



PMB TECHNOLOGY BERHAD

Registration No. 200201016594 (584257-X)

ANNUAL REPORT 2022



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Koon Poh Keong
Executive Chairman

Koon Poh Ming
Chief Executive Officer

Koon Poh Weng
Executive Director

Dato' Koon Poh Tat
Executive Director

Loo Lean Hock
Senior Independent Non-Executive Director

Ernest Bong Miao Fatt
Independent Non-Executive Director

Noor Alina Binti Mohamad Faiz
Independent Non-Executive Director

AUDIT COMMITTEE

Loo Lean Hock (*Chairman*)
Ernest Bong Miao Fatt (*Member*)
Noor Alina Binti Mohamad Faiz (*Member*)

REMUNERATION COMMITTEE

Ernest Bong Miao Fatt (*Chairman*)
Loo Lean Hock (*Member*)
Noor Alina Binti Mohamad Faiz (*Member*)

NOMINATION COMMITTEE

Loo Lean Hock (*Chairman*)
Ernest Bong Miao Fatt (*Member*)
Noor Alina Binti Mohamad Faiz (*Member*)

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No. 202008001023)

Tan Ai Ning (MAICSA 7015852)
(SSM PC No. 202008000067)

SHARE REGISTRAR

Tricor Investor & Issuing House Services
Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur,
Malaysia.
Tel : 603 - 2783 9299
Fax : 603 - 2783 9222

REGISTERED OFFICE

12th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel : 603 - 7890 4800
Fax : 603 - 7890 4650

CORPORATE OFFICE

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

PRINCIPAL BANKERS

Ambank (M) Berhad
Bangkok Bank Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad

AUDITORS

KPMG PLT
(LLP0010081-LCA & 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 TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting (“21st AGM”) of PMB Technology Berhad will be held at Room Tunku Abdul Rahman, The Royal Commonwealth Society of Malaysia, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Monday, 29 May 2023 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To approve the payment of Directors’ fees and benefits payable to the Independent Non-Executive Directors of up to an aggregate amount of RM350,000 for the financial year ending 31 December 2023. **Ordinary Resolution 1 (Please refer to Explanatory Note 2)**
3. To re-elect the following Directors who are retiring pursuant to Clause 95 of the Constitution of the Company:
 - (i) Dato’ Koon Poh Tat **Ordinary Resolution 2**
 - (ii) Mr Loo Lean Hock **Ordinary Resolution 3**
 - (iii) Mr Ernest Bong Miao Fatt **Ordinary Resolution 4 (Please refer to Explanatory Note 3)**
4. To re-appoint KPMG PLT 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:

5. **Proposed continuation in office of Mr Loo Lean Hock as Senior Independent Non-Executive Director**
 “THAT approval be and is hereby given to Mr 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 a Senior Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2021.” **Ordinary Resolution 6 (Please refer to Explanatory Note 4)**
6. **Proposed continuation in office of Mr Ernest Bong Miao Fatt as Independent Non-Executive Director**
 “THAT authority be and is hereby given to Mr Ernest Bong Miao Fatt 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, in accordance with the Malaysian Code on Corporate Governance 2021.” **Ordinary Resolution 7 (Please refer to Explanatory Note 5)**

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

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7. **Authority under Section 76 of the Companies Act 2016 ("Act") for the Directors to allot and issue shares**

"THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised and empowered to allot and issue shares in the Company at any time until the conclusion of the next AGM of the Company 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 issued shares does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at the time of issue, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT in connection with the above, pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings of such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

Ordinary Resolution 8
(Please refer to
Explanatory Note 6)

8. **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature for PMB Technology Berhad and its subsidiaries ("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 of the Circular to Shareholders dated 28 April 2023 which are necessary for the 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 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 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

cont'd

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
(Please refer to
Explanatory Note 7)

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

"THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements ("MMLR") 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 an amount not exceeding the Company's aggregate retained profits as at 31 December 2022 to purchase such amount of ordinary shares 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 total number of issued shares of the Company.

THAT an amount not exceeding the Company's retained profits 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 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

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

- (i) the conclusion of the next 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.

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (i) distribute the shares as share dividends to the shareholders;
- (ii) resell the shares or any of the shares on Bursa Securities;
- (iii) transfer the shares or any of the shares for the purposes of or under an employees' shares scheme (if any);
- (iv) transfer the shares or any of the shares as purchase consideration;
- (v) cancel all the ordinary shares so purchased; and/or
- (vi) sell, transfer or otherwise use the shares for such other purposes as allowed by the Act.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

cont'd

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
(Please refer to
Explanatory Note 8)

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

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC NO. 202008001023)

TAN AI NING (MAICSA 7015852) (SSM PC NO. 202008000067)

Company Secretaries

Selangor Darul Ehsan

Date: 28 April 2023

NOTES:

1. A proxy may but need not be a member. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
2. 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**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her 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.
4. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time set for holding the 21st AGM or at any adjournment thereof, as follows:
 - i) In Hardcopy Form
The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Share Registrar's office of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia, or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.
 - ii) By Tricor Online System (TIIH Online)
The Form of Proxy can be electronically submitted via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Details for the 21st AGM for further information.
5. In respect of deposited securities, only members whose names appear on the Record of Depositors on Monday, 22 May 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
6. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions at the 21st AGM of the Company shall be put to vote by way of poll.

EXPLANATORY NOTES

1. To receive the Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will **not be put for voting**.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

cont'd

2. Ordinary Resolution 1 on Directors' Fees and Benefits Payable

Section 230(1) of the Act states that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The total amount of RM350,000 is payable to Independent Non-Executive Directors of the Company which comprises the fees payable as members of Board and Board Committees as well as benefits such as meeting allowances, for the financial year ending 31 December 2023.

3. Ordinary Resolution 2, 3 and 4 on Re-election of Directors

The profile of the Directors who are standing for re-election as per item no. 3 of the Agenda are set out in the Profile of Directors section of the Annual Report 2022.

The Board has through the Nomination Committee ("NC"), considered the evaluation of the Directors and concurred that they have met the criteria as prescribed by Paragraph 2.20A of the MMLR of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. In addition, the NC has also conducted an assessment on the fitness and propriety of the retiring directors including the review of their fit and proper declarations and results of their background checks in accordance with the Fit & Proper Policy. The said retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election:-

(a) Ordinary Resolution 2 - Re-election of Dato' Koon Poh Tat as Executive Director

Dato' Koon Poh Tat has been actively involved in PMBT Group's operations including forming new business outlets to enlarge the Group's network and market share. He exercised his due care and carried out his professional duties proficiently during his tenure as an Executive Director of the Company.

(b) Ordinary Resolution 3 - Re-election of Mr Loo Lean Hock as Independent Non-Executive Director

Mr Loo Lean Hock fulfils the requirements of independence set out in MMLR of Bursa Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision making process and continue to display high level of integrity and is objective in his judgement and decision-making in the best interest of the Company, shareholders and stakeholders. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

(c) Ordinary Resolution 4 - Re-election of Mr Ernest Bong Miau Fatt as Independent Non-Executive Director

Mr Ernest Bong Miau Fatt fulfils the requirements of independence set out in MMLR of Bursa Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision making process and continue to display high level of integrity and is objective in his judgement and decision-making in the best interest of the Company, shareholders and stakeholders. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

4. Ordinary Resolution 6 on Proposed continuation in office of Mr Loo Lean Hock as Senior Independent Non-Executive Director

Mr Loo Lean Hock was appointed as an Independent Non-Executive Director on 15 September 2003 and redesignated as Senior Independent Non-Executive Director on 27 February 2006. His term as an independent directors exceeded nine (9) years after 15 September 2012. Pursuant to the MCGG, the Board through the NC has carried out the necessary assessment and is satisfied that Mr Loo Lean Hock is able to exercise independent judgement and act in the best interest of the Company. He has effectively applied his experience and knowledge to discharge his duties and responsibilities as a Director of the Company. He is also in compliance with the relevant criteria and provisions in the MMLR of Bursa Securities on independent directors. Mr Loo Lean Hock has abstained from all deliberations at the Board meeting in relation to the recommendation of Ordinary Resolution 6.

The Board received performance evaluation of him and he was found to be effective in his role and he has given time commitment to attend the Company's Board meetings and performance of duties. Therefore, the Board has recommended that the approval of the shareholders be sought through a two-tier voting process for the continuing of office of Mr Loo Lean Hock as Independent Non-Executive Director of the Company. The Board intends to retain Mr Loo Lean Hock as Independent Director of the Company until 31 May 2023.

The Board took cognisance on the MMLR on the mandatory 12-year tenure limit for independent directors. The Board will ensure strategic board refreshment to comply with the MMLR.

5. Ordinary Resolution 7 on Proposed continuation in office of Mr Ernest Bong Miau Fatt as Independent Non-Executive Director

Mr Ernest Bong Miau Fatt was appointed as an Independent Non-Executive Director on 30 November 2007. His term as an independent directors exceeded nine (9) years after 30 November 2016. Pursuant to the MCGG, the Board through the NC has carried out the necessary assessment and is satisfied that Mr Ernest Bong Miau Fatt is able to exercise independent judgement and act in the best interest of the Company. He has effectively applied his experience and knowledge to discharge his duties and responsibilities as a Director of the Company. He is also in compliance with the relevant criteria and provisions in the MMLR of Bursa Securities on independent directors. Mr Ernest Bong Miau Fatt abstained from all deliberations at the Board meeting in relation to the recommendation of Ordinary Resolution 7.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

cont'd

The Board received performance evaluation of him and he was found to be effective in his role and he has given time commitment to attend the Company's Board meetings and performance of duties. Therefore, the Board has recommended that the approval of the shareholders be sought through a two-tier voting process for the continuing of office of Mr Ernest Bong Miao Fatt as Independent Non-Executive Director of the Company. The Board intends to retain Mr Ernest Bong Miao Fatt as Independent Director of the Company until 31 May 2023.

The Board took cognisance on the MMLR on the mandatory 12-year tenure limit for independent directors. The Board will ensure strategic board refreshment to comply with the MMLR.

6. Ordinary Resolution 8 on Authority under Section 76 of the Act for the Directors to allot and issue shares

The Company had, during its Twentieth AGM held on 16 June 2022, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act.

The Ordinary Resolution 8 proposed under item 7 of the Agenda is to obtain a general mandate for issuance of shares by the Company under Section 76 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 total number of issued shares of the Company for purpose of funding the working capital or strategic development of the PMBT 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.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the Twentieth AGM held on 16 June 2022 and which will lapse at the conclusion of the 21st AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

7. Ordinary Resolution 9 on Proposed Shareholders' Mandate

Ordinary Resolution 9 proposed under item 8 of the Agenda, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions in accordance with Paragraph 10.09 of the MMLR of Bursa Securities without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the PMBT Group or affecting the business opportunities available to the PMBT Group. The shareholders' mandate is subject to renewal on an annual basis.

For further information on Ordinary Resolution 9, please refer to Part A of the Circular to Shareholders dated 28 April 2023 accompanying the Annual Report of the Company for the financial year ended 31 December 2022.

8. Ordinary Resolution 10 on Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

The proposed Ordinary Resolution 10, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company is required by law to be held.

For further information on Ordinary Resolution 10, please refer to Part B of the Circular to Shareholders dated 28 April 2023 accompanying the Annual Report of the Company for the financial year ended 31 December 2022.

Personal data privacy:

By registering for the remote participation and electronic voting meeting and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

PROFILE OF DIRECTORS



Tan Sri Dato' Koon Poh Keong
Executive Chairman, Non-Independent
(Malaysian, Male, Aged 62)

Tan Sri Dato' Koon Poh Keong is a Non-Independent Executive Chairman of the Company since 15 September 2003. He attended all the four (4) Board meetings held during the financial year. He is also the Group Chief Executive Officer of Press Metal Aluminium Holdings Berhad and Director 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 has more than 30 years of experience in the aluminium industry. He is the brother to Koon Poh Ming, Koon Poh Weng and Dato' Koon Poh Tat as well as a major shareholder of the Company. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.



Koon Poh Ming
Chief Executive Officer, Non-Independent
(Malaysian, Male, Aged 66)

Mr Koon Poh Ming is a Non-Independent Executive Director and Chief Executive Officer of the Company since 15 September 2003. He attended all the four (4) Board meetings held during the financial year. He is also the Executive Vice Chairman of Press Metal Aluminium Holdings Berhad and Director 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 Primary Aluminium Industries as well as Engineering and Fabrication Industries for more than 30 years.

He is the brother to Tan Sri Dato' Koon Poh Keong, Koon Poh Weng and Dato' Koon Poh Tat as well as a major shareholder of the Company. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

PROFILE OF DIRECTORS

cont'd



Koon Poh Weng
Executive Director
(Malaysian, Male, Aged 67)

Mr Koon Poh Weng is a Non-Independent Executive Director of the Company since 15 September 2003. He attended all four (4) Board meetings held during the financial year. He is currently the Executive Director of Press Metal Aluminium Holdings 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, Tan Sri Dato' Koon Poh Keong and Dato' Koon Poh Tat as well as a major shareholder of the Company. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.



Dato' Koon Poh Tat
Executive Director
(Malaysian, Male, Aged 63)

Dato' Koon Poh Tat is a Non-Independent Executive Director of the Company since 15 September 2003. He attended all the four (4) Board meetings held during the financial year. Currently, he is also the Executive Director of Press Metal Aluminium Holdings Berhad and the Director of Press Metal Berhad. He has more than 30 years of experience in the aluminium industry.

He is the brother to Koon Poh Ming, Tan Sri Dato' Koon Poh Keong and Koon Poh Weng as well as a substantial shareholder of the Company. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

PROFILE OF DIRECTORS

cont'd



Loo Lean Hock
Senior Independent Non-Executive
(Malaysian, Male, Aged 63)

Mr Loo Lean Hock was appointed as an Independent Non-Executive Director of the Company on 15 September 2003 and redesignated as Senior Independent Non-Executive Director on 27 February 2006. He is the Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee. He attended all the four (4) Board meetings held during the financial year.

He is a Chartered Accountant of Malaysian Institute of Accountants, a practicing member of Malaysian Institute of Certified Public Accountants, Fellow of Certified Public Accountant Australia; associate member of Chartered Tax Institute of Malaysia; and professional member of Institute of Internal Auditors Malaysia. He obtained his Master in 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 (a subsidiary of Press Metal Aluminium Holdings 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 1993 and joint partnership in LG & Partners Plt in 2018. He is also a director of L. H. Loo Taxation Services Sdn. Bhd., LVIO Precision Sdn. Bhd. and IQX Technologies Sdn. Bhd. Currently, he does not hold any other directorship in public company and listed issuers in 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 has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.



Ernest Bong Miao Fatt
Independent Non-Executive
(Malaysian, Male, Aged 67)

Mr Ernest Bong Miao Fatt was appointed as an Independent Non-Executive Director on 30 November 2007. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committees. He attended all the four (4) Board meetings held during the financial year. He holds a Bachelor of Science Degree in Engineering from University of Wales, United Kingdom. He has been in engineering business more than 40 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 has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

PROFILE OF DIRECTORS

cont'd



Noor Alina Binti Mohamad Faiz

Independent Non-Executive

(Malaysian, Female, Aged 48)

Puan Noor Alina Binti Mohamad Faiz was appointed to the Company as an Independent Non-Executive Director on 18 October 2016. She also serves as a member of the Audit Committee, Nomination Committee and Remuneration Committee. She attended all the four (4) Board meetings during the financial year. Presently, she also acts as an Independent Non-Executive Director of Press Metal Aluminium Holdings Berhad.

She graduated with a L.L.B. (Honours) from University of Leicester, United Kingdom in 1996. She is a member of the Middle Temple and was called to the Bar of England and Wales in 1998. Upon being called to the Malaysian Bar in 1999, she began her legal career with Messrs Lee, Perara & Tan, specialising mainly in Corporate Law. She left the firm in 2009 and worked as in-house counsel between 2010 and 2015, where she was the Group General Manager and subsequently Head of Department of the legal and secretarial departments of Media Prima Berhad and Peremba (Malaysia) Sdn Bhd, respectively. In 2016, she provided legal and secretarial consultancy services for various companies before resuming practise in 2017 as the sole proprietor of the Chambers of Noor Alina Faiz. In 2021, she returned to Messrs Lee, Perara & Tan as a Partner.

She has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. She has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Profiles of Mr. Koon Poh Ming, Mr. Koon Poh Weng and Dato' Koon Poh Tat are set out on pages 9 to 10 of this Annual Report.

GROUP STRUCTURE



PMB TECHNOLOGY BERHAD
Registration No. 200201016594 (584257-X)

100%

PMB Silicon S/B

Co. Reg. No. 201601011055 (1181986-X)

100%

PMB Facade Technology S/B

Co. Reg. No. 199401005807 (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%

Everlast Aluminium (M) S/B

Co. Reg. No. 198801003086 (170443-T)

100%

Everlast Access Technologies S/B

Co. Reg. No. 199901016903 (491803-H)

100%

PMB Quick Access S/B

Co. Reg. No. 200001014086 (516692-V)

100%

Everlast Environmental Management S/B

Co. Reg. No. 199001016124 (207793-P)

100%

PMB Land (Sg. Besi) S/B

Co. Reg. No. 201801030428 (1292454-H)

100%

PMB Carbon S/B

Co. Reg. No. 200801016309 (817599-X)

100%

PMB Chemical S/B

Co. Reg. No. 201901020560 (1329889-T)

100%

Asia Advanced Materials S/B

Co. Reg. No. 201101028495 (956630-M)

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 Silicon Sdn. Bhd.	01.04.16 Malaysia	RM300,000,000	100.00	Production and distribution of metallic silicon and related products
PMB Façade Technology Sdn. Bhd. ("PMBF")	05.03.94 Malaysia	RM7,371,370.56	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	RM1,100,000	100.00	Marketing of aluminium and other related products
PMB Land (Sg. Besi) Sdn. Bhd.	23.08.18 Malaysia	RM3,000,000	100.00	Property developer and manufacturing, trading and distribution of Industrial Building System (IBS)
PMB Carbon Sdn. Bhd.	14.05.08 Malaysia	RM10,000,000	100.00	Investment holding company, manufacturing and marketing of carbon based products as well as trading, distribution and fabrication of aluminium related products
PMB Chemical Sdn. Bhd.	12.06.19 Malaysia	RM100	100.00	Dormant
Asia Advanced Materials Sdn. Bhd.	10.08.11 Malaysia	RM40,000,000	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	Dormant
Subsidiary Companies held indirectly through EASB				
Everlast Access Technologies Sdn. Bhd.	19.08.99 Malaysia	RM3,000,000	100.00	Manufacturing and marketing of aluminium and other related products
PMB Quick Access Sdn. Bhd.	13.06.00 Malaysia	RM1,000,000	100.00	Marketing and rental of scaffolding tower and machinery as well as trading of other related products and to provide relevant transportation services
Everlast Environmental Management Sdn. Bhd.	15.11.90 Malaysia	RM3,000,000	100.00	Dormant

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors which satisfy the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021. Details of the composition of the Audit Committee are as follows:-

Loo Lean Hock (Chairman)

Senior Independent Non-Executive Director

Ernest Bong Miao Fatt (Member)

Independent Non-Executive Director

Noor Alina Binti Mohamad Faiz (Member)

Independent Non-Executive Director

Mr Loo Lean Hock is a Chartered Accountant of Malaysian Institute of Accountants, practicing member of Malaysian Institute of Certified Public Accountants, Fellow of Certified Public Accountant Australia, associate member of Chartered Tax Institute of Malaysia and professional member of Institute of Internal Auditors Malaysia, which is in compliance with Paragraph 15.09(1)(c) of the MMLR of Bursa Securities. In addition, the Chairman of the Audit Committee is a Senior Independent Non-Executive Director and none of the Audit Committee members is alternate director.

TERMS OF REFERENCE

The duties and responsibilities of the Audit Committee are spelt out in the Terms of Reference of the Audit Committee. A copy of the Terms of Reference is available on the Company’s website at www.pmbtechnology.com.

ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2022, the Audit Committee held four (4) meetings. The details of attendance of the Audit Committee members are as follows:-

Audit Committee members	No. of meetings attended
Loo Lean Hock	4/4
Ernest Bong Miao Fatt	4/4
Noor Alina Binti Mohamad Faiz	4/4

SUMMARY ACTIVITIES OF AUDIT COMMITTEE

The Audit Committee reports regularly to the Board on the activities carried out by the committee in discharging their duties and responsibilities in accordance with its Terms of Reference.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY ACTIVITIES OF AUDIT COMMITTEE cont'd

The main activities undertaken by the Audit Committee during the financial year ended 31 December 2022 were as follows:-

1. Financial Reporting

- (a) The Audit Committee had ensured that the quarterly financial results of the Group complied with the Malaysian Financial Reporting Standards ("MFRS") and Appendix 9B of the MMLR. The following quarterly unaudited financial results as well as the declaration of dividends were reviewed by the Audit Committee before recommending to the Board for approval and release to Bursa Securities:

Subject	Date of Meeting
Unaudited financial results for the fourth quarter ended 31 December 2021 and first interim dividend for the financial year ended 31 December 2021	24 February 2022
Unaudited financial results for the first quarter ended 31 March 2022	27 May 2022
Unaudited financial results for the second quarter ended 30 June 2022	23 August 2022
Unaudited financial results for the third quarter ended 30 September 2022	28 November 2022

For the declaration of interim dividend, the Audit Committee had at its meetings reviewed the solvency test undertaken by Management which confirmed that the Company would be solvent for the next twelve (12) months and would have sufficient funds to pay its debts due within twelve (12) months immediately after the distribution of dividend.

- (b) Reviewed the audited financial statements for the financial year ended 31 December 2021 before recommending the same to the Board for approval.

The review focused primarily on:-

- major judgemental areas, significant and unusual events;
- significant adjustments resulting from audit; and
- the going concern assumptions.

2. External Audit

- (a) Reviewed and discussed with the External Auditors the following:
- The performance, suitability and independence of the External Auditors based on among others, the External Auditors' technical competency and audit independence, objectivity and professional skepticism before recommending to the Board their re-appointment and remuneration. The External Auditors provide an annual confirmation of their independence in accordance with the terms of their professional and regulatory requirements; and
 - The status of audit for the financial year ended 31 December 2021 including the issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their report to the Audit Committee.
- (b) Reviewed, discussed and approved the Audit Plan of the Group inclusive the scope of work of the External Auditors to ensure it adequately covered the activities of the Group for the financial year ended 31 December 2022.
- (c) Met with the External Auditors twice during the financial year, i.e. on 24 February 2022 and 28 November 2022 respectively without the presence of any executive Board members and Management to ensure there were no restrictions on their scope of audit and to discuss any matters that the auditors did not wish to raise in the presence of the Management. During the private sessions with the External Auditors, it was noted that there were no major concerns from the External Auditors and they had been receiving full cooperation from the management during their course of audit.
- (d) Reviewed and approved the scope of non-audit services provided by the External Auditors to ensure there was no impairment of independence.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY ACTIVITIES OF AUDIT COMMITTEE cont'd

3. Internal Audit

- (a) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function to ensure its effectiveness and efficiency.
- (b) Reviewed and approved the Internal Audit Plan for 2022 to ensure that high risk areas and key processes were adequately identified and covered in the plan.
- (c) Reviewed the internal audit reports including follow-up reports presented by the Internal Auditors and considered the major findings by the Internal Auditors and management's responses on each of the issues arising from the internal audit as to improve and enhance the systems of internal control of the Group. Amongst others, the following key audit areas were duly reviewed by the Internal Auditors during the financial year under review:-
 - revenue cycle and purchasing cycle;
 - plant and machinery maintenance, critical machinery parts management and spare parts management; and
 - follow up audits on:-
 - revenue cycle, purchasing cycle and inventory management;
 - group human resource management and payroll function; and
 - compliance review on adequate procedures under new Section 17(A) of the Malaysian Anti-Corruption Commission ("MACC") Act 2009
- (d) Monitored the implementation of mitigating actions taken by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed.
- (e) Met with the Internal Auditors twice during the financial year, i.e. on 24 February 2022 and 23 August 2022 respectively without the presence of any executive Board members and the Management for discussion on audit related matters. The issues highlighted by the Internal Auditors during the private meetings were conveyed to the Management for further action.

4. Risk Management and Internal Control

- (a) Reviewed the Risk Register of the Group to ensure that any new risk is incorporated into the Risk Register and existing risks are being monitored on an on-going basis.
- (b) Evaluated the overall effectiveness of the system of internal control to ensure the risk management framework is consistently adopted throughout the Group.

5. Related Party Transactions

- (a) Reviewed related party transactions entered into by the Group on quarterly basis.
- (b) Reviewed the Circular to Shareholders in respect of the recurrent related party transactions prior to recommending for the Board's approval to seek shareholders' mandate at the annual general meeting of the Company.

6. Others

- (a) Reported to and updated the Board on significant issues and concerns discussed during the Audit Committee meetings and where appropriate, made the necessary recommendation to the Board.
- (b) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to recommending for Board's approval and inclusion in the Company's Annual Report.
- (c) Reviewed the Ageing Report on quarterly basis.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY ACTIVITIES OF AUDIT COMMITTEE cont'd

6. Others cont'd

- (d) Conducted a self-assessment exercise to evaluate their own effectiveness in discharging duties and responsibilities for the financial year ended 31 December 2021.
- (e) Reviewed and recommended to the Board on the revised Whistleblowing Policy and Risk Management Policy.

In all Audit Committee meetings, the Financial Controller was present to report on the financial results of the Group as well as to answer questions posed by the Audit Committee in relation to the financial results to be announced.

INTERNAL AUDIT FUNCTION

The Company outsourced its internal audit function to a professional service firm, namely Baker Tilly Monteiro Heng Governance Sdn. Bhd. which reports directly to the Audit Committee by providing independent assessment on the adequacy, efficiency and effectiveness of the system of controls and governance processes in the Company and its subsidiaries.

The Internal Auditors has carried out the independent audit assignments on business units of the Group according to the approved annual internal audit plan and the audit is carried out based on Baker Tilly internal audit methodology which is closely consistent with, where applicable, the International Standards for the Professional Practice of Internal Auditing which form part of the International Professional Practices Framework of the Institute of Internal Auditors. The resultant internal audit reports were presented to the Audit Committee for deliberation and forwarded to the Management for their necessary action.

The internal audit function adopts a risk-based audit methodology, which is aligned with the risks of the Group to ensure that the relevant controls addressing those risks are reviewed on a timely basis.

During the financial year, the outsourced Internal Auditors conducted reviews in accordance with the risk based internal audit plan approved by the Audit Committee. Amongst others, it is encompassing the following activities:

- (a) 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;

Name of entity	Auditable areas
PMB Silicon Sdn. Bhd.	1. Plant and machinery maintenance, critical machinery parts management and spare parts management 2. Revenue cycle
Everlast Aluminium (M) Sdn. Bhd. and Everlast Access Technologies Sdn. Bhd.	Purchasing cycle

- (b) Performed follow-up reviews to ensure that prompt actions on the audit recommendations were taken by the Management;

Name of entity	Auditable areas
PMB Technology Berhad	1. Group human resource management and payroll function 2. Compliance review on adequate procedures under new Section 17(A) of the MACC Act 2009
PMB Quick Access Sdn. Bhd.	Revenue cycle, purchasing cycle and inventory management

- (c) Reviewed related party transactions; and
- (d) Revised and updated the Risk Register for the Group.

The total cost incurred for the outsourced internal audit function of the Group for the financial year ended 31 December 2022 was RM61,357.23 (2021: RM49,907.55).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

PMB Technology Berhad ("PMBT" or "Company") 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 listed on the Second Board of the Bursa Malaysia Securities Berhad on 5 November 2003 and was transferred to the Main Market of the Bursa Malaysia Securities Berhad on 3 August 2009.

PMBT and its subsidiary companies ("Group") complements the activities of its corporate shareholder, Press Metal Aluminium Holdings Berhad ("PMAH"), which is the biggest aluminium smelter in South East Asia.

The businesses and operations of PMBT are related to aluminium and are classified into the following two segments:

- 1) Manufacturing and Trading segment; and
- 2) Construction and Fabrication segment

MANUFACTURING AND TRADING SEGMENT

Our manufacturing and trading segment is principally engaged in the manufacturing and/or distribution of metallic silicon products, access equipment and other aluminium related products and distribution of related building materials.

These business activities are undertaken by the following subsidiary companies:

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

CONSTRUCTION AND FABRICATION SEGMENT

The Construction and Fabrication segment is involved in the design, fabricate and installation of aluminium curtain wall, cladding, skylight, façade works and the fabrication and installation of aluminium system formworks.

The subsidiary companies included in this business segment are:

- PMB Façade Technology Sdn. Bhd.
- PMB Façade Technology (H.K.) Limited in Hong Kong
- PMB-Cyberwall Limited in Hong Kong

METALLIC SILICON

The metallic silicon manufacturing is undertaken by one of our subsidiaries i.e. PMB Silicon Sdn. Bhd. ("PMB Silicon"). PMB Silicon focuses on producing high-purity metallic silicon for these various industries using renowned Submerged Arc Furnace technology. The company is certified to ISO 9001:2015 and is REACH compliant.

In 2020, PMB Silicon completed Phase 2 of furnace installation which has successfully increased the annual capacity to 72,000MT. Upon securing additional power in 2022, the construction of Phase 3 started soon after and will be completed by the third quarter of 2023, increasing our installed capacity to 108,000MT per annum.

The production plant is constantly improving its facilities and efficiency to supply to the 3 industries that are major consumers of silicon metal:

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd



Aluminium Alloy

Aluminium alloys are widely used in engineering structures and components where light weight or corrosion resistance is required.

Significantly lighter than steel, aluminium is now the metal of choice in a range of parts - from the chassis, structural components such as the shock tower and internal panels to housing for motors and the batteries that power electric cars.

To keep electric cars lightweight and ensure they can run a long distance on one charge, car makers are using more of light metals like aluminum.



Silicones

Silicones can take many forms – from liquids to solids – that allow engineers, scientists, inventors and companies to use them as a vital component in thousands of consumer and industrial applications. Whether as fluids, rubbers, gels, resins or mixtures, it is their versatility that makes silicones a key ingredient in products that make our lives better every day. From shampoo and baking moulds to cars, computers and precision engineered spacecraft, silicones can be found in a myriad of applications. Silicones can also be used in renewable energy or energy saving applications; everything from wind turbines to solar panels, LEDs to green tires rely on silicone technology.

They are noted for their ability to function in conditions that would destroy conventional materials. Silicones display a host of unique properties that can lubricate, seal, bond, release, defoam and encapsulate. They can even insulate, waterproof and coat. They do not conduct electricity. They won't harden, crack, peel, crumble or dry out, rot or become brittle with age.



Polysilicon

A high-profile use for metallic silicon is in the production of polycrystalline silicon (polysilicon). Polysilicon is the base material for solar cells and semi-conductor chips.

Moving into the digital world and a greener future, smartphone, notebook or desktop computer, smart watches, tablets are using more advanced chips than ever; the vehicles that are developed today are using more numbers of silicon chips and metallic silicon than its predecessors; and over 90% of all solar panels producing electricity from the sun require metallic silicon too. Metallic silicon is a major raw material required to support the green transition for cleaner energy and more sustainable technologies.

In 2022, PMB Silicon also received a bronze medal from the world's most trusted business sustainability rating company, Ecovadis and we are dedicated to improve this rating further in the following year.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

ALUMINIUM CURTAIN WALL AND CLADDING

The Group offers a one stop centre, from conceptual design to complete installation and commissioning of the products and services of Aluminium Curtain Wall and Cladding works. Construction Projects are carried out by our in-house façade designers and engineers who are professionally trained and equipped with sound knowledge and experience of the construction industry and local regulation.

PMBT has established itself as an international specialist in the design, fabrication and installation of aluminium curtain wall and cladding industry and is well positioned in the international market.

The curtain wall system is designed not only to provide aesthetic to the building but also to achieve Green Building Index, which is in line with our sustainability commitment.



MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

ALUMINIUM SYSTEM FORMWORK

The Group also specializes in aluminium system formwork. Aluminium system formwork is a modular, panel system used for the concreting of building structures. It is fabricated entirely from the structural grade aluminium and is one of the most versatile construction system formwork available in today's market. The formwork is custom designed to suit specific project requirements. It can cater for all types of complicated structures that incorporates modern architectural features found in both high rise and low rise buildings.

The aluminium formwork is pre-engineered to rigid tolerances in order to meet the most stringent requirements of building aesthetics, and as a result the formal structure is extremely accurate in dimension and of the highest quality in terms of surface finish.

The system incorporates a quick set up and dismantle system which allows floor cycles of four days 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 reused, from project to project. It has been known to achieve more than 300 reuses in building construction

It is also considered one of the most environmental friendly system of construction where everything is recyclable.



MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Access Equipment



• Ladder

The Group is the leading aluminium ladder manufacturer and the first ladder manufacturer in Malaysia accredited with ISO9001 quality management system in 1999. The 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 Group's aim to further developed ladders complying to international standards to maintain the leadership of the Group in the market as well as to expand internationally.

As the leading ladder manufacturer in Malaysia, the Group prides itself as that it 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 fulfils international certification requirements but also improves production process through the incorporation of the modern technology and automation in ladder manufacturing.

Everlast's ladder is widely distributed throughout Malaysia for more than 30 years. They can be found in most hardware outlets, DIY chains as well as hypermarkets. The brand name is **EVERLAST** synonymous with quality and reliability especially for the range of models that are certified by SIRIM and in compliance with British Standards BS2037 : 1994 and BS EN131 : 1993.

The 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, Middle East, Singapore and Indonesia.



MANAGEMENT DISCUSSION AND ANALYSIS

cont'd



- **Scaffold tower**

Aluminium scaffold tower is a growing industry due to its lightweight and non-corrosive nature. PMBT Group is the largest scaffold manufacturer in Malaysia and has been consistently exporting to neighbouring countries for more than a decade. The scaffold towers manufactured by the Group is certified to BS EN 1004 : 2004 by SIRIM and complies to British Standard BS 1139:1994 (Part 3).

In 2017, PMBT Group secured the CIDB compliant status for its aluminium mobile scaffold tower in Malaysia. All sales and rental of aluminium scaffold tower components come with a unique laser marking of our CIDB certification.



MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- **Aerial Working Platform Equipment**

PMBT Group continues to expand its construction supporting facilities through investing in heavy and light machineries. Over the years it has acquired many renowned brands under this subsidiary such as Haulotte, Genie and Sinoboom.

Aerial working machineries are made for the purpose of lifting workers, users, tools and light material. The machinery moves easily across work sites and provides a safer access to hard-to-reach jobs both indoors and outdoors. The scissor lift and especially boom lifts, allow flexibility to overcome obstacles that might otherwise cost time and money to get around using other traditional methods.



MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

OBJECTIVES & STRATEGIES

Our objectives are targeted to provide a range of high quality of products and services without compromising on our quality and profitability necessary for our continuity with the aim of meeting all stakeholders' expectation.

The Group also acknowledges the importance of the business sustainability as to create long term value to the stakeholders and community.

Human capital investment in the form of training and education are part of our ongoing priorities besides Research and Development which have been the cornerstone of our business model.

FINANCIAL PERFORMANCE

Revenue

The Group's revenue for the financial year ended 31 December 2022 was RM1,183.1 million, an increase of RM269.9 million or 30% compared with RM913.2 million in the financial year ended 31 December 2021. The increase in revenue was mainly attributable to the overall improvement in business volumes, metallic silicon prices and acceleration of the progress of construction projects during the year.

Revenue recorded by the manufacturing and trading segment was higher by RM157.9 million, 24% increase in the financial year ended 31 December 2022. This was mainly due to higher tonnage sold and higher average metallic silicon price.

Revenue recorded by the construction and fabrication segment was higher by RM112.0 million or 44%, mainly due to acceleration of the progress of certain on-going projects.

Profitability

Profit after tax for the year was RM110.4 million represents a 28% decrease from the previous year (2021: RM152.8 million). This decrease is mainly due to the correction from the exceptionally high metallic silicon price in the previous year. The softening of the metallic silicon price, higher raw material and operational costs also contributed to the decrease in profit.

Dividends

Total dividend pay-out in the financial year ended 31 December 2022 was 5 sen, which was fivefold more than in the previous financial year (2021: 1 sen). A total of RM11.7 million was distributed to the shareholders as dividends in 2022. The Group does not have a dividend distribution policy in place. However, the Group will strive to reward its shareholders for their continuous support subjected to the Group's profitability, capital expenditure commitment, other investment planning requirements and overall liquidity position.

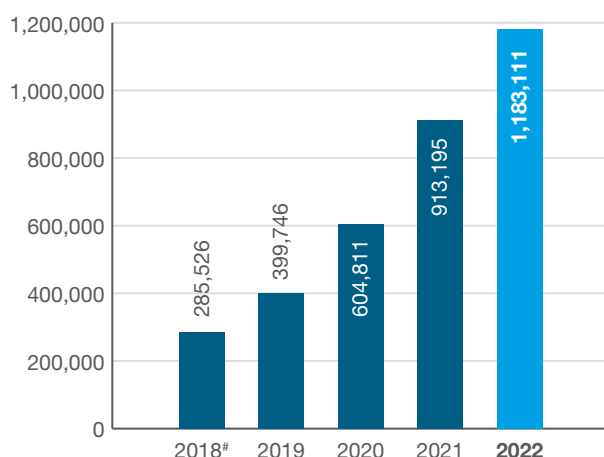
MANAGEMENT DISCUSSION AND ANALYSIS

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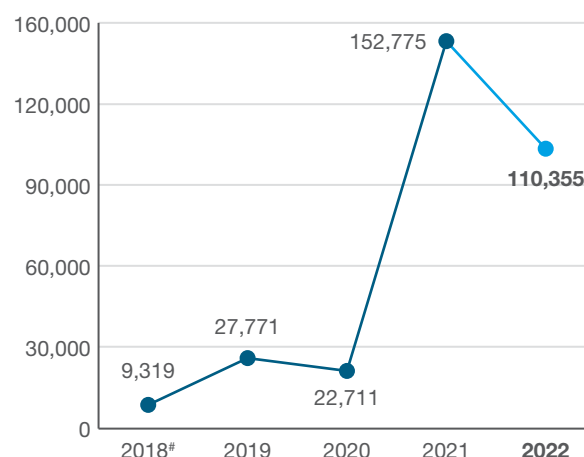
Statement of comprehensive income

	2018 [#]	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	285,526	399,746	604,811	913,195	1,183,111
Profit before tax	10,747	20,397	24,644	193,593	147,273
Taxation	3,894	5,551	1,933	40,818	36,918
Profit after tax	9,319	27,771	22,711	152,775	110,355
- Continuing operations	6,853	14,846	22,711	152,775	110,355
- Discontinued operations	2,466	12,925	-	-	-
Dividends	2,340	5,657	3,071	2,058	11,690
Earnings per share (sen) *	1.19 [@]	2.71 [@]	2.21 [@]	14.66 [@]	9.35
Dividend payment as % of profit after tax	25%	20%	14%	1%	11%

Revenue (RM'000)



Profit After Tax (RM'000)



Statement of financial position and liquidity

	2018 [#]	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Total assets	775,811	1,137,759	1,163,937	1,457,417	1,716,164
Net current assets	57,495	89,370	33,733	174,780	197,301
Shareholders' equity	357,683	534,833	557,786	724,864	907,413
Retained earnings	115,016	137,094	156,312	306,656	400,800
Net asset per share (RM) *	0.46 [@]	0.52 [@]	0.54 [@]	0.70 [@]	0.77
Debt-to-equity ratio	0.60	0.66	0.72	0.61	0.47




* Weighted average number of ordinary shares 782,870,750[@] 1,023,150,750[@] 1,026,737,030[@] 1,042,310,930[@] 1,180,167,537

@ Restated to reflect the bonus issue subsequent to the end of the previous financial years on the basis of four (4) bonus shares for every one (1) existing share of the Company which was completed in April 2022.

The financial results were represented to exclude the discontinued operations

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Net assets per share			
RM0.77	2022	 10.6%	
RM0.70	2021		
Total assets			
RM1,716.2 Mil	2022	 17.8%	
RM1,457.4 Mil	2021		
Shareholders' equity			
RM907.4 Mil	2022	 25.2%	
RM724.9 Mil	2021		

REVIEW OF OPERATING ACTIVITIES AND STRATEGIES

The manufacturing of metallic silicon remains as the Group's primary business activity while maintaining its other aluminium related businesses.

The global metallic silicon industry in 2022 was driven mainly by the growth in demand from the solar sector as last year was another year of record growth for new global solar capacity additions, demonstrating the resilience of the renewable energy transition. Demand from the automotive sector in the EU and the US markets was softer as automotive output in these regions remained below pre-pandemic levels. The combination of a lack of new launches of entry-level vehicles and subdued interest from middle-income buyers contributed to the low industry volume for the year. The silicones sector in China was severely impacted by the country's strict COVID-zero policy and the property market slump. In spite of this, overall silicon demand in China still managed to grow at a healthy rate in 2022 as strong demand from the solar sector was sufficient to offset the slowdown in other sectors.

Metallic silicon market prices in 2022 trended downwards from the all time high levels seen towards the end of 2021. Price levels found support and remained high on a historical basis due to the escalation of production costs from higher power rates and raw material prices. Output levels in China were relatively stable in 2022 whereas the EU saw marked curtailment in output as several producers struggled to cope with the rising cost and slower demand.

In the first half of the year, the fluctuation in aluminium price was mainly caused by the volatility in both LME and US Dollars. During this period, the Group was unable to raise the selling price and pass on the cost increase immediately and in full to certain customers especially for fixed price contracts. The aluminium price subsequently stabilized in the second half of the year.

To partially mitigate the risk of fluctuation in foreign currency rates, the Group entered into long term forward exchange contracts to hedge its export sale proceeds and making payment for raw materials in the same foreign currency as the sale proceeds as a natural hedge mechanism.

The Group's focus on environmental, social and governance, commonly known as ESG has remained one of the focal points to our core values to sustain a balanced ecosystem and remain committed for all stakeholders governed by our corporate governance framework. The Group has embarked on a journey to achieve net zero emissions by 2050 in aligned with Task Force on Climate-Related Financial Disclosures ("TCFD") initiatives. The Group has determined the short-term, medium-term and long-term time horizon to implement the TCFD recommendation internally. During the financial year ended 31 December 2022, the Group had installed solar panels on the roofs of our factories to generate solar energy for our own consumption as part of our ESG program to promote green energy.

KEY DEVELOPMENT

The construction of Phase 3 metallic silicon plant is expected to be completed by third quarter 2023 with an estimated cost of RM350 million. Alongside with both Phase 1 and Phase 2 up running now, the Group's combined annual installed capacity is at 108,000 MT supplied by a total power of 129 MW, an additional 25 MW more that we have secured with Syarikat SESCO Berhad on 31 October 2022.

On the other hand, both the memorandum of understanding ("MOU") with Perbadanan Pembangunan Ekonomi Sarawak and Sabah Oil & Gas Development Corporation Sdn. Bhd. are still at the early preliminary discussion stage. The parties involved have mutually agreed to extend the expiration date of the MOU to 25 November 2023 and 28 March 2024 respectively.

During the financial year ended 31 December 2022, PMB Land (Sg. Besi) Sdn. Bhd., a wholly-owned subsidiary of the Company has on 17 August 2022 entered into a sales and purchase agreement for the disposal of a piece of freehold land. This disposal supports the Company's direction to streamline the operations for the Group by focusing on its core business.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

GOING FORWARD

The global economy is facing an increasingly murky and uncertain outlook as it is still reeling from the COVID-19 pandemic and Russia's invasion of Ukraine coupled with other factors such as inflation, energy crisis and supply chain disruptions which are expected to slow down growth and fuel fears of stagflation. Inflation is expected to surge further in many key economies, curbing real incomes and consumer spending and the world may soon be teetering on the edge of a global recession.

The short term outlook for the metallic silicon industry remains highly dependent on the global recovery in automotive production, which is expected to post modest growth in 2023. Market demand in China and the rest of Asia is anticipated to benefit from the expected rebound in China's economy in 2023 after the complete lifting of pandemic measures. The potential increase in demand for non-chinese metallic silicon by the Western world will be an added advantage to the Group.

In the long-term, the metallic silicon industry will be a key beneficiary of the ongoing green transition which is gathering pace. More governments are announcing long-term plans on the phase-out of fossil fuel vehicles both in new sales and in the existing vehicle fleet. Global sales of EVs in 2022 rose by 60%, where every 1 in 7 passenger cars bought was an EV. The development of lower-cost EVs and the increasing pace in the rollout of charging infrastructure will further drive EV adoption rates across the globe. Global solar PV capacity is expected to triple over the next 5 years to surpass coal in becoming the largest source of power capacity in the world. Government policies in the US and India have managed to attract major investments in domestic solar manufacturing, emerging signs of the diversification in global PV supply chains.

The plant expansion which is expected to be completed by third quarter 2023 plays an important role in the production by the way of cost reduction and increase operational efficiency when it comes to leveraging work force and raw material management, especially during routine maintenance of the plant. In terms of the procurement, the Group will be able to secure larger quantities of raw materials at a lower price to remain competitive in the global market. In the longer run, the Group is optimistic about achieving a greater economy of scale in production. Besides that, automation of certain production processes was also one of the Group's approaches to sustain in this relatively tight labour market.

In terms of ESG, the Group will continue to improve and play its role as a green manufacturer by aligning our core values in achieving net zero emissions by 2050 without compromising the Group's overall performance. We believe that this will help in cost reduction, improvement production efficiency and provide greater competitive advantage to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of PMB Technology Berhad (“**PMBT**” or the “**Company**”) is dedicated towards fostering a healthy corporate governance culture within the Company and its subsidiaries (collectively referred to as the “**Group**”). The Board acknowledges that upholding good corporate governance is paramount to its value creation process. The Board believes that maintaining good corporate governance is key to delivering stakeholders’ value. In making this Corporate Governance Overview Statement, the Company is guided by Practice Note 9 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and the Corporate Governance Guide (4th edition) issued by Bursa Securities. The Corporate Governance Overview Statement is supported with a Corporate Governance Report, based on a prescribed format as outlined in paragraph 15.25(2) of the Listing Requirements and are developed with reference to the guidance and application of the Company’s corporate governance practices against the Malaysian Code on Corporate Governance 2021 (“**MCCG**”). The Corporate Governance Report is available on the Company’s website, www.pmbtechnology.com as well as via an announcement on the website of Bursa Securities.

The Corporate Governance Report provides the details on how the Company has applied each Principles and Step-Ups as set out in the MCCG during the year. PMBT will further enhance its MCCG adoption and put in effort to adhere to all recommended best practices from time to time.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Clear role and responsibilities

During the financial year 2022, the Board deliberated on the short, medium and long term strategy for the Group together with its proposed business plans for the year 2023. The Board, together with Management, reviewed the Group’s strategy and the Board had satisfied itself that all appropriate considerations have been taken into account in the formulation of the Group’s strategy.

In addition to strategic matters, the Board, amongst others, is also responsible for the following key matters:

- Engendering an ethical culture across all levels of the Group;
- Reviewing and approving the annual and quarterly results;
- Overseeing the business and financial operations;
- Overseeing succession planning for the Board and key senior management personnel;
- Identifying and managing principal risks; and
- Maintaining two-way relationship with stakeholders.

The Board is accountable and responsible for the performance and affairs of the Company by overseeing and appraising the Group’s strategies, policies and performance.

All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to the Board Committees, Director, employee or other persons subject to ultimate responsibility of the directors under the Companies Act 2016.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

I. Board Responsibilities cont'd

2. Separation of positions of the Chairman and Chief Executive Officer

In maintaining effective supervision and accountability of the Board and the management, the position of Chairman and Chief Executive Officer are held by different individuals, thereby ensuring balance of power and authority. The segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

Tan Sri Dato' Koon Poh Keong (a co-founder of the Company) is the Executive Chairman of the Board who provides strong leadership and is responsible for ensuring the adequacy and effectiveness of the Board's governance process whilst Mr Koon Poh Ming (also a co-founder) is the Chief Executive Officer ("CEO") of the Company.

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and CEO are distinct and separate to engender accountability and facilitate clear division of responsibilities for ensuring there is a balance of power and authority in the Company. The segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman encourages active and effective engagement, participation and contribution from all Directors and facilitates constructive relations between Board and Management. The CEO is responsible for executing the Company's strategies, policies and day-to-day management of the business with powers, discretions and delegations authorised from time to time by the Board as well as act as the Company's spokesperson. The details of the responsibilities of the Chairman and CEO are clearly set out in the Board Charter.

3. Company Secretary

The Board is supported by qualified and competent Company Secretaries. The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and knowledgeable on applicable statutory and regulatory requirements, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities. In this respect, the Company Secretaries play an advisory role to the Board, particularly with regard to the Company's Constitution, Board policies and procedures, and its compliance with regulatory requirements, corporate governance and legislations. 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 also keep the Directors and principal officers informed of the closed period for trading in the Company's shares.

The Company Secretaries ensure that deliberations at Board and Board Committees meetings are well documented, and subsequently communicated to the relevant Management for appropriate actions.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending the relevant training programmes/conferences.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

I. Board Responsibilities cont'd

4. Supply and Access to Information

The Board recognises that the decision-making process is highly dependent on the quality of information furnished.

In furtherance to this, every Director has access to all information within the Company. The Directors have access to information through the following means:

- Management attend Board and Board Committees meetings by invitation to report areas of the business within their responsibilities including financial, operational, corporate, regulatory, business development, audit matters and information technology updates, for the Board's decision making and effective discharge of the Board's responsibilities.
- The Board and Board Committees papers are prepared and issued to the Directors and Board Committees members within reasonable period before the respective meetings to enable them to receive the information in a timely manner.
- The Audit Committee meets with the Management, Internal Auditors and External Auditors regularly to review the reports regarding internal control system, financial reporting and risk management. The Audit Committee Chairman will then report to the Board.

Besides direct access to the Management, Directors can obtain independent professional advice at the Company's expense on the implementation of risk management system during the year under review in accordance with established procedures set out in the Board Charter in furtherance of their duties.

To facilitate robust discussions, all Board and Board Committees' meetings are furnished with proper agenda with due notice issued. The board papers and reports are prepared by the Management to provide updates on financial, operational, legal and circulated prior to the meetings to all Directors with sufficient time to review them for effective discussions and decision making during the meetings.

PMBT strives to reduce carbon emissions and go paperless to help the environment. All the board papers and reports for Board and Board Committees' meetings are being circulated to Directors via e-paper software since year 2020. All the Directors can easily access to the meeting materials at anywhere and anytime.

5. Board Charter

The Board has formalised a Board Charter which delineates the responsibilities of the Board, Board Committees and individual Directors, including the matters that are solely reserved for the Board's decision. The Board Charter also serves as a primary induction literature that guides newly appointed and existing Board members on their duties and functions of the Board and Board Committees.

Key matters solely reserved for the Board includes conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions, material acquisitions and disposition of assets not in the ordinary course of business, strategic investments, mergers and acquisitions and corporate exercises, limits of authority, key human resource issues, treasury and risk management policies.

The Board Charter is published on the Company's website at www.pmbtechnology.com and periodically reviewed as well as updated on an as-needed basis to align with the Company's needs and any new regulations that may have an impact on the discharge of the Board's responsibilities. This is to ensure the Board Charter always stay relevant and remains up-to-date with the Board's objectives, current law, regulations and practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

I. Board Responsibilities cont'd

6. Code of Conduct and Code of Ethics

The Board acknowledges its role in setting the “tone at the top” and creating an ethical culture that will form the very fabric of the Group’s conduct. To this end, the Board has adopted and implemented a Code of Conduct for Directors, Management and employees of the Group as well as Code of Ethics for the Board.

The basic principles have been carried out by having appropriate regards to the interests of the Company’s customers, shareholders, people, business partners and the broader community in which the Company operates.

The Code of Conduct and Code of Ethics can be found on the Company’s website at www.pmbtechnology.com.

7. Whistle-Blowing Policy

The Whistle-Blowing Policy serves as a guide to the employees on how to raise genuine concerns related to possible improprieties on matters relating to financial reporting, compliance and other malpractices at the earliest opportunity and in an appropriate way.

The Board has adopted the Whistle-Blowing Policy with the aim that the employee or stakeholder can report and disclose through established channels on any improper or unethical activities relating to the Company and its group of companies. The Whistle-Blowing Policy was last reviewed and endorsed by the Board in May 2022. The Whistle-Blowing Policy is available on the Company’s website at www.pmbtechnology.com.

8. Conflict of Interest

Confidential information concerning the Company’s activities is governed by the employment contracts. Disciplinary action shall be taken against the employee in the event of any violation of the regulations or act.

9. Sustainability Policy

The Company has established a Sustainability Policy. The Company is committed and mindful to operate in a sustainable manner in order to generate economic value to its stakeholders and add value to society. Details of the Company’s sustainability activities in 2022 are disclosed on pages 46 to 87 of this Annual Report.

10. Anti-bribery and Anti-corruption Policy

The Company has adopted an Anti-bribery and Anti-corruption Policy (“**ABAC Policy**”), providing guidance in dealing with and preventing acts of bribery and corruption. Policies and procedures has been established and implemented with a measure of assurance and a defense against corporate liability for corruption. The relevant trainings have also been provided to all the employees for the understanding and adherence of the ABAC Policy. The ABAC Policy is available on the Company’s website at www.pmbtechnology.com.

11. Directors’ Fit and Proper Policy

The Company has in May 2022 adopted a Directors’ Fit and Proper Policy to assess the fitness and propriety of a candidate before being appointed and seeking re-election as a director of the Company and its subsidiaries. This serves to ensure that any person to be appointed or re-elected as a Director within the Group possesses the character, experience, integrity, competence and time to effectively discharge his/her role as a Director. The Directors’ Fit and Proper Policy is available on the Company’s website at www.pmbtechnology.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. Board Composition

1. Board Composition and Balance

During the financial year under review, the Board has seven (7) Directors, comprising the Executive Chairman, the CEO, two (2) Executive Directors and three (3) Independent Non-Executive Directors. The Company fulfills Paragraphs 15.02(1) of the Listing Requirements which stipulates that at least two (2) Directors or one third (1/3) of the Board, whichever is the higher, are Independent Directors.

The composition and size of the Board is reviewed annually to ensure its appropriateness and effectiveness. The Board is satisfied that the current composition of Directors provides the right balance and size between Executive Directors and Non-Executive Directors with appropriate mix of relevant skills, knowledge and industry experience required to promote all shareholders' interests and to govern the Company effectively.

The profile of each Director is set out on pages 9 to 12 of this Annual Report.

2. Board Independence

The Board is mindful on the importance of independence and objectivity in its decision making process which is in line with MCCG.

The Board delegates to the CEO who is supported by an executive management team, implements the Company's strategic plan, policies and decisions adopted by the Board to achieve the Company's objective of creating long-term value for its shareholders through excelling in manufacturing/distribution of metallic silicon, access equipment or other aluminium related products.

The Company's Independent Directors are required to be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment taking into account the interest, not only of the Company but also of shareholders, employees, customers and communities in which the Company conducts business. The Board, via Nomination Committee assesses each Director's independence to ensure ongoing compliance with this requirement annually. During the financial year under review, the Nomination Committee and the Board reviewed the independence assessment results and are satisfied that all the Independent Directors meet the independence criteria prescribed by the Listing Requirements. The Board opined that the Independent Directors are able to remain objective and independent in expressing their respective views and in participating in deliberations and decision-making of the Board and the Board Committees.

Any Director who considers that he/she has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship that could reasonably be considered to influence in a material way the Director's decisions in any matter concerning the Company, is required to immediately disclose to the Board and to abstain from participating in any discussion or voting on the respective matter.

Presently, the Board has three (3) Independent Directors, namely Mr Loo Lean Hock (Senior Independent Director), Mr Ernest Bong Miao Fatt and Puan Noor Alina Binti Mohamad Faiz, representing 42.86% of the Board. During the financial year under review, the Board and the Nomination Committee assessed their independence to ascertain if they display a strong element of detached impartiality and found them to be independent and objective during Board's deliberations.

The Board noted that the enhanced Main Market Listing Requirements of Bursa Securities now limits the tenure of an independent director to not more than a cumulative tenure of 12 years, all long serving independent directors of more than 12 years must resign or be re-designated as non-independent directors by 1 June 2023. As at the date of this Statement, tenure of both Mr Loo Lean Hock and Mr Ernest Bong Miao Fatt have exceeded twelve (12) years. Upon the annual assessment and evaluation carried out by the Nomination Committee on 27 February 2023, the Board is satisfied that both Mr Loo Lean Hock and Mr Ernest Bong Miao Fatt are able to exercise independent and objective judgment and act in the best interests of the Company. Hence, the Board intends to retain Mr Loo Lean Hock and Mr Ernest Bong Miao Fatt as Independent Directors until 31 May 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. Board Composition cont'd

2. Board Independence cont'd

Both of them have provided annual declarations of the Director's independence to the Board. The Nomination Committee and the Board have assessed and concluded that the Independent Directors of the Company remain independent based on the justifications as set out in the explanatory notes of the notice of Annual General Meeting. The Company will seek shareholders' approval for their continuation in office as independence directors through a 2-tier voting process in the forthcoming Annual General Meeting.

Both Mr Loo Lean Hock and Mr Ernest Bong Miau Fatt have expressed their wish to resign as Independent Non-Executive Directors before 1 June 2023.

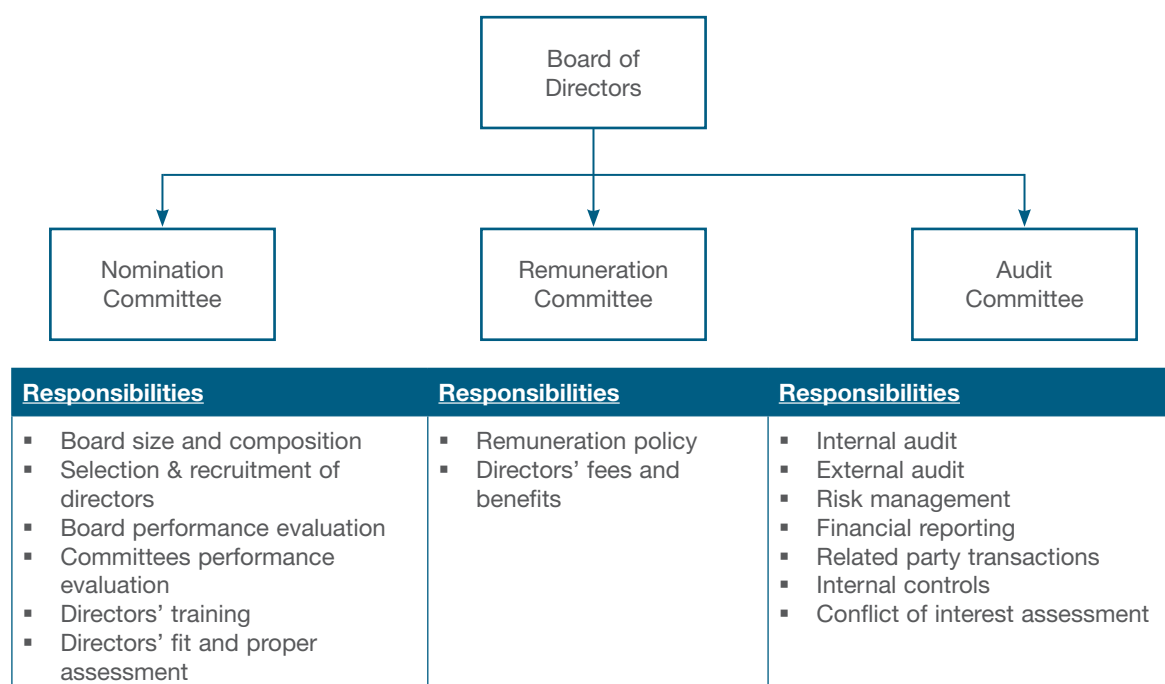
The Board took cognisance on the MMLR on the mandatory 12-year tenure limit for independent directors. The Board will ensure strategic board refreshment to comply with the Listing Requirements.

3. Board Committees and Delegation

The Board delegates the implementation of its strategy to the Company's Management. However, the Board remains ultimately responsible for corporate governance and the affairs of the Company. While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide it with recommendations and advice:

- Nomination Committee;
- Remuneration Committee; and
- Audit Committee.

The following diagram shows a brief overview of the three (3) main Board Committees of the Company, each of which is explained in further detail as below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. Board Composition cont'd

3. Board Committees and Delegation cont'd

All the Board Committees are actively engaged and act as oversight committees. They contemplate and recommend matters under their purview for the Board to consider, to approve and make final decision. The Board also receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective meetings. Each Board Committee operates in accordance with the written terms of reference approved by the Board. The Board reviews the terms of reference of the Board Committees from time to time.

For day-to-day operations, the Board has delegated authorities and power to some level of Management including the CEO and Executive Directors. The CEO and Executive Directors each command their own respective functions to ensure the smooth running of the Company's operations. The CEO and Executive Directors are responsible for the implementation of board policies approved by the Board and are required to report and discuss at Board meetings all material issues currently or potentially affecting the Group and its directions, projects and regulatory development.

4. Directors' Commitment

The Board endeavors to meet at least four (4) times a year, at quarterly intervals which are scheduled well in advanced before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. The Board is satisfied with the level of commitment given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board.

All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries.

The Board met four (4) times during the financial year under review. The details of Directors' attendance are set out as follows:

Name of Directors	Number of Board meetings attended/held for financial year ended 31 December 2022
Tan Sri Dato' Koon Poh Keong (Executive Chairman)	4/4
Koon Poh Ming (Chief Executive Officer)	4/4
Dato' Koon Poh Tat (Executive Director)	4/4
Koon Poh Weng (Executive Director)	4/4
Loo Lean Hock (Senior Independent Non-Executive Director)	4/4
Ernest Bong Miao Fatt (Independent Non-Executive Director)	4/4
Noor Alina Binti Mohamad Faiz (Independent Non-Executive Director)	4/4

The Board is satisfied that each individual Director of the Company is committed to the Board and has a good attendance record for meetings for the financial year 2022. All Directors complied with the minimum attendance of at least 50% of Board meetings held in the financial period pursuant to the Listing Requirements. In addition, Board members are well prepared, having read the Board papers and all background materials before every Board meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. Board Composition cont'd

4. Directors' Commitment cont'd

The Board, via Nomination Committee reviews annually the time commitment of the Directors and ensures that they are able to carry out their own responsibilities and contributions to the Board. It is the Board's policy for Directors to notify the Chairman before accepting any new directorship notwithstanding that the Listing Requirements allows a Director to sit on the board of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

In order to enable Directors to sustain active participation in Board deliberations, the Directors have access to continuing education programmes or trainings. The Directors have devoted sufficient time to update their knowledge and enhance their skills by attending trainings facilitated by third party experts to keep themselves updated on the latest market and regulatory developments that may impact the Group.

5. Nomination Committee

The Nomination Committee comprises exclusively of Independent Non-Executive Directors and is chaired by Mr Loo Lean Hock, the Senior Independent Non-Executive Director. The composition of the Nomination Committee is as follows:

Name	Designation
Loo Lean Hock (Senior Independent Non-Executive Director)	Chairman
Ernest Bong Miao Fatt (Independent Non-Executive Director)	Member
Noor Alina Binti Mohamad Faiz (Independent Non-Executive Director)	Member

The Nomination Committee is responsible for making recommendations to the Board on the most appropriate Board size composition to ensure it is collectively able to discharge its duties in an informed and conscientious manner. In discharging its responsibilities, the Nomination Committee has developed certain criteria used in the recruitment process and annual assessment of Directors. In evaluating the suitability of candidates, the Nomination Committee considers the following factors, the details as set up in the Terms of Reference of the Nomination Committee, which is available for reference at the Company's website, www.pmbtechnology.com:

- skills, knowledge, expertise and experience;
- professionalism and integrity;
- commitment (including time commitment) and contribution;
- background, character and competence;
- boardroom diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors based on the criteria set out in the Listing Requirements.

In addition, the Nomination Committee is also responsible for making recommendations on the desirable competencies, experience and attributes of the Board members and strategies to address Board diversity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. Board Composition cont'd

5. Nomination Committee cont'd

The Board may appoint an individual to be a Director by having selection process for new appointees as recommended by the Nomination Committee to the Board. The appointed individual will stand for re-election at the next AGM in accordance with the Constitution of the Company. The suitable candidates to be considered for the appointment as Directors are facilitated through recommendations from the Directors, Management and shareholders of the Company. Besides that, the Nomination Committee can also utilise independent services to identify suitably qualified candidates, if necessary. The Nomination Committee will assess and consider the suitability of the candidates based on the criteria set before recommending to the Board for appointment.

The Nomination Committee will arrange for the induction for any new appointment such as visits to the Groups' significant businesses and meetings with Senior Management personnel, as appropriate, to enable them to have a full understanding of the nature of the business, current issues within the Group and corporate strategies as well as the structure and management of the Group.

During the financial year 2022, the Nomination Committee had held one (1) meeting and was attended by all its members to carry out the following activities:-

- (i) Assessed the overall effectiveness of the Board, its Committees and the contribution and performance of each individual Director;
- (ii) Reviewed the composition of the Board and the Board Committees;
- (iii) Assessed the independence of its Independent Directors;
- (iv) Reviewed the character, experience, integrity, competence and time commitment of the CEO and Financial Controller;
- (v) Reviewed trainings accomplished by the Directors and determined the training needs for each Director;
- (vi) Assessed and recommended to the Board the re-election of Directors;
- (vii) Reviewed and recommended Independent Directors who have served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company;
- (viii) Reviewed the term of office and performance of the Audit Committee and each of its members.; and
- (ix) Reviewed and recommended to the Board the adoption of the Directors' Fit and Proper Policy and Directors' Assessment Policy.

6. Diversity

The Company endeavours to have a balanced representation by taking into consideration a range of different skills, age, gender, ethnicity, backgrounds and experiences represented amongst its Directors, officers and staff as the Board is aware that it is important in ensuring robust decision-making processes with a diversified viewpoints and the effective governance of the Company. The Board had adopted a Diversity Policy and will continue to promote diversity for the Board and workforce of the Group. Among others, factors that will be taking into consideration for diversity including age, gender, ethnicity, nationality and cultural background to strengthening the Group's performance. The Board also undertakes adequate measures such as incorporate specific quantitative benchmarks (e.g. percentage of age, gender, ethnicity, nationality and cultural background at the Board and Senior Management level) to promote the diversity for the Board and workforce of the Group as well as maintain and improve the performance of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. Board Composition cont'd

6. Diversity cont'd

Presently, the Board has one (1) woman Director, i.e. Puan Noor Alina Binti Mohamad Faiz, representing 14.29% of the total number of Board members. In furtherance, based on the following summary of the employment gender diversity, the Board is of the view that there is balanced gender diversity at Executive and Managerial levels of employees in the Company during the year under review.

CATEGORY OF EMPLOYEES	Female	Male	Total
Non-Executive	75	991	1066
Executive	50	59	109
Managerial	17	42	59
Total No. of Employees	142	1092	1234

7. Board Assessment and Annual Evaluation

The Nomination Committee facilitates and organises the yearly board evaluation to assess the mix of skills, expertise, composition, size and experience of the Board, including the core-competencies of both Executive and Non-Executive Directors, the contribution of each individual Director, the effectiveness of the Board as a whole and the Board Committees as well as the independence of the Independent Directors. The evaluation process is supported by the Company Secretaries via questionnaire. The Nomination Committee reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment and comments by Directors are summarised, then discussed at the Nomination Committee meeting prior to reporting at the Board meeting by the Nomination Committee's Chairman. All assessments and evaluations carried out by the Nomination Committee in the discharge of its functions are properly documented.

From the performance assessment conducted by the Nomination Committee on 27 February 2023, it was concluded that the Board as a whole, Board Committees and individual Directors have discharged their respective roles and responsibilities in a commendable manner. The Board was also comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix. All the Directors have diverse and relevant range of skills, background, knowledge and experience to give insight opinions on decision-making for the Group; and the Chairman possesses the leadership to safeguard the stakeholders' interest.

8. Re-election to the Board

In accordance with the Company's Constitution, all the Directors shall retire at least once in every three (3) years and the retiring Director shall be eligible for re-election at the AGM of the Company.

Upon the recommendation from the Nomination Committee, the Board is proposing the re-election of Mr Loo Lean Hock, Mr Ernest Bong Miao Fatt and Dato' Koon Poh Tat as Directors pursuant to Clause 95 of the Constitution of the Company, at the forthcoming Twenty-First AGM and being eligible, they have offered themselves for re-election.

9. Directors' Training

The Board, via the Nomination Committee, continues to identify for the Directors to attend appropriate briefings, seminars, conferences and courses to keep abreast with changes in legislations and regulations affecting the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. Board Composition cont'd

9. Directors' Training cont'd

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they need to continue to enhance their skills and knowledge to maximise their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and regulatory requirements.

The Directors have attended individually or collectively the various training programmes and briefings, amongst others, the following:

- MIA Webinar Series – Malaysian Code of Corporate Governance: Raising the Bar on Governance in Malaysia
- Exercising Sustainability Governance and Oversight
- Credit Suisse: Open Client Call – Ukraine crisis & investment implications
- Morgan Stanley Webinar: Expert Call on “The Russia – Ukraine Conflict, Implications to China and China's Perspectives”
- Nomura ASEAN Virtual Conference 2022
- Nomura Form Asia (Webex)
- China-Malaysia Entrepreneurs Cross Border Business Matching Forum
- Macquarie Base Metals Summit 2022
- CTIM - Workshop on Tax Treatment
- CTIM - National Tax Conference
- CTIM – 2023 Budget Seminar

The Company Secretaries briefed and highlighted the relevant guidelines on statutory and regulatory requirements from time to time to the Board, amongst others, the amendments to the Listing Requirements, the MCCG and the Companies Act 2016. The External Auditors also briefed the Board members on any current and future changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

III. Remuneration

Remuneration Committee

The Remuneration Committee established sets of policy, framework and reviews the remuneration of Directors which is linked to strategy and/or performance or long term objectives of the Company to ensure that the Company is able to attract and retain capable Directors. The Executive Directors' remunerations are structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken.

The Company's Remuneration Committee comprises wholly Independent Non-Executive Directors, as follows:

Name	Designation
Ernest Bong Miau Fatt (Independent Non-Executive Director)	Chairman
Loo Lean Hock (Senior Independent Non-Executive Director)	Member
Noor Alina Binti Mohamad Faiz (Independent Non-Executive Director)	Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

III. Remuneration cont'd

Remuneration Committee cont'd

The determination of the remuneration packages is a matter for the Board as a whole. The Executive Directors concerned are abstained from deciding their own remuneration but may attend the Remuneration Committee meetings at the invitation of the Chairman of the Remuneration Committee if their presence is required.

The Remuneration Committee held one (1) meeting during the year under review and all the Remuneration Committee members had attended the meeting. The Remuneration Committee reviewed and recommended the remuneration of the CEO and Executive Directors of the Company for Board's approval pursuant to the Terms of Reference of Remuneration Committee. The Non-Executive Directors' fees and benefits payable to Directors have also been reviewed and recommended by the Remuneration Committee to the Board to seek shareholders' approval at the Company's forthcoming AGM pursuant to the Companies Act 2016. No Director is involved in deciding his own remuneration.

The Company aims to set remuneration at levels which are sufficient to attract and retain the Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the demands, complexities and performance of the Company as well as skills and experience required, but without paying more than is necessary to achieve this goal.

The level of remuneration for Senior Management is recommended by the Remuneration Committee to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies. The Remuneration Policy is available at the Company website, www.pmbtechnology.com.

The details of the Directors' Remuneration for the financial year ended 31 December 2022 are disclosed in the Corporate Governance Report under Practice 8.1.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

1. Composition

The Board upholds the integrity in financial reporting. The Audit Committee is entrusted to provide advice and assistance to the Board in fulfilling its statutory and fiduciary responsibilities relating to the Company's internal and external audit functions, risk management, compliance systems and practices, financial statements, accounting and control systems and matters that may significantly impact the financial condition or affairs of the business. The Audit Committee is also responsible in ensuring that the financial statements of the Company comply with the applicable financial reporting standards in Malaysia.

The Audit Committee comprises three (3) members all of whom are Independent Non-Executive Directors, with Mr Loo Lean Hock as the Audit Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, number of meetings and attendance of Audit Committee, summary of Audit Committee activities and Internal Auditors' activities during the financial year under review are set out on pages 15 to 18 under Audit Committee Report of this Annual Report.

The terms of office and performance of the Audit Committee are reviewed on an annual basis by the Nomination Committee. The Audit Committee has in its terms of reference that a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. Alongside, the Audit Committee has the procedures to assess the suitability, objectivity and independence of the External Auditors which is contained in the Terms of Reference of the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT cont'd

I. Audit Committee cont'd

2. External Auditors cont'd

The External Auditors report directly to the Audit Committee. The Audit Committee took into account the openness in communication and interaction with the External Auditors, KPMG PLT through discussions at private meetings without the presence of the Management and Executive Directors, which demonstrated their independence, objectivity and professionalism.

The Audit Committee assesses the suitability, objectivity and independence of the External Auditors on annual basis by taking into consideration the adequacy of the experience and resources of the audit firm and obtains the written assurance from the External Auditors confirming that they are and have been independent throughout the conduct of audit engagement in accordance with the terms of all relevant professional and regulatory requirements including Malaysian Institute of Accountants.

The Audit Committee was satisfied with the performance of External Auditors based on the quality of services and sufficiency of resources they provided to the Group. In view of the satisfaction on the service provided, the Board had approved the Audit Committee's recommendation for the shareholders' approval to be sought at the forthcoming AGM on the reappointment of KPMG PLT as the External Auditors of the Company for the financial year ending 31 December 2023.

The activities relating to the External Auditors are provided in the Audit Committee Report of this Annual Report.

II. Risk Management and Internal Control Framework

The Board recognises its responsibilities over the Company's internal control and risk management framework.

The Board has an established Risk Register for identifying, evaluating and managing significant risks which may affect the Company's business objectives. The Board through its Audit Committee regularly reviews this process to ensure the internal control and risk management frameworks are adequate and effective.

Details on internal control and risk management framework are set out on pages 88 to 90 in the Statement on Risk Management and Internal Control in the Annual Report. The Board has ultimate responsibility for reviewing the Group's risks, approving the risk management framework policy and overseeing the Group's strategic risk management and internal control framework. The Audit Committee assists the Board in discharging these responsibilities by overseeing and reviewing the risk management framework and the effectiveness of risk management of the Group. The Audit Committee processes are designed to establish a proactive framework and dialogue in which the Audit Committee, the Management, External and Internal Auditors are able to review and assess the risk management framework.

The Company outsourced its internal audit function to a professional service firm, namely Baker Tilly Monteiro Heng Governance Sdn. Bhd. who reports directly to the Audit Committee. The outsourced Internal Auditors undertook an independent assessment on the internal controls of the various operating units within the Group and assured the Audit Committee that no material issue or major deficiency had been noted which would pose high risk to the overall system of internal control under review.

The Audit Committee met with Internal Auditors twice a year without the presence of the Management and Executive Directors during the financial year to allow discussion of any issues arising from the audit exercise or any other matters, which the Internal Auditors wished to raise and discuss to ensure the effectiveness of the internal audit function.

The resources and scope of work covered by the internal audit function during the financial year under review, including its observations and recommendations, are provided in the Audit Committee Report set out on page 18 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board has formalised a corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Group to the regulators, shareholders and stakeholders not only to comply with the disclosure requirements as stipulated in the Listing Requirements, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders in compliance with the Listing Requirements.

The Board has also established a dedicated section for corporate information on the Company's website www.pmbtechnology.com where information on the Company's announcements, financial information, share prices, annual report and corporate governance report may be accessed. It also contains all announcements made to Bursa Securities as well as the contact details to address any queries.

It has always been the Group's practice to maintain good relationship with its shareholders. Major corporate developments and happenings in the Group have always been duly and promptly announced to all shareholders, in line with Bursa Securities' objectives of ensuring transparency and good corporate governance practices.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. Further updates of the Group's activities and operations are also disseminated to shareholders and investors through dialogue with analysts, fund managers, investor relations roadshows and the media.

The Group has in place a Corporate Disclosure Policies and Procedure to comply with the disclosure requirements as stipulated in the Listing Requirements and also setting out the persons authorised and responsible to approve and disclose material information to the stakeholders. A copy of the Corporate Disclosure Policies and Procedure is available on the Company website, www.pmbtechnology.com.

II. Conduct of General Meetings

The Board is aware that AGM is the primary platform for two-way communication between the shareholders and the Board. During the meeting, shareholders have the opportunities to enquire and comment on the Group's performance and operations.

Currently, the Notice of AGM is circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. This, besides in line with Section 316(2) of Companies Act 2016 and paragraph 7.15 of Listing Requirements which call for a 21-days' notice period for public companies or listed issuers, it is also in accordance with Practice 13.1 of the MCGG.

The Notice of AGM is circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. This allows shareholders to have immediate access of the Notice of AGM and make the necessary preparations for the AGM.

The Company had conducted its Twentieth AGM ("**20th AGM**") in accordance with the General Standard Operating Procedures to Government and Private Sector ("**General SOP**") issued by the Malaysian National Security Council on 1 April 2022 or the latest General SOP issued from time to time. Safety measures and controls was undertaken by the Company to safeguard the well-being of our shareholders/proxies during the 20th AGM as well as to comply with the Government and/or authorities' directives and guidelines on public gatherings and events.

Shareholders who wished to attend the 20th AGM had pre-registered their physical attendance before the AGM. Shareholder who is unable to participate in the meeting had via hardcopy form or by electronic means appoint his/her proxy or Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

All the Directors were in attendance during the 20th AGM. Shareholders and proxy holders were given the opportunity to raise questions on the resolutions being processed as well as on the Group's operations and performances.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS cont'd

II. Conduct of General Meetings cont'd

In compliance with the Listing Requirements, all resolutions set out in the Notice of 20th AGM were voted by poll in a manual voting system in which shareholders put their polling slips into the ballot boxes provided by the poll administrator. The Company also appointed an independent scrutineer to validate the votes cast before the poll results is announced by the Chairman of the meeting.

The Minutes of 20th AGM and responses to questions raised by shareholders were published on the Company's website within 30 business days after the conclusion of the AGM, as well as reviewed and approved by the Board.

FOCUS AREAS ON CORPORATE GOVERNANCE

Corporate governance was clearly imperative for the Group in the year 2022 against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices. Against the aforementioned setting, during the year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders.

The Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders in the upcoming years. The areas to be prioritised would be those principles that have yet to be adopted by the Company as disclosed in the Corporate Governance Report 2022.

This Statement is made in accordance with the resolution of the Board of Directors duly passed on 28 April 2023.

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 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 Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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.

ADDITIONAL COMPLIANCE INFORMATION

(1) *Material Contracts involving interest of Directors, Chief Executive and Major Shareholders*

During the financial year, there were no material contracts entered into by the Group involving interest of Directors, Chief Executive and major shareholders.

(2) *Audit and Non-audit fees*

During the financial year ended 31 December 2022, the amount of audit and non-audit fees paid by the Company and the Group to the External Auditors, KPMG PLT and two firms affiliated to KPMG PLT are as follows:

	Company (RM'000)	Group (RM'000)
Audit Fees	90	352
Non-Audit Fees		
- Review of the Statement on Risk Management and Internal Control	25	25
- Agreed Upon Procedures Engagements	20	92
- Sustainability advisory services in relation to Sustainability Reporting	39	39
- Tax fees	6	6
Total	180	514

(3) *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 2022 are stated in Section 2.2 and Section 2.3 of the Circular to Shareholders dated 28 April 2023 and Note 29 of the Financial Statements.

(4) *Utilisation of Proceeds*

There were no corporate proposals or exercises carried out during the financial year to raise proceeds.

SUSTAINABILITY STATEMENT

This Sustainability Statement (SS) has been prepared in accordance with Main Market Listing Requirements on Sustainability Reporting through the Sustainability Reporting Guide (3rd Edition) and guidelines and toolkits by Bursa Malaysia Securities Berhad (Bursa Malaysia). The following are other references used in the development of this sustainability statement:

- Global Reporting Initiative (GRI) Standards
- FTSE4Good Bursa Malaysia Index (FTSE4Good) Criteria
- United Nations Sustainable Development Goals (SDG)

REPORTING PERIOD

PMB Technology Berhad (“PMBT” or “the Company”) publishes sustainability statements annually within the Company’s Annual Report. These contain non-financial information pertaining to PMBT’s financial year from 1 January 2022 to 31 December 2022 (FY2022), unless otherwise stated. Prior years’ data have been disclosed as indicated for performance monitoring and comparative purposes.

REPORTING BOUNDARY

The Sustainability Statement covers the primary activities of its subsidiary companies (“the Group”), namely construction, fabrication, manufacturing, and trading, across the following entities:

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

The Sustainability Statement discusses non-financial performance indicators, risks, opportunities, and outcomes relevant to its business and stakeholders, which have a significant influence on PMBT’s ability to create value. The Sustainability Statement covers Environmental, Social and Governance (ESG) matters within PMBT’s operations and contains forward-looking statements with respect to the Group’s activities and reflection on the business on any changes of the business environment and developments.

REPORTING EXCLUSIONS & CHANGES

The content of the Sustainability Statement has incorporated recovery from the prolonged effects of the COVID-19 pandemic and PMBT’s future outlook and approach to better reflect PMBT’s efforts and other operational changes where relevant.

REPORTING ASSURANCE & TARGET READERS

PMBT has not obtained external assurance for the sustainability indicators disclosed in this Sustainability Statement. The Group does acknowledge the credibility of an independent verification and will consider obtaining sustainability assurance in the future when data collection processes for the silicon metal plant is more robust.

This Sustainability Statement is focused on addressing the impacts of PMBT’s sustainability matters on both internal and external stakeholders.

OUR SUSTAINABILITY COMMITMENT

As we move on from the impacts of the prolonged COVID-19 pandemic, PMBT remains committed to prioritise sustainability as the key driver of our operations. We strive to minimise our carbon footprint as well as promote social inclusion in our value chain. In 2022, as the global economy makes progress towards recovery from the pandemic, the Group is confident that with a robust business strategy, PMBT will continue to be resilient and generate increased value for all stakeholders.

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABILITY GOVERNANCE

The sustainability landscape across the industry is constantly evolving. PMBT recognises the importance of managing sustainability risks while capturing opportunities arising in the industry.

PMBT acknowledges the importance to innovate and promote the integration of sustainability throughout the Group's activities and has in place a Sustainability Policy as guiding principle. The Sustainability Policy is driven by PMBT's Management team who have engaged in the development of priorities across three (3) sustainability themes.

BOARD OF DIRECTORS (BOD OR THE BOARD)

- Oversees ESG-related implementations
- Reviews Sustainability Statement and Policy
- Sets strategic direction in consideration of ESG risks and opportunities



CHIEF EXECUTIVE OFFICER (CEO)

- Assesses priorities, monitors progress, and evaluates ESG-related risks
- Ensures plans are executed to meet sustainability objectives
- Fosters a culture of transparency and responsibility
- Aligns business plans, operations, and investments with the Group's sustainability agenda



SUSTAINABILITY WORKING GROUP (SWG)

- Led by the Group Sustainability Officer, consisting of Management and the Business Unit Heads
- Monitors and manages overall sustainability performance, assesses materiality and operational requirements



SUSTAINABILITY POLICY

PMBT's Sustainability Policy seeks to ensure that the Group operates in a responsible manner and creates value through economic profitability, social inclusion and decreased environmental impact. The following outlines the policy's key objectives:

- Endeavour to integrate the principles of sustainability into the PMBT's strategies, policies, and procedures
- Promote sustainable practices
- Comply with all applicable legislations, regulations, and code of conduct
- Ensure commitment from the Board of Directors and Senior Management in implementing sustainability and reviewing performance
- Create a sustainability culture within the Group and the community, with an emphasis on integrating ESG considerations into decision making processes and the delivery of products

SUSTAINABILITY STATEMENT

cont'd

MATERIALITY ASSESSMENT

In FY2022, we conducted a refreshed materiality assessment exercise to re-evaluate and assess the priorities of our sustainability matters according to both business and stakeholders' expectations. Our materiality assessment process was guided by Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) as well as our risk assessment framework.

The steps undertaken in our materiality assessment exercise are as follows:

- 1. Review of Sustainability Matters**
Reviewed sustainability matters whilst taking into consideration PMBT's business environment and strategy, its relevance in the industry and external trends.
- 2. Stakeholder Engagement (stakeholder perspective)**
Rolled out a stakeholder prioritisation survey to key internal stakeholders to obtain their input on the level of importance of various stakeholder groups based on stakeholders' influence and dependence on the Group. Internal and external stakeholders are then engaged to obtain their feedback on PMBT's sustainability matters which forms the inputs for the y-axis of the materiality matrix.
- 3. Impact Assessment (business perspective)**
Prioritised sustainability matters from a business perspective with representatives from various functions within the Group which forms the inputs for the x-axis of the materiality matrix.
- 4. Calibration of stakeholder engagement and impact assessment**
Consolidated results of both exercises were tabulated, analysed and presented in the Materiality Matrix which is then presented to senior management and the Board for their approval.

STAKEHOLDER ENGAGEMENT

PMBT has built effective and collaborative relationships with key internal and external stakeholders through regular engagement sessions that have enabled the Group to determine and address their concerns. In FY2022, the SWG identified and prioritised stakeholder groups based on their dependence on and influence over the Group. This is illustrated in the following Stakeholder Prioritisation Matrix.

Based on the outcome of the FY2022 stakeholder prioritisation matrix, the overall ranking of stakeholders mostly remained the same as last year. Ranking of several stakeholders were increased:

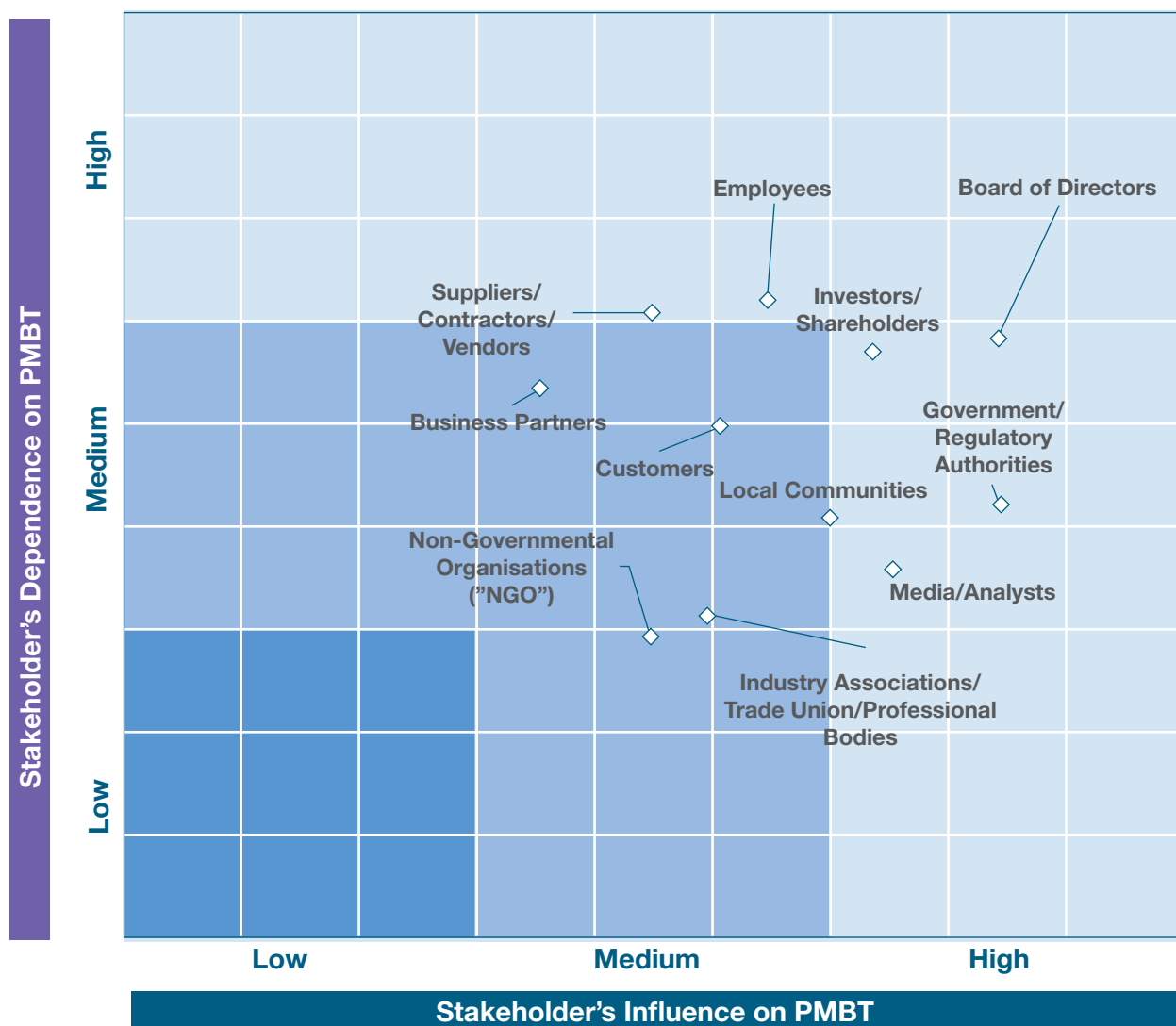
- Investors / Shareholders'** ranking was increased due to their relatively high influence on PMBT's access to investment funds and financial capital.
- Employees** are deemed as high importance because of their high influence on PMBT's operations as an internal stakeholder as well as their financial dependence on the Group.
- Local Communities'** ranking was increased due to their high influence on PMBT's social license to operate and their image, especially in the age of social media.
- Media / Analysts'** ranking was increased due to their high influence on PMBT's reputation as the channel for dissemination of public information.

STAKEHOLDER GROUPS

1 Board of Directors	7 Media / Analysts
2 Investors / Shareholders	8 Customers
3 Employees	9 Business Partners
4 Government / Regulatory Authorities	10 Industry Associations / Trade Union / Professional Bodies
5 Suppliers / Contractors / Vendors	11 Non-Governmental Organisations ("NGO")
6 Local Communities	

SUSTAINABILITY STATEMENT

cont'd



In order to better understand the concerns and expectations of our diverse range of stakeholders, regular engagement is conducted through our business activities. PMBT aims to work strategically with all stakeholders to strengthen the relationships and fulfil a greater sense of purpose, from development through to delivery of end-products to customers.

Its periodic engagement sessions are essential for the evaluation and in-depth understanding of stakeholders' perspectives on ESG issues that have impacts to the business and influence stakeholder decisions.

SUSTAINABILITY STATEMENT

cont'd

Both internal and external stakeholders participated in a survey to provide their input on PMBT's sustainability issues, as well as feedback on PMBT's sustainability management. PMBT aims to address the matters of concerns from each stakeholder to enhance the Group's strategic priorities in managing ESG-related risks and opportunities.

Stakeholder Groups	Engagement Objectives	Engagement Channels	Engagement Frequency	Focus Areas	PMBT's Response
Board of Directors	Industry expertise and understanding growth and strategy	<ul style="list-style-type: none"> Board Meetings Corporate Events Annual General Meetings (AGM) 	Quarterly	<ul style="list-style-type: none"> Responsible material sourcing Increased awareness on corporate governance and anti-corruption issues Compliance with government regulations 	Theme 1: Delivering Value Through Innovation
Government/Regulatory Authorities	Compliance with latest law and regulations	<ul style="list-style-type: none"> Public invitations Site visits Conferences and programmes organised by relevant authorities 	<ul style="list-style-type: none"> Annually Ad-hoc basis 	<ul style="list-style-type: none"> Corporate governance Ethics and integrity Environmental management Fair employment practices Health and safety 	<ul style="list-style-type: none"> Theme 1: Delivering Value Through Innovation Theme 2: Driving Environmental Consciousness Theme 3: Developing Capabilities & Opportunities
Employees	Equal opportunities and talent recognition to support professional growth	<ul style="list-style-type: none"> Engagement surveys Learning and development programmes Volunteering efforts Performance appraisals On-boarding orientations 	<ul style="list-style-type: none"> Mandatory annually Ad-hoc basis 	<ul style="list-style-type: none"> Increase environmental and social consciousness in the workplace Reduction of carbon footprint Employee welfare, growth and development 	<ul style="list-style-type: none"> Theme 2: Driving Environmental Consciousness Theme 3: Developing Capabilities & Opportunities
Customers	Strong relationships and meeting expectations	<ul style="list-style-type: none"> Online platforms Satisfaction surveys Audits 	<ul style="list-style-type: none"> Annually Ad-hoc basis 	<ul style="list-style-type: none"> Quality of product and service Product research and development Customer satisfaction 	<ul style="list-style-type: none"> Theme 1: Delivering Value Through Innovation Theme 3: Developing Capabilities & Opportunities

SUSTAINABILITY STATEMENT

cont'd

Stakeholder Groups	Engagement Objectives	Engagement Channels	Engagement Frequency	Focus Areas	PMBT's Response
Suppliers/ Contractors/ Vendors	Cooperation, credibility, and reliability	<ul style="list-style-type: none"> Meetings Performance evaluation 	<ul style="list-style-type: none"> Periodically Ad-hoc basis 	<ul style="list-style-type: none"> Sustainable social and environmental supply chain practices Process optimisation 	<ul style="list-style-type: none"> Theme 1: Delivering Value Through Innovation Theme 3: Developing Capabilities & Opportunities
Local Communities	Support and association	<ul style="list-style-type: none"> Community programmes Charitable events 	Ad-hoc basis	Community development	Theme 3: Developing Capabilities & Opportunities
Media/ Analysts	Timely and accurate information	<ul style="list-style-type: none"> Conferences Briefings Media releases 	Ad-hoc basis	<ul style="list-style-type: none"> Biodiversity preservation Active participation in sustainable efforts 	<ul style="list-style-type: none"> Theme 1: Delivering Value Through Innovation Theme 2: Driving Environmental Consciousness Theme 3: Developing Capabilities & Opportunities
Investors/ Shareholders	Updated and transparent information	<ul style="list-style-type: none"> AGM Analyst briefings 	<ul style="list-style-type: none"> Annually Ad-hoc basis 	<ul style="list-style-type: none"> Business development Corporate governance Ethics and integrity Product research and development 	Theme 1: Delivering Value Through Innovation
Business Partners	Collaborative progress and development	<ul style="list-style-type: none"> Meetings Forums and events 	<ul style="list-style-type: none"> Annually Ad-hoc basis 	<ul style="list-style-type: none"> Better utilisation of resources Business development Product research and development 	Theme 1: Delivering Value Through Innovation

SUSTAINABILITY STATEMENT

cont'd

Stakeholder Groups	Engagement Objectives	Engagement Channels	Engagement Frequency	Focus Areas	PMBT's Response
Industry Associations/ Trade Union/ Professional Bodies	Keep up with new changes in the market	<ul style="list-style-type: none"> Online platforms Conferences and events 	Ad-hoc basis	<ul style="list-style-type: none"> Labor standards and workplace conditions Climate change and carbon emissions Business development Health and safety Product research and development 	<ul style="list-style-type: none"> Theme 1: Delivering Value Through Innovation Theme 3: Developing Capabilities & Opportunities
Non-Governmental Organisations (NGO)	Fulfilling the role of good corporate citizens	Programmes and events	Ad-hoc basis	<ul style="list-style-type: none"> Environmental management Human rights and labour standards 	<ul style="list-style-type: none"> Theme 2: Driving Environmental Consciousness Theme 3: Developing Capabilities & Opportunities

For further information, please refer to the following pages:

- Theme 1: Delivering Value Through Innovation – page 56 to 63
- Theme 2: Driving Environmental Consciousness – page 64 to 67
- Theme 3: Developing Capabilities & Opportunities – page 68 to 84

MATERIALITY ASSESSMENT

During the reporting year in FY2022, the SWG reassessed the Group's list of sustainability matters to ensure that they are comprehensive, aligned with the Group's priorities and business strategy, as well as the Bursa Sustainability Reporting Guide's Common Sustainability Matters. PMBT retained its list of fourteen (14) sustainability matters as we believe the matters remain as priorities in FY2022. The sustainability matters are divided into three (3) themes to address the impacts of ESG risks and prospects respectively; namely:

- **Theme 1: Delivering Value Through Innovation**
Continuous approach to managing PMBT's supply chain, product quality, health and safety of employees and customers, protecting intellectual property rights and privacy of customers, promoting anti-corruption as well as maintaining relationship with all stakeholders.
- **Theme 2: Driving Environmental Consciousness**
Recognise the importance of managing environmental initiatives such as waste management, emissions and energy consumption, noise pollution and water management for a more environmentally conscious future.
- **Theme 3: Developing Capabilities & Opportunities**
Strive to provide employees with a safe and comfortable working environment as well as a sound employee development system and seeks to benefit the local communities by creating employment opportunities and contribute to economic development

SUSTAINABILITY STATEMENT

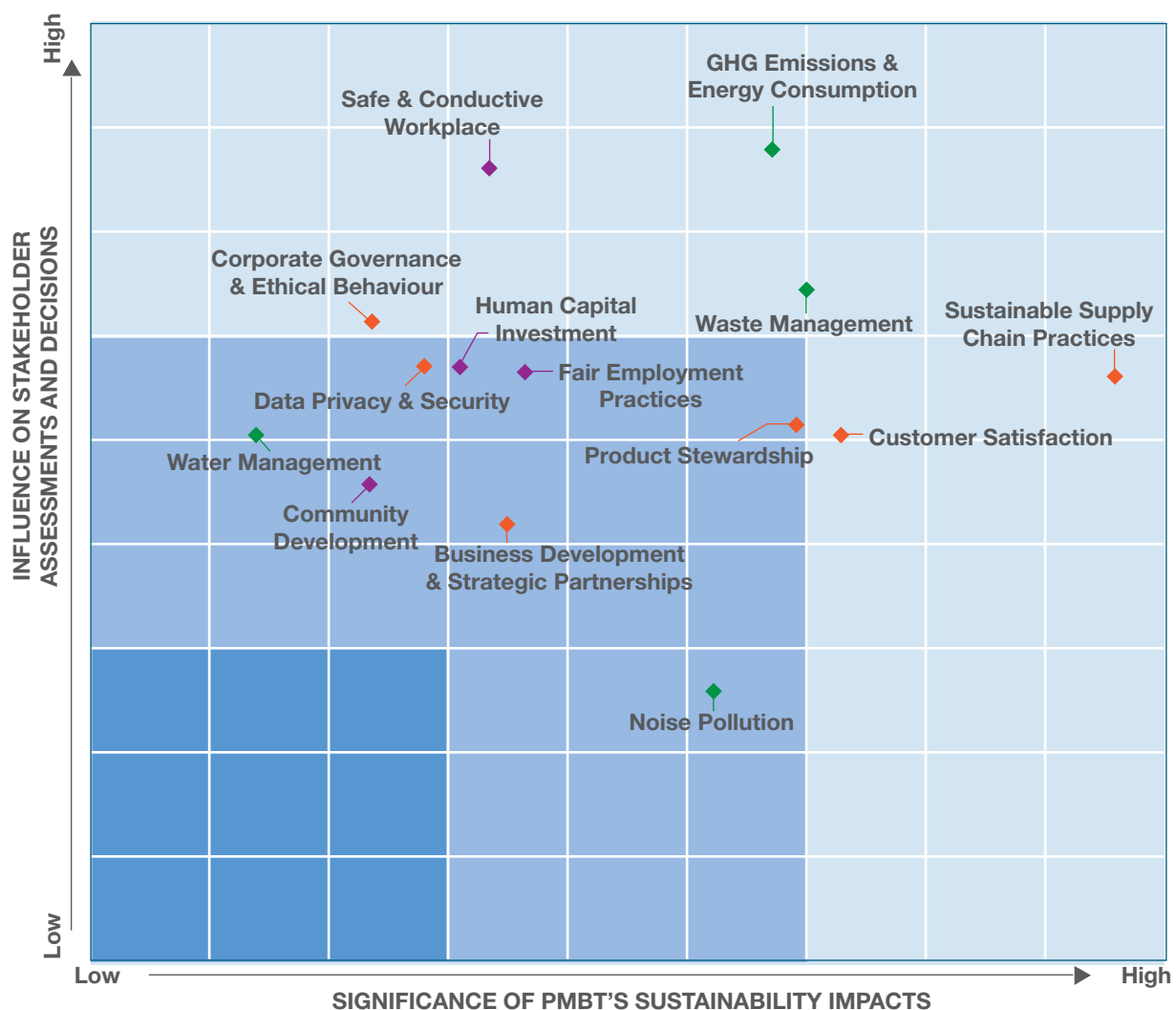
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The sustainability matters were analysed based on the likelihood of occurrence and the impact it could have on PMBT's business operations as well as how these matters may affect the Group's stakeholders.

The following Materiality Matrix illustrates the significance of the material matters to PMBT and its stakeholders. Based on the outcomes of the FY2022 materiality matrix, the top five (5) material matters ranked of high importance are:

- **Sustainable Supply Chain Practices** increased its ranking as any ESG issues within the supply chain could create a ripple effect to the rest of PMBT's operations.
- **GHG Emissions and Energy Consumption** and **Waste Management** remained in the Top 5 Material Matters as stakeholders continue to view climate change as a significant threat to PMBT which could disrupt PMBT's ability to operate in the long-term.
- **Safe and Conductive Workplace** is part of the Top 5 Material Matters as safety is a core value of PMBT's operations which revolves around manufacturing, construction, and fabrication of aluminium.
- **Customer Satisfaction** remained as a Top 5 Material Matter to continuously deliver value in a competitive environment.

MATERIALITY MATRIX



SUSTAINABILITY STATEMENT

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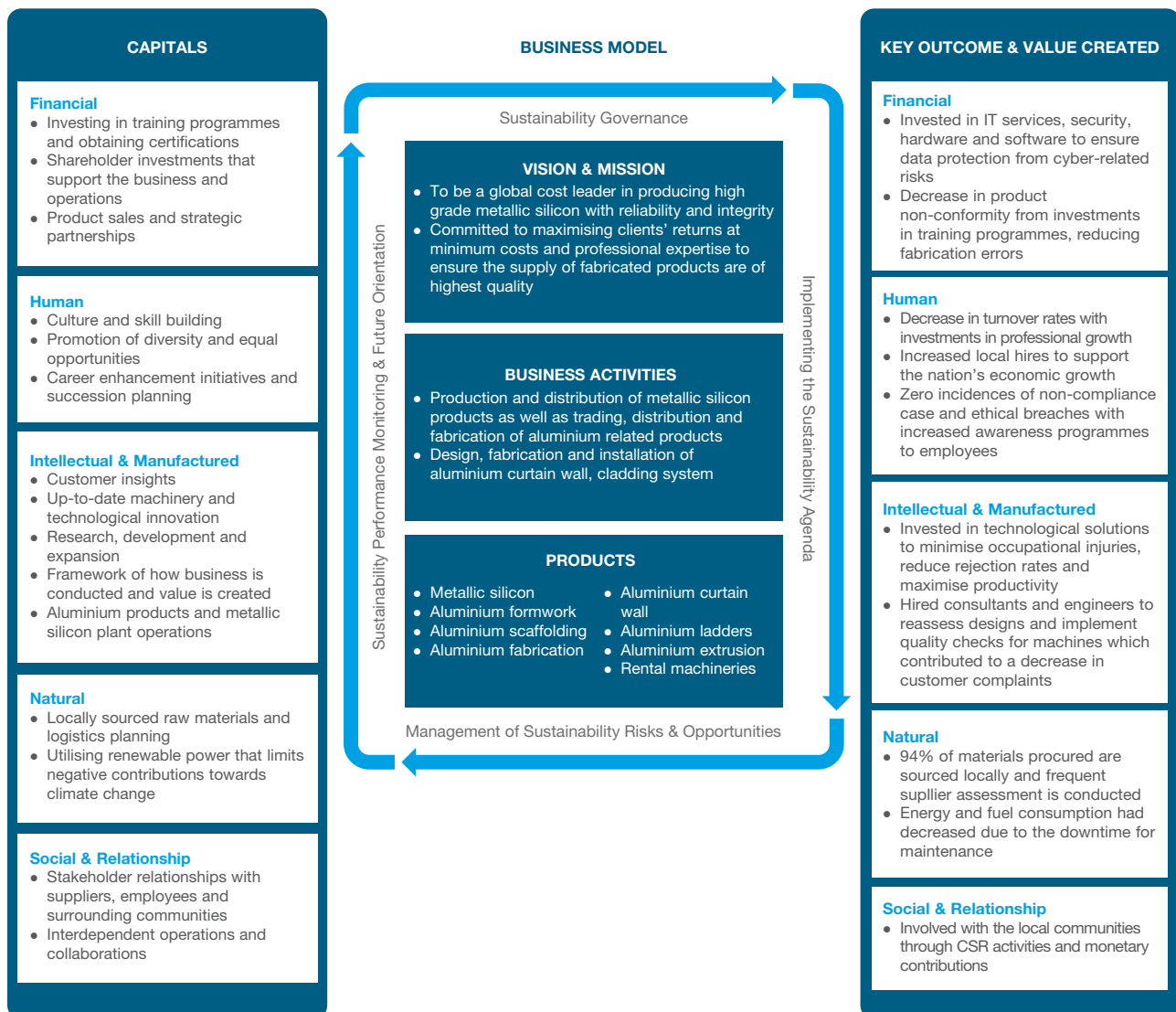
No.	Material Sustainability Matters	Description
1	Sustainable Supply Chain Practices	Build a responsible and sustainable supply chain to provide top-notch quality products and meet the change in demand as economic activities resume.
2	GHG Emissions & Energy Consumption	Practice robust and efficient energy consumption management from our operations to contribute to reduction in environmental impact.
3	Safe & Conducive Workplace	Provide safe working conditions and conduct effective trainings to cultivate a safe working environment as well as prevent work-related injuries for all employees, contractors and visitors.
4	Waste Management	Ensure responsible waste management by increasing monitoring efforts and creating more avenues to manage waste effectively.
5	Customer Satisfaction	Ensure prime customer experience by providing quality products and services.
6	Product Stewardship	Pursue excellent product quality and service through continuous improvements and innovation.
7	Fair Employment Practices	Uphold fair employment practices by embracing a diversified and inclusive culture in the workplace and offering employees fair compensation and benefits.
8	Human Capital Investment	Promote employee development and uplift competencies to acquaint with the rapidly changing and complex business environment.
9	Corporate Governance & Ethical Behaviour	Cultivate a corporate culture of good governance, accountability and transparency anchored by integrity and ethics to commit compliance with all applicable laws, regulatory requirements and policies across our markets of operation including anti-corruption and anti-bribery.
10	Data Privacy & Security	Strengthen data privacy and protect information and intellectual property against cyber security breaches to ensure the safety of the business from cyber and IT-related risks.
11	Water Management	Sustain an environmentally conscious business through management of our water resources and conservation of water usage.
12	Business Development & Strategic Partnerships	Explore and identify growth and expansion opportunities aligned with emerging market trends to achieve sustainable growth of our business and enhance shareholder returns without compromising the well-being of our employees, stakeholders and the environment.
13	Noise Pollution	Monitor and manage our plant operations' noise pollution with compliance to local regulations to safeguard employee and community welfare.
14	Community Development	Contribute to the local communities through different community actions and activities.

SUSTAINABILITY STATEMENT

cont'd

VALUE CREATION

PMBT's Board of Directors and Management personnel continuously assess financial and operating models to thrive in tomorrow's complex and dynamic business environment. The Group aims to unilaterally focus on creating short-term shareholder value and emphasises on long-term perspectives in devising strategies. A practical framework is presented in the following diagram which supports PMBT in unlocking additional value within the Group and improving corporate performance.



SUSTAINABILITY STATEMENT

cont'd

THEME 1: DELIVERING VALUE THROUGH INNOVATION

For PMBT to remain an industry leader with a strong capacity to address future business and market disruptions, it is paramount that product excellence and operational optimisation continue to be at the forefront of our business. As such, the Group's corporate identity and ethics prioritise advancing good governance and anti-corruption policies, protecting intellectual property and customer privacy rights, responsibly managing the supply chain, as well as safeguarding employee and customer health and safety. To realise these strategies and deliver value across our operations, PMBT routinely communicates and collaborates with various key stakeholders.

SUSTAINABLE SUPPLY CHAIN PRACTICES

GRI 204: Procurement Practices



Despite global supply chains rebounding and moving towards pre-pandemic levels this year, the significant disruptions brought upon by Covid-19 highlighted the importance for our company to build a responsible and sustainable supply chain.

As a way forward to deliver high-quality products to customers, PMBT has taken a rigorous risk management control approach in governing procurement practices and is committed towards legal and regulatory compliance across all business operations. This extends to include adherence to our Procurement Guidelines, Supplier Code of Conduct, and purchase contracts and agreements.

Notably, these standards apply to all suppliers and vendors within the Group's supply chain, as transparency and ethical behaviour form the backbone of long-term stakeholder relationships. In addition, in line with industry best practice, PMBT annually reviews the Vendor Code of Conduct and establishes communication channels to ensure that suppliers and vendors are well-informed of the company's latest supply chain priorities and expectations.



Procurement Guidelines

The Guidelines ensure that PMBT's Procurement Department and key personnel are aware of standards to adhere to and eases the appointment and monitoring of suppliers.

This provides a methodical structure to monitoring vendors and suppliers.



Vendor Code of Conduct

The Vendor Code of Conduct was established to clarify potential concerns surrounding legal compliance, anti-corruption, human rights, health and safety, and environmental-related issues.

This code supports vendors and facilitate their development.



Purchase Contract & Agreements

Formalise specific requirements for suppliers in key areas, for example, material and product specifications.

These agreements are tailored to each of the Group's projects.

Vendors who fail to meet the required standards or address issues communicated will face immediate contract termination. The Group has a procedure in place where a warning will be issued upon failure to meet the outlined requirements, and a termination clause shall be invoked upon the absence of improvement. The following are assessment criteria imposed via the Vendor Code of Conduct:

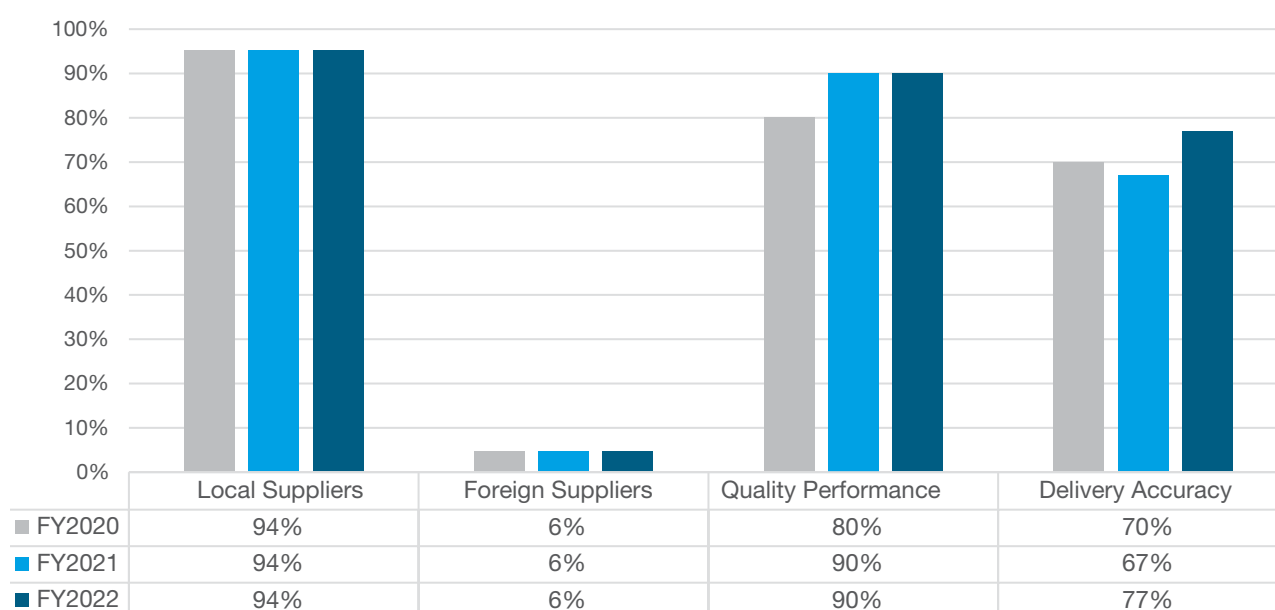
- Sustainable sourcing
- Compliance with regulatory requirements
- Adequate environmental practices
- Fair human rights practices
- Accessibility to internal control procedures
- Availability of certifications or licenses

SUSTAINABILITY STATEMENT

cont'd

PMBT's Purchasing Department oversees the implementation of sustainable supply chain practices, conducts supplier pre-appointment evaluation and inspection visits, monitors suppliers' raw materials quality and delivery times and maintains an approved vendor list. As integrating our business with the country's development goals has been a key focus area, the Purchasing Department continues to prioritise procuring materials from local suppliers. Although PMBT still procures certain raw materials from overseas suppliers, this number is significantly lesser (6%) than the locally sourced materials (94%). Nevertheless, the Group remains optimistic about future positive contributions to local suppliers and the Malaysian economy.

Supplier Statistics



Note:

The percentages for both local and foreign suppliers were calculated based on the number of suppliers PMBT has engaged with. In FY2022, the proportion of spending on its local suppliers had reached 35% of the Group's total supply chain spending.

PRODUCT STEWARDSHIP

GRI 201: Economic Performance



To strive to excel in product and service quality, each department within the Group must play a significant role in meeting customer requirements and recognised international standards set. Importantly, PMBT's Research and Development (R&D) department constantly seeks opportunities to enhance product designs and develop innovative new products to achieve high specifications. This involves continuously monitoring the efficiency of processes in place and leveraging new technologies, machinery, and various other process improvements.

On the other hand, PMBT's Quality Assurance and Quality Control (QA & QC) Department is responsible for implementing raw material, in-process, and final product inspections, including reviewing quality management systems. Our Group's 'New Product Development & Upgrading' policy has provided critical guidance to the QA & QC Department to respond to customers' needs effectively, and our Quality Plan (EV-QP-001, 002, 003, 004, 005) has been instrumental in the process of inspections from raw materials to finished goods. In addition, thorough checks are regularly conducted on manufacturing equipment throughout the design and production lines. A notable example of our success in product stewardship can be seen in the shift of electricity generation for our silicon plants in Sarawak towards renewable energy through hydropower developments.

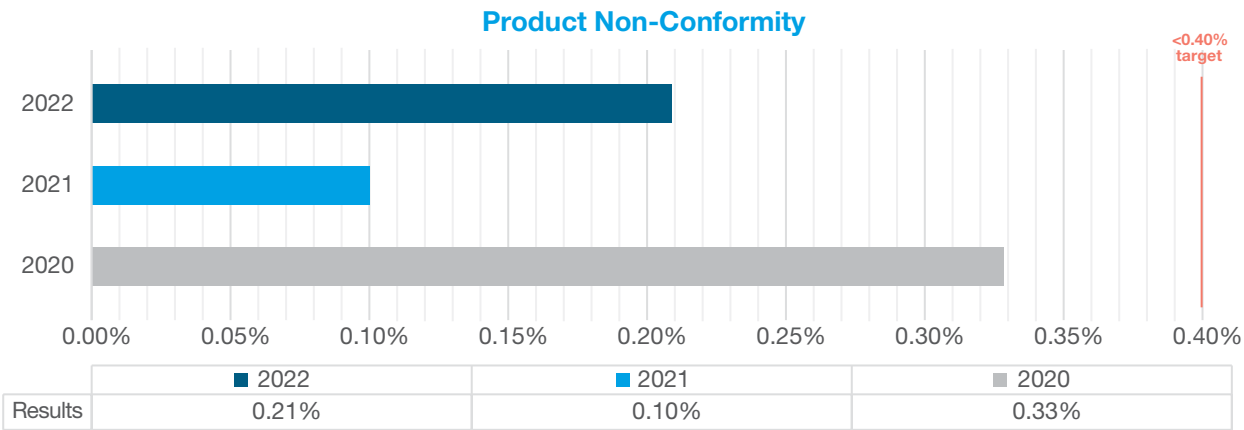
SUSTAINABILITY STATEMENT

cont'd

The following is a list of PMBT products and features according to operating segments:

Product Type	Sustainable Features
Construction & fabrication	
Curtain wall system	<ul style="list-style-type: none"> Facilitate energy savings on artificial lighting by allowing natural light into buildings Reduce noise level
Reusable aluminium formwork	<ul style="list-style-type: none"> Reduces resource consumption and is cost- effective as the formwork can be reused for up to 300 times. Formwork can also be recycled at the end of its life cycle
Manufacturing & trading	
Metallic Silicon	<ul style="list-style-type: none"> Product is produced using hydroelectric energy Final product is typically used in renewable energy or energy saving applications. This may include wind turbines to solar panels, LEDs, and green tires
Aluminum truck body	<ul style="list-style-type: none"> Reduces fuel consumption and requires minimal maintenance due to its light-weight and non-corrosive nature
Aluminium ladder	<ul style="list-style-type: none"> Certified BS-EN-ISO standards safe
Aluminium Modular Balustrade System	<ul style="list-style-type: none"> User-friendly, easily installed without the need of welding Prolonged life cycle under harsh weather conditions due to its outer finishing
Scaffold Tower	<ul style="list-style-type: none"> Light weight solution to speed up erection in space constrained environment without compromising strength and stability

To support the development of excellent products, PMBT has also set internal non-conformity targets for the company to achieve. The following figures are results obtained over the past three years:



SUSTAINABILITY STATEMENT

cont'd

The following certifications have been obtained by both PMBT's entities and products, reflecting PMBT's commitment to reliable and quality products across its operations:

Accreditations

OPERATING ENTITIES

ISO 9001:2015 – Quality Management System	<ul style="list-style-type: none"> • Everlast Aluminium (M) Sdn. Bhd. • PMB Silicon Sdn. Bhd. • PMB Facade Technology Sdn. Bhd.
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PRODUCTS

SIRM BS 2037:1994	• Portable aluminium ladder
SIRIM BS EN 131-2:1993	
SIRIM BS EN 1004:2004	• Prefabricated mobile access and working tower
SIRIM BS EN 131-2:1993	• Portable fiberglass ladder
SIRIM BS EN 131-7:2013	• Mobile ladders with platform
AS/NZS 1170.1 – 2002	• Aluminium Modular Balustrade System
BS EN131-1:2007+A1:2011	• Double Extension Ladder
BS EN131-2:2010	



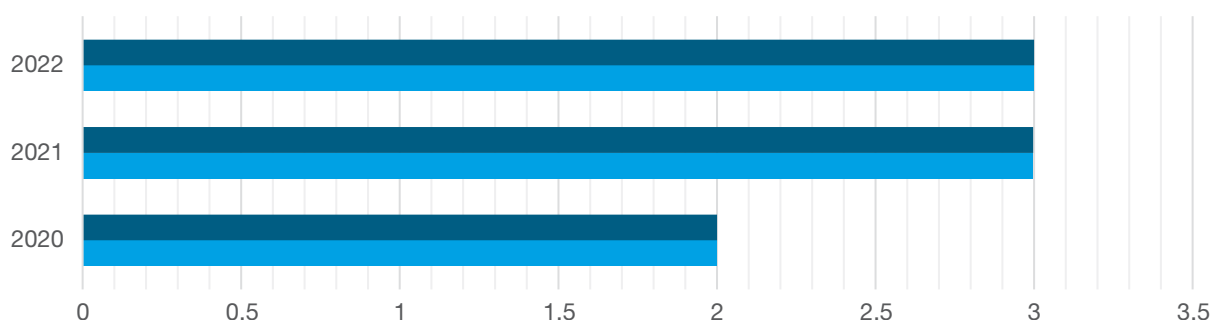
CUSTOMER SATISFACTION

GRI 102: General Disclosures

Customers are at the heart of PMBT's business, and maximising customer satisfaction and retention is vital for the Group to achieve sustainable growth. This will subsequently enable PMBT to build and maintain a reputable brand name amongst its customers. Our Customer Service policy and Customer Complaint Management guidelines allow the Group to identify and monitor customer satisfaction. The QA & QC Department oversees customer-related matters, while the Business Development Unit refers these complaints to the relevant purchasing, production, warehouse and logistics department within the Group.

For the past three years, PMBT has identified and resolved customer complaints, as illustrated below:

Customer Complaints



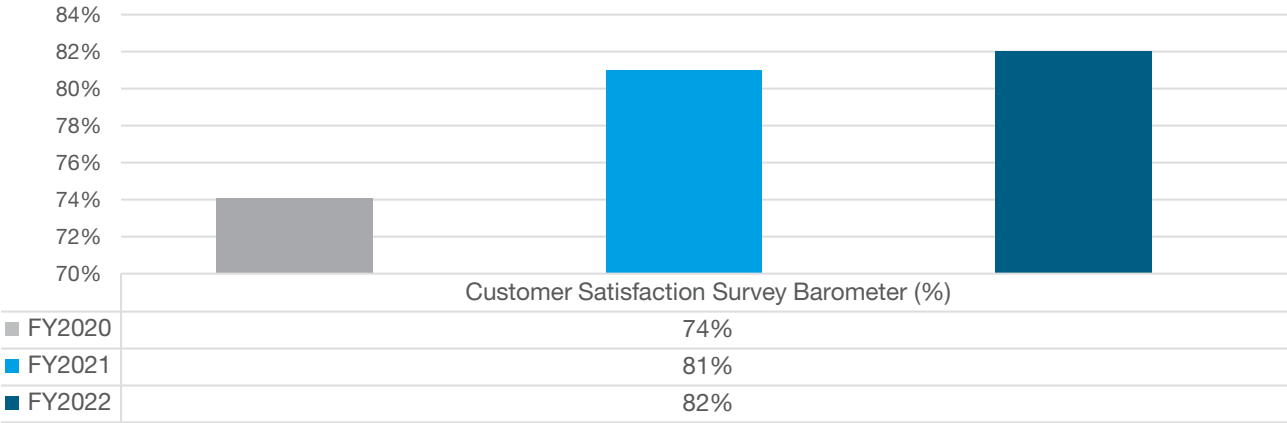
Note:

PMBT has implemented strategies to address customer complaints in FY2022, including educating customers on the appropriate ways to use the ladder by providing safety information and implementing a loading checklist for every shipment.

SUSTAINABILITY STATEMENT

cont'd

Customer Satisfaction Survey Barometer (%)



Note:

The Group achieved an overall customer satisfaction rating of 82% in FY2022, an increase from 81% in the previous year, with high ratings in customer service, product quality and improvement, and delivery performance.

BUSINESS DEVELOPMENT & STRATEGIC PARTNERSHIPS



PMBT continues exploring and identifying growth and expansion opportunities for the Group’s operations and associated businesses without compromising the well-being of employees, stakeholders, and the environment. The Business Expansion Strategy, Global Exhibition Visits and International Market Sales Pipeline Initiative were developed to serve as foundations for domestic and overseas market growth. Importantly, PMBT has been resilient in adapting to the ever-changing market situation and strives to improve the company’s performance through regular reviews and short- and long-term goal settings that align with the global megatrend for a greener future. Moving forward, PMBT will continue to grow a diversified profile by strategically strengthening and forming new relationships to improve the company’s position internationally and ensure healthy year-on-year performance.

CORPORATE GOVERNANCE & ETHICAL BEHAVIOUR

GRI 205: Anti-corruption



Our corporate culture emphasises maintaining sound business integrity and ethics by embracing effective governance, accountability, and transparency. Accordingly, the Group is committed to legal governance compliance and has zero tolerance for corruption and bribery. Furthermore, to truly become a responsible company that effectively manages stakeholder risks, PMBT has implemented robust policies and structures to set expectations for its personnel and stakeholders.

For instance, the Group has instigated good governance and ethical behaviour among employees that involve them acknowledging in writing that the Code of Conduct and the Anti-Bribery and Anti-Corruption Policy have been read and understood and pledge to uphold PMBT’s core values and principles and not engage in corrupt or unethical practices.

SUSTAINABILITY STATEMENT

cont'd

Code of Conduct for Directors, Management & Employees

covers all aspects of the business operations, such as human rights, environmental issues, business gifts and hospitalities, integrity and professionalism, the confidentiality of business information and proper safeguarding of company assets.

Whistleblowing Policy

serves as a guide to the employees or stakeholders on how to raise genuine concerns related to unethical behaviour, malpractices, illegal acts or improprieties in matters of regulatory compliance in an appropriate way.

Diversity Policy

serves to manage diversity, which may result from a range of factors, including age, gender, ethnicity, nationality, cultural background or other personal factors, as a means of enhancing the Company's performance by recognising and utilising contribution of diverse skills and talents from its directors, officers and employees.

Code of Ethics

includes, inter alia, matters relating to duties and responsibilities of Directors, conflict of interests and their social responsibilities.

Anti-Bribery & Anti-Corruption Policy (ABAC)

serves as a guideline on how to prevent and deal with bribery and corruption issues, including proper handling of Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship.

Sustainability Policy

serves to understand and implement sustainable practices and explore the benefits to the business whilst attempting to balance the needs of the wider community, the requirements of shareholders and stakeholders and economic success.

Note:

For further information, please refer to PMBT's corporate website: <http://www.pmbtechnology.com/about-pmb/>

PMBT outsources the internal audit practices. The internal audit is conducted quarterly, where gaps and improvements are identified for action. Further information on the report can be viewed in the Audit Committee report. Additionally, PMBT's Diversity Policy which is governed by Bursa Malaysia Listing Requirements is further elaborated in the Group's Corporate Governance report at http://www.pmbtechnology.com/data/download/PMBT_CG_Report_2022.pdf.

PMBT provides all employees with the following trainings in relation to ABAC:

Type of Training	Description
External ABAC training	Ensures the Group sets up adequate procedures to prevent involvements in any activities relating to bribery, facilitation payments or corruption
Internal ABAC training	

Year	Number of employees who have received training on anti-corruption by employee category			
	Managerial	Executive	Non-Executive	Foreign Workers
FY2020	43	80	304	558
FY2021	40	51	312	149
FY2022	48	58	87	334

Note:

100% of managerial, executive, non-executive and foreign workers within the Group received anti-corruption training in the last three financial years

SUSTAINABILITY STATEMENT

cont'd

PMBT recorded 0 cases of non-compliance nor ethical breaches reported for the past three (3) years between FY2020 and FY2022

The continuous communication and awareness efforts between employees and Management personnel during appraisal periods have contributed to the Group's achievement of zero non-compliance/ ethical breach cases in the past three financial years.

Stakeholder scrutiny on governance-related matters has recently increased due to numerous high-profile corporate scandals. Consequently, stakeholders now demand that the manufacturing industry exercise greater transparency and higher standards throughout their operations to avoid money laundering and tax evasion. PMBT is committed and determined to adapt to these operational excellency to meet stakeholder demand.

DATA PRIVACY & SECURITY

GRI 418: Customer Privacy



As intellectual property rights and customer privacy undoubtedly comprise the Group's vital intangible assets, responsible management that complies with the relevant regulations and addresses the potential risks of cyber security breaches is paramount. As such, PMBT has stepped up efforts to deploy effective mitigation strategies and strengthen its Information Technology (IT) system. Accordingly, the Group's IT department regularly reviews and monitors all policies, procedures, and guidelines for data privacy, security, cyber risks, IT-related audits, and training. Importantly, an outsourced internal audit team conducts IT audits and inspections in routine with other operational functions to ensure existing practices comply with PMBT's internal policies and procedures.

The handbook entitled 'Proper and Ethical Usage of IT' created by the Group guides the Group in preserving data security. Employees are required to follow all policies and procedures in the handbook to further minimise cyber and IT-related risks. The following policies assist PMBT in mitigating IT risks:



Acceptable IT Use Policy

- Establishes parameters and defines the acceptable level for use of IT facilities applicable to all employees and third-party Personnel while maintaining a level of consistency in procedures and regulations



Software Usage Guidelines & Policies

Covers topics regarding general use and ownership, IT security and proprietary information, and unacceptable use.



Data Security Policy

is aligned with the Malaysian Personal Data Protection Act (PDPA) 2010 and ensures the privacy and security of data and information belonging to stakeholders.

All new employees are required to sign a 'Declaration on Information Security' which affirms understanding of PMBT's procedures on information security. Customers must also sign a PDPA Notice to ensure statutory compliance with PDPA 2010.

SUSTAINABILITY STATEMENT

cont'd

Measures and efforts to mitigate risks of security breaches and manage confidentiality of data are as follows:

IT Items	Description
Installation & Annual Renewal of Antivirus Software	<ul style="list-style-type: none"> Protects and control user permissions Web and access filtering
Installation of Uninterrupted Power Supply (UPS) backup batteries	<ul style="list-style-type: none"> Stabilises electricity flow Prevents server failures
Periodic hardware maintenance	<ul style="list-style-type: none"> Prevents hardware failure Reduces downtime and standby of spare hardware by vendors
Sign up for hardware warranty protection	<ul style="list-style-type: none"> Minimises incurred costs due to wear and tear of hardware
Scheduled upgrade of obsolete hardware	<ul style="list-style-type: none"> Improves productivity and lowers the risk of hardware failures
Maintenance of VMWare High Availability	<ul style="list-style-type: none"> Automatic detection of server failures Reduces capital and operating costs Increases IT productivity, efficiency, agility, and responsiveness Faster provision of applications and resources Greater business continuity and disaster recovery
Stock system with barcode scanning	<ul style="list-style-type: none"> Increases security of sensitive data
Cloud platform for online conferencing (i.e., Zoom and Google Meet)	<ul style="list-style-type: none"> Increases security of meeting information

The Group's IT department's implementation of measures and controls has effectively safeguarded its sensitive data and resources. PMBT conducts essential training/ briefing concerning cybersecurity and data privacy, such as the declaration on Information security to all new employees to ensure long-term growth and protection of the business and its stakeholders.

Zero (0)

cases of data breaches between FY2020 and FY2022. There were no customer and employee complaints, hacking, malware, or data theft over the respective years.

RM 850,000

invested in IT services, security, hardware, and software for the Group.

SUSTAINABILITY STATEMENT

cont'd

THEME 2: DRIVING ENVIRONMENTAL CONSCIOUSNESS

The emergence of Circular Economy as a leading framework to integrate the global economy with sustainable development through resource optimisation, waste efficiency, and natural regenerative systems has greatly influenced government and corporate strategies. Our Group has long recognised the importance of responsible waste management in its operations and how unethical waste practices can carry strong legal and social repercussions on its value chain.

To ensure global best practice, the Group's environmental management efforts consist of identifying and monitoring four (4) separate sustainability matters that influence operations with varying impacts. Where possible, standardisation has been made to the data collected; however, areas where the Group was unable to complete the data collection process, have been indicated respectively.

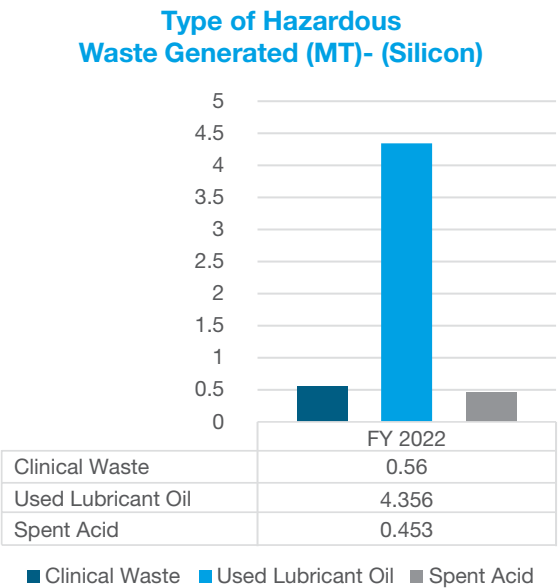
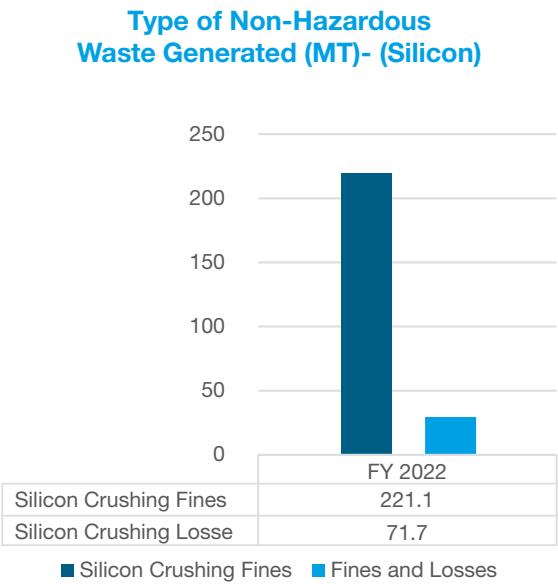
WASTE MANAGEMENT

GRI 306: Waste



PMBT emphasises accountability in plant operations for waste produced as it is essential to driving environmental consciousness. Accordingly, PMBT has identified two (2) distinct types of waste produced through the Group's operations, which have their respective methods of disposal or treatment. These waste types are:

- Silicon Crushing Fines:** Fines generated during the crushing process are then used to protect the casting base during the casting process
- Slag Fines and other losses:** Fines and other losses generated during the casting process are then used to protect the casting base during the casting process



Note:

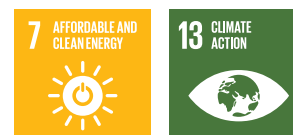
There was a significant decrease in used lubricant oil and spent acid waste for FY2022 due to the existence of a backlog in FY2021. As with other environmental related matters, PMBT plans to increase monitoring efforts and create more avenues for the Group to manage waste effectively.

SUSTAINABILITY STATEMENT

cont'd

GHG EMISSIONS & ENERGY CONSUMPTION

GRI 302: Energy
GRI 305: Emissions

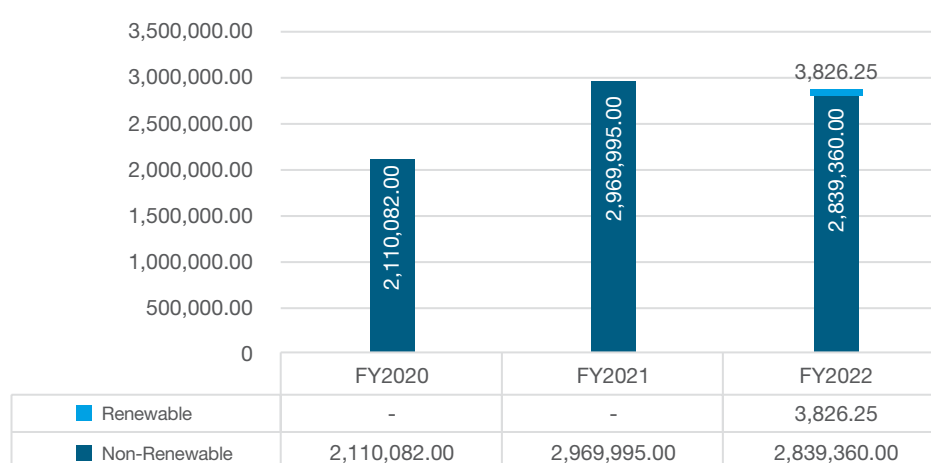


At the core of the global climate movement is the advancement of energy efficiency within key industries to achieve GHG emissions reduction. As PMBT's day-to-day operations involve manufacturing metallic silicon, designing and installing aluminium facade systems in buildings, the Group recognises its responsibility in addressing its environmental footprint. As such, PMBT practices robust and efficient energy consumption management through regular monitoring and reporting from all operating sites. The monitoring is conducted in intervals, for example, once every three (3) hours at the site level, with monthly energy consumption tracked via electricity bills.

From an operational perspective, PMBT has carried out several actions and initiatives to incorporate renewable energy initiatives in line with industry best practices. This is evident through installing solar panels as well as energy-efficient equipment and machinery, LED lighting and energy-efficient bulbs, and motion sensor timers to automatically switch off lighting when not in use. Transparent roof sheets were placed on the Group's offices to allow for natural light rather than relying on artificial lighting. Notably, since FY2021, the capital expenditure invested in renewable sources amounted to RM8,259,612, accounting for 4% of total capital expenditure in PMBT. In FY2022, the Group generated 5,004.32GJ in renewable energy and sold 1,178.07GJ to the grid, with the total energy consumption reaching 2,843,186.25GJ.

Year	Electricity Consumption (GJ)	Fuel Consumption (GJ)	Natural Gas Consumption (GJ)	Renewable Energy Consumption (GJ)	Total Energy Consumption (GJ)
FY2020	2,080,042	29,964	76	0	2,110,082.00
FY2021	2,915,142	49,071	5,782	0	2,969,995.00
FY2022	2,786,822	46,774	5,764	3,826.25	2,843,186.25

Total Energy Consumption (GJ)



Notes:

- In FY2022, PMBT experienced lower energy consumption due to downtime for maintenance work.
- Moving forward, PMBT aims to standardise electricity monitoring during ISO 14001 implementation and include monitoring as part of the topics covered in the quarterly EHS meeting.
- Whilst natural gas consumption remained approximately the same for the last two financial years, fuel consumption decreased in FY2022 due to downtime for maintenance work.

SUSTAINABILITY STATEMENT

cont'd



NOISE POLLUTION

GRI 403: Occupational Health and Safety

PMBT's equipment and activities result in noise which may cause disturbance to the public and surrounding areas. Therefore, it is integral for PMBT's manufacturing plants to monitor and manage noise pollution effectively. The Group complies with local regulations and initiates actions to keep track of the noise levels.

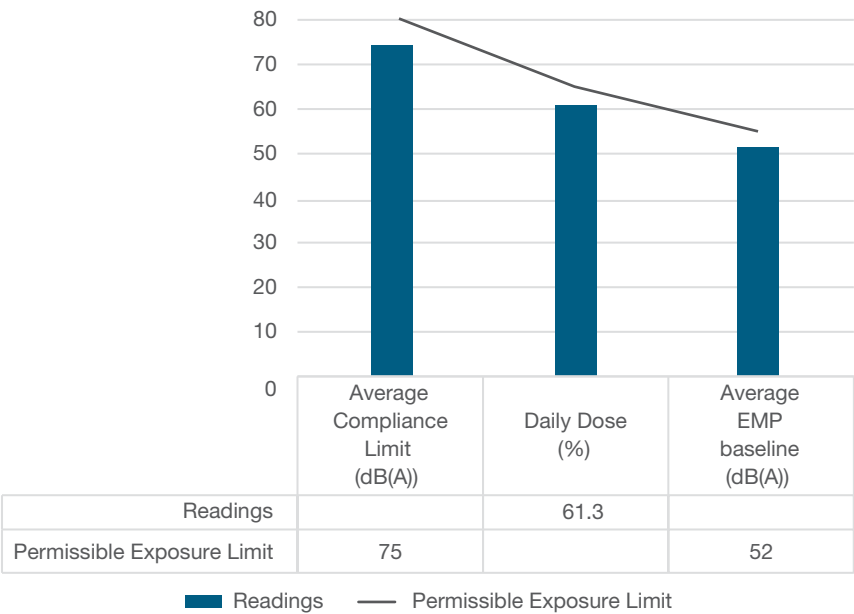
Over the years, noise readings have continued to be reported to Management by the EHS committee. Subsequently, these reports are then reviewed by the Department of Safety and Health (DOSH). Some of PMBT's initiatives regarding noise pollution include:

- Switching off machinery when not in use
- Providing appropriate PPE, such as earplugs, to workers
- Inspecting and auditing project sites regularly

The table below indicates the compliance limits and Environmental Management Plan (EMP) baselines for noise exposure from plant operations that are monitored quarterly and sampled in either the day or night in FY2022:

Sampling Time	Average Compliance Limit (dB(A))	Average EMP Baseline (dB(A))
Day	70	54.85
Night	60	48.80

Initial Noise Monitoring PMB Silicon FY2022



Notes:

1. Noise levels (dB(A)) for day and night by area includes baseline, minimum, maximum, average, and general Department of Environment (DOE) limits.
2. All measurements were within permissible limits.
3. At the point of reporting, PMBT is currently reviewing the sustainability policies and procedures for noise monitoring in its Balakong plant and will resume reporting the relevant data in FY2023

PMBT is committed to limiting noise pollution within permissible levels through mitigation controls, where possible. PMBT will continue to ensure all its stakeholders that the managing, monitoring and reporting of noise pollution are in line with DOE standards.

SUSTAINABILITY STATEMENT

cont'd

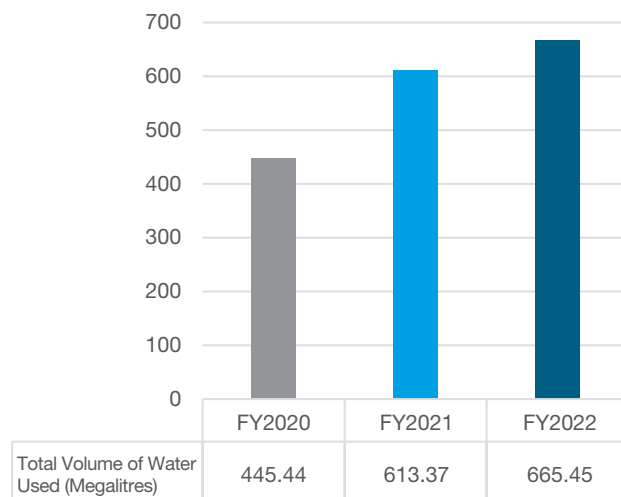


WATER MANAGEMENT

GRI 303: Water and Effluents

At PMBT, the Group acknowledges the importance of managing water resources effectively to sustain an environmentally conscious business. Notably, population growth coupled with lacklustre river basin management has depleted the country's water resources. The Group has implemented various water management measures to respond to this pressing issue. For instance, water consumption is monitored monthly via water bills, and PMBT conducts preventive maintenance to prevent leakages in water pipeline systems.

Total Volume of Water Used (Megalitres) - (Silicon)



Note:

The volume of water used in PMB Balakong operations totalled 73.17ML, with the overall total water consumption across PMBT reaching 738.62ML in FY2022.

As PMBT navigates the Group to be more environmentally responsible, PMBT will continue to explore innovative methods and conservation strategies to reduce water consumption whilst maintaining operational efficiency. PMBT intends to create a better environment for the business, the industry and the nation.

SUSTAINABILITY STATEMENT

cont'd

THEME 3: DEVELOPING CAPABILITIES & OPPORTUNITIES

At PMBT, people are the Group's core assets built upon deep empathy, appreciation, and a diverse talent base needed to achieve sustainability goals. Therefore, the Group strives to provide employees with a safe, comfortable working environment and sound employee development system. Importantly, PMBT recognises that safeguarding employee rights and freedom is integral to its core values of professionalism and integrity and, in doing so, will attract and retain high-calibre employees. This enables employees to grow, strengthen leadership capabilities, and enhance performance through inclusive engagement. Furthermore, PMBT seeks to benefit the local communities by creating employment opportunities and contributing to economic development.

FAIR EMPLOYMENT PRACTICES

GRI 401: Employment

GRI 405: Diversity and Equal Opportunity



PMBT prioritises upholding fair employment and equal opportunities for PMBT's employees and potential employees and has no tolerance for discrimination in any form, including unfair wages and sexual harassment and child labour practices. The Group is committed to delivering a fair and harmonious experience to all employees and continuously supports fair practices and diversity with respect and dignity. At PMBT, the Group aims to:

- provide equal and indiscriminate employment through a hiring process that supports honest and impartial decisions, including ensuring documented and objective assessments with proper justifications for recruitment; and
- guarantee fair remuneration packages based on performance, knowledge, and experience, and comply with regulatory requirements on minimum wages.

The Human Resources (HR) department also strives to maintain a harassment-free and equal-opportunity workplace for all employees, including best practices for diversified recruitment and selection in line with the Group's agenda.



For additional information, please refer to PMBT's Corporate Governance Overview Statement on page 30-44.

The Group advocates the representation of women in the workforce, particularly in Management positions, the hiring of local talents, and the hiring of people with disabilities (PWD). PMBT conducts annual performance appraisals with all employees, provides clear career advancement opportunities, and prioritises internal growth opportunities rather than lateral recruitment for vacant positions. The HR department oversees this two-way communication between employees and their respective Heads of Departments (HOD) to ensure practical job evaluation links to PMBT's corporate goals and objectives. As a result, there have been zero substantiated complaints reported in FY2022 that include any incidents relating to discrimination and child labour.

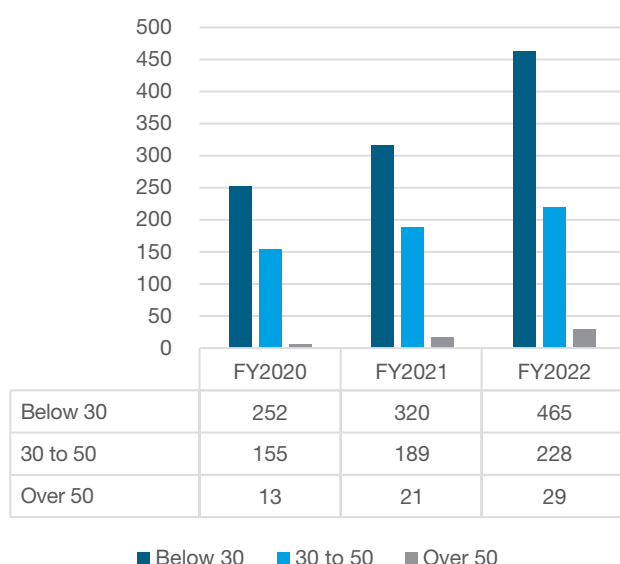
SUSTAINABILITY STATEMENT

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PMBT upholds the belief that a fair and equal workplace complemented with adequate benefits, welfare and compensation for employees can motivate them to perform at their best. These would enable employees to feel fairly compensated with progressive career development opportunities and will be vital in retaining talent within the company. Other than competitive remuneration packages, the following is a list of benefits for full-time employees:

Benefits	Description
Life insurance and medical benefits	<ul style="list-style-type: none"> Medical and hospitalisation leave Access to Group panel clinics
Healthcare and Wellness	<ul style="list-style-type: none"> PMBT's Elite and Sports Committee organises activities to promote staff health and well-being, such as on-site health screening, leisure & sporting activities and recreational activities Badminton activities amongst PMBT group employees Hiking activities to promote bonding and well-being Festival celebration
Retirement Provision	<ul style="list-style-type: none"> Contract employments are offered for retirees
Employee Remuneration, Rewards and Recognition	<ul style="list-style-type: none"> Long Service Awards (5,10,15,20) were given to 24 employees in 2021 Annual Increment and bonus based on company & staff performance
Welfare for New Parents	<ul style="list-style-type: none"> We encourage new mothers to return to work by providing Mom's private rooms 98 days maternity and 7 day paternity leave
Welfare for Foreign Workers	<ul style="list-style-type: none"> Foreign workers are provided with medical benefits and hostel accommodation
Other benefits	<ul style="list-style-type: none"> Staff purchase discount for all confirmed employees.

Age Group Statistics



Position Statistics



SUSTAINABILITY STATEMENT

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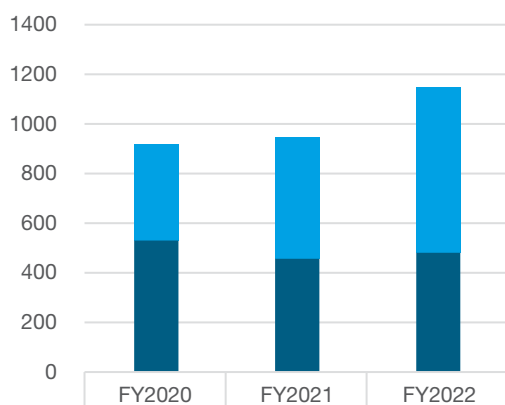
Percentage of employees by age group, for each employee category

Year	Individual Contributors			Managers			Executive			Non- Executive			Total number of employees
	<30 (%)	30-50 (%)	>50 (%)	<30 (%)	30-50 (%)	>50 (%)	<30 (%)	30-50 (%)	>50 (%)	<30 (%)	30-50 (%)	>50 (%)	
FY2020	51%	45%	4%	0%	75%	25%	38%	62%	0%	55%	42%	3%	985
FY2021	51%	46%	3%	0%	80%	20%	40%	60%	0%	55%	43%	2%	1,017
FY2022	57%	40%	3%	0%	80%	20%	56%	44%	0%	61%	37%	2%	1,234

Percentage of employees by gender, for each employee category

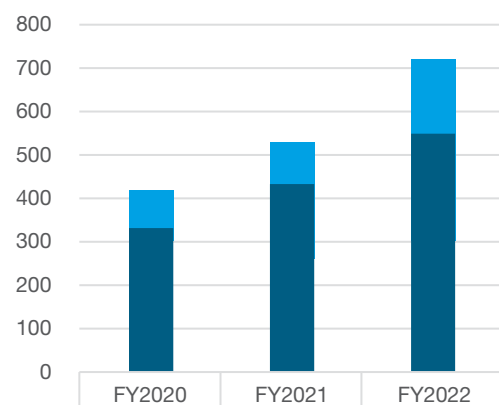
Year	Individual Contributors		Managers		Executive		Non- Executive		Total number employees
	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	
FY2020	10%	90%	25%	75%	50%	50%	6%	94%	985
FY2021	10%	90%	25%	75%	40%	60%	6%	94%	1,017
FY2022	11%	89%	20%	80%	44%	56%	7%	93%	1,234

Total Number of Local and Foreign Employees



■ Total Foreign ■ Total Local

Employee Gender Profile



■ Male ■ Female

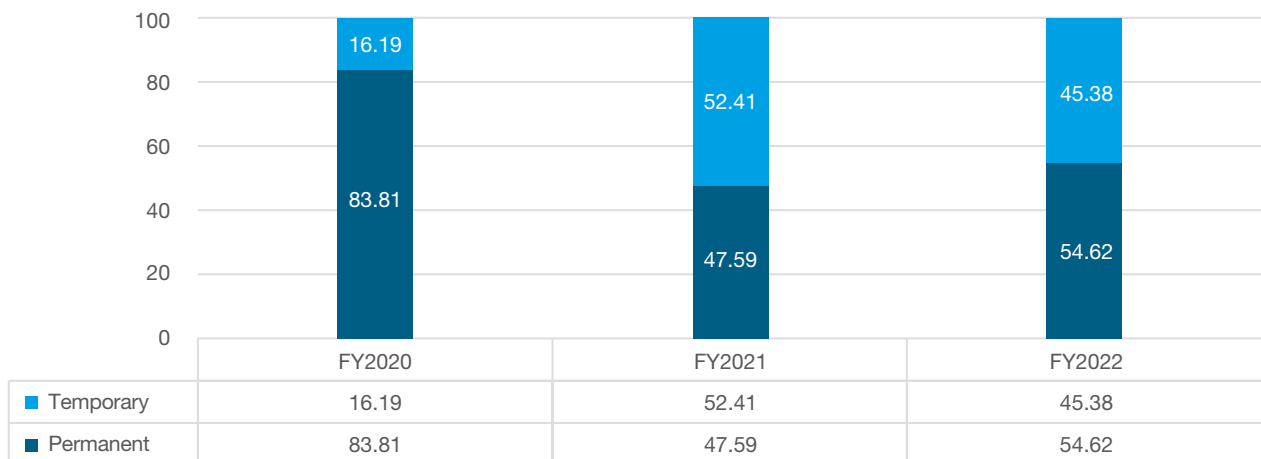
Notes:

1. The number of local employees has increased over the years.
2. Diversified and local hires are more represented in Executive and Management positions.
3. PMBT has excluded foreign employees for its age group, position, and gender profile statistics. Hence, those respective charts only reflect local employees.
4. All figures include employees from both construction and fabrication and manufacturing and trading at Group level.

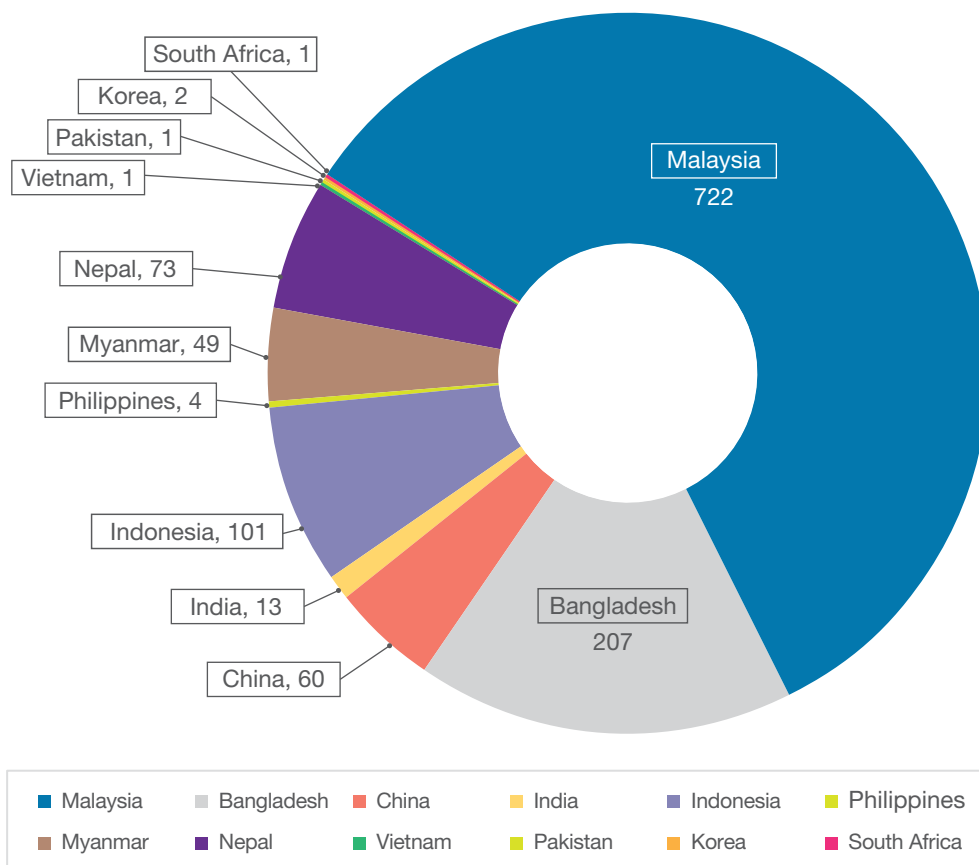
SUSTAINABILITY STATEMENT

cont'd

Temporary and Permanent Employment (%)

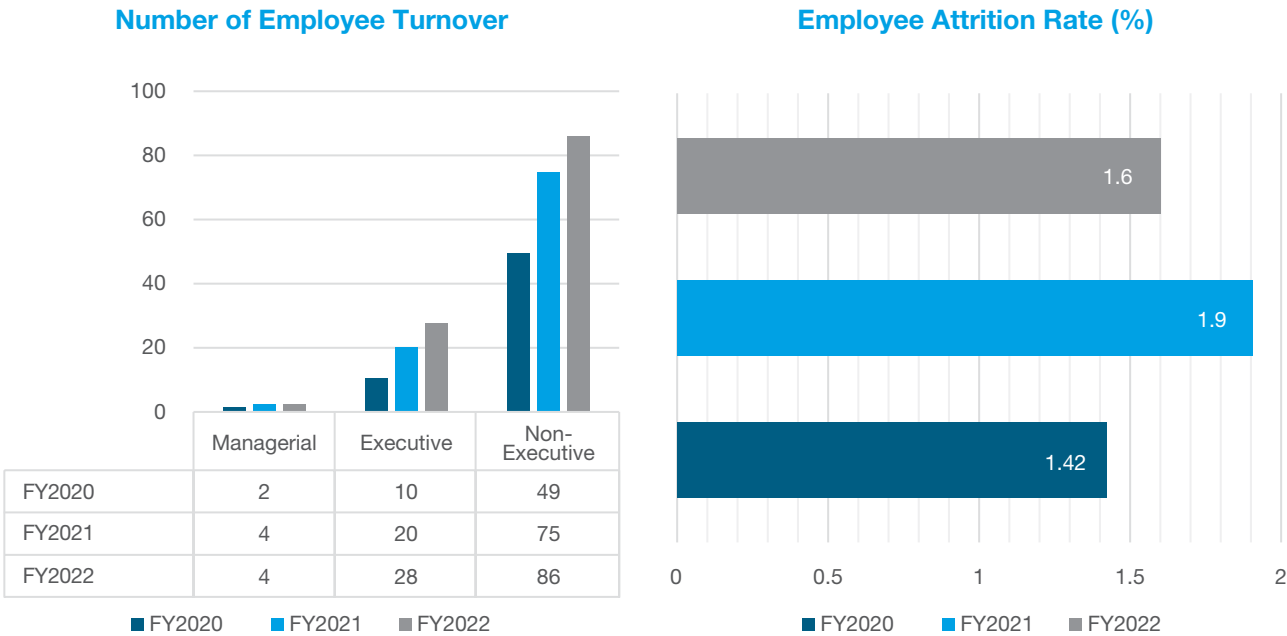


Employee Countries in FY2022



SUSTAINABILITY STATEMENT

cont'd



Note:

The Employee Turnover and Employee Attrition Rate charts only represent local employees within PMBT.

SAFE & CONDUCTIVE WORKPLACE

GRI 403: Occupational Health and Safety



Due to the nature of PMBT’s business, where workers are routinely exposed to complex machinery and processes, incorporating the appropriate work conduct among employees and creating a conducive working environment is essential to prevent safety incidents.

PMBT is committed to conducting practical training to maintain and cultivate a safe working environment. The Group’s Occupational Safety and Health (OSH) Policy outlines PMBT’s commitment towards providing safe working conditions and preventing work-related injuries for all employees, contractors, and visitors.

Safety, Health & Environmental Policy*

Ensures a safe and healthy working environment, compliance to all applicable legal and standards while striving for continual improvement, including the following:

- prevent major accidents, injuries, and occupational illness
- protect the environment from pollution
- provide the necessary resources in pursuing this policy meet all objectives and target to achieve zero (0) accidents

Health & Safety Practice

- Sort
- Straighten
- Shine
- Standardise
- Sustain

In line with the following laws and regulations:

- Occupational Safety and Health Act 1994
- Factories and Machinery Regulations 1989

Health & Safety Management-related Standards / Certifications

- ISO 45001:2018

*PMBT’s Safety, Health & Environmental Policy has been updated on 10 December 2021.

SUSTAINABILITY STATEMENT

cont'd

A dedicated Occupational Safety and Health Management Representative and Environmental, Health and Safety (EHS) Committee have been appointed to facilitate OSH activities, including:

- maintaining overall responsibility for health and safety programmes;
- ensuring all established health and safety policies are administered and enforced in all areas;
- providing all supervisory employees with proper, well-maintained tools and equipment and any personal protective devices which may be required;
- assisting in the development of safety and health rules and safe systems of work;
- reviewing the effectiveness of safety and health programmes;
- maintaining close communication with employees to control all potential workplace hazards immediately;
- carrying out investigations on the trends of accidents and reporting to Management of any unsafe conditions or practices with recommended corrective actions;
- reviewing on-site health and safety policies and revision suggestions;
- conducting ongoing approved first aid training courses and periodic production inspections; and
- monitoring government instructions closely and adapting to new procedures quickly.

The following is a list of OSH-related training programmes conducted for the Group's employees:

Training Programmes	Description	Frequency	Attendees
Safety Briefings	Daily safety briefing to ensure proper use of PPE for all factory workers – requires 100% participation	Daily	Factory Workers
Safety Induction Course	Briefing and demonstration of machinery and hand-tools usage when new employees join the production floor – requires 100% participation	As and when new employees join the Production floor	New Production Employees
Certified Training Programme (green card) for construction / field employees	Program involving the registration and accreditation of the Construction Personnel, to improve the safety level at the construction site	Yearly	Construction workers
Noise Monitoring Programme	<ul style="list-style-type: none"> • Identify areas and machineries that produce excessive noise level • Evaluate and recognize employees' exposure to noise level – requires 100% participation 	Yearly	Factory workers
Chemical Health Risk Assessment (CHRA)	Assessment to identify the use, handling, storage or transportation of chemicals hazardous to health in their workplace as required by the Occupational Safety and Health (Use and Standard of Exposure of Chemicals Hazardous to Health) Regulation 2000 – requires 100% participation	As required (e.g. with new additional Chemicals)	Factory workers
Basic Occupational First Aid with Cardiopulmonary Resuscitation (CPR) & Automated External Defibrillator (AED) Certification	<ul style="list-style-type: none"> • Awareness on the necessary actions to be taken during an emergency • Maintain a calm emotional and mental state during an emergency and respond accordingly. • Play their role as a life-saver (First Aider) in their workplace – requires 100% participation 	As required (e.g. New Supervisor, Refresher Course every 2 years)	Production Supervisors / Key Leaders
Basic Fire Fighting Training & Emergency Response Plan & Preparedness Training	<ul style="list-style-type: none"> • Identify the Fire and Explosion Risks (Hazards) in the Production / Working Area by understanding the Active Fire Systems in the Manufacturing Plant • Introduction to the use of Portable Fire Extinguisher – requires 100% participation 	As required (e.g. New Supervisor, Refresher Course every 2 years)	Production Supervisors / Key Leaders

SUSTAINABILITY STATEMENT

cont'd

Training Programmes	Description	Frequency	Attendees
OSH Awareness	Awareness on the importance of Occupational Safety and Health requirements and issues to themselves and also at the workplace – requires 100% participation	As required	HOD/Key Leaders
Forklift Safety & Certification Training	Designed Carefully with Initiative to Increase the Awareness of Me Handlers on Aspects Pertaining to Personal Safety, Surrounding People and The Properties While Operating the Vehicle	When required	Non-Executive & Executive level
Safe Forklift Training	<ul style="list-style-type: none"> Understand OSHA requirement Acquire necessary skills to operate a Forklift safely Understand Proper Loading and Stacking method 	When required	Non-Executive & Executive level
First Aid At Workplace	Understanding Basic First Aid for The Workplace and Creating a Safe Working Environment. Able To Respond Quickly and Appropriately to A Workplace Injury or Medical Condition	Every 2 years	Non-Executive & Above
Working At Height	Understand the hazards and risks working at height and how to prevent from falling accidents	When required	Non-Executive & Above
Basic Occupational First Aid & CPR Training	<ul style="list-style-type: none"> To prepare the participants to be confident and competent First Responder To comply with the Occupational Safety and Health Act 1994 To create the awareness that knowledge in First Aid and CPR can make the difference between life and death 	When required	Non-Executive & Above
Trained Person on Hearing Conservation Administration	Ensure compliance to the Occupational Safety and Health (Noise Exposure) Regulations 2019	When required	Managerial
Conference On Innovation & Intervention for Qhs2e Continual Improvement	<ul style="list-style-type: none"> Continuous Improvement in OSH Prevention through Design (PtD) Concept and GPP Application as a Basis for Preventive Culture 	When required	Managerial
Basic Occupational First Aid, CPR & AED Training (2 days)	<ul style="list-style-type: none"> Perform Basic Life Support Skill such as CPR & Choking Understand the importance of Automated External Defibrillator (AED) to increase survival rate Render First Aid Management for various injuries such as bleeding, burn, shock, fracture, and spinal injuries Understand systematic approach to survey & diagnose patient Become a Qualified First Aider & comply with legal provision: Occupational Safety & Health Act 1994 	When required	Non-Executive & Above

SUSTAINABILITY STATEMENT

cont'd

Training Programmes	Description	Frequency	Attendees
Basic Fire Fighting Training & Emergency Response Plan & Preparedness Training	<ul style="list-style-type: none"> Introduce trainees to the duties and responsibilities of a Fire Fighting Team & Fire Warden, and to obtain the necessary skills of fire safety, prevention and risk assessment Provides awareness of the danger of fire, guidance in the use of extinguishers and how to carry out the fire routine procedures Helps employers develop emergency response plans that will meet the specific needs of their businesses Trains ERT members to handle various emergencies by developing Emergency Response Plan (ERP) Understanding Emergency Procedure and executing Incident Command System (ICS) during disaster 	When required	Non-Executive & Above

Notes:

- There were 373 participants across PMBT for all OHS-related training programmes in FY2022
- Six (6) cases of lost time injuries (LTI) were reported in FY2022 across the Group. One (1) case of minor injury (non-lost time injury) was reported in FY2022. PMBT responded by tightening controls and undertaking maintenance on the machine to reduce the likelihood of similar incidents from occurring in the future.
- In FY2021, there was one case of fatality and three LTI in PMBT. This is a restatement of the 2021 Annual Report. There were no work-related fatality for FY2020 and FY2022.

In addition to the trainings listed, PMBT has consistently monitored any workplace incidents where employee safety could be compromised. As the COVID19 outbreak transitioned to an endemic phase in FY2022, PMBT also organised a Safety Campaign that included various HSE programs such as health talks, blood donations and HSE awareness sharing.

HUMAN CAPITAL INVESTMENT

GRI 403: Training and Education



PMBT believes that employee development is a long-term investment as talents should be nurtured and cultivated throughout their career in PMBT, leading to business growth, success and, ultimately, sustainability. Therefore, to upskill and deliver knowledge to employees, PMBT provides various training and development programmes for PMBT's employees to enhance their technical and soft skills.

The Group's ISO 9001:2015 Training Policy and Succession Planning Procedures outline the necessary actions and responsibilities to align with the internal and external requirements for PMBT. This includes identifying and assessing potential candidates with the assistance of the CEO to ascertain that Management-level successors have sufficient experience and are a suitable fit for the Group.

To cater to each employee's training requirements, PMBT conducts Training Needs Analysis annually to identify gaps between employee training and needs of training for all levels of employees. PMBT facilitates induction training for all new employees and on-the-job training to familiarise employees with the Group's culture, management systems and operations.

SUSTAINABILITY STATEMENT

cont'd

The following table lists the key external trainings offered during the reporting year

Type of Training	Description	Frequency	Attendees
Training For Nhs Overhead Crane Electrical	As in a factory, a crane runs on a fixed length of steel on top of each adjacent side of the factory. The purpose is for the lifting or transportation of goods or loads within the factory floor area as determined by the length of the steel beam	As and when required	Non-Executive & Above
Course For Certified Environmental Professional In Bag Filter Operation	Successful operation of a bag filter is an integral part of the operation of a successful industry. A trained and skilled bag filter operator, supervisor or engineer is not anymore a luxury but rather a must-have to the industry. Good environmental performance not only portrays positive corporate image, but avoids possibility of factory downtime and hefty monetary penalties due to legal actions from the environmental authority	When Required	Non-Executive & Above
Cswip 3.1 Welding Inspector Level 2	The CSWIP Welding Inspector course is designed for inspection engineers and supervisory staff. Those with little or no previous welding experience are advised to attend the Certificate in Visual Inspection of Welds course to prepare for this course	When Required	Non-Executive & Above
Forklift Competency Training	This forklift training is an in depth course on manual and mechanical forklift handling which is designed to increased safety, motivation and productivity that helps protect personnel, loads and equipment. It delivers a thorough understanding on safety management and procedures in compliance with the Occupational Safety & Health Act 1994 (OSHA, Act 514)	When Required	Non-Executive & Above
Vibration Training Cat 1	Intended for personnel who are new to vibration monitoring and analysis. This is the ideal starting place for new vibration analysts, people collecting vibration data and those who want a better understanding of vibration analysis and condition monitoring	When Required	Executive and above
Rs201 Radiation Safety Refresher Course	This course mainly caters for RPO/RPS/RPC to gather necessary CEP points for their re-certification by AELB. The course covers the followings topics: Ionising radiations, biological effects, radiation protection & monitoring, Atomic Energy Act and Regulations, Categorization and Security of Radioactive Sources, Applications of Ionising radiations and Safety, Radiation Safety and Emergency Procedures for Nuclear Gauges, Irradiating Apparatus and NORM/TENORM Activity	When Required	Executive
Wireman Grade 2	This course aims to provide participants with the knowledge of single phase electrical wiring for domestic installation	When Required	Non-Executive

SUSTAINABILITY STATEMENT

cont'd

Type of Training	Description	Frequency	Attendees
Internal Forklift Training	This forklift training is an in depth course on manual and mechanical forklift handling which is designed to increased safety, motivation and productivity that helps protect personnel, loads and equipment. It delivers a thorough understanding on safety management and procedures in compliance with the Occupational Safety & Health Act 1994 (OSHA, Act 514). This course on Forklift Training will train participants on the functional features and the capability of a forklift truck	When Required	Non-Executive & Above
Stocking Operator Training	Training provided includes the process of pushing mix materials in the furnace by using custom-made arms attached to forklift which is defined as stoking process. The training focuses on how to achieve best stoking skills that helps to stabilize furnace condition, hence increase the furnace output. Moreover, safety precautions are briefed thoroughly since this process involves high risk activities	When Required	Non-Executive & Above
AutoCAD Advance 2022	Aimed for participants to explore the advanced concepts of 2D tools using AutoCAD. The main objective is to enable participants to use advance commands to create 2D drawings	When Required	Executive
Foreign Sourced Income 2022	Understanding Of The Conceptual And Framework Of Foreign Sourced Income , Highlights The Must-Know Income Tax Implication	When Required	Managerial
How To Legally Handle Issues Of Poor Performance & Misconduct In The Workplace	Overview Of Industrial Relation Practice, Equip with A 'Hands On' Skill and Approach in Addressing Employment Related Issues in Workplace	When Required	Non-Executive
Managing Problematic Employee & How To Conduct Domestic Inquiry	Understanding And Guideline For Domestic Inquiry	When Required	Non-Executive
2022 HR Seminar (F2f)	Able To Anticipate The Possible Changes On The Employment Act And Make The Necessary Change For Company	When Required	Managerial
Mia Blended Learning Series : Deferred Tax Under Mfrs 112/Mpers Section 29 Unstacking Complexities With Excel Spreadsheets	To Identify The Various Key Financial Reporting Standards	When Required	Managerial
ISO 9001:2015 Awareness & Implementation	To Understand Management System Auditing Principles And Practices. To Learn And Utilize Essential Audit Techniques And Skills. To Plan, Develop, Executing Internal Audit Programme	When Required	Non-Executive & Above
ISO Management System Internal Auditing	Presented With Explanation of The Requirements for Ease of Understanding for Participants New to Iso Management System and Internal Auditing	When Required	Non-Executive & Above
Microsoft Excel Intermediate	Gain More Knowledge From The Foundation Level Of Excel. Understanding working with lots of formulas and creates report to understand the necessary technique on how an electronic spreadsheet works	When Required	Non-Executive & Above

SUSTAINABILITY STATEMENT

cont'd

Type of Training	Description	Frequency	Attendees
23 rd Conference And Exhibition On Ocsh	Share And Update Their Osh Knowledge And Skills To Meet The Dynamic Changes In The Malaysian Working Environment	When Required	Executive & Above
Sharpening Practical Accounting Skills To Handle Full Set Of Account	Understanding The Key Concepts And Importance Of The Day-To-Day Accounting Activity Requirements	When Required	Managerial
Essential Of Management Reporting	Develop Management Reporting Skills To Enhance The Quality Of Decision-Making In Your Organisation	When Required	Managerial
Introduction To Integrated Reporting	Understand The Business Case For The Introduction Of Integrated Reporting, Including Integrated Thinking, To An Organisation	When Required	Managerial
Effective Filing & Records Management	Learning The Essential Principles, Techniques & Procedures Of Filing & Records Management	When Required	Non-Executive & Executive
Agriculture, Horticulture And Aquaculture	Understand The Relatively Complex Financial Reporting Requirements On Malaysian Agriculture, Poultry And Animal Farming, Horticulture And Aquaculture As Required Under Mfrs And Mpers Financial Reporting	When Required	Managerial
Towards Understanding Harmonized System (Hs), Updates Customs Regulations and Procedures	Overview Of Harmonized System (Hs) , Hs Code Application Procedure, Transitional Of Pdk 2017 To Pdk 2022	When Required	Managerial
Cycle Time Reduction	To Identify And Eliminate Waste And Improving Performance For Small And Mid-Sized Manufacturers	When Required	Non-Executive & Above
EOT Claims Preparations 101	Learn To Extract And Compile The Necessary Documents For The Purpose Of Eot Claims And Master An Established Method Of Eot Claims Preparation Process	When Required	Managerial
(Mc) Employment Amendment Act 2021 & Guidelines For HR Policies	Able To Anticipate The Changes On The Employment Act And Able To Make Necessary Changes In Their Hr Policies To Ensure That It Is In Line With The New Amendments	When Required	Executive & above
Good Manufacturing Practice (GMP)	Provide Comprehensive Understanding Of The Functions And Roles Of Manufacturing Planning & Control, Acquire The Appropriate Concepts, Techniques And Practices To Solve Problems	When Required	Non-Executive & Above
Anti-Bribery and Corruption S. 17a Corporate Liability Perspective	Understanding in bribery and corruption detection and prevention in Malaysia in accordance to the Malaysian Anti-Corruption Commission Act 2009 & 2018 (Amendment Act)	Every 2 years	Non-Executive & Above
Anti-Bribery & Corruption (Personal & Corporate Liability) - Compliance & Implementation Awareness	Understanding and implementation of Anti Bribery Laws in Malaysia. An Overview of Digital Evidence & Documentary Evidence Importance	Every 2 years	Non-Executive & Above

SUSTAINABILITY STATEMENT

cont'd

Type of Training	Description	Frequency	Attendees
Forced Labour Indicators Training	Introduction-General Definition Of Forced Labour	When Required	Executive & above
Cepswam Field Training Report Preparation Workshop	Provide guidance to participants in preparation of good quality Field Training Report submission to Environmental Institute of Malaysia (EiMAS) as part of requirements to complete the course and be competent in CePIETSO & CePSWaM	When Required	Executive
Effective Spare Part Management Reducing Cost Through Optimized Space Inventory	Effective Spare parts management is a critical key functions in physical asset management. The availability of spare parts for maintenance and repairs is crucial for the uptime and effectiveness of assets, but high spare parts availability comes at a cost	When Required	Non-Executive & Above
Microsoft Excel Training For Admin Staff	This training is intended for anyone with an intermediate knowledge of Excel who wants to analyze and visualize data in order to get results. It focuses on understanding the underlying structure of big data so that the most appropriate tools can be used to analyze it. The training is targeted at an average person who wants to leverage his or her Excel skills to analyze large datasets	When Required	Non-Executive & Above
Human Capital : Talent Acquisition	Talent acquisition refers to the process employers use for recruiting, tracking and interviewing job candidates, and onboarding and training new employees. It is usually a function of the human resources (HR) department	When Required	Executive
ISO 9001:2015 Awareness Training & Internal Auditing Training	The ISO 9001:2015 Awareness course teaches a general understanding of the concepts of the ISO 9000 series of standards, and how the requirements impact the day-to-day operations of organizations in any industry. The ISO 9001:2015 Awareness course teaches a general understanding of the concepts of the ISO 9000 series of standards, and how the requirements impact the day-to-day operations of organizations in any industry	When Required	Executive and Above
Efficient Warehouse Management System	Effective Warehouse Management and safety are important for the organisation because it helps better Planning of inbound receipt procedures, storage formalities (such as location management, inventory control, occupational health and safety) and outbound delivery procedures. We need good and clean inventory management for quick find and retrieval. Good warehouse organisation is not only about putting everything in its place but also about maximising output while saving time and money to retain accurate inventory. Besides, these practices, like using bar codes and scanners, are a part of a warehouse and inventory management system	When Required	Executive
Induction Training	Briefing on Company Policies, Antibribery & Corruption Policies, and HR Policies for new joiners	When Required	Non-Executive & Above

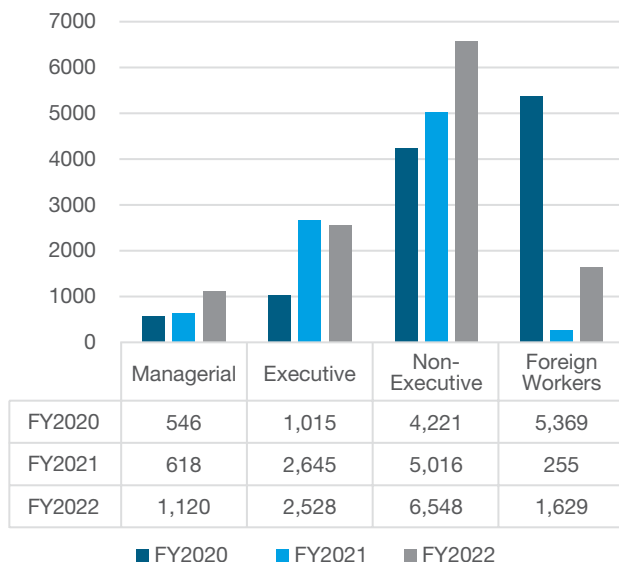
Note:

There were 846 participants across PMBT for all the technical, soft skill and induction training programmes for FY2022

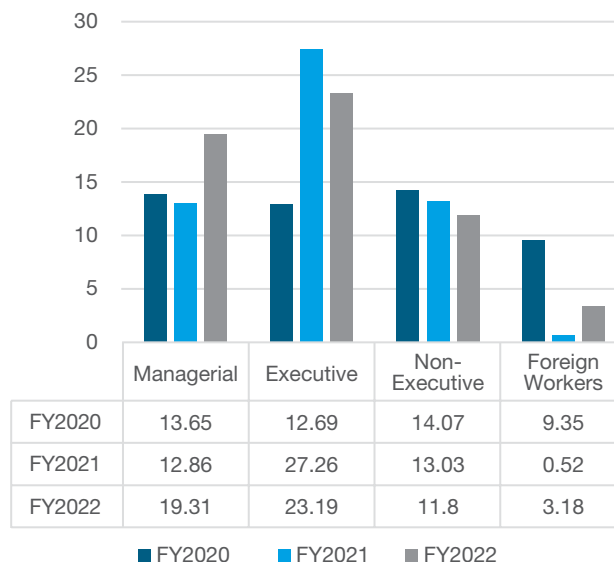
SUSTAINABILITY STATEMENT

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Number of Training Hours



Average Training Hours



COMMUNITY DEVELOPMENT

GRI 413: Local Communities



Community development and social programmes are at the forefront of PMBT's sustainability initiatives for societal benefit. As such, during the latest reporting year, PMBT has organised a wide variety of volunteer programmes that ranged from charity and blood donations to event planning, with an increase in the number of beneficiaries to 670 from 200 in FY2021.

In the coming year, PMBT will strive to continue strengthening community partnerships through new and ambitious CSR initiatives as the Group recognises it is a vital element of growth and brand reputation for PMBT.

FY 2022 CSR Programmes	No. of Beneficiaries	Positive Outcomes
Charity Donation to Hope 4 Strays Association Bintulu	50	This programme intended to provide needed care for the well-being of stray dogs and cats while also reducing the incidence of rabies diseases among the community
Blood Donation Campaign	220	This programme aimed to address the blood shortage issue among marginalised Malaysian communities
Food Festival (Makan Tahun) 2022 at Kampung Nyalau - Samalaju Bintulu	250	This programme contributed to the planning and organising of the Kampung Nyalau food festival event in collaboration with respective NGOs to strengthen PMB Silicon's reputation among community members
Kapit Light House	100	This programme allowed for relationship building between the community and staff members from PMB Technology Berhad
Samalaju International Christian Fellowship (SICF)	50	This programme prioritised relationship building and knowledge sharing among Samalaju Industrial employees and Samalaju SICF participants

SUSTAINABILITY STATEMENT

cont'd

Hope 4 Strays Programme:



Blood Donation Programme:



SUSTAINABILITY STATEMENT

cont'd



Food Festival (Kampung Nyalau - Samalaju Bintulu) Programme:



SUSTAINABILITY STATEMENT

cont'd



Kapit Lighthouse Programme:



SUSTAINABILITY STATEMENT

cont'd



Samalaju International Christian Fellowship (SICF) Programme:



SUSTAINABILITY STATEMENT

cont'd

GRI content Index

PMBT has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards 2021

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2-3	Reporting period, frequency and contact point	Reporting Period	46
2-4	Restatements of information	In FY2021, there was one case of fatality and three LTI in PMBT. This is a restatement of the 2021 Annual Report. The relevant information is under Theme 3: Developing Capabilities and Opportunities (Safe and Conducive Workplace)	72-75
2-5	External assurance	Reporting Assurance & Target Readers	46
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403-2	Hazard identification, risk assessment, and incident investigation	Theme 3: Developing Capabilities and Opportunities (Safe and Conducive Workplace)	72-75
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GRI 404: TRAINING AND EDUCATION 2016

404-1	Average hours of training per year per employee	Theme 3: Developing Capabilities and Opportunities (Human Capital Investment)	75-80
404-2	Programs for upgrading employee skills and transition assistance programs	Theme 3: Developing Capabilities and Opportunities (Human Capital Investment)	75-80
404-3	Percentage of employees receiving regular performance and career development reviews	Theme 3: Developing Capabilities and Opportunities (Human Capital Investment)	75-80

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

405-1	Diversity of governance bodies and employees	Theme 3: Developing Capabilities and Opportunities (Fair Employment Practices)	68-72
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GRI 418: CUSTOMER PRIVACY 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Theme 1: Delivering Value through Innovation (Data Privacy and Security)	62-63
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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 is required to include in its annual report a statement about the state of risk management and 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 maintain 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 that 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 reduce 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 regards risk management as an integral part of the Group's business operations and has oversight over this critical area through the Audit Committee. The Company has established, maintained and reviewed a proper risk management framework to identify, measure and control risks that may prevent the Group from achieving its objectives.

The Risk Management Policy has been approved by the Board and it governs the risk management approach applied to the Group. The major risks in which the Group is exposed to are operational, strategic, financial, products and reputational risks.

The Audit Committee reviews the effectiveness of the Risk Management Policy as and when required to continuously improve the risk management in this dynamic business environment.

The Audit Committee has engaged the services of external consultants to assess the adequacy and effectiveness of the internal control system. The internal audit process covers the audit of selected units and operations based on risk assessment conducted by the internal auditors and approved by the Audit Committee. 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 of XX 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.

A few internal control weaknesses were identified during the period, all of which have been, or are being addressed. System of internal controls is being implemented and continuous reviews are being carried out to ensure its adequacy and effectiveness. 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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 are in place for all business operating units;
- Three of its subsidiaries have the following accreditation for their operational processes:-

Everlast Aluminium (M) Sdn. Bhd.	<ul style="list-style-type: none"> • SIRIM BS 2037:1994 on portable aluminium ladder • SIRIM BS EN 1004:2004 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 EN 131-7:2013 on mobile ladders with platform • SIRIM BS EN 131-1:2007 + A1:2011 portable aluminium ladder • SIRIM BS EN 131-2:2010 portable aluminium ladder • ISO 9001:2015 on Quality Management System
PMB Façade Technology Sdn. Bhd.	<ul style="list-style-type: none"> • ISO 9001:2015 on Quality Management System
PMB Silicon Sdn. Bhd.	<ul style="list-style-type: none"> • ISO 9001:2015 on Quality Management System

- Review of all proposals for material capital and investment acquisitions by 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 budgets;
- 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, anti-bribery and corruption 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.

Management has taken the necessary actions to remediate weaknesses identified for the financial year under review. The Board and Management will continue to monitor the effectiveness and take measures to improve the risk management and the internal control systems.

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 have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspect of any significant problems disclosed in the annual report will, in fact, remedy the problems.



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DIRECTORS' REPORT

for the year ended 31 December 2022

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 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, 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.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	110,355	18,105

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 declared a first interim ordinary dividend of 5 sen per ordinary share on 24 February 2022 totalling RM11,690,030 in respect of the financial year ended 31 December 2021, which was paid on 5 April 2022.

The Directors do not recommend any dividend to be paid for the financial year under review.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Sri Dato' Koon Poh Keong
Koon Poh Ming
Dato' Koon Poh Tat
Koon Poh Weng
Loo Lean Hock
Ernest Bong Miao Fatt
Noor Alina Binti Mohamad Faiz

DIRECTORS' REPORT

for the year ended 31 December 2022
cont'd

DIRECTORS OF THE COMPANY

The Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Tan Sri Dato' Koon Poh Keong
Dato' Koon Poh Tat
Koon Poh Ming
Koon Poh Weng
Koon Poh Kong

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

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 spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 1.1.2022	Bought/ Transferred/ Exercised/ Converted	Sold/ Transferred	Bonus issue	At 31.12.2022
Interests in the Company:					
Tan Sri Dato' Koon Poh Keong	6,222,500	545,500	-	27,072,000	33,840,000
Koon Poh Ming					
- own	13,500,500	7,082,452	-	65,737,448	86,320,400
- spouse *	10,812,230	3,270,258	-	56,329,952	70,412,440
- children *	15,000,000	4,230,500	-	76,922,000	96,152,500
Dato' Koon Poh Tat	11,189,000	5,861,988	-	66,608,512	83,659,500
Koon Poh Weng					
- own	4,760,500	2,918,862	-	30,717,448	38,396,810
- spouse &	7,800,000	3,256,100	-	37,824,400	48,880,500
- child &	10,000	8,262,250	-	33,089,000	41,361,250
Ernest Bong Miao Fatt	96,000	72,000	-	672,000	840,000
Deemed interests in the Company:					
Tan Sri Dato' Koon Poh Keong ^	42,951,916	53,689,895	-	171,807,664	268,449,475
Koon Poh Ming #	11,956,076	-	(11,956,076)	-	-
Dato' Koon Poh Tat #	11,956,076	-	(11,956,076)	-	-
Koon Poh Weng #	11,956,076	-	(11,956,076)	-	-

DIRECTORS' REPORT

for the year ended 31 December 2022
cont'd

DIRECTORS' INTERESTS IN SHARES cont'd

	Number of irredeemable convertible unsecured loan stocks ("ICULS")			
	At 1.1.2022	Transferred	Sold/ Converted	At 31.12.2022
Interests in the Company:				
Tan Sri Dato' Koon Poh Keong	1,091,000	-	-	1,091,000
Koon Poh Ming				
- own	30,000	1,659,436	-	1,689,436
- spouse *	6,540,515	-	-	6,540,515
- children *	8,461,000	-	-	8,461,000
Dato' Koon Poh Tat	3,455,000	159,544	(3,455,000)	159,544
Koon Poh Weng				
- own	10,000	1,659,436	-	1,669,436
- spouse &	3,000,000	699,500	-	3,699,500
- child &	2,086,500	-	-	2,086,500
Ernest Bong Miao Fatt	48,000	-	(48,000)	-

Deemed interests in the Company:

Tan Sri Dato' Koon Poh Keong ^	21,475,958	-	-	21,475,958
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)	-

	Number of warrants				
	At 1.1.2022	Transferred	Sold/ Exercised	Bonus Issue	At 31.12.2022
Interests in the Company:					
Tan Sri Dato' Koon Poh Keong	545,500	-	(545,500)	-	-
Koon Poh Ming					
- own	15,000	829,718	(4,163,590)	3,318,872	-
- spouse *	3,270,258	-	(3,270,258)	-	-
- children *	4,230,500	-	(4,230,500)	-	-
Dato' Koon Poh Tat	1,727,500	79,772	(2,126,360)	319,088	-
Koon Poh Weng					
- own	5,000	829,718	-	3,338,872	4,173,590
- child &	2,500	1,477,650	(1,480,150)	-	-
Ernest Bong Miao Fatt	24,000	-	(24,000)	-	-

Deemed interests in the Company:

Tan Sri Dato' Koon Poh Keong ^	10,737,979	-	(53,689,895)	42,951,916	-
Koon Poh Ming #	3,398,644	-	(3,398,644)	-	-
Dato' Koon Poh Tat #	3,398,644	-	(3,398,644)	-	-
Koon Poh Weng #	3,398,644	-	(3,398,644)	-	-

DIRECTORS' REPORT

for the year ended 31 December 2022
cont'd

DIRECTORS' INTERESTS IN SHARES cont'd

- * *In accordance with the Companies Act, the interests of the spouse and the children of Koon Poh Ming in the shares of the Company shall be treated as the interests of Koon Poh Ming also.*
- & *In accordance with the Companies Act, the interests of the spouse and the child of Koon Poh Weng in the shares of the Company shall be treated as the interests of Koon Poh Weng also.*
- ^ *Deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd. (PKPL), by virtue of PKPL's direct interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn. Bhd.. Alpha Milestone Sdn. Bhd. holds shares in Press Metal Aluminium Holdings Berhad, which in turn holds shares in PMB Technology Berhad pursuant to Section 8(4) of the Companies Act 2016.*
- # *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, Tan Sri Dato' Koon Poh Keong and Koon Poh Ming are also deemed interested in the shares of the subsidiaries during the financial year to the extent that PMB Technology Berhad has an interest.

None of the other Directors holding office at 31 December 2022 had any interests 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 those shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2022 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	152	-
Remuneration	332	993
Estimated money value of any other benefits	150	357
	634	1,350

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 apart from the issue of ICULS and detachable warrants pursuant to the Rights Issue of ICULS with Warrants in the financial year 2018.

DIRECTORS' REPORT

for the year ended 31 December 2022
cont'd

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company was increased from 217,702,269 ordinary shares to 1,266,831,284 ordinary shares by way of:

- (i) Issuance of 958,794,612 ordinary shares on 28 April 2022 through bonus issue on the basis of four bonus shares for every one existing ordinary share held in the company;
- (ii) Conversion of a total of 10,801,974 units of ICULS to ordinary shares amounting to RM20,602,326; and
- (iii) Exercise of a total of 79,532,429 units of warrants to ordinary shares amounting to RM109,184,904.

TREASURY SHARES

There were no repurchase of treasury shares during the financial year. As at 31 December 2022, the Company held 25,202,000 (2021: 5,040,400) treasury shares upon the completion of the bonus issue on the basis of four (4) bonus shares for every one (1) existing ordinary share held.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of ICULS and detachable warrants pursuant to the Rights Issue of ICULS with Warrants in the financial year 2018. Salient features of the ICULS and warrants are disclosed in Note 14 to the financial statements.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity sum insured and premium paid for Directors and officers of the Group are RM3,000,000 and RM9,500 respectively. There is no indemnity given to or professional indemnity insurance effected for auditors for the Group and the Company.

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.

DIRECTORS' REPORT

for the year ended 31 December 2022
cont'd

OTHER STATUTORY INFORMATION cont'd

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, the financial performance of the Group and of the Company for the financial year ended 31 December 2022 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.

SIGNIFICANT EVENTS

Bonus issue

On 8 April 2022, shareholders approval was granted via Extraordinary General meeting to the Company for the proposed bonus issue of up to 1,296,774,800 new ordinary shares in PMB Technology Berhad on the basis of four (4) bonus shares for every one (1) existing share held by entitled shareholders of the Company. The bonus issue was completed following the listing of and quotation of 958,794,612 bonus shares and 67,792,388 additional warrants on the Main Market of Bursa Malaysia on 29 April 2022. The additional warrant rose from the adjustment to the number of outstanding warrants as result of the bonus issue aforementioned.

Disposal of a development land

On 17 August 2022, PMB Land (Sg. Besi) Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement with a third party for the disposal of a freehold development land for a total sale consideration of RM37,000,000. The transaction was completed during the current financial year end.

SUBSEQUENT EVENTS

Acquisition of lands

On 11 January 2023, PMB Silicon Sdn. Bhd., a wholly-owned subsidiary of the Company, received a Letter of Offer from Land & Survey Department Sarawak for the alienation of a parcel of 60 years leasehold state land measuring approximately 146,340m² in Kemena Land District, Samalaju for staff accommodation. Approximately RM5,200,000 was paid to Kerajaan Negeri Sarawak for the acquisition.

On 13 January 2023, PMB Carbon Sdn.Bhd., a wholly-owned subsidiary of the Company, received a Letter of Offer from Land & Survey Department Sarawak for the alienation of a parcel of 99 years leasehold industrial land measuring approximately 126 acres in Samalaju Industrial Park for a total consideration of approximately RM16,000,000. Payment was made in 5 yearly instalments with the 1st instalment of RM4,414,000 settled on 6 March 2023.



DIRECTORS' REPORT

for the year ended 31 December 2022
cont'd

AUDITORS

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

The auditors' remunerations of the Group and of the Company during the year are RM450,000 and RM90,000 respectively.

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

Koon Poh Ming
Director

Koon Poh Weng
Director

Petaling Jaya, Selangor

Date: 26 April 2023

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Assets					
Property, plant and equipment	3	958,728	784,441	156	2
Goodwill	4	792	792	-	-
Investment properties	5	4,433	4,474	-	-
Investments in subsidiaries	6	-	-	369,047	251,790
Investments in associates	7	-	-	-	-
Inventories	10	-	32,961	-	-
Deferred tax assets	8	1,844	2,923	1,818	3,139
Derivative financial assets	9	2,386	3,634	-	-
Total non-current assets		968,183	829,225	371,021	254,931
Inventories	10	270,362	256,767	-	-
Contract assets	11	31,422	73,454	-	-
Current tax assets		3,222	1,974	189	140
Trade and other receivables	12	314,119	210,803	179,549	214,993
Derivative financial assets	9	879	2,142	-	-
Cash and cash equivalents	13	127,977	83,052	489	860
Total current assets		747,981	628,192	180,227	215,993
Total assets		1,716,164	1,457,417	551,248	470,924
Equity					
Share capital		359,883	230,096	359,883	230,096
Translation reserve		6,693	4,440	-	-
Treasury shares		(2,220)	(2,220)	(2,220)	(2,220)
Hedging reserve		1,780	5,360	-	-
ICULS equity		136,889	152,310	136,889	152,310
Warrants reserve		3,588	28,222	3,588	28,222
Retained earnings		400,800	306,656	18,770	16,876
Equity attributable to owners of the Company	14	907,413	724,864	516,910	425,284

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

cont'd

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Liabilities					
ICULS liabilities	14	-	5,950	-	5,950
Loans and borrowings	15	174,674	220,774	-	-
Lease liabilities		11,979	11,206	-	-
Deferred tax liabilities	8	71,418	41,211	-	-
Total non-current liabilities		258,071	279,141	-	5,950
Derivative financial liabilities	9	467	-	-	-
ICULS liabilities	14	5,349	5,442	5,349	5,442
Loans and borrowings	15	355,618	278,240	-	-
Lease liabilities		8,228	6,085	-	-
Trade and other payables	16	170,868	159,844	28,989	34,248
Contract liabilities	11	8,338	2,905	-	-
Current tax liabilities		1,812	896	-	-
Total current liabilities		550,680	453,412	34,338	39,690
Total liabilities		808,751	732,553	34,338	45,640
Total equity and liabilities		1,716,164	1,457,417	551,248	470,924

The notes on pages 109 to 177 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	17	1,183,111	913,195	17,320	4,320
Cost of sales	18	(932,980)	(644,052)	-	-
Gross profit		250,131	269,143	17,320	4,320
Other income		3,726	3,688	-	-
Distribution expenses		(2,697)	(2,575)	-	-
Administrative expenses		(42,500)	(37,952)	(1,669)	(1,998)
Net loss on impairment of financial instruments and contract assets	22	(1,322)	(93)	-	-
Other expenses		(39,036)	(18,680)	(1,317)	(836)
Results from operating activities		168,302	213,531	14,334	1,486
Finance income	19	424	301	5,516	6,121
Finance costs	20	(21,453)	(20,239)	(614)	(1,143)
Net finance (costs)/income		(21,029)	(19,938)	4,902	4,978
Profit before tax		147,273	193,593	19,236	6,464
Tax expense	21	(36,918)	(40,818)	(1,131)	(902)
Profit for the year	22	110,355	152,775	18,105	5,562
Other comprehensive expense, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Cash flow hedge		(3,580)	(4,535)	-	-
Foreign currency translation differences for foreign operations		2,253	1,293	-	-
Other comprehensive expense for the year, net of tax		(1,327)	(3,242)	-	-
Total comprehensive income for the year		109,028	149,533	18,105	5,562
Basic earnings per ordinary share (sen)	23	9.35	14.66		
Diluted earnings per ordinary share (sen)	23	7.45	10.91		

The notes on pages 109 to 177 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Attributable to owners of the Company									
	Non-distributable					Distributable				
	Share capital	Translation reserve	Treasury shares	Hedging reserve	ICULS equity	Warrants reserve	Retained earnings	Total equity		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Group										
At 1 January 2021	203,274	3,147	(2,220)	9,895	153,457	33,921	156,312	557,786		
Cash flow hedge	-	-	-	(4,535)	-	-	-	(4,535)		
Foreign currency translation differences for foreign operations	-	1,293	-	-	-	-	-	1,293		
Total other comprehensive income/(expense) for the year	-	1,293	-	(4,535)	-	-	-	(3,242)		
Profit for the year	-	-	-	-	-	-	152,775	152,775		
Total comprehensive income/(expense) for the year	-	1,293	-	(4,535)	-	-	152,775	149,533		
Dividends to owners of the Company	24	-	-	-	-	-	(2,058)	(2,058)		
Conversion of ICULS	14	1,532	-	-	(1,147)	-	(373)	12		
Exercise of Warrants	14	25,290	-	-	-	(5,699)	-	19,591		
At 31 December 2021	230,096	4,440	(2,220)	5,360	152,310	28,222	306,656	724,864		
	Note 14	Note 14	Note 14	Note 27.7	Note 14	Note 14	Note 14			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

cont'd

	Attributable to owners of the Company						
	Non-distributable			Distributable			Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Treasury shares RM'000	Hedging reserve RM'000	ICULS equity RM'000	Warrants reserve RM'000	Retained earnings RM'000
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
At 1 January 2022	230,096	4,440	(2,220)	5,360	152,310	28,222	306,656
Cash flow hedge	-	-	-	(3,580)	-	-	(3,580)
Foreign currency translation differences for foreign operations	-	2,253	-	-	-	-	2,253
Total other comprehensive income/(expense) for the year	-	2,253	-	(3,580)	-	-	(1,327)
Profit for the year	-	-	-	-	-	-	110,355
Total comprehensive income/(expense) for the year	-	2,253	-	(3,580)	-	-	109,028
Dividends to owners of the Company	24	-	-	-	-	-	(11,690)
Conversion of ICULS	14	20,602	-	-	(15,421)	-	660
Exercise of Warrants	14	109,185	-	-	-	(24,634)	84,551
At 31 December 2022	359,883	6,693	(2,220)	1,780	136,889	3,588	400,800
	Note 14	Note 14	Note 14	Note 27.7	Note 14	Note 14	907,413

The notes on pages 109 to 177 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

		← Attributable to owners of the Company →					
		← Non-distributable →				Distributable	
	Note	Share capital	Treasury shares	ICULS equity	Warrants reserve	Retained earnings	Total equity
Company		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021		203,274	(2,220)	153,457	33,921	13,745	402,177
Profit and total comprehensive income for the year		-	-	-	-	5,562	5,562
Dividends to owners of the Company	24	-	-	-	-	(2,058)	(2,058)
Conversion of ICULS	14	1,532	-	(1,147)	-	(373)	12
Exercise of Warrants	14	25,290	-	-	(5,699)	-	19,591
At 31 December 2021/1 January 2022		230,096	(2,220)	152,310	28,222	16,876	425,284
Profit and total comprehensive income for the year		-	-	-	-	18,105	18,105
Dividends to owners of the Company	24	-	-	-	-	(11,690)	(11,690)
Conversion of ICULS	14	20,602	-	(15,421)	-	(4,521)	660
Exercise of Warrants	14	109,185	-	-	(24,634)	-	84,551
At 31 December 2022		359,883	(2,220)	136,889	3,588	18,770	516,910
		Note 14	Note 14	Note 14	Note 14		

The notes on pages 109 to 177 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities					
Profit before tax		147,273	193,593	19,236	6,464
<i>Adjustments for:</i>					
Depreciation of investment properties	5	100	100	-	-
Depreciation of property, plant and equipment	3	36,326	34,712	2	-
Dividend income	17	-	-	(16,000)	(3,000)
Finance costs	20	21,453	20,239	614	1,143
Finance income	19	(424)	(301)	(5,516)	(6,121)
Inventories written off	10	6,612	5,569	-	-
Net gain on disposal of property, plant and equipment		(2)	(26)	-	-
Net loss on impairment of financial instruments and contract assets	22	1,322	93	-	-
Net gain on termination of right-of-use assets		(7)	(2)	-	-
Unrealised foreign exchange gain	22	(1,679)	(831)	-	-
Operating profit/(loss) before changes in working capital		210,974	253,146	(1,664)	(1,514)
Change in inventories		12,754	(152,529)	-	-
Change in trade and other payables		11,711	19,698	(5,259)	(1,108)
Change in trade and other receivables		(106,868)	(30,297)	36	(56)
Change in contract assets		42,032	(42,634)	-	-
Change in contract liabilities		5,433	(1,200)	-	-
Cash generated from/(used in) operations		176,036	46,184	(6,887)	(2,678)
Tax paid		(8,933)	(4,193)	(49)	(47)
Tax refunded		2,182	359	-	-
Net cash from/(used in) operating activities		169,285	42,350	(6,936)	(2,725)

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

cont'd

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment		(179,933)	(36,665)	(156)	-
Acquisition of right-of-use assets	(i)	(462)	(138)	-	-
Acquisition of investment properties		(59)	-	-	-
Acquisition of land held for property development		-	(32,961)	-	-
Dividends received from subsidiaries		-	-	16,000	3,000
Change in pledged deposits		(43,310)	-	-	-
Increase in investments in subsidiaries		-	-	(117,257)	-
Acquisition of a subsidiary, net of cash acquired	30	(17,042)	-	-	-
Interest received		424	301	5,516	6,121
Proceeds from disposal of property, plant and equipment		2	26	-	-
Repayment from/(Advances to) subsidiaries		-	-	35,408	(17,135)
Net cash used in investing activities		(240,380)	(69,437)	(60,489)	(8,014)
Cash flows from financing activities					
Dividends paid to owners of the Company	24	(11,690)	(2,058)	(11,690)	(2,058)
Drawdown of bankers' acceptances		706,484	494,614	-	-
Drawdown of trust receipts		53,470	47,318	-	-
Drawdown of bank loans		35,724	24,170	-	-
Drawdown of revolving credits		30,314	61,114	-	-
Interest paid on loans and borrowings		(27,801)	(24,832)	(5,807)	(6,144)
Interest paid in relation to lease liabilities		(1,077)	(613)	-	-
Proceeds from exercise of warrants		84,551	19,591	84,551	19,591
Repayment of bank loans		(83,106)	(39,448)	-	-
Repayment of bankers' acceptances		(605,176)	(461,575)	-	-
Repayment of trust receipts		(47,318)	(19,111)	-	-
Payment of lease liabilities		(7,965)	(5,090)	-	-
Repayment of revolving credits		(59,114)	(37,349)	-	-
Net cash from financing activities		67,296	56,731	67,054	11,389
Net (decrease)/increase in cash and cash equivalents					
		(3,799)	29,644	(371)	650
Effect of foreign currency exchange rate fluctuations		5,414	1,255	-	-
Cash and cash equivalents at 1 January		83,052	52,153	860	210
Cash and cash equivalents at 31 December	13	84,667	83,052	489	860

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022
cont'd

(i) **Acquisition of right-of-use assets**

During the current financial year, the Group recognised right-of-use assets amounting to RM11,667,000 (2021: RM13,077,000) of which RM462,000 (2021: RM138,000) were down payments made in cash.

(ii) **Cash outflows for leases as a lessee**

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Included in net cash from operating activities					
Payments relating to short-term leases	22	4,325	3,121	-	-
Included in net cash from financing activities					
Interest paid in relation to lease liabilities	20	1,077	613	-	-
Payments of lease liabilities		7,965	5,090	-	-
Total cash outflows for leases		13,367	8,824	-	-

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

cont'd

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	At 1.1.2021		Net changes from financing cash flows		Acquisition of new lease		Termination		Net changes from financing cash flows		Acquisition of new lease		Termination		At 31.12.2022	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank loans	298,162	(15,278)	-	-	-	282,884	(47,382)	-	-	-	-	-	-	-	235,502	-
Bankers' acceptances	75,659	33,039	-	-	-	108,698	101,308	-	-	-	-	-	-	-	210,006	-
Trust receipts	19,111	28,207	-	-	-	47,318	6,152	-	-	-	-	-	-	-	53,470	-
Revolving credits	36,349	23,765	-	-	-	60,114	(28,800)	-	-	-	-	-	-	-	31,314	-
Bank overdrafts	405	(405)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	9,524	(5,090)	12,939	(82)	(82)	17,291	(7,965)	11,205	(324)	-	11,205	(324)	-	-	20,207	-
	439,210	64,238	12,939	(82)	(82)	516,305	23,313	11,205	(324)	-	11,205	(324)	-	-	550,499	-

The notes on pages 109 to 177 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

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associates. The financial statements of the Company as at and for the financial year ended 31 December 2022 do not include other entities.

The Company is principally engaged in investment holding activities, 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 26 April 2023.

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 requirements of the Companies Act 2016 in Malaysia.

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

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 a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standard and amendments:

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group and to the Company.
- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the abovementioned accounting standard and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of 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 3 - extension options and incremental borrowing rate in relation to leases
- Note 4 - measurement of the recoverable amounts of cash-generating units
- Note 17 - revenue from construction contracts
- Note 27 - measurement of expected credit loss ("ECL")

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured 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.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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.

For new acquisitions, 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.

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.

(iii) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(a) Basis of consolidation cont'd

(iii) Associates cont'd

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, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. 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 the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

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 investments includes transaction costs.

(iv) 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.

(v) 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 associates 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(b) Foreign currency cont'd

(i) Foreign currency transactions cont'd

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, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur 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 foreign currency translation reserve ("FCTR") in equity.

(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 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the 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 gain 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.

(c) Financial instruments

(i) Recognition and initial 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 asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(c) Financial instruments cont'd

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(b) *Fair value through profit or loss*

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

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

Financial liabilities

Amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses on derecognition are also recognised in profit or loss.

(iii) Financial guarantee contracts

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(c) Financial instruments cont'd

(iii) Financial guarantee contracts cont'd

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- The amount of the loss allowance; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Hedge accounting

At inception of a designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group has elected to account for the entire forward contract as a hedging instrument in its entirety. The forward element of these forward contracts is not separately accounted for from its spot element. Accordingly, the change in fair value of the entire forward contract is recognised in the hedging reserve in equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(c) Financial instruments cont'd

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) 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, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(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 also include the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

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

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 are 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 from the date that they are available for use. Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	17 - 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 - 25 years

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

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(e) Leases cont'd

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(e) Leases cont'd

(ii) Recognition and initial measurement cont'd

(b) As a lessor cont'd

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue" and "other income".

(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.



NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(g) Investment properties

Investment properties carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and buildings held for a currently undetermined future use or leased out. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

(h) Inventories

(i) Property development

Land held for property development consists of reclaimed land, freehold land, leasehold land and land use rights on which development work has commenced along with related costs on activities that are necessary to prepare the land for its intended use. Land held for property development is transferred to properties under development or work-in-progress when development activities have commenced.

Development costs comprises all costs directly attributable to property development activities or that can be allocated on a reasonable basis to these activities. Upon completion of development, unsold completed development properties are transferred to completed properties held for sale.

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.

(ii) Manufacturing inventories

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

The cost of inventories is calculated using the first-in-first-out method, 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.

(i) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see Note 2(k)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(j) 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 pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables and deferred tax assets) 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

(k) 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 of disposal. 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 (groups 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.

(l) 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 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(m) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component.

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, when the number of shares to be issued does not vary with the changes in their fair value.

The proceeds are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity, no gain or loss is recognised on conversion.

(n) 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(o) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(o) Revenue and other income cont'd

(i) Revenue cont'd

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Rental income

Rental income from leasing of products, 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 leasing of products sub-leased property are recognised as part of revenue other income respectively.

(iii) 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.

(iv) Interest income

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

(p) Borrowing costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(p) Borrowing costs cont'd

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

(q) Income tax

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

Current tax is the expected tax payable 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.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, 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 assets and liabilities 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.

(r) 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 determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise irredeemable convertible unsecured loan stocks and warrants.



NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(s) 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. Operating segment 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.

(t) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM'000	Buildings RM'000	Motor vehicles RM'000	Office renovation RM'000	Furniture and fittings RM'000	Office equipment RM'000	Plant and equipment/ machinery RM'000	Capital work-in- progress RM'000	Right- of-use assets RM'000	Total RM'000
Cost										
At 1 January 2021	5,002	351,929	5,867	1,135	2,718	7,277	464,411	-	77,075	915,414
Additions	-	15,319	121	-	272	747	20,206	-	13,077	49,742
Borrowing costs capitalised at 3.30% per annum (Note 20)	-	-	-	-	-	-	-	-	205	205
Disposals/Derecognition	-	-	-	-	-	-	(49)	-	(643)	(692)
Termination	-	-	-	-	-	-	-	-	(80)	(80)
Reclassification	-	-	761	-	-	-	5,122	-	(5,883)	-
Effect of movements in exchange rates	-	-	-	38	8	57	-	-	-	103
At 31 December 2021/ 1 January 2022	5,002	367,248	6,749	1,173	2,998	8,081	489,690	-	83,751	964,692
Acquisition of a subsidiary (Note 30)	-	-	-	-	-	-	-	-	17,045	17,045
Additions	2,040	9,062	39	-	1,147	796	20,097	146,752	11,667	191,600
Borrowing costs capitalised at 4.98% per annum (Note 20)	-	-	-	-	-	-	-	1,945	286	2,231
Disposals/Derecognition	-	-	(144)	-	-	-	-	-	(689)	(833)
Termination	-	-	-	-	-	-	-	-	(317)	(317)
Reclassification	-	-	642	-	-	-	2,792	-	(3,434)	-
Effect of movements in exchange rates	-	-	-	62	15	101	-	-	-	178
At 31 December 2022	7,042	376,310	7,286	1,235	4,160	8,978	512,579	148,697	108,309	1,174,596

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	Capital work-in- progress RM'000	Right- of-use assets RM'000	Total RM'000
Depreciation										
At 1 January 2021	-	12,470	4,564	450	2,271	4,663	111,854	-	9,894	146,166
Depreciation for the year	-	7,548	357	112	130	534	21,755	-	4,276	34,712
Disposals/Derecognition	-	-	-	-	-	-	(49)	-	(643)	(692)
Reclassification	-	-	246	-	-	-	1,724	-	(1,970)	-
Effect of movements in exchange rates	-	-	-	14	3	48	-	-	-	65
At 31 December 2021/ 1 January 2022	-	20,018	5,167	576	2,404	5,245	135,284	-	11,557	180,251
Depreciation for the year	-	7,940	380	118	144	552	21,684	-	5,508	36,326
Disposals/Derecognition	-	-	(144)	-	-	-	-	-	(689)	(833)
Reclassification	-	-	214	-	-	-	964	-	(1,178)	-
Effect of movements in exchange rates	-	-	-	30	7	87	-	-	-	124
At 31 December 2022	-	27,958	5,617	724	2,555	5,884	157,932	-	15,198	215,868
Carrying amounts										
At 1 January 2021	5,002	339,459	1,303	685	447	2,614	352,557	-	67,181	769,248
At 31 December 2021/ 1 January 2022	5,002	347,230	1,582	597	594	2,836	354,406	-	72,194	784,441
At 31 December 2022	7,042	348,352	1,669	511	1,605	3,094	354,647	148,697	93,111	958,728

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

	Furniture and fittings RM'000
Company	
Cost	
At 1 January 2021/31 December 2021/1 January 2022	15
Additions	156
At 31 December 2022	171
Depreciation	
At 1 January 2021/31 December 2021/1 January 2022	13
Depreciation for the year	2
At 31 December 2022	15
Carrying amounts	
At 1 January 2021/31 December 2021/1 January 2022	2
At 31 December 2022	156

3.1 Security

Properties of the Group with a carrying amount of RM350,929,000 (2021: RM376,979,000) are pledged as security to secure bank loans and revolving credits granted to the Group (see Note 15).

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

3.2 Right-of-use assets

	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Plant and equipment/ machinery RM'000	Total RM'000
Group					
Cost					
At 1 January 2021	56,180	2,865	2,637	15,393	77,075
Additions	-	1,223	318	11,536	13,077
Borrowing costs capitalised at 3.30% per annum (Note 20)	205	-	-	-	205
Reclassification	-	-	(761)	(5,122)	(5,883)
Derecognition	-	(554)	-	(89)	(643)
Termination	-	(80)	-	-	(80)
At 31 December 2021/1 January 2022	56,385	3,454	2,194	21,718	83,751
Acquisition of a subsidiary (Note 30)	17,045	-	-	-	17,045
Additions	273	1,503	1,197	8,694	11,667
Borrowing costs capitalised at 4.98% per annum (Note 20)	286	-	-	-	286
Reclassification	-	-	(642)	(2,792)	(3,434)
Derecognition *	-	(528)	-	(161)	(689)
Termination	-	(317)	-	-	(317)
At 31 December 2022	73,989	4,112	2,749	27,459	108,309
Depreciation					
At 1 January 2021	5,854	993	496	2,551	9,894
Depreciation for the year	1,058	1,350	265	1,603	4,276
Reclassification	-	-	(246)	(1,724)	(1,970)
Derecognition	-	(554)	-	(89)	(643)
At 31 December 2021/1 January 2022	6,912	1,789	515	2,341	11,557
Depreciation for the year	1,230	1,636	259	2,383	5,508
Reclassification	-	-	(214)	(964)	(1,178)
Derecognition *	-	(528)	-	(161)	(689)
31 December 2022	8,142	2,897	560	3,599	15,198
Carrying amounts					
At 1 January 2021	50,326	1,872	2,141	12,842	67,181
At 31 December 2021/1 January 2022	49,473	1,665	1,679	19,377	72,194
At 31 December 2022	65,847	1,215	2,189	23,860	93,111

* Derecognition of the right-of-use assets during 2022 and 2021 was resulted from early termination of certain lease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

3.2 Right-of-use assets cont'd

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

3.3 Extension options

Some of the buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension options of all leases are currently included in the lease terms as the Group assessed that it is reasonably certain to exercise the extension options, which is supported by the high historical rate of extensions exercised by the Group. Hence, as at 31 December 2022 and 31 December 2021, there were no potential future lease payments not included in lease liabilities.

3.4 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgements and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4. GOODWILL

	Group	
	2022	2021
	RM'000	RM'000
Cost		
At 1 January/31 December	792	792

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions 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	
	2022	2021
	RM'000	RM'000
PMB Quick Access Sdn. Bhd.	2	2
PMB-Cyberwall Limited	790	790
	792	792

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. GOODWILL cont'd

The Directors are of the opinion that the goodwill allocated to PMB Quick Access Sdn. Bhd. is not material. Hence, the disclosures below do not cover the impairment testing performed for PMB Quick Access Sdn. Bhd..

PMB-Cyberwall Limited ("PMB-Cyberwall")

The recoverable amount of PMB-Cyberwall was based on its value in use, determined by discounting future cash flows to be generated by PMB-Cyberwall. Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit and was based on the following key assumptions:

Cash flows were projected based on past experience, actual operating results and 5 years business plan. A terminal growth rate of 2% (2021: 2%) was then applied. Management believes that this terminal growth rate was justified due to the long-term nature of the construction business.

- The anticipated growth rate for revenue, based on past experience, was estimated to be 5% (2021: 5%).
- The anticipated incremental rate for cost, based on past experience, was estimated to be 5% (2021: 5%).
- A pre-tax discount rate of 8% (2021: 8%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the industry weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the construction industry and are based on both external sources and internal sources of historical data.

The above estimates are not particularly sensitive in any areas.

5. INVESTMENT PROPERTIES

	Freehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Total RM'000
Group				
Cost				
At 1 January 2021/31 December 2021/ 1 January 2022	42	1,486	3,520	5,048
Additions	-	59	-	59
At 31 December 2022	42	1,545	3,520	5,107
Depreciation				
At 1 January 2021	-	401	73	474
Depreciation for the year	-	30	70	100
At 31 December 2021/1 January 2022	-	431	143	574
Depreciation for the year	-	30	70	100
At 31 December 2022	-	461	213	674
Carrying amounts				
At 1 January 2021	42	1,085	3,447	4,574
At 31 December 2021/1 January 2022	42	1,055	3,377	4,474
At 31 December 2022	42	1,084	3,307	4,433

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. INVESTMENT PROPERTIES cont'd

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

Investment properties with a carrying amount of RM3,307,000 (2021: RM3,377,000) are pledged as security to secure bank loans granted to the Group (see Note 15).

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

	Group	
	2022	2021
	RM'000	RM'000
Rental income	192	93
Direct operating expenses:		
- income generating investment properties	(184)	(76)
- non-income generating investment properties	(33)	(117)

The operating lease payment receivable by the Group is not disclosed as it is not material in the context of financial statements.

Fair value information

Fair value of investment properties is categorised as follows:

	Group	
	2022	2021
	RM'000	RM'000
Level 3		
Freehold land	120	86
Buildings	7,069	6,541
	7,189	6,627

Valuation process applied by the Group for Level 3 fair value

The fair value of investment properties is estimated by the Directors using the comparison method. 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	369,047	251,790
At 1 January	251,790	251,790
Acquisition of a subsidiary	17,257	-
Subscription of additional shares	100,000	-
At 31 December	369,047	251,790

Details of the subsidiaries are as follows:

Name of entity	Country of incorporation/ Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2022 %	2021 %
PMB Silicon Sdn. Bhd. [@]	Malaysia	Production and distribution of metallic silicon and related products	100	100
PMB Land (Sg. Besi) Sdn. Bhd.	Malaysia	Property developer and manufacturing, trading and distribution of Industrial Building System (IBS)	100	100
PMB Façade Technology Sdn. Bhd. and its subsidiaries:-	Malaysia	Design, fabrication and installation of aluminium curtain wall, cladding systems, and manufacturing and trading of aluminium related products	100	100
PMB Façade Technology (H.K.) Limited *	Hong Kong	Design, fabrication and installation of aluminium curtain wall, cladding systems and other related products	100	100
PMB-Cyberwall Limited *	Hong Kong	Design, fabrication and installation of aluminium curtain wall, cladding systems and other related products	100	100
Kai PMB Façade Technology Limited * ^{# i}	Bangladesh	Dormant	51	51
PMB Carbon Sdn. Bhd.	Malaysia	Investment holding company, manufacturing and marketing of carbon based products as well as trading, distribution and fabrication of aluminium related products	100	100
PMB Chemical Sdn. Bhd.	Malaysia	Dormant	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 entity	Country of incorporation/ Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2022 %	2021 %
Everlast Aluminium (M) Sdn. Bhd. and its subsidiaries:-	Malaysia	Marketing of aluminium and other related products	100	100
Everlast Environmental Management Sdn. Bhd.	Malaysia	Dormant	100	100
Everlast Access Technologies Sdn. Bhd.	Malaysia	Manufacturing and marketing of aluminium and other related products	100	100
PMB Quick Access Sdn. Bhd. *	Malaysia	Marketing and rental of scaffolding tower and machinery as well as trading of other related products and to provide relevant transportation services	100	100
Asia Advanced Materials Sdn. Bhd. ^	Malaysia	Dormant	100	-

* Not audited by member firms of KPMG International.

Consolidated based on management accounts.

i The non-controlling interests in this subsidiary are not material to the Company. Hence, no further disclosures are provided.

^ On 15 March 2022, PMB Technology Berhad entered into a Share Sale Agreement with a third party for the acquisition of 40,000,000 ordinary shares, representing 100% of the total issued share capital in Asia Advanced Material Sdn. Bhd. for a total cash consideration of RM17,257,000. The acquisition was completed on 7 July 2022.

@ On 20 December 2022, the Company subscribed for an additional 100,000,000 new ordinary shares in PMB Silicon Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM100,000,000.

7. INVESTMENTS IN ASSOCIATES

	Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	100	100
Share of post-acquisition reserves	(100)	(100)
Group's share of net assets	-	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

7. INVESTMENTS IN ASSOCIATES cont'd

The Group has two associates as follows:

	Effective ownership interest and voting interest	
	2022	2021
PMB-Qatar W.L.L (incorporated in Qatar)	49%	49%
Greentec Forest Plantation Sdn. Bhd. (Formerly known as Greentec Logging Sdn. Bhd.) (incorporated in Malaysia)	40%	40%

Both associates are not material to the Group as they are dormant. Hence, no further disclosures are provided.

8. DEFERRED TAX (ASSETS)/LIABILITIES

Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	-	-	71,040	51,888	71,040	51,888
Provisions	(47)	(15)	-	-	(47)	(15)
Tax loss carry-forwards	(573)	(1,147)	-	-	(573)	(1,147)
Capital allowance carry-forwards	-	(10,606)	-	-	-	(10,606)
ICULS	(1,198)	(2,334)	-	-	(1,198)	(2,334)
Hedging reserve	-	-	139	416	139	416
Other items	(26)	(130)	239	216	213	86
Tax (assets)/liabilities	(1,844)	(14,232)	71,418	52,520	69,574	38,288
Set off of tax	-	11,309	-	(11,309)	-	-
Net tax (assets)/liabilities	(1,844)	(2,923)	71,418	41,211	69,574	38,288
Company						
Provisions	(47)	(14)	-	-	(47)	(14)
Tax loss carry-forwards	(573)	(574)	-	-	(573)	(574)
ICULS	(1,198)	(2,551)	-	-	(1,198)	(2,551)
Tax assets	(1,818)	(3,139)	-	-	(1,818)	(3,139)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

8. DEFERRED TAX (ASSETS)/LIABILITIES cont'd

Movement in temporary differences during the year

	At 1.1.2021 RM'000	Recognised in profit or loss (Note 21) RM'000	Recognised directly in equity (Note 14) RM'000	Recognised in other comprehensive income (Note 27.7) RM'000	At 31.12.2021/ 1.1.2022 RM'000	Recognised in profit or loss (Note 21) RM'000	Recognised directly in equity (Note 14) RM'000	Recognised in other comprehensive income (Note 27.7) RM'000	At 31.12.2022 RM'000
Group									
Property, plant and equipment	44,913	6,975	-	-	51,888	19,152	-	-	71,040
Provisions	(35)	20	-	-	(15)	(32)	-	-	(47)
Tax loss carry-forwards	(907)	(240)	-	-	(1,147)	574	-	-	(573)
Capital allowance carry-forwards	(38,743)	28,137	-	-	(10,606)	10,606	-	-	-
ICULS	(3,675)	1,338	3	-	(2,334)	946	190	-	(1,198)
Hedging reserve	768	-	-	(352)	416	-	-	(277)	139
Other items	70	16	-	-	86	127	-	-	213
	2,391	36,246	3	(352)	38,288	31,373	190	(277)	69,574
Company									
Provisions	(35)	21	-	-	(14)	(32)	-	-	(46)
Tax loss carry-forwards	(334)	(240)	-	-	(574)	1	-	-	(573)
ICULS	(3,675)	1,121	3	-	(2,551)	1,162	190	-	(1,199)
	(4,044)	902	3	-	(3,139)	1,131	190	-	(1,818)

NOTES TO THE FINANCIAL STATEMENTS

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9. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2022			2021		
	Nominal value RM'000	Assets RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000	Liabilities RM'000
Group						
Derivatives held for trading at fair value through profit or loss	17,404	879	-	-	-	-
Derivatives used for hedging:-						
Forward exchange contracts						
- Non-current	280,745	2,386	-	197,009	3,634	-
- Current	255,107	-	(467)	82,782	2,142	-
	535,852	2,386	(467)	279,791	5,776	-
	553,256	3,265	(467)	279,791	5,776	-

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of one to sixty months after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

10. INVENTORIES

	Note	Group	
		2022 RM'000	2021 RM'000
Non-current			
Land held for property development	10.1	-	32,961
Current			
Raw materials		104,621	121,948
Work-in-progress		8,660	7,892
Trading inventories and finished goods		157,081	126,927
		270,362	256,767
		270,362	289,728
Recognised in profit or loss:			
Inventories recognised as cost of sales		635,942	411,754
Inventories written off		6,612	5,569

Inventories written off for damaged and obsolete inventories were included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

10. INVENTORIES cont'd

10.1 Land held for property development

	Freehold land RM'000	Development costs RM'000	Total RM'000
Group			
At 1 January 2021	-	-	-
Additions	30,000	2,961	32,961
At 31 December 2021/1 January 2022	30,000	2,961	32,961
Disposal	(30,000)	(2,961)	(32,961)
At 31 December 2022	-	-	-

During the financial year, the Group has disposed off this land as disclosed in Note 31.

11. CONTRACT WITH CUSTOMERS

11.1 Contract assets/(liabilities)

	2022 RM'000	2021 RM'000
Group		
Contract assets	31,422	73,454
Contract liabilities	(8,338)	(2,905)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 to 60 days and payment is expected within 90 to 120 days.

The contract liabilities primarily relate to the advance consideration received from customers for construction contracts, which revenue is recognised over time during the construction projects. The contract liabilities are expected to be recognised as revenue over a period of 365 days.

Significant changes to contract assets and contract liabilities balances during the period are as follows:

	2022 RM'000	2021 RM'000
Group		
Contract liabilities at the beginning of the period recognised as revenue during the financial year	(2,905)	(3,243)
Contract liabilities at the beginning of the period not recognised as revenue during the financial year due to change in time frame	-	(862)
Contract assets at the beginning of the period not transferred to trade receivables during the financial year due to change in time frame	11,290	6,692

NOTES TO THE FINANCIAL STATEMENTS

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12. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Current					
Trade					
Trade receivables		61,948	54,669	-	-
Progress billings receivable	12.1	77,271	83,821	-	-
Less: Impairment losses		(400)	(400)	-	-
		138,819	138,090	-	-
Amounts due from affiliated companies	12.2	26,503	10,039	-	-
		165,322	148,129	-	-
Non-trade					
Amounts due from affiliated companies	12.2	687	-	-	-
Amounts due from subsidiaries	12.2	-	-	179,527	214,935
Other receivables		472	464	-	45
Deposits	12.3	80,755	28,255	2	2
Prepayments		66,883	33,955	20	11
		148,797	62,674	179,549	214,993
		314,119	210,803	179,549	214,993

12.1 Progress billings receivable

Included in progress billings receivable at 31 December 2022 are retentions of RM38,505,000 (2021: RM25,536,000) relating to construction work-in-progress. Retentions are unsecured, interest free and are expected to be collected as follows:

	Group	
	2022 RM'000	2021 RM'000
Within 1 year	6,215	153
More than 1 year	32,290	25,383
	38,505	25,536

12.2 Amounts due from affiliated companies and subsidiaries

The trade amounts due from affiliated companies are subject to normal trade terms.

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

NOTES TO THE FINANCIAL STATEMENTS

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12. TRADE AND OTHER RECEIVABLES cont'd

12.3 Deposits

Included in deposits of the Group are RM45,260,000 (2021: RM26,928,000) paid to suppliers for procurement of raw materials.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks	43,310	-	-	-
Cash and bank balances	84,667	83,052	489	860
Cash and cash equivalents in the statements of financial position	127,977	83,052	489	860
Less: Pledged deposits	(43,310)	-	-	-
Cash and cash equivalents in the statements of cash flows	84,667	83,052	489	860

The entire deposits placed with licensed banks of the Group are pledged for revolving credits granted to the Group (see Note 15).

14. CAPITAL AND RESERVES

Share capital

	Group and Company			
	Amount	Number of shares	Amount	Number of shares
	2022	2022	2021	2021
	RM'000	'000	RM'000	'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January	230,096	217,702	203,274	210,634
<i>Before bonus issue:</i>				
Conversion of irredeemable convertible unsecured loan stocks ("ICULS")	18,394	6,713	1,532	559
Exercise of Warrants	59,384	15,283	25,290	6,509
	77,778	21,996	26,822	7,068
Bonus issue	-	958,795	-	-
<i>After bonus issue:</i>				
Conversion of irredeemable convertible unsecured loan stocks ("ICULS")	2,208	4,089	-	-
Exercise of Warrants	49,801	64,249	-	-
	52,009	68,338	-	-
At 31 December	359,883	1,266,831	230,096	217,702

NOTES TO THE FINANCIAL STATEMENTS

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14. CAPITAL AND RESERVES cont'd

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, all rights are suspended until those shares are reissued.

During the financial year, the issued and fully paid-up share capital of the Company was increased from 217,702,269 ordinary shares to 1,266,831,284 ordinary shares by way of:

- (i) Issuance of 958,794,612 ordinary shares on 28 April 2022 through bonus issue on the basis of four bonus shares for every one existing ordinary share held in the company;
- (ii) Conversion of a total of 10,801,974 units of irredeemable convertible unsecured loan stocks ("ICULS") to ordinary shares amounting to RM20,602,326; and
- (iii) Exercise of a total of 79,532,429 units of warrants to ordinary shares amounting to RM109,184,904.

Irredeemable convertible unsecured loan stocks ("ICULS") with Warrants

During the financial year, 6,713,300 (2021: 559,000) new ordinary shares amounting to RM18,394,442 (2021: RM1,532,000) were issued resulting from the conversion of 6,713,300 (2021: 559,000) units of ICULS at the conversion price of RM2.74 before the bonus issue.

On 28 April 2022, the Company completed the issuance of 958,794,612 bonus share, which were approved by the shareholder of the Company on 8 April 2022. The conversion price for the ICULS was subsequently adjusted to RM0.54 (2021: RM2.74) upon the completion of bonus issue.

Subsequently to the bonus issue, 4,088,674 new ordinary shares amounting to RM2,207,884 were issued resulting from further conversion of 805,800 units of ICULS at the conversion price of RM0.54 after the bonus issue.

	Group and Company		
	Equity component	Liability component	Total
	RM'000	RM'000	RM'000
At 1 January 2021	153,457	16,408	169,865
Converted into ordinary shares during the year	(1,517)	(15)	(1,532)
Recognised directly in retained earnings	373	-	373
Accrual of interest	-	1,142	1,142
Repayment of interest	-	(6,143)	(6,143)
Deferred tax effect (Note 8):			
- on conversion	(3)	-	(3)
At 31 December 2021/1 January 2022	152,310	11,392	163,702
Converted into ordinary shares during the year	(19,752)	(850)	(20,602)
Recognised directly in retained earnings	4,521	-	4,521
Accrual of interest	-	613	613
Repayment of interest	-	(5,806)	(5,806)
Deferred tax effect (Note 8):			
- on conversion	(190)	-	(190)
At 31 December 2022	136,889	5,349	142,238

NOTES TO THE FINANCIAL STATEMENTS

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14. CAPITAL AND RESERVES cont'd

Irredeemable convertible unsecured loan stocks ("ICULS") with Warrants cont'd

The salient features of the ICULS are as follows:

- i) The issue and expiry date of the ICULS are on 13 July 2018 and 12 July 2023 respectively. Any ICULS not converted by the maturity date will be mandatorily converted into new shares of the Company;
- ii) The coupon rate for the ICULS is 3% per annum, payable semi-annually in arrears;
- iii) The conversion price for the ICULS is adjusted and fixed at RM0.54 (2021: RM2.74) for each new share upon the completion of bonus issue on the basis of four (4) bonus shares for every one (1) existing ordinary share in accordance with the provisions of the Trust Deed; and
- iv) The ICULS holder is entitled to exercise the right of conversion from date of issuance up to the maturity date.

Warrants reserve

During the financial year, 15,283,084 (2021: 6,509,000) new ordinary shares amounting to RM59,383,951 (2021: RM25,291,000) were issued resulting from the exercise of 15,283,084 (2021: 6,509,000) units of Warrants at the exercise price of RM3.01 before the bonus issue.

Upon the completion of the bonus issue on 28 April 2022, there is additional issuance of 67,792,388 warrants pursuant to the adjustment of exercise price for the warrants to RM0.60 (2021: RM3.01).

Subsequent to the bonus issue, 64,249,345 new ordinary shares amounting to RM49,800,952 were issued resulting from the further exercise of 64,249,345 units of warrants at the exercise price of RM0.60 after the bonus issue.

	Group and Company			
	Amount	Number of	Amount	Number of
	2022	warrants	2021	warrants
	RM'000	'000	RM'000	'000
At 1 January	28,222	32,231	33,921	38,740
Exercised into ordinary shares before bonus issue	(13,382)	(15,283)	(5,699)	(6,509)
Bonus issue	-	67,792	-	-
Exercised into ordinary shares after bonus issue	(11,252)	(64,249)	-	-
At 31 December	3,588	20,491	28,222	32,231

Warrants reserve represents reserve allocated to free detachable warrants issued with ICULS.

NOTES TO THE FINANCIAL STATEMENTS

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14. CAPITAL AND RESERVES cont'd

Warrants reserve cont'd

Salient features of the warrants are as follows:

- i) The issue and expiry date of the warrants are on 13 July 2018 and 12 July 2023 respectively. Any warrants which are not exercised during the period will lapse and cease to be valid for any purpose;
- ii) The exercise price of the warrants is adjusted and fixed at RM0.60 (2021: RM3.01) for each new share upon the completion of bonus issue on the basis of four (4) bonus shares for every one (1) existing ordinary share in accordance with the provisions of the Deed Poll; and
- iii) The warrants holders are entitled to exercise the right to subscribe new shares from the date of issuance up to market day falling immediately before the fifth (5th) anniversary of the date of the issuance of the warrants.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

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 interest of the Company and its shareholders.

There was no repurchase of issued share capital in the current financial year. During the financial year ended 31 December 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 including transaction costs, and the repurchase transactions were financed by internally generated funds.

On 4 May 2018, the said shares repurchased were split into 5,040,400 shares (after the completion of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) ordinary shares) and were held as treasury shares at cost.

On 29 April 2022, the treasury shares were further increased to 25,202,000 upon the completion of bonus issue on the basis of four (4) bonus shares for every one (1) existing ordinary share and were held at cost.

NOTES TO THE FINANCIAL STATEMENTS

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15. LOANS AND BORROWINGS

	Note	Group 2022 RM'000	2021 RM'000
Non-current			
Bank loans - secured	15.1	174,674	220,774
Current			
Bank loans - secured	15.1	60,828	62,110
Bankers' acceptances - unsecured	15.2	210,006	108,698
Trust receipts - unsecured	15.3	53,470	47,318
Revolving credits:			
- secured	15.4	28,050	17,500
- unsecured	15.5	3,264	42,614
		355,618	278,240
		530,292	499,014

15.1 Bank loans - secured

All the bank loans are secured over the Group's freehold land, leasehold land and buildings (see Notes 3 and 5) and are guaranteed by the Company.

15.2 Bankers' acceptances - unsecured

The bankers' acceptances of the Group are guaranteed by the Company.

15.3 Trust receipts - unsecured

The trust receipts of the Group are guaranteed by the Company.

15.4 Revolving credits - secured

The revolving credits are secured over the Group's leasehold land and buildings, deposits pledged with licensed banks (see Notes 3 and 13) and are guaranteed by the Company.

15.5 Revolving credits - unsecured

The revolving credits of the Group are guaranteed by the Company.

NOTES TO THE FINANCIAL STATEMENTS

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16. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Trade					
Trade payables		121,905	127,845	-	-
Amounts due to affiliated companies	16.1	9,421	8,258	-	-
		131,326	136,103	-	-
Non-trade					
Amounts due to affiliated companies	16.1	450	742	446	400
Amounts due to subsidiaries	16.1	-	-	28,251	33,666
Advances		19	1,014	-	-
Other payables and accrued expenses		39,073	21,985	292	182
		39,542	23,741	28,989	34,248
		170,868	159,844	28,989	34,248

16.1 Amounts due to affiliated companies and subsidiaries

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

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

17. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers	1,173,670	913,195	1,320	1,320
Other revenue				
Operating lease income	9,441	-	-	-
Dividend income	-	-	16,000	3,000
	1,183,111	913,195	17,320	4,320

NOTES TO THE FINANCIAL STATEMENTS

cont'd

17. REVENUE cont'd

17.1 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers of the Company represents management fee income received/receivable from certain subsidiaries based in Malaysia which is recognised in profit or loss over time when services are rendered. Payment is generally received within a month from invoice date.

Group	Manufacturing and trading		Construction and fabrication		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Primary geographical markets						
Malaysia	200,852	72,508	94,476	47,807	295,328	120,315
Other Asian countries	265,054	292,295	264,389	208,481	529,443	500,776
Other countries	348,899	292,104	-	-	348,899	292,104
	814,805	656,907	358,865	256,288	1,173,670	913,195
Major products and services lines						
Aluminium related products and others	56,981	42,003	74,181	30,235	131,162	72,238
Metallic silicon	757,824	614,904	-	-	757,824	614,904
Construction contracts	-	-	284,684	226,053	284,684	226,053
	814,805	656,907	358,865	256,288	1,173,670	913,195
Timing and recognition						
At a point in time	814,805	656,907	74,181	30,235	888,986	687,142
Over time	-	-	284,684	226,053	284,684	226,053
	814,805	656,907	358,865	256,288	1,173,670	913,195
Revenue from contracts with customers						
	814,805	656,907	358,865	256,288	1,173,670	913,195

17.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Warranty
Metallic silicon, aluminium related products and others	Revenue is recognised when the goods are delivered and accepted by the customers at their premises or shipped on board evidenced by bill of lading.	Credit period of 30 to 120 days from invoice date.	Not applicable.
Construction contracts	Revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use and the Group has rights to payment for work performed.	Credit period of 30 to 120 days from invoice date, or defect liability period of 12 to 18 months.	Assurance warranties of 2 years are given to customers.

The revenue from contracts with customers of the Group is not subject to variable element in the considerations, obligation for returns or refunds.

NOTES TO THE FINANCIAL STATEMENTS

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17. REVENUE cont'd

17.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2023 - 2025 RM'000
Group	
2022	
Construction contracts	346,109
	2022 - 2024 RM'000
Group	
2021	
Construction contracts	468,753

The above revenue does not include variable consideration.

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

17.4 Significant judgements and assumptions arising from revenue recognition

The Group applied judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For construction contracts, the Group measured the performance of construction work done by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.
- For certain sales of metallic silicon, aluminium related products and others, control of the goods is transferred to the customers when the goods are shipped on board evidenced by bill of lading. The Group estimates that the revenue from the additional performance obligation, arising from shipping and handling activities provided to be recognised over time, is immaterial for separate recognition from the sale of products.

NOTES TO THE FINANCIAL STATEMENTS

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18. COST OF SALES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Sale of goods	681,113	452,322	-	-
Construction contracts	251,867	191,730	-	-
	932,980	644,052	-	-

19. FINANCE INCOME

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income of financial assets that are at amortised cost	424	301	5,516	6,121

20. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	21,243	18,693	613	1,142
Interest expense on lease liabilities	1,077	613	-	-
Other finance costs	1,364	1,138	1	1
	23,684	20,444	614	1,143
Recognised in profit or loss	21,453	20,239	614	1,143
Capitalised as qualifying asset:				
- property, plant and equipment (Note 3)	2,231	205	-	-
	23,684	20,444	614	1,143

NOTES TO THE FINANCIAL STATEMENTS

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21. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current year	7,379	4,641	-	-
- prior year	(1,834)	(69)	-	-
Total current tax recognised in profit or loss	5,545	4,572	-	-
Deferred tax expense				
Origination of temporary differences	28,110	42,329	1,153	959
Under/(Over) provision in prior year	3,263	(6,083)	(22)	(57)
Total deferred tax recognised in profit or loss (Note 8)	31,373	36,246	1,131	902
Total income tax expense	36,918	40,818	1,131	902

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Reconciliation of tax expense				
Profit before tax	147,273	193,593	19,236	6,464
Income tax calculated using Malaysian tax rate of 24% (2021: 24%)	35,346	46,462	4,617	1,551
Effect of tax rates in foreign jurisdictions	(371)	(308)	-	-
Non-deductible expenses	4,450	2,382	1,700	1,597
Non-taxable income	(3,936)	(1,566)	(5,164)	(2,189)
Under/(Over) provision in prior year	1,429	(6,152)	(22)	(57)
	36,918	40,818	1,131	902

NOTES TO THE FINANCIAL STATEMENTS

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22. PROFIT FOR THE YEAR

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit for the year is arrived at after charging/ (crediting):				
Auditors' remunerations:				
- Audit fees				
KPMG PLT Malaysia	352	296	90	80
Other auditors	98	95	-	-
- Non-audit fees				
KPMG PLT Malaysia	117	25	45	25
Affiliate of KPMG PLT Malaysia	45	41	45	41
Affiliate of other auditors	4	4	-	-
Material expenses/(income)				
Depreciation of property, plant and equipment	36,326	34,712	2	-
Inventories written off	6,612	5,569	-	-
Net realised foreign exchange loss/(gain)	17,963	(2,245)	-	-
Net unrealised foreign exchange gain	(1,679)	(831)	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	4,405	3,244	154	186
- Wages, salaries and others	81,088	63,884	1,458	1,837
Expenses arising from leases				
Expenses relating to short-term leases (Note a)	4,325	3,121	-	-
Net loss on impairment of financial instruments and contract assets				
Net loss on impairment of financial assets	1,322	93	-	-

Note a

The Group leases office premises, residentials, warehouses and factory facilities with contract terms of less than one year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

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23. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2022	2021
Profit attributable to owners of the Company (RM'000)	110,355	152,775
		(restated)
Issued ordinary shares at 1 January (excluding treasury shares) ('000)	212,662	205,594
Effect of bonus issue* ('000)	850,648	822,376
Effect of exercise of warrants during the year ('000)	87,661	13,200
Effect of conversion of ICULS during the year ('000)	29,197	1,140
Weighted average number of ordinary shares at 31 December ('000)	1,180,168	1,042,310
Basic earnings per ordinary share (sen)	9.35	14.66

* The previous year's earnings per share have been restated to reflect the bonus issue subsequent to the end of the previous financial year on the basis of four (4) bonus shares for every one (1) existing share of the Company which was completed in April 2022.

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 December 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares that would have been in issue after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2022	2021
		(restated)
Profit attributable to ordinary shareholders (RM'000)	110,355	152,775
Potential saving of interest expense of on outstanding ICULS (net of tax) (RM'000)	4,169	4,639
Profit attributable to ordinary shareholders (diluted) (RM'000)	114,524	157,414
Weighted average number of ordinary shares at 31 December (basic) ('000)	1,180,168	1,042,310
Potential dilution arising from outstanding ICULS ('000)	338,649	376,801
Potential dilution arising from free Warrants ('000)	17,564	24,331
Weighted average number of ordinary shares at 31 December (diluted) ('000)	1,536,381	1,443,442
Diluted earnings per ordinary share (sen)	7.45	10.91

NOTES TO THE FINANCIAL STATEMENTS

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24. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2022			
First interim 2021 ordinary	5.00	11,690	5 April 2022
2021			
First interim 2020 ordinary	1.00	2,058	13 April 2021

The Directors do not recommend any dividend to be paid for the financial year under review.

25. OPERATING SEGMENTS

The Group has three 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 Chief Operating Decision Maker ("CODM") (i.e. the Group's Chief Executive Officer) 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 metallic silicon, aluminium products and other related products.
- * *Construction and fabrication.* Includes contracting, designing and fabrication of aluminium and stainless steel products.
- * *Investment holding and others.* Included investment holding and dormant companies.

There are varying levels of integration between the Manufacturing and Trading, and the Construction and Fabrication reportable segments. This integration includes transfers of raw materials and shared distribution services, respectively. Inter-segment pricing is determined on a negotiated basis.

Performance is measured based on segment profit before tax and interest as included in the internal management reports that are reviewed by the CODM. 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 CODM. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

Segment capital expenditure

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

NOTES TO THE FINANCIAL STATEMENTS

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25. OPERATING SEGMENTS cont'd

	Manufacturing and trading		Construction and fabrication		Investment holding and others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit	156,383	206,267	13,823	8,799	14,096	1,465	184,302	216,531
<i>Included in the measure of segment profit are:</i>								
Revenue from external customers	814,805	656,907	368,306	256,288	-	-	1,183,111	913,195
Inter-segment revenue	22,191	21,450	5,554	17,386	17,320	4,320	45,065	43,156
Depreciation	30,662	28,219	5,593	6,593	171	-	36,426	34,812
Segment assets	1,468,869	1,217,628	270,402	283,352	571,593	473,733	2,310,864	1,974,713
<i>Included in the measure of segment assets are:</i>								
Additions to non- current assets other than financial instruments and deferred tax assets	186,841	43,924	6,620	6,023	429	-	193,890	49,947

Reconciliations of reportable profit or loss and total assets

	2022	2021
	RM'000	RM'000
Profit or loss		
Total profit for reportable segments	184,302	216,531
Elimination of inter-segment profits	(16,000)	(3,000)
Finance income	424	301
Finance costs	(21,453)	(20,239)
Tax expense	(36,918)	(40,818)
Consolidated profit	110,355	152,775
Total assets		
Total assets for reportable segments	2,310,864	1,974,713
Elimination of inter-segment balances	(594,700)	(517,296)
Consolidated total	1,716,164	1,457,417

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. OPERATING SEGMENTS cont'd

Geographical segments

The Manufacturing and Trading, and the Construction and Fabrication segments are managed mainly in two principal geographical areas, Malaysia (country of domicile) and Hong Kong.

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. The amounts of non-current assets do not include financial instruments, investment in associates and deferred tax assets.

	Revenue	Non-current assets	Revenue	Non-current assets
	2022	2022	2021	2021
	RM'000	RM'000	RM'000	RM'000
Geographical information				
Malaysia	304,769	962,738	120,315	820,522
Other Asian countries	529,443	1,215	500,776	2,146
Other countries	348,899	-	292,104	-
	1,183,111	963,953	913,195	822,668

Major customers

There were no customers with revenue equal or more than 10% of the Group's total revenue for the financial years ended 31 December 2022 and 31 December 2021.

26. CAPITAL COMMITMENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Capital expenditure commitments				
Plant and equipment contracted but not provided for	70,396	31,982	-	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2022 categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL") - Mandatorily required by MFRS 9
- (c) Derivatives designated as hedging instruments

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	Derivatives used for hedging RM'000
2022				
Group				
Financial assets				
Trade and other receivables *	247,236	247,236	-	-
Derivative financial assets	3,265	-	879	2,386
Cash and cash equivalents	127,977	127,977	-	-
	378,478	375,213	879	2,386
Financial liabilities				
Loans and borrowings	(530,292)	(530,292)	-	-
Trade and other payables #	(170,849)	(170,849)	-	-
Derivative financial liabilities	(467)	-	-	(467)
	(701,608)	(701,141)	-	(467)
2022				
Company				
Financial assets				
Trade and other receivables **	179,529	179,529	-	-
Cash and cash equivalents	489	489	-	-
	180,018	180,018	-	-
Financial liabilities				
Trade and other payables	(28,989)	(28,989)	-	-
2021				
Group				
Financial assets				
Trade and other receivables *	176,849	176,849	-	-
Derivative financial assets	5,776	-	-	5,776
Cash and cash equivalents	83,052	83,052	-	-
	265,677	259,901	-	5,776

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL INSTRUMENTS cont'd

27.1 Categories of financial instruments cont'd

	Carrying amount RM'000	AC RM'000	Derivatives used for hedging RM'000
2021			
Group			
Financial liabilities			
Loans and borrowings	(499,014)	(499,014)	-
Trade and other payables #	(158,830)	(158,830)	-
	(657,844)	(657,844)	-
Company			
Financial assets			
Trade and other receivables **	214,982	214,982	-
Cash and cash equivalents	860	860	-
	215,842	215,842	-
Financial liabilities			
Trade and other payables	(34,248)	(34,248)	-

* Excluding prepayments of RM66,883,000 (2021: RM33,955,000)

** Excluding prepayments of RM20,000 (2021: RM11,000)

Excluding advances of RM19,000 (2021: RM1,014,000)

27.2 Net (gains) and losses arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net (gains) and losses on:				
Financial assets at amortised cost	12,471	(4,979)	(5,516)	(6,121)
Financial liabilities at amortised cost	23,765	21,227	614	1,143
Financial assets at fair value through profit or loss	(879)	-	-	-
Net loss on impairment of financial instruments:				
Financial assets at amortised cost	1,322	93	-	-
	36,679	16,341	(4,902)	4,978

27.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.4 Credit risk

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

Trade receivables and contract assets

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.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets 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 90 days, which are deemed to have higher credit risk, are monitored individually.

Concentration of credit risk

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

	Group	
	2022 RM'000	2021 RM'000
Domestic	41,849	28,759
Asia	102,388	153,588
Others	26,004	29,197
	<u>170,241</u>	<u>211,544</u>

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.4 Credit risk cont'd

Trade receivables and contract assets cont'd

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 120 days. The Group's debt recovery process is as follows:

- Above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team.

The Group uses an allowance matrix to measure expected credit loss ("ECL") of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2022 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amounts RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2022			
Current (not past due)	155,871	-	155,871
1 - 30 days past due	5,024	-	5,024
31 - 60 days past due	3,972	-	3,972
61 - 90 days past due	3,635	-	3,635
	168,502	-	168,502
Credit impaired			
More than 90 days past due	2,139	(400)	1,739
	170,641	(400)	170,241
Trade receivables	139,219	(400)	138,819
Contract assets	31,422	-	31,422
	170,641	(400)	170,241

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.4 Credit risk cont'd

Trade receivables and contract assets cont'd

Recognition and measurement of impairment losses cont'd

	Gross carrying amounts RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2021			
Current (not past due)	207,124	-	207,124
1 - 30 days past due	2,269	-	2,269
31 - 60 days past due	67	-	67
61 - 90 days past due	114	-	114
	209,574	-	209,574
Credit impaired			
More than 90 days past due	2,370	(400)	1,970
	211,944	(400)	211,544
Trade receivables	138,490	(400)	138,090
Contract assets	73,454	-	73,454
	211,944	(400)	211,544

There are no movements in the allowance for impairment in respect of trade receivables and contract assets during the current and previous financial years.

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 probable, the amount considered irrecoverable is written off against the receivables.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.4 Credit risk cont'd

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. 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.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease term. The Group manages the credit risk together with the leasing arrangement. The Group monitors the ability of the non-trade debtors to repay the debts on an individual basis.

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.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounts to RM530,292,000 (2021: RM499,014,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

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

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

Related party balances

Risk management objectives, policies and processes for managing the risk

The Group provides credit terms to affiliated companies. The Company provides unsecured advances to subsidiaries. The Group and the Company monitor their results regularly.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.4 Credit risk cont'd

Related party balances 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.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider related party balances to have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when related parties' financial position deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the related party balances when they are payable, the Group and the Company consider these balances to be in default when the related parties are not able to pay when demanded. The Group and the Company consider related party balances to be credit impaired when:

- The related parties are unlikely to repay their amounts due to the Group and the Company in full; or
- The related parties are continuously loss making and are having a deficit shareholders' fund.

The Group and the Company determine the probability of default for these related party balances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for related party balances.

	Gross carrying amounts RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2022			
Low credit risk	27,190	-	27,190
Credit impaired	1,537	(1,537)	-
	<u>28,727</u>	<u>(1,537)</u>	<u>27,190</u>
2021			
Low credit risk	10,039	-	10,039
Credit impaired	215	(215)	-
	<u>10,254</u>	<u>(215)</u>	<u>10,039</u>
Company			
2022			
Low credit risk	<u>179,527</u>	-	<u>179,527</u>
2021			
Low credit risk	<u>214,935</u>	-	<u>214,935</u>

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.4 Credit risk cont'd

Related party balances cont'd

Recognition and measurement of impairment loss cont'd

The movements in the allowance for impairment in respect of related party balances during the year are shown below:

	Credit impaired RM'000
Group	
Balance at 1 January 2021	122
Net remeasurement of loss allowance	93
Balance at 31 December 2021/1 January 2022	215
Net remeasurement of loss allowance	1,322
Balance at 31 December 2022	1,537

27.5 Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.5 Liquidity risk cont'd

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	Contractual interest rate/ Discount rate	Contractual cash flows	Under 1 year	1 - 2 years	2 - 5 years	More than 5 years
2022	RM'000	%	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	170,849	-	170,849	170,849	-	-	-
Bank loans	235,502	3.74%-5.72%	253,206	69,270	66,280	114,571	3,085
Bankers' acceptances	210,006	2.86%-6.08%	210,006	210,006	-	-	-
Trust receipts	53,470	1.88%-5.34%	53,470	53,470	-	-	-
Revolving credits	31,314	3.26%-6.89%	31,314	31,314	-	-	-
Lease liabilities	20,207	2.09%-6.20%	21,920	9,151	6,623	6,109	37
ICULS liabilities	5,349	3.00%	5,486	5,486	-	-	-
	<u>726,697</u>		<u>746,251</u>	<u>549,546</u>	<u>72,903</u>	<u>120,680</u>	<u>3,122</u>
<i>Derivative financial liabilities/(assets)</i>							
Forward exchange contracts (gross settled):							
Outflow	467	-	533,612	255,592	114,700	163,320	-
Inflow	(2,386)	-	(535,852)	(255,107)	(115,265)	(165,480)	-
	<u>724,778</u>		<u>744,011</u>	<u>550,031</u>	<u>72,338</u>	<u>118,520</u>	<u>3,122</u>

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.5 Liquidity risk cont'd

Maturity analysis cont'd

	Carrying amount	Contractual interest rate/ Discount rate	Contractual cash flows	Under 1 year	1 - 2 years	2 - 5 years	More than 5 years
2021	RM'000	%	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	158,830	-	158,830	158,830	-	-	-
Bank loans	282,884	*	309,561	72,221	68,546	163,977	4,817
Bankers' acceptances	108,698	2.85%-4.24%	108,698	108,698	-	-	-
Trust receipts	47,318	1.90%-2.79%	47,318	47,318	-	-	-
Revolving credits	60,114	2.25%-3.76%	60,114	60,114	-	-	-
Lease liabilities	17,291	2.30%-6.20%	19,116	6,913	4,913	7,290	-
ICULS liabilities	11,392	3.00%	12,208	6,104	6,104	-	-
	<u>686,527</u>		<u>715,845</u>	<u>460,198</u>	<u>79,563</u>	<u>171,267</u>	<u>4,817</u>
<i>Derivative financial liabilities/(assets)</i>							
Forward exchange contracts (gross settled):							
Outflow	-	-	273,606	80,563	81,518	111,525	-
Inflow	(5,776)	-	(279,791)	(82,782)	(83,752)	(113,257)	-
	<u>680,751</u>	-	<u>709,660</u>	<u>457,979</u>	<u>77,329</u>	<u>169,535</u>	<u>4,817</u>

* Fixed rate bank loan is subject to a fixed interest rate of 7.25% per annum. Floating rate term loans are subject to floating interest rates ranging from 0.25% to 1.50% per annum above the bank's base lending rate or cost of fund.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.5 Liquidity risk cont'd

Maturity analysis cont'd

Company	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
2022							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	28,989	-	28,989	28,989	-	-	-
Financial guarantees	-	-	530,292	530,292	-	-	-
ICULS liabilities	5,349	3.00%	5,486	5,486	-	-	-
	<u>34,338</u>		<u>564,767</u>	<u>564,767</u>	<u>-</u>	<u>-</u>	<u>-</u>
2021							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	34,248	-	34,248	34,248	-	-	-
Financial guarantees	-	-	499,014	499,014	-	-	-
ICULS liabilities	11,392	3.00%	12,208	6,104	6,104	-	-
	<u>45,640</u>		<u>545,470</u>	<u>539,366</u>	<u>6,104</u>	<u>-</u>	<u>-</u>

27.6 Market risk

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

27.6.1 Foreign currency risk

The Group is exposed to foreign currency risk on sales, 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"), Australian Dollar ("AUD"), Chinese Yuan ("CNY"), Singapore Dollar ("SGD"), Euro Dollar ("EUR") and Japan Yen ("JPY").

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.6 Market risk cont'd

27.6.1 Foreign currency risk cont'd

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	Denominated in					
	USD RM'000	AUD RM'000	CNY RM'000	SGD RM'000	EUR RM'000	JPY RM'000
2022						
Balances recognised in the statement of financial position						
Trade and other receivables	84,343	1,312	39,369	173	5,816	-
Trade and other payables	(19,299)	-	(6,234)	-	-	-
Cash and cash equivalents	30,319	313	3	634	650	-
	95,363	1,625	33,138	807	6,466	-
Forecast transactions						
Forecast sales	535,852	-	-	-	-	-
Forward exchange contract on forecast sales	(533,612)	-	-	-	-	-
Forecast purchases	-	-	(8,657)	-	-	(8,747)
Forward exchange contract on forecast purchases	-	-	8,914	-	-	9,369
Net exposure	97,603	1,625	33,395	807	6,466	622
2021						
Balances recognised in the statement of financial position						
Trade and other receivables	53,684	2,379	10,459	214	2,171	-
Trade and other payables	(61,333)	-	(1,456)	-	(1,169)	-
Cash and cash equivalents	18,022	1	3	10	72	-
	10,373	2,380	9,006	224	1,074	-
Forecast transactions						
Forecast sales	279,791	-	-	-	-	-
Forward exchange contract on forecast sales	(273,606)	-	-	-	-	-
Net exposure	16,558	2,380	9,006	224	1,074	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.6 Market risk cont'd

27.6.1 Foreign currency risk cont'd

Currency risk sensitivity analysis

A 10% (2021: 10%) strengthening of Ringgit Malaysia 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	
	2022	2021
	RM'000	RM'000
USD	(7,418)	(1,258)
AUD	(124)	(181)
CNY	(2,538)	(684)
SGD	(61)	(17)
EUR	(491)	(82)
JPY	(47)	-

A 10% (2021: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

27.6.2 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.6 Market risk cont'd

27.6.2 Interest rate risk cont'd

Exposure to interest rate risk

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

	Group	
	2022	2021
	RM'000	RM'000
Fixed rate instruments		
Financial liabilities	(314,997)	(233,421)
Floating rate instruments		
Financial liabilities	(235,502)	(282,884)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial 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.

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		Profit or loss	
	30 bp increase 2022	30 bp decrease 2022	30 bp increase 2021	30 bp decrease 2021
Group	RM'000	RM'000	RM'000	RM'000
Floating rate instruments	(537)	537	(645)	645

27.6.3 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.7 Hedging activities

27.7.1 Currency risk – Transactions in foreign currency

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales and receivables are denominated and the respective functional currencies of the Group. The functional currencies of Group companies are primarily the Malaysian Ringgit ("MYR"). The currency in which these transactions are primarily denominated is U.S. Dollars ("USD").

The Group's risk management policy is to hedge within 50% of its estimated foreign currency of its estimated foreign currency exposure in respect of forecast monthly sales over a period of 12 to 60 months. The Group purchases forward foreign exchange contracts to hedge foreign transactions. The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. Most of these contracts have a maturity of one to sixty months from the reporting date. The Group determines the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Company's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

27.7.2 Cash flow hedge

At 31 December 2022, the Group held the following instruments to hedge exposures to changes in foreign currency.

Group	Maturity		
	Under 1 year RM'000	1 - 2 years RM'000	2 – 5 years RM'000
2022			
Foreign currency risk			
Forward exchange contracts			
Net exposure	255,107	115,265	165,480
Average MYR:USD forward contract	4.307	4.301	4.346

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.7 Hedging activities cont'd

27.7.2 Cash flow hedge cont'd

Group	Maturity		
	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2021			
Foreign currency risk			
Forward exchange contracts			
Net exposure	82,782	83,749	113,260
Average MYR:USD forward contract	4.281	4.320	4.357

The amounts at the reporting date relating to items designated as hedged items were as follows:

Group	Cash flow hedge reserve	
	2022 RM'000	2021 RM'000
Foreign currency risk		
Forecast sales –		
Forward exchange contracts	1,919	5,776
Deferred tax on hedging reserve (Note 8)	(139)	(416)
Hedging reserve	1,780	5,360

The amount relating to items designated as hedging instruments and hedge effectiveness are as follows:

				Line item in the statement of financial position where the hedging instrument is included
	Nominal amount	Carrying Assets	amounts Liabilities	
Group	RM'000	RM'000	RM'000	
2022				
Foreign currency risk				
Forward exchange contracts				Derivative financial assets/
– Sales	535,852	2,386	(467)	(Liabilities)
2021				
Foreign currency risk				
Forward exchange contracts				
– Sales	279,791	5,776	-	Derivative financial assets

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.7 Hedging activities cont'd

27.7.2 Cash flow hedge cont'd

	Changes in the value of hedging instrument recognised in other comprehensive income RM'000	Amount reclassified from hedge reserve to profit or loss RM'000	Line item in profit or loss affected by the reclassification
2022			
Foreign currency risk			
Forward exchange contracts			
- Sales	(20,719)	17,139	Revenue
2021			
Foreign currency risk			
Forward exchange contracts			
- Sales	(2,700)	(1,835)	Revenue

The following table provides reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

	Hedging reserve	
	2022 RM'000	2021 RM'000
Group		
Balance at 1 January	5,360	9,895
Cash flow hedge		
<i>Changes in fair value:</i>		
Foreign currency risk – sales	(20,442)	(2,348)
<i>Amount reclassified to profit or loss:</i>		
Foreign currency risk – sales	17,139	(1,835)
Tax on movements on reserves during the year (Note 8)	(277)	(352)
Balance at 31 December	1,780	5,360

27.8 Fair value information

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

The fair values of bank loans were estimated to approximate carrying amount as bank loans are floating rate instruments where they bear variable rates of interest determined based on a margin over the lender bank's cost of funds.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS cont'd

27.8 Fair value information cont'd

The table below analyses financial instruments at fair value and those not carried at fair value:

Group	Fair value of financial instruments carried at fair value Level 2 RM'000	Total fair value RM'000	Carrying amounts RM'000
2022			
Financial assets			
Forward exchange contracts			
- Sales	2,386	2,386	2,386
- Purchases	879	879	879
Financial liabilities			
Forward exchange contracts			
- Sales	467	467	467
2021			
Financial assets			
Forward exchange contracts			
- Sales	5,776	5,776	5,776

Level 2 fair value

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

NOTES TO THE FINANCIAL STATEMENTS

cont'd

28. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and 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 2022 and 31 December 2021 were as follows:

	Note	Group	
		2022 RM'000	2021 RM'000
Total loans and borrowings including ICULS liabilities		535,641	510,406
Lease liabilities		20,207	17,291
Less: Cash and cash equivalents	13	(127,977)	(83,052)
Net debt		427,871	444,645
Total equity		907,413	724,864
Debt-to-equity ratio		0.5	0.6

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

29. 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. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its significant investors, subsidiaries, affiliated companies, associates and key management personnel. 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. In the context of these financial statements, affiliated companies also include the subsidiaries of the affiliated company.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. RELATED PARTIES cont'd

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 Notes 12 and 16.

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
A. Affiliated companies				
Sale of goods	(80,425)	(13,178)	-	-
Purchase of goods	31,936	19,156	-	-
Rental income on property	(75)	(360)	-	-
Rental income on motor vehicles	(24)	(34)	-	-
Rental expense on properties	141	228	-	-
Rental expense on motor vehicles	3	17	-	-
B. Subsidiaries				
Dividend income	-	-	(16,000)	(3,000)
Finance income	-	-	(5,516)	(6,121)
Management fee income	-	-	(1,320)	(1,320)
C. Key management personnel				
Directors				
- Fees	152	132	152	132
- Remuneration	1,325	1,151	332	313
- Estimated money value of any other benefits	507	356	150	114
Total short-term employee benefits	1,984	1,639	634	559
Other key management personnel				
Short-term employee benefits	2,478	2,187	-	-
	4,462	3,826	634	559

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

30. ACQUISITION OF A SUBSIDIARY

On 15 March 2022, PMB Technology Berhad entered into a Share Sale Agreement with a third party for the acquisition of 40,000,000 ordinary shares, representing 100% of the total issued share capital in Asia Advanced Material Sdn. Bhd. ("AAM") for a total cash consideration of RM17,257,000. AAM remains dormant and its proposed principal activities are the production and distribution of metallic silicon and related products. No revenue and profit was recorded from completion date of 7 July 2022 to 31 December 2022.

The following summarises the major classes of consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	Group 2022 RM'000
Fair value of consideration transferred		
Cash and cash equivalents		17,257
Identified assets acquired and liabilities assumed		
Right-of-use assets	3	17,045
Current tax assets		5
Cash and cash equivalents		215
Other payables		(8)
		17,257
Net cash outflow arising from acquisition of a subsidiary		
Purchase consideration satisfied in cash		(17,257)
Cash and cash equivalents acquired		215
		(17,042)

The Group incurred acquisition-related costs of RM85,000 related to external legal fees. The legal fees have been included in administrative expenses in the Group's consolidated statements of profit or loss and other comprehensive income.

31. SIGNIFICANT EVENTS

Bonus issue

On 8 April 2022, shareholders approval was granted via Extraordinary General meeting to the Company for the proposed bonus issue of up to 1,296,774,800 new ordinary shares in PMB Technology Berhad ("PMBT Shares(s)") on the basis of four (4) bonus shares for every one (1) existing share held by entitled shareholders of the Company. The bonus issue was completed following the listing of and quotation of 958,794,612 bonus shares and 67,792,388 additional warrants on the Main Market of Bursa Malaysia on 29 April 2022. The additional warrant rose from the adjustment to the number of outstanding warrants as result of the bonus issue.

Disposal of a development land

On 17 August 2022, PMB Land (Sg. Besi) Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement with a third party for the disposal of a freehold development land for a total sale consideration of RM37,000,000. The transaction was completed during the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

32. SUBSEQUENT EVENTS

Acquisition of lands

On 11 January 2023, PMB Silicon Sdn. Bhd., a wholly-owned subsidiary of the Company, received a Letter of Offer from Land & Survey Department Sarawak for the alienation of a parcel of 60 years leasehold state land measuring approximately 146,340m² in Kemena Land District, Samalaju for staff accommodation. Approximately RM5,200,000 was paid to Kerajaan Negeri Sarawak for the acquisition.

On 13 January 2023, PMB Carbon Sdn. Bhd., a wholly-owned subsidiary of the Company, received a Letter of Offer from Land & Survey Department Sarawak for the alienation of a parcel of 99 years leasehold industrial land measuring approximately 126 acres in Samalaju Industrial Park for a total consideration of approximately RM16,000,000. Payment was made in 5 yearly instalments with the 1st instalment of RM4,414,000 to settled on 6 March 2023.

33. COMPARATIVE FIGURES

Certain comparative have been restated to conform to the current year's presentation.



STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 99 to 177 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

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

Koon Poh Ming
Director

Koon Poh Weng
Director

Petaling Jaya, Selangor

Date: 26 April 2023

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

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 99 to 177 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed, MIA CA28899 at Kuala Lumpur in the Federal Territory on 26 April 2023.

Wan Shuw Yee

Before me:

INDEPENDENT AUDITORS' REPORT

to the Members Of PMB Technology Berhad

(Registration No. 200201016594 (584257-X))

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PMB Technology Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements of the Group and of the Company, including a summary of significant accounting policies, as set out on pages 99 to 177.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on construction contracts

Refer to Note 2(o) – *Significant accounting policies: Revenue and other income* and Note 17 - *Revenue* to the financial statements.

The key audit matter

The Group's revenue on construction contracts for the year ended 31 December 2022 is significantly influenced by the results of large construction projects. Due to the contracting nature of the business, revenue recognition involves a significant degree of judgement, with estimates being made to assess the total contracts costs, stage of completion of the contracts and adequate provision to be provided for loss making contract. Changes of these estimates could lead to different profit and revenue being reported in the financial statements. The Group's revenue on construction contracts is contributed by PMB-Cyberwall Limited and PMB Façade Technology Sdn. Bhd..

INDEPENDENT AUDITORS' REPORT

to the Members Of PMB Technology Berhad

(Registration No. 200201016594 (584257-X))

(Incorporated in Malaysia)

cont'd

Key Audit Matter cont'd

How the matter was addressed in our audit

We performed the following audit procedures for PMB-Cyberwall Limited, among others:

- Issued group audit instructions to the component auditors to communicate our group audit strategy and directed the scope of work to be performed.
- Obtained an understanding of the procedures planned to be performed by the component auditors and considered whether the planned procedures were appropriate for the purpose of the audit of the consolidated financial statements.
- Reviewed the audit working papers of the component auditors to assess the adequacy of the work performed by the component auditors and the consistent application of the Group's accounting policies.
- Discussed significant matters arising from the audit with the component auditors, in particular on identified significant risks of material misstatements to the consolidated financial statements.

We performed the following audit procedures for PMB Façade Technology Sdn. Bhd., among others:

- Read the key contracts and discussed with management to obtain a full understanding of the terms and risks of the contracts.
- Evaluated the design and implementation of controls over the accuracy and timing of revenue recognised in the financial statements including the estimation of contract costs to complete and calculation of the stage of completion.
- Assessed the appropriateness of assumptions used in determining the budgeted costs of the projects based on historical performance of the Group and industry knowledge.
- Agreed the contracts costs to supporting documentation and recalculated the percentage of completion of the contract.
- Tested the contract revenue through the inspection of contracts, variation orders and claims.
- Checked the estimated costs to completion to supporting documents such as approved budgets, letter of awards and variation orders with subcontractors.
- Evaluated the merits of extension of time application submitted to contract customers to assess the exposure to liquidated and ascertained damages by inspecting relevant correspondences, including on-going negotiations with contract customers for the late delivery of contract works.
- Assessed the accounting treatment for onerous contracts, which includes the adequacy and recomputation of the provision for onerous contracts made by management, and adequacy of impairment made for contract assets.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

to the Members Of PMB Technology Berhad

(Registration No. 200201016594 (584257-X))

(Incorporated in Malaysia)

cont'd

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the Members Of PMB Technology Berhad

(Registration No. 200201016594 (584257-X))

(Incorporated in Malaysia)

cont'd

Auditors' Responsibilities for the Audit of the Financial Statements cont'd

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya, Malaysia

Date: 26 April 2023

Eric Kuo Sze-Wei

Approval Number: 03473/11/2023 J

Chartered Accountant

ANALYSIS OF SHAREHOLDINGS

as at 3 April 2023

Issued Shares : 1,275,227,506 Ordinary Shares
 Class of Shares : Ordinary Shares
 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	23	0.81	404	negligible
100 to 1,000	602	21.30	445,050	0.04
1,001 to 10,000	1,282	45.35	6,084,747	0.49
10,001 to 100,000	641	22.67	23,817,185	1.90
100,001 to less than 5% of issued shares	277	9.80	842,228,345	67.38
5% and above of issued shares	2	0.07	377,449,775	30.19
Total	2,827	100.00	1,250,025,506*	100.00

* Excluding a total of 25,202,000 shares bought-back by the Company and retained as treasury shares as per the Record of Depositors as at 3 April 2023.

DIRECTORS' SHAREHOLDINGS

as at 3 April 2023

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital [#]	No. of Shares Held	% of Issued Capital [#]
Tan Sri Dato' Koon Poh Keong	33,840,000	2.71	268,449,475 ⁽¹⁾	21.48
Koon Poh Ming	86,320,400	6.91	166,564,940 ⁽²⁾	13.32
Dato' Koon Poh Tat	83,659,500	6.69	0	0.00
Koon Poh Weng	38,396,810	3.07	90,241,750 ⁽³⁾	7.22
Ernest Bong Miao Fatt	840,000	0.07	0	0.00
Loo Lean Hock	0	0.00	0	0.00
Noor Alina Binti Mohamad Faiz	0	0.00	0	0.00

[#] Excluding a total of 25,202,000 shares bought-back by the Company and retained as treasury shares.

(1) Deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd., by virtue of Paul Koon Pte. Ltd.'s direct interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn Bhd, which in turn hold shares in Press Metal Aluminium Holdings Berhad pursuant to Section 8(4) of the Companies Act 2016.

(2) Deemed interested in the shares held by his spouse, Ong Soo Fan and his children, Joyce Koon Hui Ginn, Koon Hui Ling (Carolyn), Lydia Koon Hui Li, Leslie Koon Tzer Peng and John Koon Tzer Lim.

(3) Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee.

SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 3 April 2023

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital [#]	No. of Shares Held	% of Issued Capital [#]
Press Metal Aluminium Holdings Berhad	268,449,475	21.48	0	0.00
Alpha Milestone Sdn Bhd	0	0.00	268,449,475 ⁽¹⁾	21.48
KPK Holdings (L) Ltd	0	0.00	268,449,475 ⁽²⁾	21.48
Paul Koon Pte. Ltd.	0	0.00	268,449,475 ⁽³⁾	21.48
Paul Koon Foundation	0	0.00	268,449,475 ⁽⁴⁾	21.48
Tan Sri Dato' Koon Poh Keong	33,840,000	2.71	268,449,475 ⁽⁵⁾	21.48
Koon Poh Ming	86,320,400	6.91	166,564,940 ⁽⁶⁾	13.32
Dato' Koon Poh Tat	83,659,500	6.69	0	0.00
Koon Poh Weng	38,396,810	3.07	90,241,750 ⁽⁷⁾	7.22
Ong Soo Fan	70,412,440	5.63	182,472,900 ⁽⁸⁾	14.60
Chan Poh Choo	48,880,500	3.91	79,758,060 ⁽⁹⁾	6.38

[#] Excluding a total of 25,202,000 shares bought-back by the Company and retained as treasury shares.

(1) Deemed interested in the shares held via Press Metal Aluminium Holdings Berhad in the Company pursuant to Section 8(4) of the Companies Act 2016.

(2) Deemed interested by virtue of its direct interest in Alpha Milestone Sdn Bhd, which in turn hold shares in Press Metal Aluminium Holdings Berhad pursuant to Section 8(4) of the Companies Act 2016.

(3) Deemed interested by virtue of its direct interest in KPK Holdings (L) Limited, the holding company of Alpha Milestone Sdn Bhd, which in turn hold shares in Press Metal Aluminium Holdings Berhad pursuant to Section 8(4) of the Companies Act 2016.

(4) Deemed interested by virtue of its direct interest in Paul Koon Pte. Ltd., the indirect shareholder of Alpha Milestone Sdn Bhd, through Alpha Milestone Sdn Bhd's direct interest in KPK Holdings (L) Limited, which in turn hold shares in Press Metal Aluminium Holdings Berhad pursuant to Section 8(4) of the Companies Act 2016.

(5) Deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd., by virtue of Paul Koon Pte. Ltd.'s direct interest in KPK Holdings (L) Limited, the holding company of Alpha Milestone Sdn Bhd, which in turn hold shares in Press Metal Aluminium Holdings Berhad pursuant to Section 8(4) of the Companies Act 2016.

(6) Deemed interested in the shares held by his spouse, Ong Soo Fan and his children, Joyce Koon Hui Ginn, Koon Hui Ling (Carolyn), Lydia Koon Hui Li, Leslie Koon Tzer Peng and John Koon Tzer Lim.

(7) Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee.

(8) Deemed interested in the shares held by her spouse, Koon Poh Ming and her children, Joyce Koon Hui Ginn, Koon Hui Ling (Carolyn), Lydia Koon Hui Li, Leslie Koon Tzer Peng and John Koon Tzer Lim.

(9) Deemed interested in the shares held by her spouse, Koon Poh Weng and her daughter, Koon Sim Ee.

THIRTY LARGEST SHAREHOLDERS

as at 3 April 2023

	Name of Shareholders	No. of Shares	% of Issued Capital [#]
1	Press Metal Aluminium Holdings Berhad	268,449,475	21.48
2	Kenanga Nominees (Tempatan) Sdn Bhd <i>Exempt an for Phillip Securities Pte Ltd (Client Account)</i>	109,000,300	8.72
3	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dato' Koon Poh Tat</i>	60,462,500	4.84
4	Ong Shaw Huat	53,001,010	4.24
5	Ong Sow Yong	52,488,475	4.20
6	Huan Boon Peng	50,821,400	4.06
7	Ong Sow Mei	50,799,500	4.06
8	Chan Poh Choo	48,880,500	3.91
9	Koon Sim Ee	41,361,250	3.31
10	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Koon Poh Weng (PB)</i>	36,796,810	2.94
11	Tan Sri Dato' Koon Poh Keong	32,930,000	2.63
12	Koon Poh Ming	21,320,400	1.71
13	AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - AmBank (M) Berhad for Dato' Koon Poh Tat (Smart)</i>	20,202,500	1.62
14	Tan Mew Lan	19,759,310	1.58
15	John Koon Tzer Lim	19,230,500	1.54
16	Joyce Koon Hui Ginn	19,230,500	1.54
17	Koon Hui Ling (Carolyn)	19,230,500	1.54
18	Leslie Koon Tzer Peng	19,230,500	1.54
19	Lydia Koon Hui Li	19,230,500	1.54
20	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Chua Seng Sam</i>	17,434,000	1.39
21	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Koon Poh Kong (PB)</i>	16,594,310	1.33
22	Ong Soo Fan	13,912,440	1.11
23	Ong Soo Fan	12,500,000	1.00
24	Lim Peng Theng	11,382,600	0.91
25	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	7,519,529	0.60
26	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ho Chin Ser (MY4491)</i>	7,502,500	0.60
27	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	6,959,630	0.56
28	Kenneth Ang Wee Keong	6,110,000	0.49
29	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Leong Yew Cheong</i>	5,294,800	0.42
30	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ho Chin Ser</i>	5,075,000	0.41
	Total	1,072,710,739	85.82

[#] Excluding a total of 25,202,000 shares bought-back by the Company and retained as treasury shares as per the Record of Depositors as at 3 April 2023

ANALYSIS OF ICULS HOLDINGS

as at 3 April 2023

No. of ICULS outstanding	:	66,351,350
Issue date	:	13-07-2018
Maturity date	:	12-07-2023
Exercise Price per ICULS	:	RM0.54

Size of ICULS Holdings	No. of ICULS Holders/ Depositors	% of ICULS Holders/ Depositors	No. of ICULS Held	% of Issued ICULS
Less than 100	7	4.30	150	negligible
100 to 1,000	25	15.34	16,100	0.02
1,001 to 10,000	67	41.10	321,250	0.48
10,001 to 100,000	34	20.86	853,200	1.29
100,001 to less than 5% of issued ICULS	24	14.72	22,815,838	34.39
5% and above of issued ICULS	6	3.68	42,344,812	63.82
Total	163	100.00	66,351,350	100.00

DIRECTORS' ICULS HOLDINGS

as at 3 April 2023

as per Register of Directors' ICULS Holdings

Name	Direct		Indirect	
	No. of ICULS Held	% of Issued ICULS	No. of ICULS Held	% of Issued ICULS
Tan Sri Dato' Koon Poh Keong	1,091,000	1.64	21,475,958 ⁽¹⁾	32.37
Koon Poh Ming	1,689,436	2.55	15,001,515 ⁽²⁾	22.61
Dato' Koon Poh Tat	159,544	0.24	0	0.00
Koon Poh Weng	1,669,436	2.52	5,786,000 ⁽³⁾	8.72
Ernest Bong Miao Fatt	0	0.00	0	0.00
Loo Lean Hock	0	0.00	0	0.00
Noor Alina Binti Mohamad Faiz	0	0.00	0	0.00

(1) Deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd., by virtue of Paul Koon Pte. Ltd.'s direct interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn Bhd, which in turn hold shares in Press Metal Aluminium Holdings Berhad pursuant to Section 8(4) of the Companies Act 2016.

(2) Deemed interested in the ICULS held by his spouse, Ong Soo Fan and his children, Joyce Koon Hui Ginn, Koon Hui Ling (Carolyn), Lydia Koon Hui Li, Leslie Koon Tzer Peng and John Koon Tzer Lim.

(3) Deemed interested in the ICULS held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee.

THIRTY LARGEST ICULS HOLDERS

as at 3 April 2023

	Name of ICULS Holders	No. of ICULS	% of Issued ICULS
1	Press Metal Aluminium Holdings Berhad	21,475,958	32.37
2	Ong Soo Fan	5,540,515	8.35
3	Ong Sow Yong	4,051,488	6.11
4	Ong Sow Mei	3,954,400	5.96
5	Chan Poh Choo	3,699,500	5.58
6	Ong Shaw Huat	3,622,951	5.46
7	Koon Sim Ee	2,086,500	3.15
8	John Koon Tzer Lim	1,692,200	2.55
9	Joyce Koon Hui Ginn	1,692,200	2.55
10	Koon Hui Ling (Carolyn)	1,692,200	2.55
11	Leslie Koon Tzer Peng	1,692,200	2.55
12	Lydia Koon Hui Li	1,692,200	2.55
13	Koon Poh Ming	1,689,436	2.55
14	Tan Mew Lan	1,679,436	2.53
15	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Koon Poh Weng (PB)</i>	1,659,436	2.50
16	Tan Sri Dato' Koon Poh Keong	1,091,000	1.64
17	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Koon Poh Kong (PB)</i>	1,029,236	1.55
18	Ong Soo Fan	1,000,000	1.51
19	Lim Boon Kuan	858,150	1.29
20	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ho Chin Ser</i>	825,000	1.24
21	Lim Peng Theng	373,000	0.56
22	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ho Chin Ser (MY4491)</i>	364,500	0.55
23	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ho Chin Ser</i>	294,000	0.44
24	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chia Ai Ling</i>	284,300	0.43
25	United Panels Sdn Bhd	262,800	0.40
26	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chey Kang Howe (8074762)</i>	216,300	0.33
27	Ong Sow Mei	187,800	0.28
28	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Dato' Koon Poh Tat (PB)</i>	159,544	0.24
29	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Keng Chin Eng (REM 132 - Margin)</i>	159,000	0.24
30	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Chua Seng Sam</i>	135,400	0.20
	Total	65,160,650	98.21

ANALYSIS OF WARRANTS HOLDINGS

as at 3 April 2023

No. of Warrants outstanding : 14,072,785
 Issue date : 13-07-2018
 Expiry date : 12-07-2023
 Exercise Price per Warrants : RM0.60

Size of Warrants Holdings	No. of Warrants Holders/ Depositors	% of Warrants Holders/ Depositors	No. of Warrants Held	% of Issued Warrants
Less than 100	8	3.96	180	negligible
100 to 1,000	44	21.78	23,900	0.17
1,001 to 10,000	69	34.16	332,610	2.36
10,001 to 100,000	65	32.18	1,971,665	14.01
100,001 to less than 5% of issued Warrants	13	6.44	2,522,750	17.93
5% and above of issued Warrants	3	1.48	9,221,680	65.53
Total	202	100.00	14,072,785	100.00

DIRECTORS' WARRANTS HOLDINGS

as at 3 April 2023

as per Register of Directors' Warrants Holdings

Name	Direct		Indirect	
	No. of Warrants Held	% of Issued Warrants	No. of Warrants Held	% of Issued Warrants
Tan Sri Dato' Koon Poh Keong	0	0.00	0	0.00
Koon Poh Ming	0	0.00	0	0.00
Dato' Koon Poh Tat	0	0.00	0	0.00
Koon Poh Weng	4,173,590	29.66	0	0.00
Ernest Bong Miao Fatt	0	0.00	0	0.00
Loo Lean Hock	0	0.00	0	0.00
Noor Alina Binti Mohamad Faiz	0	0.00	0	0.00

THIRTY LARGEST WARRANTS HOLDERS

as at 3 April 2023

	Name of Warrants Holders	No. of Warrants	% of Issued Warrants
1	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Koon Poh Weng (PB)</i>	4,148,590	29.48
2	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Koon Poh Kong (PB)</i>	4,112,090	29.22
3	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chiang Soak Hoong (7001002)</i>	961,000	6.83
4	Low Hing Noi	450,000	3.20
5	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Keng Chin Eng (REM 132 - Margin)</i>	410,000	2.91
6	AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Law Goo @ Law Yeow Ching</i>	225,000	1.60
7	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hooi Yeat Ney</i>	223,250	1.59
8	Cheah Eng Hock	200,000	1.42
9	See Eng Swee	157,000	1.12
10	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Kam Wee Loon</i>	155,000	1.10
11	Law Wee Ming	125,000	0.89
12	Liew Thong	125,000	0.89
13	Ong Meng Khoon	122,500	0.87
14	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Chun Kiat (7004195)</i>	112,500	0.80
15	Everpress Aluminium Industries Sdn Bhd	112,500	0.80
16	Phang Kah Hoe	105,000	0.75
17	Loh Swee Sin	100,000	0.71
18	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yow Nyok Leng (8061753)</i>	90,750	0.64
19	Low Hoi Pin	90,000	0.64
20	Ong Beng Kee	90,000	0.64
21	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Chua Seng Sam</i>	86,000	0.61
22	Loke May Yong	74,250	0.53
23	Lim Zi Ying	70,000	0.50
24	Chee Chek Hie @ Cheah Chak Hee	60,000	0.43
25	Chong Kooi Yoon @ Choong Kooi Yoon	58,000	0.41
26	Public Invest Nominees (Tempatan) Sdn Bhd Exempt an for Phillip Securities Pte Ltd (Clients)	55,000	0.39
27	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Kang Hui (MY3765)</i>	52,500	0.37
28	Ng Wei Khim	50,000	0.35
29	Tee Lip Teng	50,000	0.35
30	Chiam Moy Kia	43,000	0.30
	Total	12,713,930	90.34

LIST OF PROPERTIES HELD BY THE GROUP

as at 31 December 2022

Proprietor	Location	Description/ Age (Year) / Acquisition Date	Existing Use	Tenure	Area sq. ft.	Net Book Value as at 31.12.2022 RM'000
PMB Silicon Sdn Bhd	Lot 322, Block 1 Kemena Land District Sarawak	Leasehold land and building 4 years 27/11/2018	Factory	Leasehold for 56 years expiring 26/11/2078	6,845,847	337,778
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 24 years 26/09/2008	Vacant	Leasehold for 75 years expiring 30/03/2097	609,838	6,439
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 24 years 26/09/2008	Vacant	Leasehold for 75 years expiring 30/03/2097	1,219,680	13,372
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 24 years 18/01/2012	Vacant	Leasehold for 75 years expiring 30/03/2097	1,503,348	15,673
PMB Facade Technology Sdn Bhd	Lot 1804, Mukim of Cheras Daerah Hulu Langat Selangor Darul Ehsan	Freehold land and building 17 years 16/12/2005	Factory cum office	Freehold	89,821	7,108
Everlast Aluminium (M) Sdn Bhd	Lot 1797, Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Freehold land and building 28 years 12/07/1994	Factory cum office	Freehold	83,036	5,901
Everlast Aluminium (M) Sdn Bhd	Lot 1798, Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Leasehold land and building 56 years 29/03/1996	Factory cum office	Leasehold for 43 years expiring 02/09/2065	77,591	3,480
Everlast Access Technologies Sdn Bhd	HS (D) 38463, Lot 2826, Mukim 01 Daerah Seberang Perai Tengah Negeri Pulau Pinang	Leasehold land and building 48 years 25/10/2016	Factory cum office	Leasehold for 12 years expiring 29/08/2034	449,922	13,151
Asia Advanced Materials Sdn Bhd	Lot 72, Block 1 Kemena Land District Sarawak	Leasehold land 9 years 15/03/2022	Vacant	Leasehold for 51 years expiring 12/06/2073	5,425,011	17,149

GROUP DIRECTORY

PMB TECHNOLOGY BERHAD

(Company Registration No. 200201016594 (584257-X))

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

Tel : 603-8961 5205

Fax : 603-8961 1904

Website : www.pmbtechnology.com

Email : enquiry@pmbtechnology.com

EVERLAST ALUMINIUM (M) SDN. BHD.

(Company Registration No. 198801003086 (170443-T))

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

Tel : 603-8961 5223

Fax : 603-8961 5213

Website : www.everlas.com

Email : everlas@everlas.com

EVERLAST ACCESS TECHNOLOGIES SDN. BHD.

(Company Registration No. 199901016903 (491803-H))

Head Quarter

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

Tel : 603-8961 5223

Fax : 603-8961 5213

Penang Branch

No. 2025, Lorong Perusahaan 8,
Kawasan Perindustrian Prai,
13600 Prai, Penang, Malaysia.

Tel : 604-383 0128

Fax : 604-384 2127

PMB QUICK ACCESS SDN. BHD.

(Company Registration No. 200001014086 (516692-V))

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

Tel : 603-8961 8355

Fax : 603-8961 8357

Website : www.qaccess-scaffold.com

Email : marketing@qaccess-scaffold.com

EVERLAST ENVIRONMENTAL MANAGEMENT SDN. BHD.

(Company Registration No. 199001016124 (207793-P))

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

Tel : 603-8961 5223

Fax : 603-8961 5213

PMB SILICON SDN. BHD.

(Company Registration No. 201601011055 (1181986-X))

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

Tel : 603-8961 8355

Fax : 603-8961 1904

Lot 322, Block 1, Kemena Land District,
Samalaju Industrial Park,
97000 Bintulu, Sarawak, Malaysia.

PMB FACADE TECHNOLOGY SDN. BHD.

(Company Registration No. 199401005807 (291486-H))

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 : www.pmbfacade.com

Email : pmbfacade@pmbfacade.com

PMB-CYBERWALL LTD.

(Company No. 704047)

PMB FACADE TECHNOLOGY (H.K.) LTD.

(Company No. 675899)

Unit 1508-18, 15/F,
41 Heung Yip Road,
Wong Chuk Hang, Hong Kong.

Tel : 852-2397 6008

Fax : 852-2397 6206

Email : info@pmbc.com.hk

PMB LAND (SG. BESI) SDN. BHD.

(Company Registration No. 201801030428 (1292454-H))

Lot 1798, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

PMB CARBON SDN. BHD.

(Company Registration No. 200801016309 (817599-X))

PMB CHEMICAL SDN. BHD.

(Company Registration No. 201901020560 (1329889-T))

ASIA ADVANCED MATERIALS SDN. BHD.

(Company Registration No. 201101028495 (956630-M))

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

Tel : 603-8961 8355

Fax : 603-8961 1904



PROXY FORM



PMB TECHNOLOGY BERHAD

Registration No. 200201016594 (584257-X)
(Incorporated in Malaysia)

CDS Account No. _____

No. of Shares Held _____

I/We, _____ NRIC No./ Passport No./ Registration No.* _____

of _____

with email address _____ mobile phone no. _____

being member(s) of **PMB TECHNOLOGY BERHAD**, hereby appoint(s):-

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Telephone no./ Email address			

*and/*or failing him/her (*delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Telephone no./ Email address			

or failing him/her/them, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-First Annual General Meeting ("21st AGM") of the Company to be held at Room Tunku Abdul Rahman, The Royal Commonwealth Society of Malaysia, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Monday, 29 May 2023 at 10.30 a.m. or at any adjournment thereof, in the manner as indicated below:-

Please indicate with a "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion. The first named proxy shall be entitled to vote on a show of hands on my/our behalf.

RESOLUTIONS		FOR	AGAINST
1. Approval of the payments of Directors' fees and benefits payable to the Independent Non-Executive Directors of up to an aggregate amount of RM350,000 for the financial year ending 31 December 2023.	Ordinary Resolution 1		
2. Re-election of Dato' Koon Poh Tat as Director.	Ordinary Resolution 2		
3. Re-election of Mr Loo Lean Hock as Director.	Ordinary Resolution 3		
4. Re-election of Mr Ernest Bong Miao Fatt as Director.	Ordinary Resolution 4		
5. Re-appointment of KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
6. Proposed continuation in office of Mr Loo Lean Hock as Senior Independent Non-Executive Director.	Ordinary Resolution 6		
7. Proposed continuation in office of Mr Ernest Bong Miao Fatt as Independent Non-Executive Director.	Ordinary Resolution 7		
8. Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	Ordinary Resolution 8		
9. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature for PMB Technology Berhad and its subsidiaries.	Ordinary Resolution 9		
10. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares.	Ordinary Resolution 10		

Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

If appointment of proxy is under hand _____ Signed by *individual member/*officer or attorney of member/*authorised nominee of _____ (beneficial owner)	No. of shares held: _____
	Securities Account No.: _____ (CDS Account No.) (Compulsory) Date : _____



PMB TECHNOLOGY BERHAD
Registration No. 200201016594 (584257-X)
Lot 1797, Jalan Balakong,
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