PMB TECHNOLOGY BERHAD (584257-X)

Annual Report 2012

PMB TECHNOLOGY BERHAD
(Company No. 584257-X)

2012
annual report

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

Contents








Corporate Information

BOARD OF DIRECTORS

Dato' Koon Poh Keong
Chairman

Koon Poh Ming
Chief Executive Officer

Koon Poh Weng

Dato' 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

Bangkok Bank Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB 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 Eleventh Annual General Meeting of PMB Technology Berhad will be held at the Room 3, Level 6, Best Western Premier Dua Sentral, 8, Jalan Tun Sambanthan, 50470 Kuala Lumpur on Thursday, 20 June 2013 at 9:30 a.m.

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' Fees for the financial year ended 31 December 2012. ***Ordinary Resolution 1***

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

   (i) Dato' Koon Poh Keong ***Ordinary Resolution 2***

   (ii) Koon Poh Weng ***Ordinary Resolution 3***

4. 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." ***Ordinary Resolution 4***

5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

As Special Business

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

6. **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." ***Ordinary Resolution 6***

7. **Authority for Tuan Haji Mohamad Faiz Bin Abdul Hamid to continue in office as an Independent Non-Executive Director**

   "THAT authority be and is hereby given to Tuan Haji Mohamad Faiz Bin Abdul Hamid who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code of Corporate Governance 2012." ***Ordinary Resolution 7***

8. **Authority for Loo Lean Hock to continue in office as an Independent Non-Executive Director**

   "THAT authority be and is hereby given to Loo Lean Hock who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code of Corporate Governance 2012." ***Ordinary Resolution 8***

Notice of Annual General Meeting
(cont'd)

9. **Proposed Renewal of Shareholders' Mandate and Proposed New 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 to the Company and its subsidiaries ("PMBT Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3 (i) of the Circular to Shareholders dated 29 May 2013 ("Circular") which are necessary for PMBT Group's day-to-day operations 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

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 party 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 the 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 Proposed Shareholders' Mandate."

Ordinary Resolution 9

10. **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 Main Market 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.

Notice of Annual General Meeting
(cont'd)

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 Eleventh 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;

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." ***Ordinary Resolution 10***

BY ORDER OF THE BOARD

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

Selangor Darul Ehsan

Date: 29 May 2013

NOTES:

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*

2. *Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

3. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

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 or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Share Registrar's office of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 June 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

Notice of Annual General Meeting
(cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 6

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

The Company had, during its Tenth Annual General Meeting held on 28 June 2012, 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 6 proposed under item 6 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.

Ordinary Resolution 7

- Authority for Tuan Haji Mohamad Faiz Bin Abdul Hamid to continue in office as Independent Non-Executive Director

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Tuan Haji Mohamad Faiz Bin Abdul Hamid who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and recommended him to continue to act as Independent Non-Executive Director of the Company. Tuan Haji Mohamad Faiz Bin Abdul Hamid fullfilled the criteria under the definition on Independent Directors as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Tuan Haji Mohamad Faiz Bin Abdul Hamid has been with the Company for more than nine (9) years, he therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations and discussions at Audit Committee, Remuneration Committee, Nomination Committee and Board meetings without compromising his independent and objective judgement.

Ordinary Resolution 8

- Authority for Loo Lean Hock to continue in office as Independent Non-Executive Director

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Loo Lean Hock who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and recommended him to continue to act as Independent Non-Executive Director of the Company. Loo Lean Hock fullfilled the criteria under the definition on Independent Directors as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. His experience in the audit and accounting indutries enables him to provide the Board with a diverse set of experience, expertise, skills and competence. As he has been with the Company for more than nine (9) years, he therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations and discussions at Audit Committee, Nomination Committee and Board meetings without compromising his independent and objective judgement.

Ordinary Resolution 9

- Proposed Renewal of Shareholders' Mandate and Proposed New 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 Ordinary Resolution 9, please refer to the Circular to Shareholders dated 29 May 2013 accompanying the Annual Report of the Company for the financial year ended 31 December 2012.

Ordinary Resolution 10

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

For further information on Ordinary Resolution 10, please refer to the Statement to Shareholders in Part B of the Circular to Shareholders dated 29 May 2013 accompanying the Annual Report of the Company for the financial year ended 31 December 2012.

Profile of Directors

DATO' KOON POH KEONG

Chairman, Non-Independent

Age 52. 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 Dato' Koon Poh Tat. He maintains a clean record with regard to convictions for offences.

KOON POH MING

Chief Executive Officer, Non-Independent

Age 56. 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. He is a professional engineer registered with the Board of Engineers, Malaysia and The Institute of Engineers, Malaysia. He has been actively involved in the aluminium trading and manufacturing and construction for more than 25 years. He is the brother to Dato' Koon Poh Keong, Koon Poh Weng and Dato' Koon Poh Tat. He maintains a clean record with regard to convictions for offences.

KOON POH WENG

Executive Director

Age 58. 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 Dato' Koon Poh Tat. He maintains a clean record with regard to convictions for offences.

Profile of Directors
(cont'd)

DATO' KOON POH TAT
Executive Director

Age 53. 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 48. Malaysian. Non-Independent, Executive Director appointed on 3 May 2007. Prior to that he was an 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 73. 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 all four Board meetings held in the financial year. He is also an Independent Non-Executive Director of Press Metal Berhad. He is a Fellow of the Royal 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 53. 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 three out of 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 Malaysian Institute of Accountants, a practicing member of Malaysian Institute of Certified Public Accountants, Fellow of CPA Australia; associate member of Chartered Tax Institute of Malaysia; 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. 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 57. 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 all 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 31 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
(Company No. 584257-X)

- **100% PMB Facade Technology S/B** (Co. No. 291486-H)
  - 100% PMB-Cyberwall Ltd. (Co. No. 704047)
  - 100% PMB Facade Technology (HK) Ltd. (Co. No. 675899)
  - 51% Kai PMB Facade Technology Ltd. (Co. No. C-41554 (913)/2000)
- **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)
- **100% Sun Power Generation S/B** (Co. No. 953951-D)
- **100% Solar Power Generation (Sabah) S/B** (Co. No. 958826-D)
- **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% Everlast Environmental Management S/B (Co. No. 207793-P)
  - 100% PMB Eastern S/B (Co. No. 439685-T)

Group Structure
(cont'd)

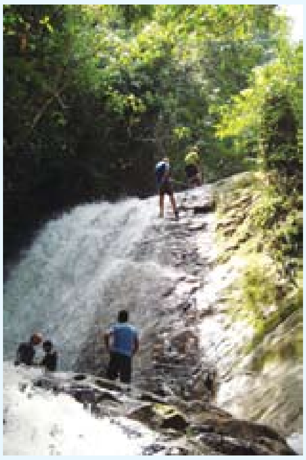
Details of the subsidiary companies of PMB Technology Berhad are summarised below: -

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
Sun Power Generation Sdn. Bhd.	22.07.11 Malaysia	RM100	100.00	Dormant
Solar Power Generation (Sabah) Sdn. Bhd.	26.08.11 Malaysia	RM100	100.00	Dormant
Subsidiary Companies held indirectly through PMBF				
PMB Facade Technology (H.K.) Ltd.	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.	11.02.00 Hong Kong	HKD13,000,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and other related products
KAI PMB Facade Technology Ltd.	18.10.00 Bangladesh	BDT5,000,000	51.00	Supplying, manufacturing, fabricating and installing structural glazing and ventilated thermal flow aluminium cladding in 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.	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 PMBAS				
PMB.POIC Bulking Sdn. Bhd.	21.06.07 Malaysia	RM100,000	100.00	Dormant

Calendar Highlights

JULY 2012
Blood Donation

JULY 2012
Forklift Training



AUGUST 2012
Team Building

Calendar Highlights
(cont'd)

OCTOBER 2012
First Aid



NOVEMBER 2012
Scholarship Award



MARCH 2013
Chinese New Year & Long Services






MARCH 2013
Lucky Draw


Audit Committee Report

COMPOSITION

The present Audit Committee consists exclusively Independent 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 Non-Executive 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 First 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 First Schedule of the Accountants Act, 1967.

  iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

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

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 interests 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 results 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 auditors may wish to discuss (in the absence of management where necessary);

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

Audit Committee Report
(cont'd)

TERMS OF REFERENCE (cont'd)

Functions (cont'd)

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;
- 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; and

f) be able to convene meetings with the external auditors, 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.

Audit Committee Report
(cont'd)

TERMS OF REFERENCE (cont'd)

Meetings (cont'd)

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.

ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2012, the Audit Committee held four (4) meetings. The details of attendance of the Audit Committee members are as follows:-

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

ACTIVITIES OF THE COMMITTEE

The main activities undertaken by the Audit Committee during the financial year in discharging their 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 twice and outsourced internal auditors three times 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; and
10. Reported to and updated the Board of Directors on significant issues and concerns discussed during the Audit Committee meetings and where appropriate made the necessary recommendation to the Board of Directors.

Audit Committee Report
(cont'd)

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.

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; and
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 2012 was RM46,055.00.

"On behalf of the Board of Directors of PMB Technology Berhad ("PMBT"), I am pleased to present to you the Annual Report and Audited Financial Statements of PMBT and its Group for the financial year ended 31 December 2012."

Chairman's Statement

Chairman's Statement
(cont'd)

Year 2012 was a challenging year. The global economy was clouded by uncertainty. The unresolved and prolonged sovereign debt issue in Europe, the slow pick up in the United States' economy and the fears of economic hard landing in the China had adversely affected the global economic.

In Malaysia, the Group has been benefiting from the growth that was mainly contributed by the strong domestic demands.

FINANCIAL PERFORMANCE

The Group recorded a revenue of RM284.7 million for the financial year ended 31 December 2012 ("FY2012"), representing a decrease of 9% compared to RM311.8 million recorded for the financial year ended 31 December 2011 ("FY2011"). Lower selling price resulted from lower commodity price and slower progress of certain on-going projects has led to the decrease in revenue.

The Group's Profit Before Tax ("PBT") decreased 27.2% from RM17.1 million to RM12.5 million. Included in the PBT, there were a one-off gain on disposal of the entire shareholding in AG Terminal Sdn Bhd of RM9.3 million and a gain on disposal of a vacant industrial land of RM4.2 million in the FY2011 and FY2012 respectively. The Group's earnings per share was lower at 13 sen.

CORPORATE DEVELOPMENT

During the financial year, three dormant subsidiary companies, PMB System Builders Limited, PMB-Cyberwall (Macau) Limited and PMB Facade Technology (S) Pte Ltd were de-registered as in line with the Group's rationalization efforts to wind up inactive subsidiary companies.

FORWARD TO 2013

The challenges faced in year 2012 are expected to persist in year 2013. The global economic outlook remains highly uncertain, given that the growth in the United States may be restrained by fiscal tightening and the slow fiscal consolidation and lack of structural reforms in the Eurozone.

Locally, we are cautiously optimistic about the economic prospect. The rising labour costs upon the adoption of the minimum wages policy together with the fluctuation in the commodity prices and the foreign exchange currencies are the key challenges to our costs management.

Barring unforeseen circumstances, the Group will continue to strive for higher efficiencies in operations couple with appropriate pricing and marketing strategy to achieve a satisfactory result.

DIVIDENDS

The Company declared the following interim dividends in respect of the financial year ended 31 December 2012:

1. First interim single tier dividend of 2% per share amounting to RM774,798.00 which was paid on 3 October 2012.

2. Second interim single tier dividend of 2% per share amounting to RM774,798.00 which was paid on 13 December 2012.

3. Third interim single tier dividend of 2% per share amounting to RM774,798.00 which was paid subsequent to the financial year end i.e. on 9 April 2013. In view thereof, the Board has not recommended any final dividend for the year under review.

The Board does not recommend any final dividend to be paid for the year under review.

APPRECIATION

On behalf of the Board, I would like to express my gratitude and appreciation to all our 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 Group for the past year.

DATO' KOON POH KEONG
Chairman
7 May 2013

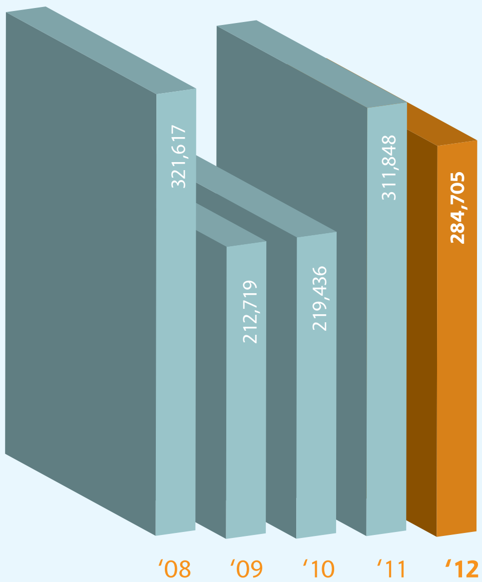
Five Years Group Financial Highlights

Summary of the consolidated audited results of PMB Technology Berhad Group for the five (5) financial years ended 31 December 2012

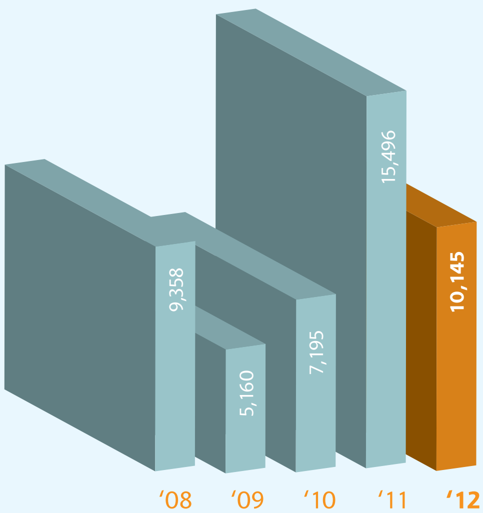
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000
Revenue	321,617	212,719	219,436	311,848	**284,705**
Profit before taxation	11,268	6,797	9,193	17,109	**12,456**
Profit for the Year	9,357	5,159	7,194	15,496	**10,145**
Attributable to:					
Owners of the Company	9,358	5,160	7,195	15,496	**10,145**
Non-controlling interests	(1)	(1)	(1)	-	-
	9,357	5,159	7,194	15,496	**10,145**
Earnings per share (sen) (Attributable to Owners of the Company)	12.08 ^	6.66 ^	9.29 ^	20.00 ^	**13.09 ^**

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

REVENUE
(RM' 000)



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM' 000)



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 Recommendations set out in the Malaysian Code on Corporate Governance 2012 ("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 Recommendations of the Code. Unless otherwise stated, the Board has throughout the financial year ended 31 December 2012 complied with the best practices indicated in the Code.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

1.1 Clear functions of the Board and Management

The Group recognises the important role played by the Board in the stewardship of its 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 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.

Beyond the matters reserved for the Board's decision, the Board has delegated the authority to achieve the corporate objective to the Company's Chief Executive Officer ("CEO"). The CEO remains accountable to the Board for the authority that is delegated to him, and for the performance of the Group.

The Board monitors the decisions and actions of the CEO and the performance of the Group to gain assurance that progress is being made towards the corporate objectives.

1.2 Clear roles and responsibilities

The Board is constantly mindful of safeguarding the interest of the Group's customers, investors and all other stakeholders in discharging its stewardships.

To ensure the effective discharge of its function and responsibilities, the Board has established and 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 Pages 25 to 26 of this Annual Report
Nomination Committee	Explained on Pages 24 to 25 of this Annual Report

The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective written Terms of References and operating procedures and the Board receives reports of their proceedings and deliberations. The chairman of the respective committees will report to the Board the outcome of these meetings and such reports are incorporated into the Minutes of the Board meetings. These committees were formed in order to enhance business and operational efficiency as well as efficacy. The Board remains fully responsible for the direction and control of the Company and the Group.

In line with the recommendations of the Code, the Board will formalise its roles and responsibilities in a Board Charter.

Corporate Governance Statement
(cont'd)

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (cont'd)

1.3 Formalised ethical standards through Code of Ethics

The Board acknowledges the importance of establishing a corporate culture which engenders ethical conduct that permeates throughout the Company.

The Board will formalise a Code of Ethics for the Board as well as a Code of Conduct for Directors, management and employees of the Group.

1.4 Strategies promoting sustainability

The Group recognises the importance of sustainability and its increasing impact to the business. The Group is committed to understanding and implementing sustainable practices and exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success.

The Company's activities on sustainability agenda for the year under review are set out in Page 32 of the Corporate Social Responsibility of this Annual Report.

1.5 Access to information and advice

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 meetings 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 resource issues.

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

1.6 Qualified and competent Company Secretaries

The Company Secretaries ensure the flow of information to the Board and its Committees. They ensure that Board procedures are complied with and advise the Board on governance matters.

The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on new statutory and regulatory requirements, and the resultant implications to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries, who oversee adherence with board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries attend all Board and Audit Committee meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide. Every Director has also unhindered access to the advice and services of the Company Secretary.

1.7 Board Charter

The Board will formalise a Board Charter and publish it on the Company's website. The Board will also review the Board Charter periodically to achieve the objectives of transparency, accountability and effective performance for the Group and the enhancement of corporate governance standards with the aim of enshrining the concepts of good governance as promulgated in the Code.

Corporate Governance Statement
(cont'd)

STRENGTHEN COMPOSITION OF THE BOARD

2.1 Nomination Committee

The Nomination Committee comprised the following members during the financial year ended 31 December 2012:

Name of Director	Membership	Directorship
Tuan Haji Mohamad Faiz Bin Abdul Hamid	*Chairman*	*Independent Non-Executive Director*
Loo Lean Hock	*Member*	*Independent Non-Executive Director*
Ernest Bong Miau Fatt	*Member*	*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 reviews the required mix of skills, experience and other qualities of the Director, including core competencies. The Nomination Committee also systematically assesses the effectiveness of the Board and its Board Committees and the contribution and performance of each individual Director including independent non-executive directors as well as the CEO on an annual basis.

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

The Nomination Committee held one (1) meeting during the financial year ended 31 December 2012 and all the members registered full attendance.

The Board as a policy will select candidate as a Director who will best serve the Company regardless of gender and thus do not consider it necessary to set any target nor undertake any specific measures to recruit women candidates specifically. The Nomination Committee will consider female candidates as new Director of the Company as and when the opportunity arises.

2.2 Develop, maintain and review criteria for recruitment processes and annual assessment of Directors

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.

Re-election of Directors

The Articles of Association of the Company provide that all Directors shall retire at least once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election. A retiring Director is eligible for re-election. This provides an opportunity for shareholders to renew their mandates. The re-election of each Director is voted on separate resolution during the Annual General Meeting ("AGM") of the Company. To assist shareholders in their decision, sufficient information such as personal profile, meeting attendance and the shareholdings in the Group of each Director standing for re-election are furnished in the Profile on Board of Directors contained in the annual report.

Also, Directors over seventy (70) years of age are required to retire and offer themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

Corporate Governance Statement
(cont'd)

STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

2.2 Develop, maintain and review criteria for recruitment processes and annual assessment of Directors (cont'd)

Board Evaluation

The Board regularly evaluates its performance and the governance processes that support the Board's work with the aim of improving individual contributions, effectiveness of the Board and its committees and the Company's performance.

During the financial year under review, the Nomination Committee had reviewed and assessed the mix of skills and experience and size of the Board, contribution of each Director and effectiveness of the Board and Board Committees and also reviewed the retirement of Directors by rotation eligible for re-election.

2.3 Remuneration policies and procedures

Remuneration Committee

The Remuneration Committee consists entirely Independent Non-Executive Directors with Tuan Haji Mohamad Faiz Bin Abdul Hamid as the Chairman. 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:-

Name of Director	Membership	Directorship
Tuan Haji Mohamad Faiz Bin Abdul Hamid	*Chairman*	*Independent Non-Executive Director*
Loo Lean Hock	*Member*	*Independent Non-Executive Director*
Ernest Bong Miau Fatt	*Member*	*Independent Non-Executive Director*

The Remuneration Committee held one (1) meeting during the financial year ended 31 December 2012 and all the members registered full attendance.

Remuneration Package

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 2012 are as follows:

Category	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Benefits in-kind (RM'000)
Executive Directors	-	976	-
Non-Executive Directors	54	-	-

Corporate Governance Statement
(cont'd)

STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

2.3 Remuneration policies and procedures (cont'd)

Remuneration Package (cont'd)

Breakdown of Directors' remuneration for the financial year ended 31 December 2012, by category and in each successive band of RM50,000, is as follows:-

	Executive	Non-Executive
RM50,000 and below	-	3
RM100,001 - RM150,000	1	-
RM150,001 - RM200,000	2	-
RM200,001 - RM250,000	2	-
Total	**5**	**3**

The Company does not disclose each Director's remuneration separately as such information is considered highly sensitive and confidential in nature.

REINFORCE OF INDEPENDENCE

3.1 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in the decision-making process. The Independent Directors bring their respective knowledge and experience to the Board. The Board is committed in ensuring that Independent Directors are capable and willing to make decisions in the best interests of the Company and the shareholders free from interest or influence and are independent of the Management.

The Independent Directors namely, Tuan Haji Mohamad Faiz Bin Abdul Hamid, Mr Loo Lean Hock and Mr Ernest Bong Miau Fatt fulfilled the criteria of "Independence" as prescribed under the Listing Requirements. The key criteria for the appointment of an independent Director is one who is not a member of the management (a non-executive Director) and who is free of any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. The Board composition complies with the Listing Requirements which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, to be independent Directors.

3.2 Tenure of Independent Directors

In line with the Code, the tenure of an independent Director should not exceed a cumulative term of nine (9) years. However, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In exceptional cases and subject to assessment by the Nomination Committee, the Board may recommend for an Independent Non-Executive Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Non-Executive Director subject to shareholders' approval.

3.3 Separation of positions of the Chairman and CEO

The Board recognises the importance of having a clearly accepted division of power and responsibilities. There is a clear division of responsibilities at the head of the Group to ensure a balance of authority and power.

The roles of the Chairman and the CEO 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 the Board's decisions. The CEO is responsible for the day-to-day management of the business as well as the implementation of Board's policies and decisions. Mr Loo Lean Hock is the Senior Independent Non-Executive Director designated to clarify matters or enquiries that may be raised by shareholders or investors.

Corporate Governance Statement
(cont'd)

REINFORCE OF INDEPENDENCE (cont'd)

3.3 Separation of positions of the Chairman and CEO (cont'd)

The Code stated that the Board must comprise a majority of independent directors where the Chairman is not an independent director. The Executive Chairman, Dato' Koon Poh Keong was appointed as Chairman after taking into account his vast experience in the manufacture and marketing of aluminium and other related products.

In spite of the Chairman not being an Independent Director, the Board believes that the interests of the shareholders and the Company are protected by the strong presence of Independent Directors in Board who neither have any family relationship with any Director and/ or major shareholders of the Company and have no conflict of interest with the Company.

The positions of the Chairman and of CEO are held by different individuals whilst Dato' Koon Poh Keong is the Executive Chairman, the position of CEO is held by Mr Koon Poh Ming.

3.4 Board Composition and 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.

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 coupled with integrity and professionalism in all its activities.

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

FOSTER COMMITMENT

4.1 Time Commitment

The Board 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 2012, the Board met on four (4) occasions, where it deliberated upon and considered a variety of matters including the financial results, major investments, strategic decisions, 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 and signed by the Chairman of the meeting.

Procedures are in place for Directors to seek both independent professional advice at the Company's expense and have access to the Company Secretary in order to fulfill their duties and specific responsibilities as enumerated in the Board Charter.

The Board members are required to notify the Board's Chairman prior to their acceptance of new directorships in other companies.

Corporate Governance Statement
(cont'd)

FOSTER COMMITMENT (cont'd)

4.1 Time Commitment (cont'd)

Details of Directors' attendance at Board Meetings held during the financial year ended 31 December 2012 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
Dato' Koon Poh Tat	4/4
Tuan Haji Mohamad Faiz Bin Abdul Hamid	4/4
Loo Lean Hock	3/4
David Tan Hung Hoe	4/4
Ernest Bong Miau Fatt	4/4

4.2 Directors' training

The Directors have participated in numerous training programmes, seminars, conferences and briefings to ensure that they are kept abreast with the latest market development, relevant new laws and regulations, financial reporting and other issues relevant requirements to the Company. All the Directors have completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities Berhad.

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

- National Tax Conference 2012
- Budget Seminar 2013
- Implementing Audit Quality Control
- Limited Liability Partnership
- Understanding Malaysian Property & Tax Planning Strategies
- MIA International Accountants Conference 2012
- The Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers

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

The Senior Management had 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.

The Company Secretaries also circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board quarterly on these updates at Board meetings. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

Corporate Governance Statement
(cont'd)

UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable financial reporting standards

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 results and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that Malaysian Financial Reporting Standard ("MFRS"), International Financial Reporting Standards ("IFRS") and the provisions of the Companies Act, 1965 in Malaysia have been applied with and reasonable and prudent judgement and estimates have been made.

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

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

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this annual report.

Related Party Transactions

An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the Listing Requirements. The Board, through its Audit Committee, reviews all material related party transactions involved. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and at any general meeting convened to consider such matters.

Further details of these transactions are set out in the Recurrent Related Party Transactions' Circular to Shareholders dated 29 May 2013.

5.2 Assessment of sustainability and independence of external 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 17 of the 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 to 18 of the Annual Report.

The External Auditors provide mainly audit-related services to the Company. Due to the strong knowledge of the Company, the External Auditors also undertake certain non-audit services such as interim reviews, regulatory reviews and reporting, and other services.

The Board upholds the integrity of financial reporting by the Company and as such, the External Auditors have confirmed to the Board their independence in providing both audit and non-audit services up to the date of this statement.

The External Auditors attended two (2) out of four (4) of the Audit Committee meetings held to review the Quarterly Results and the financial statements.

Corporate Governance Statement
(cont'd)

RECOGNISE AND MANAGE RISKS

6.1 Sound framework to manage risks

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework.

The key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control of the Company as set out on Pages 33 to 34 of this Annual Report.

6.2 Internal audit function

The Board has established an internal audit function within the Company, which is led by the Head of Internal Audit who reports directly to the AC. The Statement on Risk Management and Internal Control furnished on Pages 33 to 34 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

Information Disclosure

The Board has in place a policy to ensure disclosure of information is in accordance with the disclosure requirements under the Listing Requirements and other applicable laws.

7.2 Leverage on information technology for effective dissemination of information

Investor Relations and Shareholders' Communication

The Company's website, www.pmbtehnology.com, provides an avenue for information, such as dedicated sections on corporate information, including financial information, share price history, announcements and press releases. The website is continuously updated to ensure that the information contained within is current.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage shareholder participation at general meetings

The Board acknowledges the need for the shareholders to be informed of all material business matters affecting the Company. In addition to various announcements made, the timely release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and operations.

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. Notice of AGM together with a copy of the Company's Annual Report will be sent to shareholders at least twenty-one (21) days before the meeting. Members of the Board as well as the external auditors will be present to answer questions relevant to the resolution being proposed, the financial performance, business operations or corporate governance of the Company and other matters affecting the Company's shareholders' interests.

8.2 Effective Communication and Proactive Engagement

In accordance with the Listing Requirements, the Board will conduct poll voting for resolutions relating to related party transactions or as may be demanded by the shareholders respectively.

The Board is encouraged to put substantive resolution to vote by way of poll at the general meetings. The Chairman will inform the shareholders of the Company of their right to demand for a poll vote at the commencement of a general meeting.

This statement is made in accordance with the resolution of the Board of Directors' duly passed on 20 May 2013.

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

There were no options, warrants or convertible securities issued by the Company during the financial year ended 31 December 2012.

(3) 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.

(4) NON-AUDIT FEES

During the financial year ended 31 December 2012, the non-audit fees paid to the external auditors by the Company amounted to RM15,000.

(5) SHARE BUY-BACK

There were no share buy-backs for the financial year ended 31 December 2012.

As at 31 December 2012, 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.

(6) 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 2012 are stated in Section 2.2 and Section 2.3 of the Circular to Shareholders dated 29 May 2013 and Note 30 of the Financial Statements.

(7) PROFIT GUARANTEE

There were no profit guarantee issued by the Company during the financial year ended 31 December 2012.

(8) PROFIT ESTIMATES, FORECAST, PROJECTIONS AND VARIATIONS IN RESULTS

There were no material variance between the results for the financial year ended 31 December 2012 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 2012.

(9) DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2012.

(10) UTILISATION OF PROCEEDS

The Company did not undertake any corporate proposal during the financial year ended 31 December 2012 to raise proceeds.

Corporate Social Responsibilities Statement

The Company recognises its responsibility to contribute to the development of the community as these are the core values that help 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.

Recognition is also given to the employees for every five years of service, with a gold pendant presented to each of them at the Group's annual dinner. The presentation of awards has become an important part of our annual dinner and, in general, has a positive effect in promoting staff motivation and morale.

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 such as our weekly badminton games, festive celebrations and bowling tournaments. 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.

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 Group 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.

On 6 July 2012, the Group had again organized a Blood Donation Campaign in collaboration with Pusat Darah Negara with the objective in assiting them in the blood replenishment for the fifth consecutive year. The campaign was not only limited to our employees but also to blood donors from their family members.

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 for our access equipment business.

During the financial year, the Group had also awarded scholarships to academically excellent and deserving students in a local institution. The scholarships were awarded to those financially needy Malaysian talents to develop their full potential, fulfil their aspiration and contribute towards the nation's development.

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.

Statement on Risk Management and Internal Control

INTRODUCTION

In accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of public listed companies are required to include in their annual report a statement about the state of internal control of the listed issuer as a group. The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the group's assets. Set out below is the Board's Statement on Risk Management and Internal Control, which has been prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" (the "Guidelines ").

BOARD RESPONSIBILITY

The Board is committed to maintaining both a sound system of risk management and internal control and the proper management of risks throughout the operations of the Group in order to safeguard shareholders' investment and assets of the Group. The Board acknowledges that it is ultimately responsible for the Group's system of internal control which main features include the establishment of an appropriate control environment and framework, including financial, operational and compliance controls and risk management.

The Board is responsible in identifying, evaluating and managing the significant risks of the Group, as well as reviewing the adequacy and effectiveness of the risk management and internal control system on an ongoing basis. This process has been in place for the financial year under review and up to the date of approval of this statement for inclusion in the annual report.

The Board believes the risk management and internal control system in place is adequate and effective to manage the risk of the Group. Nevertheless, it should be noted 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 loss.

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT FRAMEWORK

The Board delegates the responsibility of monitoring the system of risk management and internal control to the Audit Committee. The Audit Committee has in turn engaged the services of external consultants to assess the adequacy and effectiveness of the internal control system. The same external consultants have also been appointed to assist in the development of a risk management framework and the risk management framework was completed in prior years. The Audit Committee is kept informed of the internal 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 page 18 of this Annual Report.

During the financial year, the internal audit function conducted internal audits in accordance with the approved internal audit plan for the purposes of assessing the adequacy and effectiveness of the internal control systems. The results of the audit and recommendations for improvement co-developed with Management were presented at the Audit Committee Meetings, and subsequently approved by the Board.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the other key elements of the Group's internal control systems are described below:

- A management structure with job descriptions and defined lines of responsibilities is in place for all business operating units;
- The Company and two of its subsidiaries have the following accreditation for their operational processes:-

Everlast Aluminium (M) Sdn. Bhd.	◆ SIRIM BS 2037:1994 on portable aluminium ladder
	◆ SIRIM HD 1004:1992 on prefabricated mobile access and working tower
	◆ SIRIM BS EN 131-2:1993 portable aluminum ladder
	◆ SIRIM BS EN 131-2:1993 on portable fiberglass ladder
	◆ SIRIM BS 1139-3:1994 on prefabricated mobile access and working tower
	◆ ISO 9001:2008 on Quality Management Systems
PMB Façade Technology Sdn. Bhd.	◆ ISO 9001: 2008 on Quality Management System

Statement on Risk Management and Internal Control
(cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL (cont'd)

- Review of all proposals for material capital and investment acquisitions by the management prior to the review and approval by the Board of Directors;
- Information is provided by management to the Board on a quarterly basis, covering financial performance as well as key performance indicators, such as cash flow performance, product sales analysis and operating cost analysis. These performance reports are benchmarked against budget;
- Quarterly monitoring of results and financial position by the Board;
- Visits to business operating units by key members of the Board and the Management team at least every 6 months;
- Quarterly review of Group related party transactions by the Audit Committee;
- Company value statement, code of conduct and policies and procedures are in place and made available to all staff; and
- Charter of responsibilities and functions of the Board of Directors and its main committees - Audit Committee, Nomination Committee and Remuneration Committee.

ASSURANCE PROVIDED BY THE GROUP CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

In line with the Guidelines, the Group Chief Executive Officer and Chief Financial Officer have provided assurance to the Board stating that the Group's risk management and internal control system has operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

A few internal control weaknesses were identified during the period, all of which have been, or are being addressed. None of these weaknesses have resulted in any material error and losses, contingencies or uncertainties that would require mention in the Group's annual report.

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

PMBT Group complements the activities of its corporate shareholder, PMB, which is the only aluminium smelter and 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 PMBF Group are undertaken by the following overseas subsidiary and associate companies:

- PMB-Cyberwall Limited in Hong Kong
- PMB Facade Technology (H.K.) Limited in Hong Kong
- 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 accreditated with the ISO9001 : 2000 certification in January 2005.

Group Information
(cont'd)

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

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 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 formal structure 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 projects undertaken are as follows:-

One Tanjung	- 2 Towers 41-storey Condominium at Jalan Tanjung Bungah, Penang
Icon Residence	- 2 Towers 28 & 36-storey Service Apartment (Lift Core) at Sri Hartamas Part II, Kuala Lumpur
LMC-Bukit Erskine	- 38-storey Condominium, Penang
Verdana Kiara North	- 2 Towers 30-storey Condominium at Jalan Segambut, Kuala Lumpur
Berjaya Central Park	- 38 storey Office at Section 58, Kuala Lumpur
Summerton	- 1 Tower 14-storey Suite Perniagaan, Persiaran Mahsuri, Pulau Pinang
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
Soho KLCC	- 2 Towers 45-storey Service Apartment at Jalan Perak, Kuala Lumpur
Cascades	- 20-storey Service Apartment, Kota Damansara, Selangor
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 Gurney, Penang
Island Resort	- 3 Towers 33-storey Residential Towers, Jalan Batu Feringghi, Penang
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

Group Information
(cont'd)

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 Damansara	- 19-storey Apartment at Bandar Utama, Selangor
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
  - Prep aration 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:

- 58-storey Commercial cum Residential, Ilham Baru Tower, Kuala Lumpur
- 45-storey Commercial cum Residential, Al Bidda Tower, Doha, Qatar
- Catering Facility of New Doha International Airport, Qatar
- 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

Group Information
(cont'd)

- 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
- Kuala Lumpur International Airport (KLIA), Sepang
- Menara Landmark, Johor Bahru
- Chek Lap Kok Airport Hotel, Hong Kong
- 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.

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 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.

❖ 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 EVERLAST is synonymous with quality and reliability especially for the range of models that were certified by SIRIM and in compliance with British Standards BS2037 : 1994 and BS EN131 : 2007.

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, New Zealand, Singapore and Indonesia.

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

Group Information
(cont'd)

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:

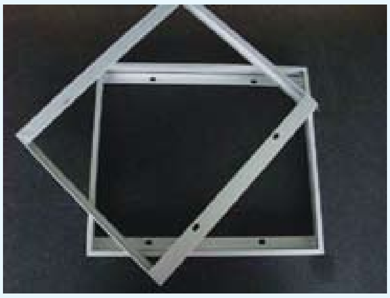
- Oil & Gas industries
- International convention centre
- Power plants
- Aeroplane hanger
- Hotels
- Hypermarkets
- Shipyards
- International tournament or events
- Factories & warehouses
- Government buildings

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, 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.

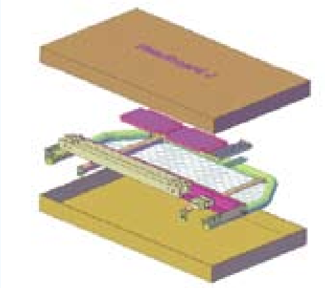


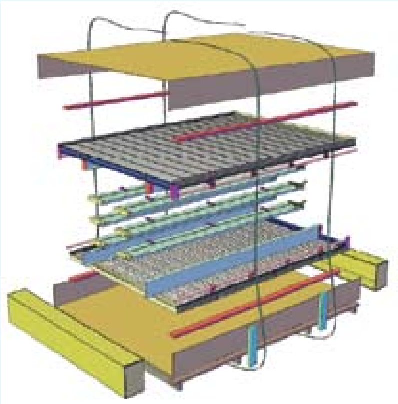
Group Information
(cont'd)

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.





ALUMINIUM GATE

From the continuing effort in the Research and Development, the Company had ventured into the manufacturing of the aluminium Gate as an alternative to the current steel & stainless steel gate. Due to its light-weight nature, the aluminium gate will be a logical substitute for the steel or stainless steel gate in view of the reduce maintenance cost for the auto system. Steel is currently widely used in the gate 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 gate, aluminium gate is non-corrosive and will be more suitable for application where the surface is exposed to the environment and subject to the damage of corrosive agents.

Group Information
(cont'd)

DISTRIBUTION OF ALUMINIUM & RELATED BUILDING MATERIALS

❖ Strategic Locations

Everlast Group is well represented throughout Peninsula 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.

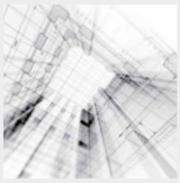
❖ One-Stop Interior Construction Materials Centre

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








Directors' Report
for the Year Ended 31 December 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

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	10,145	4,205

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial 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 1 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM774,798 in respect of the financial year ended 31 December 2011 on 8 August 2012;

ii) a first interim ordinary dividend of 1 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM774,798 in respect of the financial year ended 31 December 2012 on 3 October 2012; and

iii) a second interim ordinary dividend of 1 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM774,798 in respect of the financial year ended 31 December 2012 on 13 December 2012.

Subsequent to the financial year end, the Directors declared a third interim ordinary dividend of 1 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM774,798 in respect of the financial year ended 31 December 2012 paid on 9 April 2013. The Directors do not recommend any final dividend to be paid for the financial year under review.

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
Dato' 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 2012
(cont'd)

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM0.50 each			
	At 1.1.2012	**Bought**	**Sold**	**At 31.12.2012**
Interest in the Company:				
Dato' Koon Poh Keong	1,089,700	-	-	**1,089,700**
Koon Poh Ming				
- own	30,000	-	-	**30,000**
- others *	3,517,700	-	-	**3,517,700**
Tuan Haji Mohamad Faiz bin Abdul Hamid	100,000	-	-	**100,000**
Dato' Koon Poh Tat	3,431,000	-	-	**3,431,000**
David Tan Hung Hoe	30,000	-	-	**30,000**
Ernest Bong Miau Fatt	48,000	-	-	**48,000**
Deemed interest in the Company:				
Koon Poh Ming #	6,797,288	-	-	**6,797,288**
Dato' Koon Poh Tat #	6,797,288	-	-	**6,797,288**
Koon Poh Weng #	6,797,288	-	-	**6,797,288**

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

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

The other Director holding office at 31 December 2012 did not have any interest in the shares of the Company and of its related corporations during the financial year.

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) 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.

Directors' Report
for the Year Ended 31 December 2012
(cont'd)

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 financial year.

OTHER STATUTORY INFORMATION

Before the financial statements 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 financial statements of the Group and of the Company 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.

In the opinion of the Directors, except for the gain on disposal of asset classified as held for sale and unrealised foreign exchange loss as disclosed in Note 20 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2012 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.

Directors' Report
for the Year Ended 31 December 2012
(cont'd)

SIGNIFICANT EVENTS

i) On 16 November 2011, PMB Systems Builders Limited, a 55%-owned subsidiary of the Company, submitted its application to the Companies Registry of Hong Kong requesting to be de-registered. The de-registration was completed on 30 March 2012 upon approval by the Companies Registry of Hong Kong.

ii) On 18 January 2012, PMB Carbon Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with a third party to purchase a leasehold land for a total purchase consideration of RM12,339,000, which includes incidental costs of RM94,000. This transaction was completed on 27 April 2012.

iii) On 2 July 2012, Everlast Environmental Management Sdn. Bhd., a wholly-owned subsidiary of the Company, completed the disposal of a piece of leasehold land to a third party for a total sale consideration of RM11,000,000. Upon netting off incidental costs of RM288,000 incurred on the disposal, the Group recorded a gain on disposal amounting to RM4,184,000.

iv) On 23 August 2012, PMB Facade Technology (S) Pte. Ltd., a 70%-owned subsidiary of the Company, submitted its application to the Companies Registry of Singapore requesting to be de-registered. The de-registration was completed on 8 January 2013 upon approval by the Companies Registry of Singapore.

v) On 31 August 2012, PMB-Cyberwall (Macau) Limited., a wholly-owned subsidiary of the Company, submitted its application to the Macau Government Commercial Registry requesting to be de-registered. The de-registration was completed on 28 September 2012 upon approval by the Macau Government Commercial Registry.

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: 25 April 2013

Statements of Financial Position
as at 31 December 2012

	Note	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Assets							
Property, plant and equipment	3	**90,391**	77,220	72,196	**3**	4	6
Goodwill	4	**792**	792	792	**-**	-	-
Investment properties	5	**574**	857	1,233	**-**	-	-
Investments in subsidiaries	6	**-**	-	-	**39,120**	39,120	39,120
Investments in associates	7	**39**	47	55	**-**	-	-
Trade and other receivables	8	**-**	-	4,977	**-**	-	-
Total non-current assets		**91,796**	78,916	79,253	**39,123**	39,124	39,126
Inventories	9	**34,849**	27,930	20,736	**-**	-	-
Trade and other receivables	8	**138,824**	154,034	127,034	**9,365**	7,528	7,526
Current tax assets		**673**	1,126	1,199	**285**	253	156
Cash and cash equivalents	10	**18,809**	22,520	15,842	**149**	28	45
		193,155	205,610	164,811	**9,799**	7,809	7,727
Asset classified as held for sale	11	**-**	6,528	-	**-**	-	-
Total current assets		**193,155**	212,138	164,811	**9,799**	7,809	7,727
Total assets		**284,951**	291,054	244,064	**48,922**	46,933	46,853
Equity							
Share capital		**40,000**	40,000	40,000	**40,000**	40,000	40,000
Share premium		**6,941**	6,941	6,941	**6,941**	6,941	6,941
Translation reserve		**(5,194)**	(4,120)	(5,014)	**-**	-	-
Treasury shares		**(2,220)**	(2,220)	(2,220)	**(2,220)**	(2,220)	(2,220)
Retained earnings		**79,690**	71,870	57,536	**2,094**	214	674
Total equity attributable to owners of the Company		**119,217**	112,471	97,243	**46,815**	44,935	45,395
Non-controlling interests		**-**	-	-	**-**	-	-
Total equity	12	**119,217**	112,471	97,243	**46,815**	44,935	45,395
Liabilities							
Loans and borrowings	13	**21,269**	13,745	5,878	**-**	-	-
Deferred tax liabilities	14	**4,728**	4,243	3,948	**-**	-	-
Total non-current liabilities		**25,997**	17,988	9,826	**-**	-	-
Loans and borrowings	13	**80,260**	80,197	84,985	**-**	-	-
Trade and other payables	15	**58,937**	80,293	51,771	**2,107**	1,998	1,458
Current tax payables		**540**	105	239	**-**	-	-
Total current liabilities		**139,737**	160,595	136,995	**2,107**	1,998	1,458
Total liabilities		**165,734**	178,583	146,821	**2,107**	1,998	1,458
Total equity and liabilities		**284,951**	291,054	244,064	**48,922**	46,933	46,853

The notes on pages 56 to 107 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 December 2012

	Note	Group		Company	
		2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
Revenue	16	**284,705**	311,848	**6,430**	1,552
Cost of sales	17	**(237,084)**	(265,105)	-	-
Gross profit		**47,621**	46,743	**6,430**	1,552
Other income		**5,153**	10,226	-	-
Distribution expenses		**(3,450)**	(4,039)	-	-
Administrative expenses		**(17,609)**	(16,303)	**(498)**	(325)
Other expenses		**(14,119)**	(14,808)	**(256)**	(229)
Results from operating activities		**17,596**	21,819	**5,676**	998
Finance income	18	**46**	1	-	-
Finance costs	19	**(5,178)**	(4,703)	-	-
Net finance costs		**(5,132)**	(4,702)	-	-
Share of losses of equity-accounted investees, net of tax		**(8)**	(8)	-	-
Profit before tax	20	**12,456**	17,109	**5,676**	998
Tax expense	21	**(2,311)**	(1,613)	**(1,471)**	(296)
Profit for the year		**10,145**	15,496	**4,205**	702
Other comprehensive (expense)/income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**(1,074)**	894	-	-
Other comprehensive (expense)/income for the year		**(1,074)**	894	-	-
Total comprehensive income for the year		**9,071**	16,390	**4,205**	702
Profit attributable to:					
Owners of the Company		**10,145**	15,496	**4,205**	702
Non-controlling interests		**-**	-	**-**	-
Profit for the year		**10,145**	15,496	**4,205**	702
Total comprehensive income attributable to:					
Owners of the Company		**9,071**	16,390	**4,205**	702
Non-controlling interests		**-**	-	**-**	-
Total comprehensive income for the year		**9,071**	16,390	**4,205**	702
Basic earnings per ordinary share (sen)	22	**13.09**	20.00		

The notes on pages 56 to 107 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2012

Group	Note	← Attributable to owners of the Company → ← Non-distributable			→	Distributable			
		Share capital	Share premium	Translation reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011		40,000	6,941	(5,014)	(2,220)	57,536	97,243	-	97,243
Foreign currency translation differences for foreign operations		-	-	894	-	-	894	-	894
Total other comprehensive income for the year		-	-	894	-	-	894	-	894
Profit for the year		-	-	-	-	15,496	15,496	-	15,496
Total comprehensive income for the year		-	-	894	-	15,496	16,390	-	16,390
Dividends to owners of the Company	23	-	-	-	-	(1,162)	(1,162)	-	(1,162)
At 31 December 2011		40,000	6,941	(4,120)	(2,220)	71,870	112,471	-	112,471
At 1 January 2012		40,000	6,941	(4,120)	(2,220)	71,870	112,471	-	112,471
Foreign currency translation differences for foreign operations		-	-	(1,074)	-	-	(1,074)	-	(1,074)
Total other comprehensive expense for the year		-	-	(1,074)	-	-	(1,074)	-	(1,074)
Profit for the year		-	-	-	-	10,145	10,145	-	10,145
Total comprehensive income for the year		-	-	(1,074)	-	10,145	9,071	-	9,071
Dividends to owners of the Company	23	-	-	-	-	(2,325)	(2,325)	-	(2,325)
At 31 December 2012		**40,000**	**6,941**	**(5,194)**	**(2,220)**	**79,690**	**119,217**	**-**	**119,217**

The notes on pages 56 to 107 are an integral part of these financial statements.

Statement of Changes in Equity
for the Year Ended 31 December 2012

Company	Note	← Non-distributable Share capital RM'000	Share premium RM'000	Treasury shares RM'000 →	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2011		40,000	6,941	(2,220)	674	45,395
Profit and total comprehensive income for the year		-	-	-	702	702
Dividends to owners of the Company	23	-	-	-	(1,162)	(1,162)
At 31 December 2011/ 1 January 2012		40,000	6,941	(2,220)	214	44,935
Profit and total comprehensive income for the year		-	-	-	4,205	4,205
Dividends to owners of the Company	23	-	-	-	(2,325)	(2,325)
At 31 December 2012		**40,000**	**6,941**	**(2,220)**	**2,094**	**46,815**

The notes on pages 56 to 107 are an integral part of these financial statements.

Statements of Cash Flows
for the year ended 31 December 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash flows from operating activities					
Profit before tax		**12,456**	17,109	**5,676**	998
Adjustments for:					
Depreciation of investment properties		**21**	24	**-**	-
Depreciation of property, plant and equipment		**7,812**	8,371	**1**	2
Dividend income		**-**	-	**(6,000)**	(1,552)
Finance costs		**5,178**	4,703	**-**	-
Finance income		**(46)**	(1)	**-**	-
Gain on disposal of a subsidiary		**-**	(9,340)	**-**	-
Gain on disposal of asset classified as held for sale		**(4,184)**	-	**-**	-
Gain on disposal of property, plant and equipment		**(63)**	(88)	**-**	-
Loss on disposal of investment properties		**-**	13	**-**	-
Property, plant and equipment written off		**3**	146	**-**	-
Share of losses of equity-accounted investees, net of tax		**8**	8	**-**	-
Unrealised foreign exchange differences		**2,135**	386	**-**	-
Operating profit/(loss) before changes in working capital		**23,320**	21,331	**(323)**	(552)
Change in inventories		**(6,919)**	(7,194)	**-**	-
Change in trade and other receivables		**13,051**	(23,279)	**(1,018)**	(2)
Change in trade and other payables		**(21,200)**	29,707	**6**	40
Cash generated from/(used in) operations		**8,252**	20,565	**(1,335)**	(514)
Tax paid		**(938)**	(1,835)	**(3)**	(393)
Tax refunded		**-**	782	**-**	-
Net cash from/(used in) operating activities		**7,314**	19,512	**(1,338)**	(907)
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	**(17,896)**	(32,456)	**-**	-
Disposal of a subsidiary, proceeds net of cash and cash equivalents disposed of		**-**	21,381	**-**	-
Dividends received from a subsidiary		**-**	-	**4,066**	1,552
Interest received from fixed deposits		**46**	1	**-**	-
Net proceeds from disposal of asset classified as held for sale		**10,712**	-	**-**	-
Proceeds from disposal of investment properties		**-**	339	**-**	-
Proceeds from disposal of property, plant and equipment		**165**	121	**-**	-
Net cash (used in)/from investing activities		**(6,973)**	(10,614)	**4,066**	1,552

Statements of Cash Flows

for the year ended 31 December 2012

(cont'd)

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash flows from financing activities					
Decrease in amount due to associates		**(1)**	(232)	**-**	-
Dividends paid to owners of the Company		**(2,325)**	(1,162)	**(2,325)**	(1,162)
Drawdown of bank loans		**7,816**	9,785	**-**	-
Increase in amounts due from subsidiaries		**-**	-	**(385)**	-
Increase in amounts due to subsidiaries		**-**	-	**100**	500
Increase/(Decrease) in amounts due to affiliated companies		**3**	(1)	**3**	-
(Increase)/Decrease in amounts due from affiliated companies		**(134)**	15	**-**	-
Interest paid on loans and borrowings		**(5,178)**	(4,703)	**-**	-
Placement of deposits pledged with a licensed bank		**(200)**	-	**-**	-
Repayment of bankers' acceptances		**(2,802)**	(1,914)	**-**	-
Repayment of finance lease liabilities		**(1,213)**	(1,221)	**-**	-
(Repayment)/Drawdown of revolving credits		**(168)**	948	**-**	-
Net cash (used in)/from financing activities		**(4,202)**	1,515	**(2,607)**	(662)
Net (decrease)/increase in cash and cash equivalents		**(3,861)**	10,413	**121**	(17)
Effect of exchange rate fluctuations on cash held		**(1,059)**	878	**-**	-
Cash and cash equivalents at 1 January		**22,478**	11,187	**28**	45
Cash and cash equivalents at 31 December	(i)	**17,558**	22,478	**149**	28

(i) Cash and cash equivalents

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

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash and bank balances	10	**18,809**	22,520	**149**	28
Bank overdrafts	13	**(1,051)**	(42)	**-**	-
		17,558	22,478	**149**	28

The entire deposits placed with a licensed bank are pledged as security for certain trade facilities.

(ii) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM20,841,000 (2011: RM34,428,000), of which RM2,945,000 (2011: RM1,972,000), were acquired by means of finance leases.

The notes on pages 56 to 107 are an integral part of these financial statements.

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 the principal place of business and registered office of the Company 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 financial year ended 31 December 2012 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 financial year ended 31 December 2012 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.

These financial statements were authorised for issue by the Board of Directors on 25 April 2013.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This is the Group's and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. The transition to MFRS has no financial impact to the financial statements of the Group and of the Company.

The Group and the Company have early adopted the amendments to MFRS 101, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income* which is originally effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to MFRS 101 has no impact on the financial statements other than the presentation format of the statements of profit or loss and other comprehensive income.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013
- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (2011)
- MFRS 127, *Separate Financial Statements* (2011)

Notes to the Financial Statements
(cont'd)

1. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013 (cont'd)

- MFRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures-Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards-Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- Amendments to MFRS 7, *Financial Instruments: Disclosures-Mandatory Effective Date of MFRS 9 and Transition Disclosures*

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

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2013, except for IC Interpretation 20 which is not applicable to the Group and the Company.

- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.

- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The initial application of the standards, amendments and interpretations is not expected to have any material financial impacts to the current and prior periods financial statements of the Group and of the Company upon their first adoption.

(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.

Notes to the Financial Statements
(cont'd)

1. BASIS OF PREPARATION (cont'd)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs 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 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
- Note 27 - contingencies

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 January 2011 (the transition date to MFRS framework), unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company 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.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

(ii) Business combinations (cont'd)

Acquisitions on or after 1 January 2011 (cont'd)

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions before 1 January 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 January 2011. Goodwill arising from acquisitions before 1 January 2011 has been carried forward from the previous FRS framework as at the date of transition.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) 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. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the 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 associate, the carrying amount of that interest including any long-term investments is reduced to zero, 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 associate.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any retained interest in the former associate at the date when significant influence is lost is re-measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, 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. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) 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 investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(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 end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

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

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

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 2011 which are treated as assets and liabilities of the Company.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Foreign currency (cont'd)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia cont'd

In the consolidated financial statements, 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 in equity.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position 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.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

<u>Loans and receivables</u>

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method and are subject to review for impairment (see Note 2(m)(i)).

<u>Financial liabilities</u>

All financial liabilities are subsequently measured at amortised cost.

(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.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Financial instruments (cont'd)

(iv) 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.

(d) Property, plant and equipment

(i) Recognition and measurement

Freehold land and property, plant and equipment under construction are measured at cost. Other items of property, plant and equipment are measured 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 costs of self-constructed assets and self-manufactured plant and equipment also include the cost of materials and direct labour.

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.

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

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component 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.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component 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. 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:

• leasehold land	26 - 87 years
• buildings	50 years
• motor vehicles	5 - 10 years
• office renovation	5 - 10 years
• furniture and fittings	5 - 10 years
• office equipment	5 - 10 years
• plant and equipment/machinery	3 - 10 years

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

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon 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.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. 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.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Goodwill

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

Amortisation

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

(g) Affiliated companies

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 to earn rental income or for capital appreciation or for both. These include freehold land, freehold building and leasehold building which in substance are finance leases held for a currently undetermined future use or leased to third parties. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

(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.

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.

(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.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Non-current assets held for sale

Non-current assets 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 are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell.

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.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

(k) 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 as amounts due from contract customers in the statement 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 amounts due to contract customers which is part of trade and other payables in the statement of financial position.

(l) Cash and cash equivalents

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

(m) Impairment

(i) Financial assets

All financial assets (except for 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. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

An impairment loss in respect of loans and receivables 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.

(ii) Other assets

The carrying amounts of other assets (except for inventories, amounts due from contract customers, deferred tax asset, and non-current assets 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 goodwill, the recoverable amount is estimated each period at the same time.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Impairment (cont'd)

(ii) Other assets (cont'd)

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 cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated 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 cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating 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 financial year in which the reversals are recognised.

(n) Equity instruments

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

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in 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 sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Employee benefits

(i) 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.

(ii) State plans

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

(p) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(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 contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear 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 from property and motor vehicle are 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. Rental income from subleased property is recognised as other income.

(iv) Management fee income

Management fee income is recognised in profit or loss when the services are provided.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Revenue and other income (cont'd)

(v) Dividend income

Dividend income is recognised in profit or loss on the date that 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.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(q) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

(r) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss 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 financial years.

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, 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 be applied 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

(s) 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, adjusted for own shares held.

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

(t) 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 to assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Contingencies

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 not recognised in the statement of financial position and 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.

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									
At 1 January 2011	13,844	13,128	7,003	386	2,541	3,131	69,745	61	109,839
Additions	14,039	256	1,768	-	604	583	16,775	403	34,428
Disposals	-	-	(150)	-	-	-	(74)	-	(224)
Disposal of a subsidiary	-	(220)	(84)	-	(1)	(26)	(15,783)	-	(16,114)
Written off	-	-	(88)	-	-	(12)	-	(61)	(161)
Effect of movements in exchange rates	-	-	1	11	5	16	(8)	-	25
Transfer to asset classified as held for sale (Note 11)	(6,693)	-	-	-	-	-	-	-	(6,693)
At 31 December 2011/1 January 2012	21,190	13,164	8,450	397	3,149	3,692	70,655	403	121,100
Additions	12,339	523	502	-	469	449	6,448	111	20,841
Disposals	-	-	(233)	-	(7)	(2)	(76)	-	(318)
Written off	-	-	-	-	-	-	(13)	-	(13)
Transfer from investment properties (Note 5)	-	290	-	-	-	-	-	-	290
Effect of movements in exchange rates	-	-	(2)	(11)	(7)	(20)	(6)	-	(46)
At 31 December 2012	**33,529**	**13,977**	**8,717**	**386**	**3,604**	**4,119**	**77,008**	**514**	**141,854**

Notes to the Financial Statements
(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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
Depreciation									
At 1 January 2011	489	2,233	3,942	243	1,754	1,837	27,145	-	37,643
Depreciation for the year	152	269	807	31	183	293	6,636	-	8,371
Disposals	-	-	(117)	-	-	-	(74)	-	(191)
Disposal of a subsidiary	-	(21)	(49)	-	(1)	(15)	(1,686)	-	(1,772)
Written off	-	-	(12)	-	-	(2)	(1)	-	(15)
Effect of movements in exchange rates	-	-	1	7	2	8	(9)	-	9
Transfer to asset classified as held for sale (Note 11)	(165)	-	-	-	-	-	-	-	(165)
At 31 December 2011/1 January 2012	476	2,481	4,572	281	1,938	2,121	32,011	-	43,880
Depreciation for the year	305	270	782	27	220	335	5,873	-	7,812
Disposals	-	-	(203)	-	(3)	(1)	(9)	-	(216)
Written off	-	-	-	-	-	-	(10)	-	(10)
Transfer from investment properties (Note 5)	-	28	-	-	-	-	-	-	28
Effect of movements in exchange rates	-	-	(1)	(7)	(4)	(14)	(5)	-	(31)
At 31 December 2012	**781**	**2,779**	**5,150**	**301**	**2,151**	**2,441**	**37,860**	**-**	**51,463**
Carrying amounts									
At 1 January 2011	13,355	10,895	3,061	143	787	1,294	42,600	61	72,196
At 31 December 2011/1 January 2012	20,714	10,683	3,878	116	1,211	1,571	38,644	403	77,220
At 31 December 2012	**32,748**	**11,198**	**3,567**	**85**	**1,453**	**1,678**	**39,148**	**514**	**90,391**

Notes to the Financial Statements
(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Furniture and fittings RM'000
Cost	
At 1 January 2011/31 December 2011/1 January 2012/31 December 2012	13
Depreciation	
At 1 January 2011	7
Depreciation for the year	2
At 31 December 2011/1 January 2012	9
Depreciation for the year	1
At 31 December 2012	**10**
Carrying amounts	
At 1 January 2011	6
At 31 December 2011/1 January 2012	4
At 31 December 2012	**3**

3.1 Leased plant and equipment/machinery and motor vehicles

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

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Plant and equipment/machinery	**3,014**	1,110	1,291
Motor vehicles	**3,088**	3,281	2,205
	6,102	4,391	3,496

3.2 Security

Properties with a carrying amount of RM29,394,000 (31.12.2011: RM17,380,000; 1.1.2011: RM9,854,000) have been pledged as security for term loans granted to certain subsidiaries (see Note 13).

Notes to the Financial Statements
(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

3.3 Land

Included in the carrying amounts of land are:

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
Freehold land	**5,001**	5,001	5,001
Leasehold land with unexpired lease period of more than 50 years	**27,747**	15,713	8,354
	32,748	20,714	13,355

4. GOODWILL

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
Cost			
At 1 January/31 December	**792**	792	792

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's business units acquired, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
PMB Quick Access Sdn. Bhd.	**2**	2	2
PMB-Cyberwall Limited	**790**	790	790
	792	792	792

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

Notes to the Financial Statements
(cont'd)

4. GOODWILL (cont'd)

Impairment testing for cash-generating units containing goodwill (cont'd)

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the units and were based on the following key assumptions:

- Cash flows were projected based on past experience and actual operating results. Cash flows for a 5-year period were projected using a constant growth rate of 5% (31.12.2011: 5%; 1.1.2011: 5%) per annum.
- Anticipated annual revenue growth included in the cash flow projections was 10% (31.12.2011: 10%; 1.1.2011: 10%).
- Anticipated annual expenses growth included in the cash flow projections was 5% (31.12.2011: 5%; 1.1.2011: 5%).
- A pre-tax discount rate of 8% (31.12.2011: 8%; 1.1.2011 8%) was applied in determining the recoverable amount of the units.

The values assigned to the key 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 amounts of goodwill.

5. INVESTMENT PROPERTIES

Group	Land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 January 2011	42	1,381	1,423
Disposal	-	(366)	(366)
At 31 December 2011/1 January 2012	42	1,015	1,057
Transfer to property, plant and equipment (Note 3)	-	(290)	(290)
At 31 December 2012	**42**	**725**	**767**
Depreciation			
At 1 January 2011	-	190	190
Depreciation for the year	-	24	24
Disposal	-	(14)	(14)
At 31 December 2011/1 January 2012	-	200	200
Depreciation for the year	-	21	21
Transfer to property, plant and equipment (Note 3)	-	(28)	(28)
At 31 December 2012	**-**	**193**	**193**

Notes to the Financial Statements
(cont'd)

5. INVESTMENT PROPERTIES (cont'd)

Group	Land RM'000	Buildings RM'000	Total RM'000
Carrying amounts			
At 1 January 2011	42	1,191	1,233
At 31 December 2011/1 January 2012	42	815	857
At 31 December 2012	**42**	**532**	**574**
Fair values			
At 1 January 2011	70	1,384	1,454
At 31 December 2011/1 January 2012	69	1,102	1,171
At 31 December 2012	**69**	**801**	**870**

	Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Included in the above are:			
Freehold land	**42**	42	42
Freehold buildings	**532**	547	561
Leasehold buildings	**-**	268	630
	574	857	1,233

Investment properties comprise of freehold land and a number of residential properties and commercial properties that are leased to third parties or vacant.

The fair values of all 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. During the financial year, a property has been transferred from investment properties to property, plant and equipment (see Note 3), since the building was no longer vacant and is now occupied by the Group.

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

	Group	
	2012 RM'000	2011 RM'000
Rental income	**16**	16
Direct operating expenses:		
- income generating investment properties	**(11)**	(12)
- non-income generating investment properties	**(10)**	(19)

Notes to the Financial Statements
(cont'd)

6. INVESTMENTS IN SUBSIDIARIES

	Company		
	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
Unquoted shares, at cost	**39,120**	39,120	39,120

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest		
			31.12.2012	31.12.2011	1.1.2011
			%	%	%
PMB Facade Technology Sdn. Bhd. and its subsidiaries:-	Malaysia	Design, fabrication and installation of aluminium curtain wall and cladding systems, as well as manufacturing and trading of aluminium related products	**100**	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	100
PMB Systems Builders Limited *, i	Hong Kong	Dormant. De-registered on 30 March 2012	**-**	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	100
PMB-Cyberwall (Macau) Limited *, ii	Macau	Supply and installation of curtain wall, aluminium windows and related works for buildings. De-registered on 28 September 2012	**-**	100	100
PMB Facade Technology (S) Pte. Ltd. #, iii	Singapore	Dormant. De-registered on 8 January 2013	**70**	70	70
Kai PMB Facade Technology Limited #	Bangladesh	Dormant	**51**	51	51
Everlast Aluminium (M) Sdn. Bhd. and its subsidiaries:-	Malaysia	Marketing of aluminium and other related products	**100**	100	100
Everlast Environmental Management Sdn. Bhd. and its subsidiary:-	Malaysia	Dormant	**100**	100	100
AG Terminal Sdn. Bhd. ^	Malaysia	Liquid bulking and break bulking operations	**-**	-	100
PMB Northern Sdn. Bhd.	Malaysia	Marketing of aluminium and other products	**100**	100	100

Notes to the Financial Statements
(cont'd)

6. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 31.12.2012 %	31.12.2011 %	1.1.2011 %
PMB Central Sdn. Bhd.	Malaysia	Marketing of gypsum board, aluminium extrusion and other products	**100**	100	100
Everlast Access Technologies Sdn. Bhd.	Malaysia	Manufacturing and marketing of aluminium and other related products	**100**	100	100
PMB Eastern Sdn. Bhd. *	Malaysia	Marketing of gypsum board and other products	**100**	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	100
PMB Aluminium Sabah Sdn. Bhd. and its subsidiary:-	Malaysia	Marketing of gypsum, board, aluminium extrusion and other products	**100**	100	100
PMB.POIC Bulking Sdn. Bhd.	Malaysia	Dormant	**100**	100	100
PMB Carbon Sdn. Bhd.	Malaysia	Dormant	**100**	100	100
Sun Power Generation Sdn. Bhd. @	Malaysia	Dormant	**100**	100	-
Solar Power Generation (Sabah) Sdn. Bhd. <	Malaysia	Dormant	**100**	100	-

* *Not audited by member firms of KPMG International*

\# *Consolidated based on management accounts*

i *On 16 November 2011, PMB Systems Builders Limited, a 55%-owned subsidiary of the Company, submitted its application to the Companies Registry of Hong Kong requesting to be de-registered. The de-registration was completed on 30 March 2012 upon approval by the Companies Registry of Hong Kong.*

ii *On 31 August 2012, PMB-Cyberwall (Macau) Limited, a wholly-owned subsidiary of the Company, submitted its application to the Macau Government Commercial Registry requesting to be de-registered. The de-registration was completed on 28 September 2012 upon approval by the Macau Government Commercial Registry.*

iii *On 23 August 2012, PMB Facade Technology (S) Pte. Ltd., a 70%-owned subsidiary of the Company, submitted its application to the Companies Registry of Singapore requesting to be de-registered. The de-registration was completed on 8 January 2013 upon approval by the Companies Registry of Singapore.*

^ *On 21 October 2011, Everlast Environmental Management Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed of the entire equity interest in its wholly-owned subsidiary, AG Terminal Sdn. Bhd. to a third party, for a total sale consideration of RM24,000,000 satisfied by cash.*

@ *On 22 July 2011, the Company incorporated a new wholly-owned subsidiary, Sun Power Generation Sdn. Bhd., with an issued and paid-up capital of 100, representing 100 shares of RM1.00 each.*

< *On 26 August 2011, the Company incorporated a new wholly-owned subsidiary, Solar Power Generation (Sabah) Sdn. Bhd., with an issued and paid-up capital of 100, representing 100 shares of RM1.00 each.*

Notes to the Financial Statements
(cont'd)

7. INVESTMENTS IN ASSOCIATES

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Unquoted shares, at cost	**354**	354	354
Share of post-acquisition reserves	**(315)**	(307)	(299)
	39	47	55

The summarised financial information for associates, not adjusted for the percentage ownership held by the Group are as follows:

	Effective ownership interest	**Revenue (100%)**	**Profit/ Loss) (100%)**	**Total assets (100%)**	**Total liabilities (100%)**
	%	**RM'000**	**RM'000**	**RM'000**	**RM'000**
31 December 2012					
PMB-Qatar W.L.L	**49**	**1,860**	**(2,221)**	**7,293**	**9,327**
PMB Facade Technology International Limited Liability Company	**49**	**-**	**(17)**	**81**	**38**
31 December 2011					
PMB-Qatar W.L.L	49	7,580	5	9,649	10,323
PMB Facade Technology International Limited Liability Company	49	-	(21)	218	158
1 January 2011					
PMB-Qatar W.L.L	49	4,859	43	11,512	12,164
PMB Facade Technology International Limited Liability Company	49	-	(19)	291	187

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

Notes to the Financial Statements
(cont'd)

8. TRADE AND OTHER RECEIVABLES

	Note	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Non-current							
Trade							
Amounts due from affiliated companies	8.1	**-**	-	4,977	**-**	-	-
Current							
Trade							
Trade receivables		**44,066**	45,455	34,097	**-**	-	-
Progress billings receivable	8.2	**38,501**	49,358	32,058	**-**	-	-
Less: Individual impairment allowance		**(3,358)**	(3,441)	(4,099)	**-**	-	-
		79,209	91,372	62,056	**-**	-	-
Amounts due from contract customers	8.3	**32,245**	29,937	32,676	**-**	-	-
Amounts due from associates	8.1	**8,335**	10,736	12,399	**-**	-	-
Amounts due from affiliated companies	8.1	**14,266**	14,044	4,030	**-**	-	-
		134,055	146,089	111,161	**-**	-	-
Non-trade							
Amounts due from subsidiaries	8.1	**-**	-	-	**7,909**	7,524	7,524
Amounts due from affiliated companies	8.1	**1,996**	1,862	1,877	**-**	-	-
Other receivables, deposits and prepayments	8.4	**2,773**	6,083	13,996	**1,456**	4	2
		4,769	7,945	15,873	**9,365**	7,528	7,526
		138,824	154,034	127,034	**9,365**	7,528	7,526
		138,824	154,034	132,011	**9,365**	7,528	7,526

Notes to the Financial Statements
(cont'd)

8. TRADE AND OTHER RECEIVABLES (cont'd)

8.1 Related party balances

The trade balances due from associates and affiliated companies are subject to normal trade terms, except for amounts due from affiliated companies amounting to RM4,977,000 on 1 January 2011, which were repayable in 14 months.

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 are retentions relating to construction work-in-progress. Retentions are unsecured, interest-free and are expected to be collected as follows:

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Within 1 year	**2,732**	6,152	2,813
1 - 2 years	**14,483**	11,982	10,622
	17,215	18,134	13,435

8.3 Construction work-in-progress

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Aggregate costs incurred to date	**602,753**	524,937	432,195
Add: Attributable profits	**84,445**	77,066	62,924
	687,198	602,003	495,119
Less: Progress billings	**(667,270)**	(588,887)	(469,432)
	19,928	13,116	25,687
Represented by:			
Amounts due from contract customers	**32,245**	29,937	32,676
Amounts due to contract customers (Note 15)	**(12,317)**	(16,821)	(6,989)
	19,928	13,116	25,687

8.4 Other receivables, deposits and prepayments

Included in other receivables, deposits and prepayments of the Company at 31 December 2012 are dividends receivable from subsidiaries amounting to RM1,450,000 (31.12.2011: Nil; 1.1.2011: Nil).

Included in other receivables, deposits and prepayments of the Group at 31 December 2012 are deposits paid for the acquisition of land and advance payment made to a technology provider totalling Nil (31.12.2011: RM593,000; 1.1.2011: RM11,139,000). During the financial year ended 31 December 2011, the Group wrote off the advance payment made to the technology provider amounting to RM1,750,000.

Notes to the Financial Statements
(cont'd)

9. INVENTORIES

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
Raw materials	**9,106**	8,530	5,921
Work-in-progress	**1,362**	1,095	628
Trading inventories	**24,381**	18,305	14,187
	34,849	27,930	20,736
Recognised in profit or loss:			
Inventories recognised as cost of sales	**138,970**	162,918	

10. CASH AND CASH EQUIVALENTS

	Group			Company		
	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits placed with a licensed bank	**200**	-	-	**-**	-	-
Cash and bank balances	**18,609**	22,520	15,842	**149**	28	45
	18,809	22,520	15,842	**149**	28	45

Deposits placed with a licensed bank are pledged as a security for certain trade facilities.

11. ASSET CLASSIFIED AS HELD FOR SALE

At 31 December 2011, a leasehold land was presented as asset classified as held for sale following the commitment of the Group's management, on 4 November 2011, to sell the land.

Everlast Environmental Management Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with a third party to dispose of a piece of leasehold land for a total cash consideration of RM11,000,000.

The transaction was completed on 2 July 2012.

	31.12.2011
Group	RM'000
Leasehold land	
Cost	6,693
Accumulated depreciation	(165)
	6,528

Notes to the Financial Statements
(cont'd)

12. CAPITAL AND RESERVES

Share capital

Group and Company	Amount 31.12.2012 RM'000	Number of shares 31.12.2012 '000	Amount 31.12.2011 RM'000	Number of shares 31.12.2011 '000	Amount 1.1.2011 RM'000	Number of shares 1.1.2011 '000
Ordinary share of RM0.50 each:						
Authorised	**50,000**	**100,000**	50,000	100,000	50,000	100,000
Issued and fully paid	**40,000**	**80,000**	40,000	80,000	40,000	80,000

Ordinary shares

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 foreign operations.

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 the Company 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. The average price paid for the shares repurchased was RM0.88 per share. The total consideration paid amounting to RM2,220,000 including transaction costs of RM14,000 were financed by internally generated funds. The shares repurchased are retained as treasury shares.

There were no shares repurchased during the financial years ended 31 December 2012 and 31 December 2011.

At 31 December 2012, the Group held 2,520,000 (31.12.2011: 2,520,000; 1.1.2011: 2,520,000) of the Company's shares.

Section 108 tax credit

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2008. In 2010, the Company had opted for single tier company income tax system and under the Act this option is irrevocable. As such, the Company may distribute single tier exempt dividend to its shareholders out of its entire retained earnings.

Notes to the Financial Statements
(cont'd)

13. LOANS AND BORROWINGS

	Note	Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Non-current				
Bank loans	13.2	**17,944**	11,436	4,249
Finance lease liabilities	13.3	**3,325**	2,309	1,629
		21,269	13,745	5,878
Current				
Bank loans	13.2	**2,745**	1,437	717
Revolving credits - unsecured	13.1	**5,740**	5,908	4,960
Bankers' acceptances - unsecured	13.1	**69,128**	71,930	73,844
Bank overdrafts - unsecured	13.1	**1,051**	42	4,655
Finance lease liabilities	13.3	**1,596**	880	809
		80,260	80,197	84,985
		101,529	93,942	90,863

13.1 Guarantee

The revolving credits, bankers' acceptances and bank overdrafts of the Group entities are guaranteed by the Company.

13.2 Bank loans

	Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Loan 1	**1,789**	1,935	2,069
Loan 2	**-**	-	2,897
Loan 3	**9,251**	10,938	-
Loan 4	**9,649**	-	-
	20,689	12,873	4,966

Security

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

Loan 2 was fully repaid during the financial year ended 31 December 2011 following the disposal of AG Terminal Sdn. Bhd.. Accordingly, the legal charge over the machinery and equipment was discharged in 2011.

13. LOANS AND BORROWINGS (cont'd)

13.2 Bank loans (cont'd)

Security (cont'd)

Loan 3

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

Loan 4

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

13.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Future minimum lease payments 31.12.2012 RM'000	Interest 31.12.2012 RM'000	Present value of minimum lease payments 31.12.2012 RM'000	Future minimum lease payments 31.12.2011 RM'000	Interest 31.12.2011 RM'000	Present value of minimum lease payments 31.12.2011 RM'000	Future minimum lease payments 1.1.2011 RM'000	Interest 1.1.2011 RM'000	Present value of minimum lease payments 1.1.2011 RM'000
Less than one year	**1,841**	**(245)**	**1,596**	1,031	(151)	880	924	(115)	809
Between one and five years	**3,341**	**(251)**	**3,090**	2,191	(202)	1,989	1,759	(134)	1,625
More than five years	**249**	**(14)**	**235**	346	(26)	320	5	(1)	4
	5,431	**(510)**	**4,921**	3,568	(379)	3,189	2,688	(250)	2,438

14. DEFERRED TAX LIABILITIES

Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 31.12.2012 RM'000	Assets 31.12.2011 RM'000	Assets 1.1.2011 RM'000	Liabilities 31.12.2012 RM'000	Liabilities 31.12.2011 RM'000	Liabilities 1.1.2011 RM'000	Net 31.12.2012 RM'000	Net 31.12.2011 RM'000	Net 1.1.2011 RM'000
Property, plant and equipment	**-**	-	-	**6,424**	5,720	4,641	**6,424**	5,720	4,641
Provisions	**(496)**	(262)	(229)	**-**	-	-	**(496)**	(262)	(229)
Other items	**(1,200)**	(1,215)	(464)	**-**	-	-	**(1,200)**	(1,215)	(464)
Tax (assets)/ liabilities	**(1,696)**	(1,477)	(693)	**6,424**	5,720	4,641	**4,728**	4,243	3,948
Set off of tax	**1,696**	1,477	693	**(1,696)**	(1,477)	(693)	**-**	-	-
Net tax liabilities	**-**	-	-	**4,728**	4,243	3,948	**4,728**	4,243	3,948

Notes to the Financial Statements
(cont'd)

14. DEFERRED TAX LIABILITIES (cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
Tax loss carry-forwards	-	-	32
Capital allowance carry-forwards	-	-	79
Other taxable temporary differences	-	-	(53)
	-	-	58

Movement in temporary differences during the year

Group	At 1.1.2011	Recognised in profit or loss (Note 21)	Disposal of a subsidiary (Note 31)	At 31.12.2011	Recognised in profit or loss (Note 21)	At 31.12.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	4,641	1,405	(326)	5,720	704	**6,424**
Provisions	(229)	(33)	-	(262)	(234)	**(496)**
Other items	(464)	(751)	-	(1,215)	15	**(1,200)**
	3,948	621	(326)	4,243	485	**4,728**

Notes to the Financial Statements
(cont'd)

15. TRADE AND OTHER PAYABLES

	Note	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Trade							
Trade payables		**17,840**	27,541	20,874	**-**	-	-
Amounts due to contract customers	8.3	**12,317**	16,821	6,989	**-**	-	-
Amounts due to affiliated companies	15.1	**20,985**	27,676	15,501	**-**	-	-
		51,142	72,038	43,364	**-**	-	-
Non-trade							
Amounts due to associates	15.1	**67**	68	300	**-**	-	-
Amounts due to affiliated companies	15.1	**3**	-	1	**3**	-	-
Amounts due to subsidiaries	15.1	**-**	-	-	**1,950**	1,850	1,350
Other payables and accrued expenses	15.2	**7,725**	8,187	8,106	**154**	148	108
		7,795	8,255	8,407	**2,107**	1,998	1,458
		58,937	80,293	51,771	**2,107**	1,998	1,458

15.1 Related party balances

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

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

15.2 Other payables and accrued expenses

Included in other payables and accrued expenses of the Group are accruals for project costs amounting to RM3,640,000 (31.12.2011: RM3,491,000; 1.1.2011: RM3,799,000).

Notes to the Financial Statements
(cont'd)

16. REVENUE

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Sale of goods	**167,853**	188,413	**-**	-
Construction contracts	**116,852**	123,435	**-**	-
Management fees	**-**	-	**430**	-
Dividends	**-**	-	**6,000**	1,552
	284,705	311,848	**6,430**	1,552

17. COST OF SALES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Sale of goods	**138,970**	162,918	-	-
Construction contracts	**98,114**	102,187	-	-
	237,084	265,105	-	-

18. FINANCE INCOME

	Group	
	2012	2011
	RM'000	RM'000
Interest income of financial assets that are not at fair value through profit or loss - fixed deposits	**46**	1

19. FINANCE COSTS

	Group	
	2012	2011
	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank overdrafts	**232**	373
- bankers' acceptances	**2,914**	3,572
- bank loans	**1,203**	368
- finance lease liabilities	**331**	106
- revolving credits	**188**	146
	4,868	4,565
Other finance costs	**310**	138
	5,178	4,703

Notes to the Financial Statements
(cont'd)

20. PROFIT BEFORE TAX

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Audit fees				
KPMG Malaysia	**160**	116	**50**	40
Other auditors	**45**	46	**-**	-
- Non-audit fees				
KPMG Malaysia	**15**	15	**15**	15
Bad debts written off	**1**	-	**-**	-
Depreciation of investment properties	**21**	24	**-**	-
Depreciation of property, plant and equipment	**7,812**	8,371	**1**	2
Impairment loss on trade receivables	**151**	-	**-**	-
Loss on disposal of investment properties	**-**	13	**-**	-
Loss on foreign exchange:				
- Realised	**-**	384	**-**	-
- Unrealised	**2,135**	386	**-**	-
Other receivables written off	**-**	1,750	**-**	-
Property, plant and equipment written off	**3**	146	**-**	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	**1,385**	1,157	**43**	32
- Wages, salaries and others	**21,526**	21,112	**427**	360
Rental expense in respect of:				
- Equipment and machinery	**168**	199	**-**	-
- Motor vehicle	**71**	81	**-**	-
- Property	**2,142**	2,416	**-**	-
Share of losses of equity-accounted investees	**8**	8	**-**	-
and after crediting:				
Dividend income from subsidiaries	**-**	-	**6,000**	1,552
Gain on disposal of asset classified as held for sale	**4,184**	-	**-**	-
Gain on disposal of a subsidiary	**-**	9,340	**-**	-
Gain on disposal of property, plant and equipment	**63**	88	**-**	-
Management fees from subsidiaries	**-**	-	**430**	-
Realised gain on foreign exchange	**569**	-	**-**	-
Rental income from:				
- Investment property	**15**	15	**-**	-
- Property	**104**	104	**-**	-
- Subleased property	**24**	24	**-**	-
- Motor vehicle	**-**	1	**-**	-
Reversal of impairment loss on trade receivables	**-**	658	**-**	-

Notes to the Financial Statements
(cont'd)

21. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2012	2011	**2012**	2011
	RM'000	RM'000	**RM'000**	RM'000
Current tax expense				
Malaysian - current year	**1,648**	1,367	**1,477**	298
- prior year	**103**	(523)	**(6)**	(2)
Overseas - current year	**75**	148	**-**	-
Total current tax recognised in profit or loss	**1,826**	992	**1,471**	296
Deferred tax expense				
Origination and reversal of temporary differences	**367**	668	**-**	-
Under/(Over) provision in prior year	**118**	(47)	**-**	-
Total deferred tax recognised in profit or loss	**485**	621	**-**	-
Total income tax expense	**2,311**	1,613	**1,471**	296
Reconciliation of tax expense				
Profit before tax	**12,456**	17,109	**5,676**	998
Income tax calculated using Malaysian tax rate of 25%	**3,114**	4,277	**1,419**	250
Effect of tax rates in foreign jurisdictions	**(38)**	(68)	**-**	-
Non-deductible expenses	**505**	324	**58**	48
Tax-exempt income	**(1,491)**	(2,335)	**-**	-
Recognition of previously unrecognised deferred tax assets	**-**	(15)	**-**	-
Under/(Over) provision in prior years	**221**	(570)	**(6)**	(2)
	2,311	1,613	**1,471**	296

22. BASIC EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at 31 December 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2012	2011
	RM'000	RM'000
Profit attributable to ordinary shareholders	**10,145**	15,496

Notes to the Financial Statements
(cont'd)

22. BASIC EARNINGS PER ORDINARY SHARE (cont'd)

	Group	
	2012	**2011**
	'000	**'000**
Weighted average number of ordinary shares at beginning and end of the year	**77,480**	77,480

	Group	
	2012	**2011**
	Sen	**Sen**
Basic earnings per ordinary share	**13.09**	20.00

23. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share (tax exempt)	Total amount RM'000	Date of payment
2012			
Final 2011 ordinary	**1.00**	**775**	**8 August 2012**
First interim 2012 ordinary	**1.00**	**775**	**3 October 2012**
Second interim 2012 ordinary	**1.00**	**775**	**13 December 2012**
Total amount		**2,325**	
2011			
Final 2010 ordinary	0.75	581	12 August 2011
Interim 2011 ordinary	0.75	581	29 September 2011
Total amount		1,162	

After the reporting period, the following dividend was declared by the Directors and paid on 9 April 2013. This dividend will be recognised in subsequent financial period. The Directors do not recommend any final dividend to be paid for the financial year under review.

	Sen per share (tax exempt)	Total amount RM'000
Third interim 2012 ordinary	1.00	775

Notes to the Financial Statements
(cont'd)

24. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Less than one year	**723**	933	188
Between one and five years	**328**	435	72
	1,051	1,368	260

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

25. CAPITAL COMMITMENTS

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Capital commitment expenditures			
Property, plant and equipment			
Contracted but not provided for	-	11,590	4,513

As at 31 December 2011, the capital commitment mainly relates to the remaining consideration payable for the acquisition of a piece (1.1.2011: two pieces) of leasehold land with a total purchase consideration amounting to RM12,183,000 (2011: RM13,189,000) of which RM593,000 (1.1.2011: RM9,389,000) has been paid as deposits.

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 (the chief operating decision maker) reviews internal management reports at least on 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. Inter-segment pricing is determined on negotiated basis.

Notes to the Financial Statements
(cont'd)

26. OPERATING SEGMENTS (cont'd)

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 (the 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 of 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.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and investment properties.

	Manufacturing and trading		Construction and fabrication		Total	
	2012	2011	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit	**11,212**	9,413	**2,782**	4,614	**13,994**	14,027
Included in the measure of segment profit are:						
Revenue from external customers	**167,853**	186,250	**116,852**	123,543	**284,705**	309,793
Inter-segment revenue	**4,351**	107	**2,082**	-	**6,433**	107
Depreciation	**2,147**	1,907	**5,422**	6,078	**7,569**	7,985
Segment assets	**135,344**	122,559	**141,665**	160,299	**277,009**	282,858
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	**5,050**	4,521	**3,452**	15,868	**8,502**	20,389

Notes to the Financial Statements
(cont'd)

26. OPERATING SEGMENTS (cont'd)

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

	2012 RM'000	2011 RM'000
External revenue		
Total external revenue for reportable segments	**284,705**	309,793
Other non-reportable segments	**-**	2,055
Consolidated revenue for the year	**284,705**	311,848
Profit or loss		
Total profit for reportable segments	**13,994**	14,027
Other non-reportable segments	**(568)**	188
Gain on disposal of asset classified as held for sale	**4,184**	-
Gain on disposal of a subsidiary	**-**	9,340
Elimination of inter-segment profits	**(14)**	(1,736)
Share of loss of associates not included in reportable segments	**(8)**	(8)
Finance income	**46**	1
Finance costs	**(5,178)**	(4,703)
Tax expense	**(2,311)**	(1,613)
Consolidated profit for the year	**10,145**	15,496
Total assets		
Total assets for reportable segments	**277,009**	282,858
Other non-reportable segments	**90,093**	84,651
Elimination of inter-segment balances	**(82,151)**	(76,455)
Consolidated assets for the year	**284,951**	291,054
Depreciation		
Total depreciation for reportable segments	**7,569**	7,985
Other non-reportable segments	**264**	410
Consolidated depreciation for the year	**7,833**	8,395
Additions to non-current assets		
Total additions to non-current assets for reportable segments	**8,502**	20,389
Other non-reportable segments	**12,339**	14,039
Consolidated additions to non-current assets for the year	**20,841**	34,428

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 mainly 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
2012		
Malaysia	**186,334**	**91,447**
Asia Region	**84,760**	**349**
Others	**13,611**	**-**
	284,705	**91,796**
2011		
Malaysia	222,219	78,529
Asia Region	81,320	387
Others	8,309	-
	311,848	78,916

Major customers

The Group does not have any customers contributing to equal or more than 10% of the Group's total revenue for the current and previous financial years.

27. CONTINGENCIES

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Guarantees given to financial institutions, contract customers and suppliers for facilities and credit terms granted to subsidiaries	**91,578**	101,003	100,613

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

All the financial assets of the Group and of the Company, which comprise trade and other receivables and cash and cash equivalents are categorised as loans and receivables while the financial liabilities of the Group and of the Company, which comprise trade and other payables and loans and borrowings are categorised as financial liabilities measured at amortised cost.

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.2 Net losses arising from financial instruments

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Net losses on:				
Loans and receivables	**1,830**	1,861	**-**	-
Financial liabilities measured at amortised cost	**5,020**	4,703	**-**	-
	6,850	6,564	**-**	-

28.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

28.4 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. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to financial institutions, contract customers and suppliers for facilities and credit terms 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. Credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk and credit quality

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 statement 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.

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.4 Credit risk (cont'd)

Receivables (cont'd)

Exposure to credit risk and credit quality (cont'd)

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

	Group			Company		
	31.12.2012	**31.12.2011**	**1.1.2011**	**31.12.2012**	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Domestic	**52,143**	58,992	44,875	**-**	-	-
Asia region	**24,282**	30,789	15,557	**-**	-	-
Others	**2,784**	1,591	1,624	**-**	-	-
	79,209	91,372	62,056	**-**	-	-

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
31 December 2012			
Not past due	**41,338**	**-**	**41,338**
Past due 1 - 30 days	**23,008**	**(5)**	**23,003**
Past due 31 - 180 days	**9,966**	**(1,292)**	**8,674**
Past due more than 180 days	**8,255**	**(2,061)**	**6,194**
	82,567	**(3,358)**	**79,209**
31 December 2011			
Not past due	67,745	-	67,745
Past due 1 - 30 days	9,963	-	9,963
Past due 31 - 180 days	10,644	(1,151)	9,493
Past due more than 180 days	6,461	(2,290)	4,171
	94,813	(3,441)	91,372
1 January 2011			
Not past due	44,426	-	44,426
Past due 1 - 30 days	3,359	-	3,359
Past due 31 - 180 days	15,963	(1,809)	14,154
Past due more than 180 days	2,407	(2,290)	117
	66,155	(4,099)	62,056

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.4 Credit risk (cont'd)

Receivables (cont'd)

Impairment losses (cont'd)

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		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
At 1 January	**3,441**	4,099	**-**	-
Impairment loss recognised	**151**	-	**-**	-
Impairment loss reversed	**-**	(658)	**-**	-
Impairment loss written off	**(229)**	-	**-**	-
Effect in movement in exchange rate	**(5)**	-	**-**	-
At 31 December	**3,358**	3,441	**-**	-

The allowance account in respect of trade 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 financial institutions, contract customers and suppliers for facilities and credit terms 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 RM91,578,000 (31.12.2011: RM101,003,000; 1.1.2011: RM100,613,000) representing the outstanding banking facilities and payables to suppliers 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.

Inter company loans and advances

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.

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.4 Credit risk (cont'd)

Inter company loans and advances (cont'd)

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 statement 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. The Group and the Company do not specifically monitor the ageing of advances to the subsidiaries and affiliated companies.

28.5 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 its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

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

	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							
31 December 2012							
Non-derivative financial liabilities							
Trade and other payables	58,937	-	58,937	58,937	-	-	-
Bank loans	20,689	*	25,600	4,084	4,084	12,251	5,181
Revolving credits - unsecured	5,740	2.96 - 5.06	5,740	5,740	-	-	-
Bankers' acceptances - unsecured	69,128	3.90 - 5.30	69,128	69,128	-	-	-
Bank overdrafts - unsecured	1,051	7.35 - 8.60	1,051	1,051	-	-	-
Finance lease liabilities	4,921	2.26 - 4.25	5,431	1,841	1,750	1,591	249
Company							
Non-derivative financial liabilities							
Trade and other payables	2,107	-	2,107	2,107	-	-	-

* *Loan 1 was subjected to a fixed interest rate of 7.25% per annum while Loan 2, Loan 3 and Loan 4 were subjected to a floating interest rate of 0.25% per annum above the bank's base lending rate.*

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	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							
31 December 2011							
Non-derivative financial liabilities							
Trade and other payables	80,293	-	80,293	80,293	-	-	-
Bank loans	12,873	*	13,627	1,572	1,664	5,605	4,786
Revolving credits - unsecured	5,908	4.59 - 5.09	5,908	5,908	-	-	-
Bankers' acceptances - unsecured	71,930	3.84 - 6.07	71,930	71,930	-	-	-
Bank overdrafts - unsecured	42	7.6 - 7.85	42	42	-	-	-
Finance lease liabilities	3,189	2.34 - 4.25	3,568	1,031	918	1,273	346
Company							
Non-derivative financial liabilities							
Trade and other payables	1,998	-	1,998	1,998	-	-	-
Group							
1 January 2011							
Non-derivative financial liabilities							
Trade and other payables	51,771	-	51,771	51,771	-	-	-
Bank loans	4,966	*	5,790	1,173	1,112	2,960	545
Revolving credits - unsecured	4,960	2.51 - 4.56	4,960	4,960	-	-	-
Bankers' acceptances - unsecured	73,844	2.68 - 5.75	73,844	73,844	-	-	-
Bank overdrafts - unsecured	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							
Non-derivative financial liabilities							
Trade and other payables	1,458	-	1,458	1,458	-	-	-

* *Loan 1 was subjected to a fixed interest rate of 7.25% per annum while Loan 2 and Loan 3 were subjected to a floating interest rate of 0.25% per annum above the bank's base lending rate.*

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.6 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.

28.6.1 Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and cash and cash equivalents 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), Qatari Rial (QAR), UAE Dirham (AED) and Bangladesh Taka (BDT).

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 currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

Group		Trade and other receivables RM'000	Cash and cash equivalents RM'000	Trade and other payables RM'000	Net exposure RM'000
31 December 2012					
Functional currency	**Foreign currency**				
RM	USD	**1,485**	**2,323**	**(7,763)**	**(3,955)**
RM	GBP	**2,784**	**1**	**-**	**2,785**
RM	AUD	**1,136**	**204**	**-**	**1,340**
RM	SGD	**3,944**	**22**	**-**	**3,966**
RM	QAR	**8,335**	**-**	**-**	**8,335**
RM	AED	**2,839**	**455**	**(67)**	**3,227**
RM	BDT	**-**	**2**	**-**	**2**
31 December 2011					
Functional currency	**Foreign currency**				
RM	USD	565	519	(9,246)	(8,162)
RM	GBP	1,591	683	-	2,274
RM	SGD	-	149	-	149
RM	QAR	10,736	-	-	10,736
RM	AED	2,015	767	(300)	2,482

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.6 Market risk (cont'd)

28.6.1 Foreign currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

Group		Trade and other receivables RM'000	Cash and cash equivalents RM'000	Trade and other payables RM'000	Net exposure RM'000
1 January 2011					
Functional currency	**Foreign currency**				
RM	USD	941	804	(5,471)	(3,726)
RM	GBP	960	44	(276)	728
RM	SGD	4,875	709	-	5,584
RM	QAR	12,166	-	-	12,166
RM	AED	1,710	101	(67)	1,744
RM	BDT	-	2	-	2

Currency risk sensitivity analysis

Foreign currency risk mainly arises from USD, GBP, SGD, QAR and AED. The exposure to other currencies is not material and hence, sensitivity analysis is not presented.

A 10% (2011: 10%) strengthening of RM against the following currencies at the end of the reporting period would have increased (decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2012 RM'000	**2011 RM'000**
USD	**297**	612
GBP	**(209)**	(171)
SGD	**(297)**	(11)
QAR	**(625)**	(805)
AED	**(242)**	(186)

A 10% (2011:10%) weakening of RM against the above currencies at the end of the reporting period would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.6 Market risk (cont'd)

28.6.2 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 its debt obligations.

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 was:

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Fixed rate instruments			
Financial assets	**200**	-	-
Financial liabilities	**(81,578)**	(82,962)	(83,311)
	(81,378)	(82,962)	(83,311)
Floating rate instruments			
Financial liabilities	**(19,951)**	(10,980)	(7,552)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does 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.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 30 basis points ("bp") in interest rates at the end of 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	
Group	**30 bp increase RM'000**	**30 bp decrease RM'000**
2012		
Floating rate instruments	**(45)**	**45**
2011		
Floating rate instruments	(25)	25

Notes to the Financial Statements
(cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.6 Market risk (cont'd)

28.6.3 Other price risk

Other price risk arises from price fluctuation risk mainly on aluminium related products. The Group mitigates its risk to the price volatility through establishing a fixed price level that the Group considers acceptable and where deemed prudent, entering into commodity fixed price contracts.

28.7 Fair value of financial instruments

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

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

	31.12.2012		31.12.2011		1.1.2011	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Amounts due from affiliated companies						
- non-current	**-**	**-**	-	-	4,977	4,756
Bank loans	**20,689**	**20,226**	12,873	12,358	4,966	4,872
Finance lease liabilities	**4,921**	**4,921**	3,189	3,189	2,438	2,438

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		
	31.12.2012	**31.12.2011**	**1.1.2011**
Amounts due from affiliated companies			
- non-current	**-**	-	4.00%
Bank loans	**6.88%**	7.05%	7.13%
Finance lease liabilities	**3.12%**	3.50%	3.27%

28.7.1 Fair value hierarchy

The fair value hierarchy is not presented as the Group and the Company do not have any financial assets and liabilities carried at fair value as at 31 December 2012, 31 December 2011 and 1 January 2011.

Notes to the Financial Statements
(cont'd)

29. 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 are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios at 31 December 2012, 31 December 2011 and 1 January 2011 were as follows:

		Group		
	Note	**31.12.2012**	**31.12.2011**	**1.1.2011**
		RM'000	**RM'000**	**RM'000**
Total loans and borrowings	13	**101,529**	93,942	90,863
Less: Cash and cash equivalents	10	**(18,809)**	(22,520)	(15,842)
Net debt		**82,720**	71,422	75,021
Total equity		**119,217**	112,471	97,243
Debt-to-equity ratio		**0.7**	0.6	0.8

There was no change in the Group's approach to capital management during the financial year.

30. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries, affiliated companies, associates and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 8 and 15.

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
A. Affiliated companies				
Sale of goods	**15,409**	48,347	-	-
Purchase of goods	**(125,500)**	(139,177)	-	-
Rental income on properties	**20**	20	-	-
Rental income on plant and machinery	-	1	-	-

Notes to the Financial Statements
(cont'd)

30. RELATED PARTIES (cont'd)

Significant related party transactions (cont'd)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
B. Subsidiaries				
Dividend income	**-**	-	**6,000**	1,552
Management fee income	**-**	-	**430**	-
C. Associates				
Sale of goods	**-**	3,395	**-**	-
D. Key management personnel				
Directors:				
- Fees	**54**	54	**54**	54
- Remuneration	**976**	819	**181**	168
- Other short-term employee benefits	**194**	168	**34**	31
Total short-term employee benefits	**1,224**	1,041	**269**	253
Other key management personnel				
Short-term employee benefits	**1,473**	2,379	**-**	-
	2,697	3,420	**269**	253

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.

31. BUSINESS COMBINATIONS

2012

31.1 De-registration of subsidiaries

On 16 November 2011, PMB Systems Builders Limited, a 55%-owned subsidiary of the Company, submitted its application to the Companies Registry of Hong Kong requesting to be de-registered. The de-registration was completed on 30 March 2012 upon approval by the Companies Registry of Hong Kong.

On 31 August 2012, PMB-Cyberwall (Macau) Limited, a wholly-owned subsidiary of the Company, submitted its application to the Macau Government Commercial Registry requesting to be de-registered. The de-registration was completed on 28 September 2012 upon approval by the Macau Government Commercial Registry.

The deconsolidation of the de-registered subsidiaries did not have any material impact to the Group as these subsidiaries are dormant.

Notes to the Financial Statements
(cont'd)

31. BUSINESS COMBINATIONS (cont'd)

2011

31.2 Disposal of a subsidiary

On 21 October 2011, Everlast Environmental Management Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed of the entire equity interest in its wholly-owned subsidiary, AG Terminal Sdn. Bhd. to a third party, for a total consideration of RM21,540,000 satisfied by cash.

The disposal resulted in a gain on disposal to the Group of RM9,340,000.

The following summarised the major classes of consideration received, and the amounts of assets and liabilities derecognised at the disposal date:

Fair value of consideration received

	RM'000
Purchase consideration received	24,000
Less: Repayment of bank loans	(2,460)
Cash and cash equivalents	21,540

Effect of disposal on the financial position of the Group

	RM'000
Property, plant and equipment	14,342
Current assets	1,014
Current liabilities	(952)
Non-current liabilities	(1,878)
Deferred tax liabilities	(326)
Net assets and liabilities	12,200
Gain on disposal of a subsidiary	9,340
Consideration received, satisfied in cash, net settlement of loans and borrowings	21,540
Cash and cash equivalents disposed of	(159)
Net cash inflow	21,381

31.3 Incorporation of subsidiaries

On 22 July 2011, the Company incorporated a new wholly-owned subsidiary, Sun Power Generation Sdn. Bhd., with an issued and paid-up capital of RM100, representing 100 shares of RM1.00 each. In the 5 months to 31 December 2011, the subsidiary contributed a loss of RM5,000.

On 26 August 2011, the Company incorporated a new wholly-owned subsidiary, Solar Power Generation (Sabah) Sdn. Bhd., with an issued and paid-up capital of RM100, representing 100 shares of RM1.00 each. In the 4 months to 31 December 2011, the subsidiary contributed a loss of RM5,000.

Notes to the Financial Statements
(cont'd)

32. EXPLANATION OF TRANSITION TO MFRSs

As stated in Note 1(a), these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRS statement of financial position at 1 January 2011 (the Group's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the financial statements of the Group and of the Company.

Notes to the Financial Statements
(cont'd)

33. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries				
- realised	**118,778**	106,766	**2,094**	214
- unrealised	**(6,863)**	(4,629)	**-**	-
	111,915	102,137	**2,094**	214
Total share of accumulated losses from associates				
- realised	**(315)**	(307)	**-**	-
	111,600	101,830	**2,094**	214
Less: Consolidation adjustments	**(31,910)**	(29,960)	**-**	-
Total retained earnings	**79,690**	71,870	**2,094**	214

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 50 to 106 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 at 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 33 on page 107 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: 25 April 2013

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 50 to 107 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 25 April 2013.

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 2012 of the Group and of the Company, and the statements of profit or loss and other 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 50 to 106.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with MFRS, IFRS and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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 33 on page 107 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 MFRS or IFRS. 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

As stated in Note 1(a) to the financial statements, PMB Technology Berhad adopted MFRS and IFRS on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information that is prepared in accordance with MFRS and IFRS, and hence it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the financial year then ended.

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

FOONG MUN KONG
Approval Number: 2613/12/14(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 25 April 2013

Analysis of Shareholdings
as at 29 April 2013

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	0.35	104	0.00
100 to 1,000	324	28.12	303,900	0.39
1,001 to 10,000	519	45.05	2,670,196	3.45
10,001 to 100,000	250	21.70	8,075,900	10.42
100,001 to less than 5% of issued shares	51	4.43	29,453,066	38.01
5% and above of issued shares	4	0.35	36,976,634	47.73
Total	**1,152**	**100.00**	**77,479,800** *	**100.00**

* *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 29 April 2013.*

DIRECTORS' SHAREHOLDINGS
as at 29 April 2013

	Direct		Indirect	
Name	No. of Shares Held	% of Issued Capital #	No. of Shares Held	% of Issued Capital #
Dato' Koon Poh Keong	1,089,000	1.41	0	0.00
Koon Poh Ming	30,000	0.04	10,314,988 @	13.31
Dato' Koon Poh Tat	3,431,000	4.43	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 29 April 2013

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital #	No. of Shares Held	% 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
Dato' Koon Poh Tat	3,431,000	4.43	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
Ong Sow Mei	3,905,100	5.04	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*

^ *Deemed interested in the shares held by her spouse, Koon Poh Ming and his 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.

Thirty Largest Shareholders
as at 29 April 2013

	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 Sow Mei	3,905,100	5.04
5	Ong Soo Fan	3,517,700	4.54
6	Casatechnic Sdn Bhd	3,457,200	4.46
7	RHB Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Dato' Koon Poh Tat*	3,431,000	4.43
8	Lim Boon Kuan	2,917,415	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	Ong Shaw Huat	909,700	1.17
12	Chan Yat Wai	868,000	1.12
13	Chua Seng Sam	818,000	1.06
14	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Koon Yun Hong @ Koon Pow Shyang*	800,000	1.03
15	Chow Kai Chong	616,900	0.80
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	Everpress Aluminium Industries Sdn Bhd	414,900	0.54
19	Tan Kar Pin	408,200	0.53
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	HLIB 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	Go Cheng Hock	271,900	0.35
28	Wang Sze Yao @ Wang Ming Way	270,000	0.35
29	United Panels Sdn Bhd	268,800	0.35
30	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Kui*	259,300	0.33
	Total	**62,597,400**	**80.79**

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 29 April 2013

Top Ten Properties List

Held by the Group as at 31 December 2012

Proprietor	Location	Description/ Age (Year)/ Acquisition Date	Existing Use	Tenure	Area sq. ft.	Net Book Value as at 31.12.2012 RM'000
Everlast Aluminium (M) Sdn Bhd	Lot 1797, Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Freehold land and building 18 years 12/07/1994	Factory cum office	Freehold	83,036	6,515
Everlast Aluminium (M) Sdn Bhd	Lot 1798, Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Leasehold land and building 16 years 29/03/1996	Factory cum office	Leasehold for 53 years expiring 02/12/2065	77,591	4,590
Everlast Aluminium (M) Sdn Bhd	Lot 2794, Mukim Petaling Daerah Wilayah Persekutuan Kuala Lumpur	AGF-7 Office Suite Business Park 15 years 13/08/1998	Tenanted	Freehold	1,266	281
PMB Facade Technology Sdn Bhd	Lot 1804, Mukim of Cheras Daerah Hulu Langat Selangor Darul Ehsan	Freehold Land and Building 7 years 16/12/2005	Factory cum office	Freehold	89,821	5,014
PMB Central Sdn Bhd	HS (D) 57903, PT 537 Mukim Petaling Daerah Petaling Selangor Darul Ehsan	Two Storey Terrace House 16 years 02/04/2007	Employee's Accommodation	Leasehold for 78 years Expiring 26/12/2090	1,400	262
PMB Northern Sdn Bhd	HS (D) 77/92, PT 18852 Mukim Sungai Petani Daerah Kuala Muda Keadah Darul Aman	Leasehold Land and Building 22 years 22/08/2005	Warehouse	Leasehold for 39 years expiring 31/10/2050	19,776	907
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 21 years 22/03/2006	Employee's Accommodation	Freehold	1,080	163
PMB Carbon Sdn Bhd	Lot 6, Section 1, HS(D) 70913, P.T. No. 90870 Mukim of Klang District of Klang Selangor Darul Ehsan	Leasehold land 4 years 26/09/2008	Vacant	Leasehold for 85 years expiring 30/03/2097	326,700	2,601
PMB Carbon Sdn Bhd	Lot 7, Section 1, HS(D) 70913, P.T. No. 90870 Mukim of Klang District of Klang Selangor Darul Ehsan	Leasehold land 4 years 26/09/2008	Vacant	Leasehold for 85 years expiring 30/03/2097	1,409,602	11,232
PMB Carbon Sdn Bhd	Lot 8, Section 1, HS(D) 70913, P.T. No. 90870 Mukim of Klang District of Klang Selangor Darul Ehsan	Leasehold land 1 year 18/01/2012	Vacant	Leasehold for 85 years expiring 30/03/2097	1,522,858	12,241

Group Directory

PMB TECHNOLOGY BERHAD
(Company No. 584257-X)

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
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)

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

<u>United Arab Emirates</u>
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)

<u>Central I</u>
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

<u>Central II</u>
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@streamys.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)

SUN POWER GENERATION SDN. BHD.
(Company No. 953951-D)

SOLAR POWER GENERATION (SABAH) SDN. BHD.
(Company No. 958826-D)

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

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.
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 FACADE TECHNOLOGY (H.K.) LTD.
(Company No. 675899)

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

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

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

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PROXY FORM

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

CDS account number of holder

I/We,______________________________________(name of shareholder as per NRIC/Passport, in capital letters)

IC No./ID No./Company No.____________________________(new)________________________(old)

of____(full address)

being a member of PMB TECHNOLOGY BERHAD, 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 Eleventh Annual General Meeting of the Company to be held at the Room 3, Level 6, Best Western Premier Dua Sentral, 8, Jalan Tun Sambanthan, 50470 Kuala Lumpur on Thursday, 20 June 2013 at 9:30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

RESOLUTIONS			FOR	AGAINST
1.	Approval of Directors' Fees	Ordinary Resolution 1		
2.	Re-election of Dato' Koon Poh Keong as Director	Ordinary Resolution 2		
3.	Re-election of Koon Poh Weng as Director	Ordinary Resolution 3		
4.	Re-appointment of Tuan Haji Mohamad Faiz Bin Abdul Hamid as Director	Ordinary Resolution 4		
5.	Re-appointment of Messrs KPMG as Auditors of the Company	Ordinary Resolution 5		
6.	Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares	Ordinary Resolution 6		
7.	Authority for Tuan Haji Mohamad Faiz Bin Abdul Hamid to continue in office as Independent Non-Executive Director	Ordinary Resolution 7		
8.	Authority for Loo Lean Hock to continue in office as Independent Non-Executive Director	Ordinary Resolution 8		
9.	Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 9		
10.	Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares	Ordinary Resolution 10		

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

____

Signature/Common Seal

Number of shares held : ____________________

Date : ____________________

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

	No. of shares	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 a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
2. *Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
3. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
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 or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Share Registrar's office of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 June 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

Fold This Flap For Sealing

Then Fold Here

Affix
Stamp

The Share Registrar
PMB TECHNOLOGY BERHAD (584257-X)

Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

1st Fold Here