Kwi Yong*	365,800	0.47
23	Dato' Tan Ting Wong	327,000	0.42
24	Gan Ling Sing	317,000	0.41
25	M.I.T Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Koon Yun Hong @ Koon Pow Shyang*	303,000	0.39
26	Chan Poh Leng	290,400	0.37
27	Wang Sze Yao @ Wang Ming Way	270,000	0.35
28	United Panels Sdn Bhd	268,800	0.35
29	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Kui*	259,300	0.33
30	Go Cheng Hock	247,900	0.32
Total		61,328,700	79.15

[#] Excluding a total of 2,520,200 shares bought-back by the Company and retained as treasury shares as per the Record of Depositors as at 16 May 2011.

LIST OF PROPERTIES

Held by the Group as at 31 December 2010

Proprietor	Location	Description/ age (year)/ acquisition date	Existing use	Tenure	Area sq. ft.	Net book value as at 31.12.2010 RM'000
Everlast Aluminium (M) Sdn. Bhd.	Lot 1797, Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Freehold land and building 16 years 12/07/1994	Factory cum office	Freehold	83,036	6,126
Everlast Aluminium (M) Sdn. Bhd.	Lot 1798, Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Leasehold land and building 14 years 29/03/1996	Factory cum office	Leasehold for 55 years expiring 02/12/2065	77,591	4,811
Everlast Aluminium (M) Sdn. Bhd.	Lot 2794, Mukim Petaling Daerah Wilayah Persekutuan Kuala Lumpur	AGF-7 Office Suite Business Park 13 years 13/08/1998	Tenanted	Freehold	1,266	296
Everlast Aluminium (M) Sdn. Bhd.	HS(D) 57624, PT No. 60131 Mukim and District of Klang, Selangor Darul Ehsan	Double storey Terrace House 12 years 08/10/2002	Vacant	Freehold	1,777	154
PMB Facade Technology Sdn. Bhd.	HS (D) 112497, PT No. 36234 Mukim Sungai Buloh, District of Petaling, State of Selangor	Apartment 4 years 22/03/2007	Vacant	Leasehold for 86 years expiring 17/06/2096	1,645	356
PMB Facade Technology Sdn. Bhd.	Lot 1804, Mukim of Cheras Daerah Hulu Langat Selangor Darul Ehsan	Freehold Land and Building 5 years 16/12/2005	Factory cum office	Freehold	89,821	5,038
PMB Central Sdn. Bhd.	HS (D) 57903, PT 537 Mukim Petaling Daerah Petaling Selangor Darul Ehsan	Two Storey Terrace House 14 years 02/04/2007	Employee's Accommodation	Leasehold for 80 years Expiring 26/12/2090	1,400	274
PMB Northern Sdn. Bhd.	HS (D) 77/92, PT 18852 Mukim Sungai Petani Daerah Kuala Muda Kedah Darul Aman	Leasehold Land and Building 20 years 22/08/2005	Warehouse	Leasehold for 41 years expiring 31/10/2050	19,776	887
Everlast Access Technologies Sdn. Bhd.	HS(D) 26254, P.T. No. 15661 Mukim Cheras District of Ulu Langat Selangor Darul Ehsan	Double Storey Terrace house 19 years 22/03/2006	Employee's Accommodation	Freehold	1,080	168
Everlast Environmental Management Sdn. Bhd.	HS(D) 67801, P.T. No. 64539 Mukim of Klang District of Klang Selangor Darul Ehsan	Leasehold land 12 years 25/02/1998	Vacant	Leasehold for 87 years expiring 24/02/2097	333,838	6,598

GROUP DIRECTORY

PMB TECHNOLOGY BERHAD
(Company No. :584257)

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
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Tel : 603-8961 5205
Fax : 603-8961 1904
Website URL: www.pmbtechnology.com
Email : enquiry@pmbtechnology.com

EVERLAST ALUMINIUM (M) SDN. BHD.
(Company No. 170443-T)

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.
Tel : 603-8961 5223
Fax : 603-8961 5213
Website URL: www.everlas.com
Email : everlas@everlas.com

EVERLAST ACCESS TECHNOLOGIES SDN. BHD. *(Company No. 491803-H)*

Malaysia
Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.
Tel : 603-8961 5223
Fax : 603-8961 5213

United Arab Emirates
WT01/ FA06, Jebel Ali Free Zone Dubai,
United Arab Emirates.
Tel : 971-4-881 6886
Fax : 971-4-887 3889

PMB CENTRAL SDN. BHD.
(Company No. 446486-M)

Central I
Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.
Tel : 603-8961 1088
Fax : 603-8961 9137
Email : pmbc@streamyx.com

Central II
No.3, Jalan 3/89C, Off Jalan Empat,
Jalan Chan Sow Lin,
55200 Kuala Lumpur, Malaysia.
Tel : 603-9221 8388
Fax : 603-9221 2688

PMB EASTERN SDN. BHD.
(Company No. 439685-T)

Block B, Lot 86, Jalan Industri Semambu 7,
Semambu Industrial Estate,
25350 Kuantan, Pahang, Malaysia.
Tel : 609-566 3923
Fax : 609-566 2471

PMB NORTHERN SDN. BHD.
(Company No. 460005-X)

Lot 10-08, Jalan PKNK2,
Kaw. Perindustrian Sungai Petani,
08000 Sg. Petani,
Kedah Darul Aman, Malaysia.
Tel : 604-442 4148/49
Fax : 604-442 4150
Email : pmbn@streamyx.com

PMB ALUMINIUM SABAH SDN. BHD.
(Company No.772936-H)

Lot No. 2 (DBKK No. 2A),
Neutron Park,Lorong Neutron 1,
Kolombong Industrial Estate,
Kolombong 88450 Kota Kinabalu, Sabah.
Tel : 6088-430 248
Fax : 6088-438 248
Email : pmbsabah@streamyx.com

PMB QUICK ACCESS SDN. BHD.
(Company No. 516692-V)

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.
Tel : 603-8961 8355
Fax : 603-8961 8357
Website URL : www.qacess-scaffold.com
Email : marketing@qacess-scaffold.com

PMB FACADE TECHNOLOGY SDN. BHD.
(Company No. 291486-H)

PMB.POIC BULKING SDN. BHD.
(Company No. 777915-W)

PMB CARBON SDN. BHD.
(Company No. 817599-X)

KAI PMB FACADE TECHNOLOGY LTD.
(Company No. C41554(913)/2000)

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
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Tel : 603-8961 5205/8355
Fax : 603-8961 1904/8357
Website URL: www.pmbfacade.com
Email : pmbfacade@pmbfacade.com

PMB-CYBERWALL LTD.
(Company No. 704047)

PMB-CYBERWALL (MACAU) LTD.
(Company No. 21975)

PMB FACADE TECHNOLOGY (H.K.) LTD.
(Company No. 675899)

PMB SYSTEM BUILDERS LTD.
(Company No. 923087)

18/F, Chinaweal Centre,
414 - 424, Jaffe Road,
Wanchai, Hong Kong.
Tel : 852-2397 6008
Fax : 852-2397 6206
Email : info@pmbc.com.hk

PMB FACADE TECHNOLOGY (S) PTE. LTD.
(Company No. 200006381M)

101 Beach Road #02-03,
The 101 Building, Singapore 189703.
Tel : 65-6337 7887
Fax : 65-6337 0880

EVERLAST ENVIRONMENTAL MANAGEMENT SDN. BHD.
(Company No. 207793-P)

AG TERMINAL SDN. BHD.
(Company No. 725045-A)

Head Office
Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
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Depot
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42920 Pulau Indah,
Selangor Darul Ehsan, Malaysia.
Tel : 603-3101 1003
Fax : 603-3101 1002

PROXY FORM

PMB TECHNOLOGY BERHAD
(Company No. 584257-X)
(Incorporated in Malaysia)

CDS account no. of authorised nominee

I/We ______________________________ (name of shareholder as per NRIC, in capital letters) IC No./ID No./Company No. ______________ (new) ______________ (old)
of ______________________________
(full address) being a member(s) of the Company, hereby appoint ______________________________
(name of proxy as per NRIC, in capital letters) IC No. ______________ (new) ______________ (old)
of ______________________________
(full address) or failing him/her, ______________________________ (name of proxy as per NRIC, in capital letters) IC No. ______________ (new) ______________ (old) of ______________
____
(full address) or failing him/her, *the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held at the Conference Room, Level 3, Eastin Hotel, 13 Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 29 June 2011 at 9.30 a.m. or at any adjournment thereof.

* Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

My/our proxy is to vote as indicated below if no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

RESOLUTIONS		FOR	AGAINST
1. Declaration of a final single tier dividend of 1.5%	Resolution 1		
2. Approval of Directors' Fees	Resolution 2		
3. Re-election of Ernest Bong Miau Fatt as Director	Resolution 3		
4. Re-election of Loo Lean Hock as Director	Resolution 4		
5. Re-election of Koon Poh Tat as Director	Resolution 5		
6. Re-appointment of Tuan Haji Mohamad Faiz bin Abdul Hamid as Director	Resolution 6		
7. Re-appointment of Messrs KPMG as Auditors of the Company	Resolution 7		
8. Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares	Resolution 8		
9. Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Resolution 9		
10. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares	Resolution 10		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

____
Signature/Common Seal
Number of shares held : ______________
Date : ______________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

NOTES :

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. 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. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.*
5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*

Fold This Flap For Sealing

Then Fold Here

Affix
Stamp

The Company Secretary
PMB TECHNOLOGY BERHAD (584257-X)

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st Fold Here