



**PMB TECHNOLOGY BERHAD**  
(Company No. 584257-X)

PMB TECHNOLOGY BERHAD (584257-X)

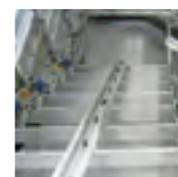
**PMB TECHNOLOGY BERHAD** (584257-X)  
Lot 1797, Jalan Balakong, Bukit Belimbing,  
43300 Seri Kembangan, Selangor Darul Ehsan.

# annual report 2013

Annual Report 2013

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# Corporate Information

## BOARD OF DIRECTORS

**Dato' Koon Poh Keong**  
*Chairman*

**Koon Poh Ming**  
*Chief Executive Officer*

**Koon Poh Weng**

**Dato' Koon Poh Tat**

**Tuan Haji Mohamad Faiz bin Abdul Hamid**

**Loo Lean Hock**

**David Tan Hung Hoe**

**Ernest Bong Miao Fatt**

## COMPANY SECRETARIES

**Tan Ai Ning** (MAICSA 7015852)  
**Te Hock Wee** (MAICSA 7054787)

## SHARE REGISTRAR

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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## PRINCIPAL BANKERS

Bangkok Bank Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
Public Bank Berhad

## AUDITORS

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

## STOCK EXCHANGE LISTING

Main Market  
Bursa Malaysia Securities Berhad



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Twelfth Annual General Meeting of PMB Technology Berhad will be held at Hazel & Ivy Room, Level 2M, One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor on Thursday, 26 June 2014 at 9.30 a.m.

## AGENDA

### As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note 1 of the Explanatory Notes)*
2. To approve the payment of Directors' Fees for the financial year ended 31 December 2013. *Ordinary Resolution 1*
3. To re-elect the following Directors retiring pursuant to Article 84 of the Articles of Association of the Company:
  - (i) Ernest Bong Miau Fatt *Ordinary Resolution 2*
  - (ii) Loo Lean Hock *Ordinary Resolution 3*
  - (iii) Dato' Koon Poh Tat *Ordinary Resolution 4*
4. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:
 

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

*Ordinary Resolution 5*
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. *Ordinary Resolution 6*

### As Special Business

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

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

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

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

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

*Ordinary Resolution 8*

# Notice of Annual General Meeting

(cont'd)

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

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

*Ordinary Resolution 9*

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

"THAT approval be and is hereby given to the Company and its subsidiaries ("PMBT Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3 (i) of the Circular to Shareholders dated 4 June 2014 ("Circular") which are necessary for PMBT Group's day-to-day operations subject to the following:-

- a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the recurrent related party transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year on the type of the recurrent related party transactions made, the names of the related parties involved in each type of the recurrent related party transactions and their relationships with the Group.

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

- i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

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

*Ordinary Resolution 10*

## 10. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

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

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

# Notice of Annual General Meeting

(cont'd)

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

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

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company (being the Twelfth AGM of the Company), at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first,

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

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

**Ordinary Resolution 11**

## BY ORDER OF THE BOARD

**TAN AI NING** (MAICSA 7015852)  
**TE HOCK WEE** (MAICSA 7054787)  
Company Secretaries

Selangor Darul Ehsan

Date: 4 June 2014

## NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
5. The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Share Registrar's office of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 June 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

# Notice of Annual General Meeting

(cont'd)

## EXPLANATORY NOTES ON SPECIAL BUSINESS

### 1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

### 2. Ordinary Resolution 7 on Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares

The Company had, during its Eleventh Annual General Meeting held on 20 June 2013, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act"). The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 7 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

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

### 3. Ordinary Resolution 8 on Authority for Tuan Haji Mohamad Faiz Bin Abdul Hamid to continue in office as Independent Non-Executive Director

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Tuan Haji Mohamad Faiz Bin Abdul Hamid who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- a. He fulfilled the criteria under the definition on Independent Directors as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- b. He has been with the Company for more than nine (9) years and therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations and discussions at Audit Committee, Remuneration Committee, Nomination Committee and Board meetings without compromising his independent and objective judgement.
- c. He excised due care in the interest of the Company and shareholders during his tenure as an Independent Non-Executive Director of the Company.

### 4. Ordinary Resolution 9 on Authority for Loo Lean Hock to continue in office as Independent Non-Executive Director

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Loo Lean Hock who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- a. He fulfilled the criteria under the definition on Independent Directors as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- b. He has been with the Company for more than nine (9) years and therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations and discussions at Audit Committee, Remuneration Committee, Nomination Committee and Board meetings without compromising his independent and objective judgement.
- c. He exhibited high commitment and devoted sufficient time to his responsibilities as an Independent Non-Executive Director of the Company.

### 5. Ordinary Resolution 10 on Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for PMB Technology Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

For further information on Ordinary Resolution 10, please refer to the Circular to Shareholders dated 4 June 2014 accompanying the Annual Report of the Company for the financial year ended 31 December 2013.

### 6. Ordinary Resolution 11 on Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

For further information on Ordinary Resolution 11, please refer to the Statement to Shareholders in Part B of the Circular to Shareholders dated 4 June 2014 accompanying the Annual Report of the Company for the financial year ended 31 December 2013.

## Profile of Directors



### **DATO' KOON POH KEONG**

*Chairman, Non-Independent*

Age 53. Malaysian. Non-Independent and Executive Chairman since 15 September 2003. Attended all four Board meetings held in the financial year. He is also the Group Chief Executive Officer of Press Metal Berhad. He graduated with a Bachelor of Science in Electrical Engineering from The University of Oklahoma, United States of America, in 1986. He is the brother to Koon Poh Ming, Koon Poh Weng and Dato' Koon Poh Tat. He maintains a clean record with regard to convictions for offences.



### **KOON POH MING**

*Chief Executive Officer,  
Non-Independent*

Age 57. Malaysian. Non-Independent and Chief Executive Officer since 15 September 2003. Attended all four Board meetings held in the financial year. He is also the Executive Vice Chairman of Press Metal Berhad. He graduated from University of Wales, United Kingdom with a degree in Civil and Structural Engineering in 1981. He is a professional engineer registered with the Board of Engineers, Malaysia and The Institute of Engineers, Malaysia. He has been actively involved in the aluminium trading and manufacturing and construction for more than 25 years. He is the brother to Dato' Koon Poh Keong, Koon Poh Weng and Dato' Koon Poh Tat. He maintains a clean record with regard to convictions for offences.



### **KOON POH WENG**

*Executive Director*

Age 59. Malaysian. Non-Independent, Executive Director since 15 September 2003. Attended all four Board meetings held in the financial year. He is also an Executive Director of Press Metal Berhad. His experiences include the management of major projects throughout the country. He has been responsible for all aspects of the management and for producing satisfactory results on large variety of projects ranging from schools, government complexes to prominent hotels. He is the brother to Koon Poh Ming, Dato' Koon Poh Keong and Dato' Koon Poh Tat. He maintains a clean record with regard to convictions for offences.

# Profile of Directors

(cont'd)



## **DATO' KOON POH TAT**

*Executive Director*

Age 54. Malaysian. Non-Independent, Executive Director since 15 September 2003. Attended all four Board meetings held in the financial year. He is also an Executive Director of Press Metal Berhad. He has more than 20 years of experience in the aluminium industry. He is the brother to Koon Poh Ming, Dato' Koon Poh Keong and Koon Poh Weng. He maintains a clean record with regard to convictions for offences.



## **DAVID TAN HUNG HOE**

*Executive Director*

Age 49. Malaysian. Non-Independent, Executive Director appointed on 3 May 2007. Prior to that he was an Independent Director appointed on 15 September 2003. Attended three out of four Board meetings held in the financial year. He holds a Master Degree in Business Administration from University of Georgia and a Bachelor of Science Degree from University of Arkansas majoring in Banking and Finance. He started his career in the United States with a regional investment bank as a Corporate Finance Analyst for a period of three (3) years covering industries such as banking, high-tech manufacturing and oil and gas operations. Upon returning to Malaysia in 1993, he joined a local merchant bank as a Corporate Finance Executive, involved in wide range of corporate advisory services and was promoted to the position of Vice-President, Corporate Finance. From 1996 to 2007, he was the Corporate Affairs General Manager of a public listed company, overseeing various corporate developments and expansion. He has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.



## **TUAN HAJI MOHAMAD FAIZ BIN ABDUL HAMID**

*Independent Non-Executive*

Age 74. Malaysian. Independent, Non-Executive Director, Chairman of Nomination and Remuneration Committees. He is also a member of the Audit Committee. Appointed as Director on 15 September 2003. Attended all four Board meetings held in the financial year. He is also an Independent Non-Executive Director of Press Metal Berhad. He is a Fellow of the Royal Institution of Surveyors Malaysia since 1981. He was the past President of the Institution of Surveyors, Malaysia. He has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.

## Profile of Directors

(cont'd)



**LOO LEAN HOCK**  
*Independent Non-Executive*

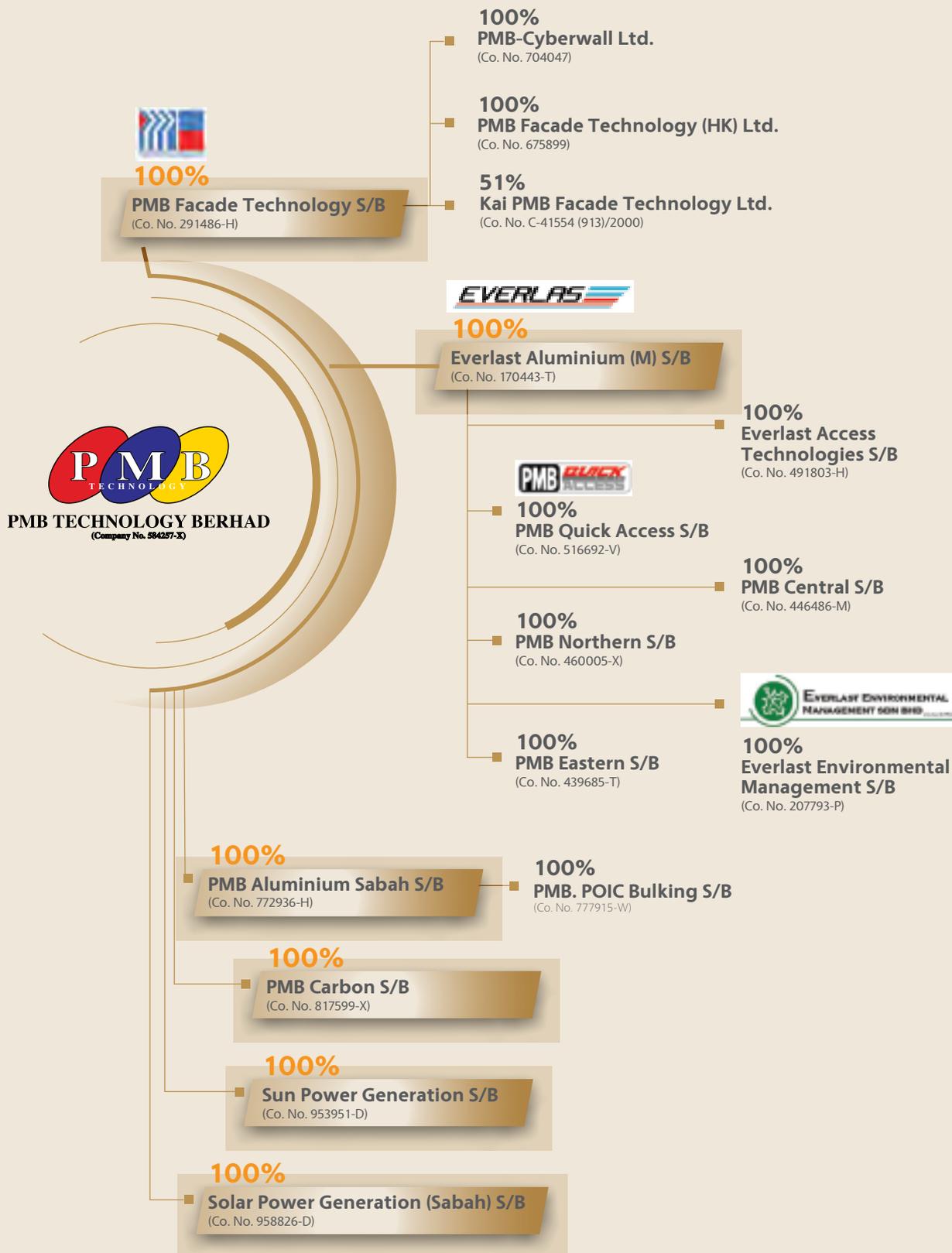
Age 54. Malaysian. Independent, Non-Executive Director and Chairman of Audit Committee. He is a member of the Nomination and Remuneration Committees. Appointed as a Director on 15 September 2003. Attended all four Board meetings held in the financial year. He is a Chartered Accountant of Malaysian Institute of Accountants, a practicing member of Malaysian Institute of Certified Public Accountants, Fellow of CPA Australia; associate member of Chartered Tax Institute of Malaysia; and Malaysian Institute of Management. He obtained his Master of Business Administration from University of Bath, United Kingdom in 1992. He started his professional career in Coopers & Lybrand from 1980 to 1990. He joined Press Metal Berhad in 1990 as the Financial Controller. After that, he joined The Crown Princess Kuala Lumpur (a hotel division of Asia Pacific Land Berhad) as the Financial Controller. He set up his own auditing firm, L.H. Loo & Co. in July 1993 as the sole practitioner. He is also a director of L. H. Loo Taxation Services Sdn. Bhd., Managing Director and Chief Executive Officer of STX Precision Corporation Sdn. Bhd. and its group of companies; an Independent, Non-Executive Director of Press Metal Berhad and Ge-Shen Corporation Berhad. He has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.



**ERNEST BONG MIAU FATT**  
*Independent Non-Executive*

Age 58. Malaysian. Independent, Non-Executive Director. He was appointed as a Non-Executive Director on 30 November 2007 and is a member of the Audit, Nomination and Remuneration Committees. Attended all four Board meetings held in the financial year. He holds a Bachelor Science Degree in Engineering from University of Wales, United Kingdom. He has been in engineering business for 31 years since 1981. He is a registered competent person for elevators with Jabatan Keselamatan dan Kesihatan Pekerjaan Malaysia. He has no conflict of interest with the Group and has no family relationship with any director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.

# Group Structure



# 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
<b>Subsidiary Companies held directly</b>				
PMB Façade Technology Sdn. Bhd. ("PMBF")	05.03.94 Malaysia	RM1,500,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and manufacturing and trading of aluminium related products
Everlast Aluminium (M) Sdn. Bhd. ("EASB")	07.05.88 Malaysia	RM130,110	100.00	Marketing of aluminium and other related products
PMB Aluminium Sabah Sdn. Bhd. ("PMBAS")	11.05.07 Malaysia	RM200,000	100.00	Marketing of all types of aluminium sections, gypsum boards and other products
PMB Carbon Sdn. Bhd.	14.05.08 Malaysia	RM1,000,000	100.00	Dormant
Sun Power Generation Sdn. Bhd.	22.07.11 Malaysia	RM100	100.00	Dormant
Solar Power Generation (Sabah) Sdn. Bhd.	26.08.11 Malaysia	RM100	100.00	Dormant
<b>Subsidiary Companies held indirectly through PMBF</b>				
PMB Facade Technology (H.K.) Ltd.	17.05.99 Hong Kong	HKD10,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and other related products
PMB - Cyberwall Ltd.	11.02.00 Hong Kong	HKD13,000,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and other related products
KAI PMB Facade Technology Ltd.	18.10.00 Bangladesh	BDT5,000,000	51.00	Supplying, manufacturing, fabricating and installing structural glazing and ventilated thermal flow aluminium cladding in buildings
<b>Subsidiary Companies held indirectly through EASB</b>				
Everlast Access Technologies Sdn. Bhd.	19.08.99 Malaysia	RM2,000,000	100.00	Manufacturing and marketing of aluminium and other related products
Everlast Environmental Management Sdn. Bhd.	15.11.90 Malaysia	RM3,000,000	100.00	Dormant
PMB Central Sdn. Bhd.	11.09.97 Malaysia	RM2,000,000	100.00	Marketing of gypsum boards, aluminium extrusion and other products
PMB Northern Sdn. Bhd.	27.03.98 Malaysia	RM1,000,000	100.00	Marketing of aluminium and other products
PMB Eastern Sdn. Bhd.	16.07.97 Malaysia	RM150,000	100.00	Marketing of gypsum boards and other products
PMB Quick Access Sdn. Bhd.	13.06.00 Malaysia	RM100,000	100.00	Manufacturing and marketing of scaffolding tower, rental of machinery and scaffolding tower and trading of other related products
<b>Subsidiary Company held indirectly through PMBAS</b>				
PMB.POIC Bulking Sdn. Bhd.	21.06.07 Malaysia	RM100,000	100.00	Dormant

# Calendar Highlights

**AUGUST 2013**  
Blood Donation



**AUGUST 2013**  
Hari Raya Dinner

**OCTOBER 2013**  
Exhibition



# Calendar Highlights

(cont'd)

## NOVEMBER 2013

### Everlas Brand Training



## JANUARY 2014

### Worker Annual Dinner



## FEBRUARY 2014

### Annual Dinner 2014



# Audit Committee Report

## COMPOSITION

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

## MEMBERS

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

**Loo Lean Hock** (*Chairman*)

*Independent Non-Executive Director; Member of the MIA*

**Tuan Haji Mohamad Faiz Bin Abdul Hamid**

*Independent Non-Executive Director*

**Ernest Bong Miau Fatt**

*Independent Non-Executive Director*

## TERMS OF REFERENCE

### Composition of the Audit Committee

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

- a) the Audit Committee must be composed of no fewer than 3 members;
- b) all members of the Audit Committee must be non-executive directors;
- c) a majority of the Audit Committee must be independent directors;
- d) all members of the Audit Committee should be financially literate and at least one member of the Audit Committee:-
  - i) must be a member of the Malaysian Institute of Accountants; or
  - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
    - ◆ he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
    - ◆ he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967.
  - iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- e) No Alternate Director of the Board shall be appointed as a member of the Audit Committee.

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

In the event of any vacancy in the Audit Committee resulting in the non-compliance of items (a) to (d) above, the Board shall upon the recommendation of the Nomination Committee fill the vacancy within 3 months of that event.

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

# Audit Committee Report

(cont'd)

## TERMS OF REFERENCE (cont'd)

### Objectives

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

In addition, the Audit Committee shall:-

- a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) Determine the adequacy of the Group's administrative, operating and accounting controls.

### Functions

The functions of the Audit Committee are as follows:-

- a) To review the following and report the same to the Board of Directors:-
  - i) with the external auditors, the audit plan;
  - ii) with the external auditors, his evaluation of the system of internal controls;
  - iii) with the external auditors, his audit report;
  - iv) the assistance given by the Company's employees to the external auditors; and
  - v) any related party transaction and conflict of interests situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To nominate and recommend the appointment of the external auditors, to consider the adequacy of experience, resources, audit fee and any issues regarding resignation or dismissal of the external auditors and to review the letter of resignation from the external auditors if applicable and report the same to the Board;
- c) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly results and year-end financial statements of the Company, focusing particularly on:-
  - ◆ Any changes in accounting policies and practices;
  - ◆ Significant adjustments arising from the audit;
  - ◆ The going concern assumption; and
  - ◆ Compliance with accounting standards and other legal requirements.
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- f) To review the external auditors' management letter and management's response;
- g) To review whether there is reason, supported by ground, to believe that the external auditors are not suitable for re-appointment;

# Audit Committee Report

(cont'd)

## TERMS OF REFERENCE (cont'd)

### Functions (cont'd)

- h) To do the following, in relation to the internal audit function:-
- ◆ Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - ◆ Review the internal audit programme, processes, the results of the internal audit programme and process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - ◆ Review any appraisal or assessment of the performance of members of the internal audit function;
  - ◆ Approve any appointment or termination of the internal auditors;
  - ◆ Take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
  - ◆ Investigate or cause to be investigated any activity within its Terms of Reference; and
  - ◆ To have explicit authority over the resources such as professional advice and full access to information to investigate certain matters.
- i) To discuss and review the major findings of any internal investigations and the management's response;
- j) To ensure the internal audit function is independent of the activities it audits and the head of internal audit reports directly to the Audit Committee. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company.
- k) To discuss the contracts for the provision of non-audit services which can be entered into and procedures that must be followed by the external auditors. The contracts cannot be entered into should include:-
- i) Strategic decision;
  - ii) Internal audit; and
  - iii) Policy and standard operating procedures documentation.
- l) To consider other areas as defined by the Board or as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authority from time to time.

### Rights of the Audit Committee

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

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Company and Group;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, the internal auditors or others, excluding the attendance of other Directors and employees of the Company;

The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the Chairman, the Chief Executive Officer, the Finance Director, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

# Audit Committee Report

(cont'd)

## TERMS OF REFERENCE (cont'd)

### Meetings

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

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

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

The Company Secretary or his/her representative or other appropriate senior officer shall also be in attendance at each Audit Committee meetings and responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

The quorum for a meeting shall be 2 members of the Audit Committee who are both independent directors.

By invitation of the Audit Committee, the Chief Executive Officer and other appropriate officer(s) may be invited to attend the Audit Committee, where their presence are considered appropriate as determined by the Audit Committee chairman.

The Audit Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the Audit Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

## ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2013, the Audit Committee held four (4) meetings. The details of attendance of the Audit Committee members are as follows:-

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

## ACTIVITIES OF THE COMMITTEE

The main activities undertaken by the Audit Committee during the financial year in discharging their duties and responsibilities were as follows:-

1. Reviewed the external auditors' scope of work and audit plan and discuss the results of their recommendation for the year;
2. Reviewed with the external auditors the results of the audit and the audit report, management letter and management's response;
3. Met with the external auditors and outsourced internal auditors twice during the financial year without the presence of any executive Board members and employees of the Group;
4. Reviewed the performance and independence of external auditors before recommending to the Board their re-appointment and remuneration;

# Audit Committee Report

(cont'd)

## ACTIVITIES OF THE COMMITTEE (cont'd)

5. Reviewed the quarterly unaudited financial results as well as declaration of dividends before recommending for the Board of Directors' approval;
6. Reviewed the internal audit reports presented by internal auditors and considered the major findings by the internal auditors and management's responses thereto;
7. Reviewed the effectiveness of the internal audit process, resource requirements of the internal audit function for the year and assessed the performance, effectiveness and efficiency of its function;
8. Approved the Internal Audit Plan for financial year 2014;
9. Reviewed related party transactions that arose within the Group;
10. Reviewed and recommended the revised Terms of Reference of the Audit Committee to the Board for approval; and
11. Reported to and updated the Board of Directors on significant issues and concerns discussed during the Audit Committee meetings and where appropriate made the necessary recommendation to the Board of Directors.

## INTERNAL AUDIT FUNCTION

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

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

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

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

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

The total cost incurred for the outsourced internal audit function of the Group for the financial year ended 31 December 2013 was RM47,769.00 (2012 : RM46,055.00).



“ On behalf of the Board of Directors of PMB Technology Berhad (“PMBT”), I am pleased to present to you the Annual Report and Audited Financial Statements of PMBT and its Group for the financial year ended 31 December 2013.

”

## Chairman's Statement

# Chairman's Statement

(cont'd)

## BUSINESS ENVIRONMENT & FINANCIAL PERFORMANCE

In spite of the uncertainty and the slow recovery of the global economy, the Malaysian economy expanded by 4.7% in 2013 which was mainly driven by the strong growth in the domestic demand.

During the current financial year under review, the Group recorded a revenue of RM281.9 million, slightly decreased by 1% from RM284.7 million recorded for the financial year ended 31 December 2012 ("FY2012").

The Group's Profit before tax ("PBT") was lower at RM10.5 million, representing a decrease of 15.8% from RM12.5 million recorded in the FY2012. The profit recorded in the FY2012 included a one-off gain on disposal of a vacant industrial land of RM4.2 million. Excluding this gain on disposal, the Group's PBT was 27% higher than RM8.3 million recorded in FY2012, which was mainly contributed by better products mix from Manufacturing and Trading segment. Accordingly, the Group's earnings per share was 9.75 sen.

## FORWARD TO 2014

The economic indicators continued to signal the improvement in the global economic conditions, especially in the United States and the Eurozone, even though there are some geopolitical tensions in certain part of the world particularly in Northern Europe.

For year 2014, the Malaysian economy is expected to remain on a steady growth path and it bodes well for local businesses generally.

Operating in a cost rising environment is one of the key challenges for the Group. We will continue to strive for higher efficiencies in operations couple with appropriate pricing and marketing strategy to achieve a satisfactory result and also ensure sustainable business growth.

## DIVIDENDS

The Company declared a total dividend of 6% per share in respect of the financial year ended 31 December 2013 as follows:

1. First interim single tier dividend of 2% per share amounting to RM774,798.00 which was paid on 17 October 2013.
2. Second interim single tier dividend of 2% per share amounting to RM774,798.00 which was paid on 7 January 2014.
3. Third interim single tier dividend of 2% per share amounting to RM774,798.00 which was paid on 9 April 2014.

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

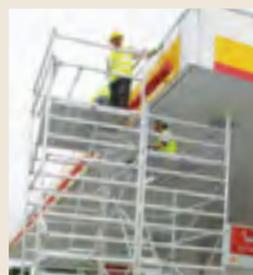
## APPRECIATION

On behalf of the Board, I would like to express my gratitude and appreciation to all our shareholders, customers, financiers and business associates for the continuous support, dedication and trust over the years. To our management and staff, thank you for your dedication, hard work and contributions made to the Group. Let us continue to work together for greater success in the financial year ahead.

## DATO' KOON POH KEONG

*Chairman*

12 May 2014



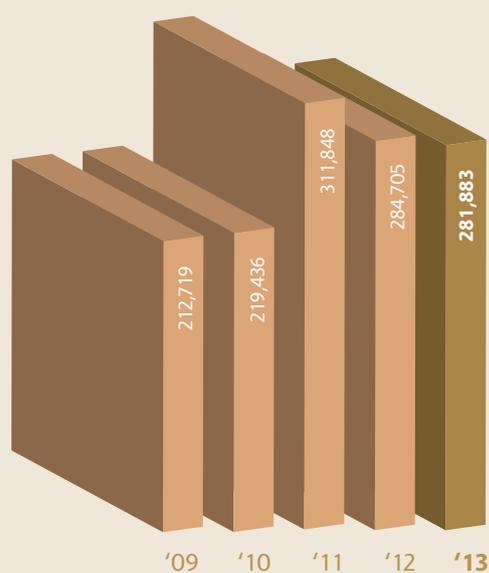
## Five Years Group Financial Highlights

Summary of the consolidated audited results of PMB Technology Berhad Group for the five (5) financial years ended 31 December 2013

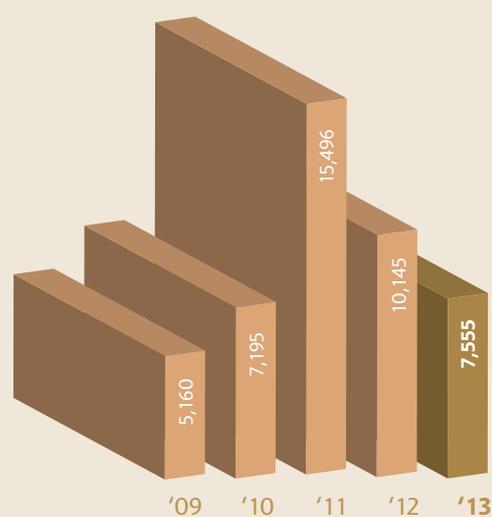
	2009	2010	2011	2012	2013
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	212,719	219,436	311,848	284,705	281,883
Profit before taxation	6,797	9,193	17,109	12,456	10,485
Profit for the Year	5,159	7,194	15,496	10,145	7,555
Attributable to:					
Owners of the Company	5,160	7,195	15,496	10,145	7,555
Non-controlling interests	(1)	(1)	-	-	-
	5,159	7,194	15,496	10,145	7,555
Earnings per share (sen) (Attributable to Owners of the Company)	6.66 ^	9.29 ^	20.00 ^	13.09 ^	9.75 ^

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

### REVENUE (RM' 000)



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



# Corporate Governance Statement

The Board of Directors (“the Board”) of PMB Technology Berhad (“the Company”) is committed to exercise good corporate governance by supporting and applying the prescriptions of the Principles and Recommendations set out in the Malaysian Code on Corporate Governance 2012 (“the Code”). The Board recognises that maintaining good corporate ethics is critical to business integrity and performance, and key to delivering shareholder value. The Board evaluates and where appropriate, implements relevant proposals to ensure that the Company and its subsidiaries’ (“the Group”) continue to adhere to good corporate governance, with the aim of ensuring the Board’s effectiveness in enhancing shareholders’ value.

The Board is pleased to provide the following statement on how the Group has applied the Principles and Recommendations of the Code. Unless otherwise stated, the Board has throughout the financial year ended 31 December 2013 complied with the best practices indicated in the Code.

## ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

### 1.1 Clear functions of the Board and Management

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

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

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

The Board monitors the decisions and actions of the CEO and the performance of the Group to gain assurance that progress is being made towards the corporate objectives, within the limits it has imposed.

### 1.2 Clear roles and responsibilities

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

To ensure the effective discharge of its function and responsibilities, the Board has established and delegates certain responsibilities to the Board Committees, as follows:-

Board Committee	Key Functions
Audit Committee	Explained on Pages 14 to 18 of this Annual Report
Executive Committee	Oversees all pertinent operational issues
Remuneration Committee	Explained on Pages 25 to 26 of this Annual Report
Nomination Committee	Explained on Pages 24 to 25 of this Annual Report

The Board Committees are entrusted with specific responsibilities to oversee the Company’s affairs, in accordance with their respective written Terms of References and operating procedures. At each Board meeting, minutes of the Board Committees are presented to the Board. The chairman of the respective Committees also report to the Board the key issues deliberated at the respective Committee meetings and such reports are incorporated into the Minutes of the Board meetings. These committees were formed in order to enhance business and operational efficiency as well as efficacy. The Board, however, remains fully responsible for the direction and control of the Company and the Group.

# Corporate Governance Statement

(cont'd)

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

### 1.3 Formalised ethical standards through Code of Conduct

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

The Board has adopted and implemented a Code of Conduct for Directors, management and employees of the Group as well as a Code of Ethics for the Board. All employees have certified in writing that they have read and understood the Code of Conduct. Non-compliance and failure to report non-compliance to the Code of Conduct may lead to disciplinary actions.

A summary of the Code of Conduct will be published on the Company's website in due course.

### 1.4 Strategies promoting sustainability

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

The Company's activities on corporate responsibilities for the year under review are set out in Page 34 of this Annual Report.

### 1.5 Access to information and advice

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

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

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

### 1.6 Qualified and competent Company Secretaries

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

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

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

# Corporate Governance Statement

(cont'd)

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

### 1.7 Board Charter

The Board is guided by the Board Charter and a Delegation Authority Matrix which set out the practices and processes in the discharge of its responsibilities; the matters that are reserved for consideration and decision-making; the authority it has delegated to the CEO, including the limits which the CEO can execute the authority; and provides guidance on the division of responsibilities between the Board and CEO.

The Board Charter and the Delegation Authority Matrix are reviewed and revised as and when required, to ensure an optimum structure for efficient and effective decision making in the organisation.

A summary of the Board Charter will be published on the Company's website in due course.

## STRENGTHEN COMPOSITION OF THE BOARD

### 2.1 Nomination Committee

The Nomination Committee comprised the following members during the financial year ended 31 December 2013 :

Name of Director	Membership	Directorship
Tuan Haji Mohamad Faiz Bin Abdul Hamid	<i>Chairman</i>	<i>Independent Non-Executive Director</i>
Loo Lean Hock	<i>Member</i>	<i>Independent Non-Executive Director</i>
Ernest Bong Miao Fatt	<i>Member</i>	<i>Independent Non-Executive Director</i>

The Nomination Committee consists entirely of Independent Non-Executive Directors.

The duties and responsibilities of the Nomination Committee is empowered by the Board and its Terms of Reference which include:

- ◆ Making recommendations to the Board as to the appointment of new Directors;
- ◆ Reviewing the required mix of skills, experience and other qualities of the Director, including core competencies;
- ◆ Systematically assessing the effectiveness of the Board and its Board Committees and the contribution and performance of each individual Director including his time commitment, character, experience and integrity on an annual basis;
- ◆ Assessing the training needs of Directors in order to discharge their duties effectively;
- ◆ Considering the Board's structure, size and composition;
- ◆ Reviewing the character, experience, integrity, competence and time of CEO and Chief Financial Officer.

The Nomination Committee held one (1) meeting during the financial year ended 31 December 2013 and all the members registered full attendance.

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

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

#### *Appointment process*

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

The Board appoints its members through a formal and transparent selection process, which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. In evaluating the suitability of candidate(s), the Nomination Committee considers, inter-alia the competency, commitment (including time commitment), character, integrity and experience in meeting the needs of the Company. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

# Corporate Governance Statement

(cont'd)

## STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

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

#### *Re-election of Directors*

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

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

#### *Board Evaluation*

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

During the financial year under review, the Nomination Committee had reviewed and assessed the mix of skills and experience and size of the Board, contribution of each Director and effectiveness of the Board and Board Committees and also reviewed the retirement of Directors by rotation eligible for re-election. The Board assessment is based on specific criteria, inter-alia the Board structure, Board operations, roles and responsibilities of the Board, Board Committees and Chairman. For individual assessment, it includes the quality of inputs, understanding of the roles and etc.

### 2.3 Remuneration policies and procedures

#### *Remuneration Committee*

The Remuneration Committee consists entirely Independent Non-Executive Directors with Tuan Haji Mohamad Faiz Bin Abdul Hamid as the Chairman. The Committee is responsible for recommending the remuneration framework for Directors as well as the remuneration packages of Executive Directors to the Board. None of the Executive Directors participated in any way in determining their individual remuneration.

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

The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board.

The members of the Remuneration Committee are as follows:-

Name of Director	Membership	Directorship
Tuan Haji Mohamad Faiz Bin Abdul Hamid	<i>Chairman</i>	<i>Independent Non-Executive Director</i>
Loo Lean Hock	<i>Member</i>	<i>Independent Non-Executive Director</i>
Ernest Bong Miao Fatt	<i>Member</i>	<i>Independent Non-Executive Director</i>

The Remuneration Committee held one (1) meeting during the financial year ended 31 December 2013 and all the members registered full attendance.

# Corporate Governance Statement

(cont'd)

## STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

### 2.3 Remuneration policies and procedures (cont'd)

#### Remuneration Package

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company who served during the financial year ended 31 December 2013 are as follows:

Category	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Benefits in- kind (RM'000)
Executive Directors	-	1,024	-
Non-Executive Directors	72	-	-

Breakdown of Directors' remuneration for the financial year ended 31 December 2013, by category and in each successive band of RM50,000, is as follows:-

	Executive	Non-Executive
RM50,000 and below	-	3
RM100,001 - RM150,000	1	-
RM150,001 - RM200,000	2	-
RM200,001 - RM250,000	2	-
<b>Total</b>	<b>5</b>	<b>3</b>

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

## REINFORCE OF INDEPENDENCE

### 3.1 Annual Assessment of Independence

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

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

# Corporate Governance Statement

(cont'd)

## REINFORCE OF INDEPENDENCE (cont'd)

### 3.2 Tenure of Independent Directors

In line with the Code, the tenure of an independent Director should not exceed a cumulative term of nine (9) years. However, an Independent Director may continue to serve on the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Nominating Committee is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence.

Following an assessment by the Nomination Committee and the Board, the Board recommended for Tuan Haji Mohamad Faiz Bin Abdul Hamid and Mr Loo Lean Hock to continue to act as Independent Non-Executive Directors of the Company subject to shareholders' approval at the Twelfth AGM of the Company.

Key justifications for the recommended continuance as Independent Non-Executive Director for the Directors are reflected in the Notice of Twelfth AGM on page 6 of the Annual Report.

### 3.3 Separation of positions of the Chairman and CEO

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

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

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

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

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

### 3.4 Board Composition and Balance

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

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

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

# Corporate Governance Statement

(cont'd)

## FOSTER COMMITMENT

### 4.1 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors. Meetings for the year are scheduled at the end of the preceding year to enable the Directors to plan ahead and ensure that the Board and its Committee meetings are accounted for in their respective schedules. It provides the scheduled dates for meetings of the Board and Board Committees and the AGM, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Company's quarterly results. The Board meets for both scheduled meetings and on other occasions to deal with urgent matters. Due notice is given for all scheduled and additional meetings.

During the financial year ended 31 December 2013, the Board met on four (4) occasions, where it deliberated upon and considered a variety of matters including the financial results, major investments, strategic decisions, the business plan and direction of the Group.

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

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

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

Details of Directors' attendance at Board Meetings held during the financial year ended 31 December 2013 are as follows:

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

### 4.2 Directors' training

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

The Directors have participated in numerous training programmes, seminars, conferences and briefings in areas of finance, tax, corporate governance and risk management, industry and regulatory developments. All the Directors have completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities Berhad.

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

- ◆ National Tax Conference 2013
- ◆ Update on Listing Requirements of Bursa Malaysia Securities Berhad
- ◆ Understanding Malaysian Property & Tax Planning Strategies
- ◆ MIA International Accountants Conference 2013
- ◆ The Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers
- ◆ Malaysian Code of Corporate Governance 2012

# Corporate Governance Statement

(cont'd)

## FOSTER COMMITMENT (cont'd)

### 4.2 Directors' training (cont'd)

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

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

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

The Board, through the Nomination Committee, had undertaken an assessment of the training needs of each Director.

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

## UPHOLD INTEGRITY IN FINANCIAL REPORTING

### 5.1 Compliance with applicable financial reporting standards

#### ***Financial Reporting***

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

#### ***Directors' responsibility statement in respect of the preparation of the audited financial statements***

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their results and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that Malaysian Financial Reporting Standard ("MFRS"), International Financial Reporting Standards ("IFRS") and the provisions of the Companies Act, 1965 in Malaysia have been applied with and reasonable and prudent judgement and estimates have been made.

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

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

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

#### ***Related Party Transactions***

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

Further details of these transactions are set out in the Recurrent Related Party Transactions' Circular to Shareholders dated 4 June 2014.

# Corporate Governance Statement

(cont'd)

## UPHOLD INTEGRITY IN FINANCIAL REPORTING (cont'd)

### 5.2 Assessment of sustainability and independence of external auditors

Key features underlying the relationship of the Audit Committee with the External Auditors are included in the Audit Committee's terms of reference as detailed on Page 15 of the Annual Report.

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

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

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

The External Auditors attended two (2) out of four (4) of the Audit Committee meetings held to review the Quarterly Results and the financial statements. The Audit Committee was satisfied with the External Auditors' technical competency and audit independence.

## RECOGNISE AND MANAGE RISKS

### 6.1 Sound framework to manage risks

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

The key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control of the Company as set out on Pages 35 to 36 of this Annual Report.

### 6.2 Internal audit function

The Board has established an internal audit function within the Company, which is led by the Head of Internal Audit who reports directly to the Audit Committee. The Statement on Risk Management and Internal Control furnished on Pages 35 to 36 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

## ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

### 7.1 Corporate Disclosure Policy

#### Information Disclosure

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

### 7.2 Leverage on information technology for effective dissemination of information

#### Investor Relations and Shareholders' Communication

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

# Corporate Governance Statement

(cont'd)

## STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

### 8.1 Encourage shareholder participation at general meetings

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

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

Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. During the last AGM, a question and answer session was held where the Chairman invited shareholders to raise questions with responses from the Board. All the resolutions set out in the Notice of the Eleventh AGM were put to vote by show of hands and duly passed. The outcome of the AGM was announced to Bursa Securities on the same meeting day.

### 8.2 Effective Communication and Proactive Engagement

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

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

This statement is made in accordance with the resolution of the Board of Directors duly passed on 20 May 2014.

## Other Information

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Securities as set out in Appendix 9C thereto.

### (1) MATERIAL CONTRACTS

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

### (2) OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued by the Company during the financial year ended 31 December 2013.

### (3) SANCTIONS AND/OR PENALTIES

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

### (4) NON-AUDIT FEES

During the financial year ended 31 December 2013, the non-audit fees paid to the external auditors by the Company amounted to RM25,000.

### (5) SHARE BUY-BACK

There were no share buy-backs for the financial year ended 31 December 2013.

As at 31 December 2013, a total of 2,520,200 shares were held as treasury shares at cost in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. None of the treasury shares repurchased has been sold or cancelled.

### (6) RECURRENT RELATED PARTY TRANSACTIONS

The details for the Recurrent Related Party Transactions of a Revenue or Trading Nature transacted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2013 are stated in Section 2.2 and Section 2.3 of the Circular to Shareholders dated 4 June 2014 and Note 28 of the Financial Statements.

### (7) PROFIT GUARANTEE

There were no profit guarantee issued by the Company during the financial year ended 31 December 2013.

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

There were no material variance between the results for the financial year ended 31 December 2013 and the unaudited results previously announced by the Company.

There was no profit estimate, forecast or projection published by the Company during the financial year ended 31 December 2013.

## Other Information

(cont'd)

**(9) DEPOSITORY RECEIPT PROGRAMME**

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2013.

**(10) UTILISATION OF PROCEEDS**

The Company did not undertake any corporate proposal during the financial year ended 31 December 2013 to raise proceeds.

# Corporate Social Responsibilities

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

## WORKPLACE

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

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

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

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

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

## COMMUNITY & SOCIETY

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

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

On 16 August 2013, the Group had again organized a Blood Donation Campaign in collaboration with Pusat Darah Negara with the objective in assisting them in the blood replenishment for the sixth consecutive year. The campaign was not only limited to our employees but also to blood donors from their family members.

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

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

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

## GLOBAL ENVIRONMENT

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

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

# Statement on Risk Management and Internal Control

## INTRODUCTION

In accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of public listed companies are required to include in their annual report a statement about the state of 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 delegates the responsibility of monitoring the system of risk management and internal control to the Audit Committee. The Audit Committee has engaged the services of external consultants to assess the adequacy and effectiveness of the internal control system. The Company has a risk management framework in place. The internal audit process covers the audit of selected units and operations based on risk assessment conducted by the internal auditor 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 18 of this Annual Report.

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

## OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

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

Everlast Aluminium (M) Sdn. Bhd.	<ul style="list-style-type: none"> <li>◆ SIRIM BS 2037:1994 on portable aluminium ladder</li> <li>◆ SIRIM HD 1004:1992 on prefabricated mobile access and working tower</li> <li>◆ SIRIM BS EN 131-2:1993 portable aluminum ladder</li> <li>◆ SIRIM BS EN 131-2:1993 on portable fiberglass ladder</li> <li>◆ SIRIM BS 1139-3:1994 on prefabricated mobile access and working tower</li> <li>◆ ISO 9001:2008 on Quality Management Systems</li> </ul>
PMB Façade Technology Sdn. Bhd.	<ul style="list-style-type: none"> <li>◆ ISO 9001: 2008 on Quality Management System</li> </ul>

# Statement on Risk Management and Internal Control

(cont'd)

## OTHER KEY ELEMENTS OF INTERNAL CONTROL (cont'd)

- ◆ Review of all proposals for material capital and investment acquisitions by the management prior to the review and approval by the Board of Directors;
- ◆ Information is provided by management to the Board on a quarterly basis, covering financial performance as well as key performance indicators, such as cash flow performance, product sales analysis and operating cost analysis. These performance reports are benchmarked against 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 and policies and procedures are in place and made available to all staff; and
- ◆ Charter of responsibilities and functions of the Board of Directors and its main committees - Audit Committee, Nomination Committee and Remuneration Committee.

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

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

A few internal control weaknesses were identified during the period, all of which have been, or are being addressed. 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.

## Group Information

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

The principal activities of PMBT Group are:

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

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

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

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

### PMB FACADE TECHNOLOGY GROUP OF COMPANIES

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

- ❖ PMB-Cyberwall Limited in Hong Kong
- ❖ PMB Facade Technology (H.K.) Limited in Hong Kong
- ❖ Kai PMB Facade Technology Limited in Bangladesh
- ❖ PMB Qatar Co. W.L.L in Qatar
- ❖ PMB Facade Technology International Limited Liability Company in U.A.E.

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

# Group Information

(cont'd)

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

## PRODUCTS/SYSTEMS

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

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

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

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

Some of the projects undertaken are as follows:-

### Malaysia

<b>The Latitude</b>	- 2 Blocks of 39 Storeys Apartment, Penang
<b>Scientex The Garden</b>	- 2 Blocks of 21 Levels of Residential Housing, Johor Bahru
<b>Pine Residences</b>	- 2 Blocks of 29 Storeys Condominium, Penang
<b>Paramount Utropolis</b>	- 2 Blocks of 14 Storeys Service Apartment at Seksyen UI Shah Alam 40150, Selangor
<b>Amansuri</b>	- 2 Blocks of 23 & 24 Storeys Residential Towers at Alor Setar, Kedah
<b>Stutong Height</b>	- 4 Blocks of 5 Storeys Apartment at Kuching, Sarawak
<b>D'Carlton Seaview Residence</b>	- 2 Blocks of 22 Storeys Service Apartment, Johor
<b>Garden Ville</b>	- 2 Blocks of 24 Storeys Condominium, Penang
<b>One Tanjung</b>	- 2 Towers 41-storey Condominium at Jalan Tanjung Bungah, Penang
<b>Icon Residence</b>	- 2 Towers 28 & 36-storey Service Apartment (Lift Core) at Sri Hartamas Part II, Kuala Lumpur
<b>LMC-Bukit Erskine</b>	- 38-storey Condominium, Penang
<b>Verdana Kiara North</b>	- 2 Towers 30-storey Condominium at Jalan Segambut, Kuala Lumpur
<b>Berjaya Central Park</b>	- 38 storey Office at Section 58, Kuala Lumpur
<b>Summerton</b>	- 1 Tower 14-storey Suite Perniagaan, Persiaran Mahsuri, Penang
<b>Quadro KLCC</b>	- 38-storey Service Apartment, Persiaran KLCC, Kuala Lumpur
<b>Vipod KLCC</b>	- 42-storey Service Apartment at Jalan Kia Peng, Kuala Lumpur
<b>Oval Damansara</b>	- 34-storey Office Tower at Jalan Damansara, Kuala Lumpur
<b>Scott SOHO</b>	- 2 Towers 38-storey Office Tower at Jalan Kelang Lama, Kuala Lumpur
<b>The Peak Residence</b>	- 4 Towers 38-storey Condominium, Penang
<b>Soho KLCC</b>	- 2 Towers 45-storey Service Apartment at Jalan Perak, Kuala Lumpur
<b>Cascades</b>	- 20-storey Service Apartment, Kota Damansara, Selangor
<b>Verticas Residence</b>	- 3 Towers 40-storey Residential Towers at Bukit Ceylon, Kuala Lumpur

# Group Information

(cont'd)

<b>Sky Residence</b>	- 2 Towers 40-storey Service Apartment at Jalan Tun Razak, Kuala Lumpur
<b>5 Stones</b>	- 4 Towers 38, 15, 25 & 36-storey Residential Towers at Jalan SS2/72, Selangor
<b>The Shore</b>	- 2 Towers 38 & 19-storey Residential Towers, Persiaran Gurney, Penang
<b>Island Resort</b>	- 3 Towers 33-storey Residential Towers, Jalan Batu Feringghi, Penang
<b>KL Pavilion Residences</b>	- 2 Towers 50 and 43-storey Residential Towers, Kuala Lumpur
<b>The One Menerung</b>	- 3 Towers 38 & 23-storey Residential Towers, Bangsar Kuala Lumpur
<b>Northshore Gardens</b>	- 40-storey Residential Tower at Desa Parkcity, Kuala Lumpur
<b>The Zehn</b>	- 2 Towers 25-storey Luxury Apartment at Bukit Pantai, Kuala Lumpur
<b>Nautica Lake Suites</b>	- 3 Towers 16, 21 & 24-storey Residential Towers at Sunway South Quay, Selangor
<b>The View</b>	- Twin towers 30-storey Residential Towers, Penang
<b>The Cove</b>	- 4 Towers 42-storey Residential Towers, Tanjung Bungah, Penang
<b>Times Square</b>	- 23-storey Commercial Tower, George Town, Penang
<b>Titiwangsa Sentral</b>	- 2 Towers 38-storey Residential Towers at Jalan Pangkor, Kuala Lumpur
<b>Pelangi 2 Damansara</b>	- 19-storey Apartment at Bandar Utama, Selangor
<b>Paragon Heights</b>	- 345 Units 3-storey Terrace House at Bukit Jalil, Kuala Lumpur

## International

<b>Flo Residence Singapore</b>	- 7 Towers 19-storey Condominium at Punggol Field Walk, Singapore
<b>The Grove</b>	- 4 Towers 37-storey Condominium at E Rodriguez Jr Avenue, Pasig City, Philippines
<b>53 Benitez</b>	- 2 Towers 9-storey Condominium at Cubao, San Juan, Quezon City, Philippines
<b>Aeon Tower</b>	- 1 Towers 33-storey Condominium at JP Laurel Avenue, Davao City, Philippines
<b>Amaia Scapes Tarlac</b>	- 194 Single storey Bungalow & 2 Storey House at MacArthur Highway, Capas Town, Tarlac City, Philippines
<b>Amaia Scapes Lucena</b>	- 194 Single storey Bungalow & 2 Storey House at Isabang, Lucena City, Quezon, Philippines
<b>Amaia Steps Nuvali</b>	- 14 Blocks 4- storey Residential at Santa Rosa, Laguna, Philippines



# Group Information

(cont'd)

## SERVICES

- ❖ Complete Structural Design and Analysis of Curtain Wall and Cladding System
- ❖ Design and Drafting Production
  - ◆ Preparation of Design Concept Drawings
  - ◆ Preparation of Mock-up Drawings
  - ◆ Preparation of Shop Drawings
  - ◆ Preparation of Extrusion Die Drawings
  - ◆ Preparation of Fabrication Drawings
  - ◆ Preparation of Field Tag Drawings
- ❖ Extraction of Bills of Material for Ordering
- ❖ Extraction of Glass Sizes for Production
- ❖ Estimation Services (during pre-tender and post-tender stage)
- ❖ Project Management Services
- ❖ Evaluation and Repair of Curtain Wall with Water Leakage Problem

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

- ◆ 58-storey Commercial cum Residential, Ilham Baru Tower, Kuala Lumpur
- ◆ 45-storey Commercial cum Residential, Al Bidda Tower, Doha, Qatar
- ◆ Catering Facility of New Doha International Airport, Qatar
- ◆ 3 blocks of 55-storey hotel towers and sky garden on top of the towers, Marina Bay Sands, Singapore
- ◆ Sarawak Energy Berhad Headquarters, Kuching
- ◆ 72-storey MTRC Kowloon Station Development of Commercial cum Residential, Hong Kong



# Group Information

(cont'd)

- ◆ 60-storey of Commercial cum Residential, Hanoi Road, Hong Kong
- ◆ 34-storey of The Crown Hotel, Macau
- ◆ Putrajaya Convention Centre, Putrajaya
- ◆ 2 blocks of 44-storey and 45-storey KLCC Luxury Condominiums, Kuala Lumpur
- ◆ Kuala Lumpur International Airport (KLIA), Sepang
- ◆ Menara Landmark, Johor Bahru
- ◆ Chek Lap Kok Airport Hotel, Hong Kong
- ◆ 43-storey Commercial cum Residential, Tsuen Wan, Hong Kong
- ◆ 30-storey Commercial cum Residential, Wyndham Street, Hong Kong
- ◆ 8 blocks of 35-storey Commercial cum Residential, King's Park, Kowloon, Hong Kong
- ◆ 24-storey Westin Hotel Dhaka, Bangladesh
- ◆ 58-storey Commercial cum Residential, Kong Hui Plaza Shanghai, China
- ◆ 1 block of 12 storey Government Leisure and Culture Centre for Youth, Hong Kong
- ◆ Union Hospital, Hong Kong

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

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



# Group Information

(cont'd)

## EVERLAST ALUMINIUM GROUP OF COMPANIES

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

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

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

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

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

## Everlast Ladders

- ❖ Quality

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

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

- ❖ Research and Development

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



# Group Information

(cont'd)

## ❖ Marketing

Everlast's ladder is widely distributed throughout Malaysia. They can be found in most hardware outlets, DIY chains as well as hypermarkets. The brand name **EVERLAST** is 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 : 2007.

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

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

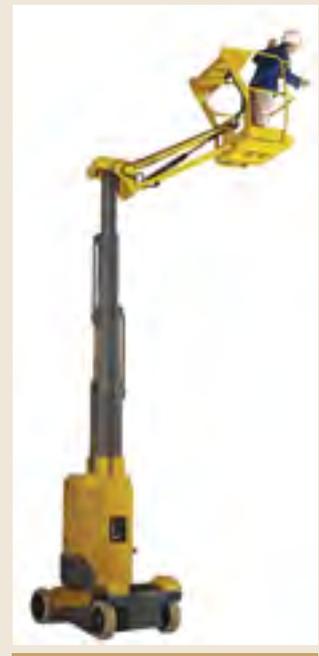
## ACCESS EQUIPMENT

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

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

Our Scaffold Towers have been used in:

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



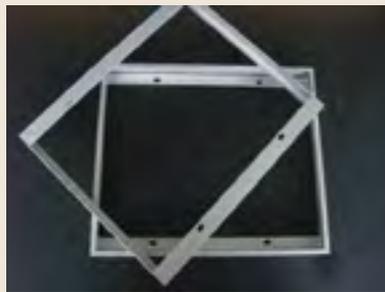
# Group Information

(cont'd)

## FABRICATION EXPERTISE

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

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



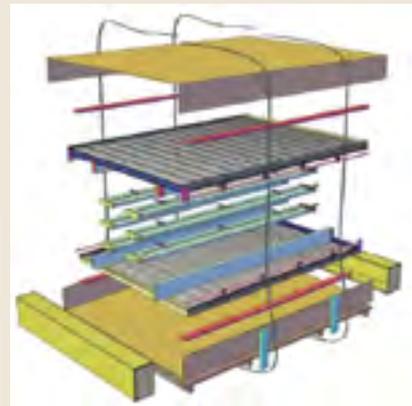
# Group Information

(cont'd)

## TRUCK-BODY

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

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



## ALUMINIUM GATE

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



# Group Information

(cont'd)

## DISTRIBUTION OF ALUMINIUM & RELATED BUILDING MATERIALS

### ❖ Strategic Locations

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

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



### ❖ One-Stop Interior Construction Materials Centre

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

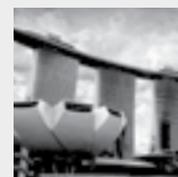
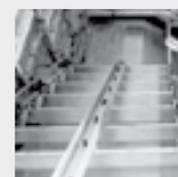
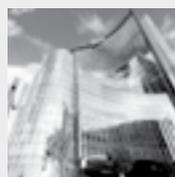
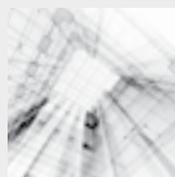
Everlast Group is the authorized distributor of gypsum partition boards and ceiling panels manufactured by Boral Plasterboard (Malaysia) Sdn Bhd and cement board and asbestos free cement fibre board manufactured by Hume Cemboard Berhad.

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



# financial statements

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# Directors' Report

## for the Year Ended 31 December 2013

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 2013.

### 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.

### RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	7,555	1,236

### 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:

- i) a third interim ordinary dividend of 1 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM774,798 in respect of the financial year ended 31 December 2012 paid on 9 April 2013;
- ii) a first interim ordinary dividend of 1 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM774,798 in respect of the financial year ended 31 December 2013 paid on 17 October 2013; and
- iii) a second interim ordinary dividend of 1 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM774,798 in respect of the financial year ended 31 December 2013 paid on 7 January 2014.

Subsequent to the financial year end, the Directors declared a third interim ordinary dividend of 1 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM774,798 in respect of the financial year ended 31 December 2013, which was paid on 9 April 2014. The Directors do not recommend any final dividend to be paid for the financial year under review.

### DIRECTORS OF THE COMPANY

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

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

# Directors' Report

for the Year Ended 31 December 2013  
(cont'd)

## DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM0.50 each			At 31.12.2013
	At 1.1.2013	Bought	Sold	
Interest in the Company:				
Dato' Koon Poh Keong	1,089,700	-	-	1,089,700
Koon Poh Ming				
- own	30,000	-	-	30,000
- spouse *	3,517,700	-	-	3,517,700
Tuan Haji Mohamad Faiz bin Abdul Hamid	100,000	-	-	100,000
Dato' Koon Poh Tat	3,431,000	24,000	-	3,455,000
David Tan Hung Hoe	30,000	-	-	30,000
Ernest Bong Miao Fatt	48,000	-	-	48,000
Deemed interest in the Company:				
Koon Poh Ming #	6,797,288	-	-	6,797,288
Dato' Koon Poh Tat #	6,797,288	-	-	6,797,288
Koon Poh Weng #	6,797,288	-	-	6,797,288

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

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

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

None of the other Directors holding office at 31 December 2013 had any interest in the shares of the Company and of its related corporations during the financial year.

## DIRECTORS' BENEFITS

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

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# Directors' Report

for the Year Ended 31 December 2013  
(cont'd)

## ISSUE OF SHARES AND DEBENTURES

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

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## OTHER STATUTORY INFORMATION

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the impairment losses on trade receivables and an associate and realised loss on foreign exchange as disclosed in Note 19 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

# Directors' Report

for the Year Ended 31 December 2013  
(cont'd)

## **SIGNIFICANT EVENT**

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

## **AUDITORS**

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

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

**KOON POH MING**

**KOON POH WENG**

Petaling Jaya, Selangor

Date: 25 April 2014

# Statements of Financial Position

as at 31 December 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Assets</b>					
Property, plant and equipment	3	96,600	90,391	2	3
Goodwill	4	792	792	-	-
Investment properties	5	559	574	-	-
Investments in subsidiaries	6	-	-	39,120	39,120
Investments in associates	7	31	39	-	-
<b>Total non-current assets</b>		<b>97,982</b>	91,796	<b>39,122</b>	39,123
Inventories	8	43,469	34,849	-	-
Trade and other receivables	9	167,710	138,824	8,009	9,365
Current tax assets		379	673	41	285
Cash and cash equivalents	10	22,859	18,809	1,068	149
<b>Total current assets</b>		<b>234,417</b>	193,155	<b>9,118</b>	9,799
<b>Total assets</b>		<b>332,399</b>	284,951	<b>48,240</b>	48,922
<b>Equity</b>					
Share capital		40,000	40,000	40,000	40,000
Share premium		6,941	6,941	6,941	6,941
Translation reserve		(3,062)	(5,194)	-	-
Treasury shares		(2,220)	(2,220)	(2,220)	(2,220)
Retained earnings		84,920	79,690	1,005	2,094
<b>Total equity attributable to owners of the Company</b>	11	<b>126,579</b>	119,217	<b>45,726</b>	46,815
<b>Non-controlling interests</b>		-	-	-	-
<b>Total equity</b>		<b>126,579</b>	119,217	<b>45,726</b>	46,815
<b>Liabilities</b>					
Loans and borrowings	12	21,299	21,269	-	-
Deferred tax liabilities	13	5,143	4,728	-	-
<b>Total non-current liabilities</b>		<b>26,442</b>	25,997	-	-
Loans and borrowings	12	96,879	80,260	-	-
Trade and other payables	14	81,808	58,937	2,514	2,107
Current tax liabilities		691	540	-	-
<b>Total current liabilities</b>		<b>179,378</b>	139,737	<b>2,514</b>	2,107
<b>Total liabilities</b>		<b>205,820</b>	165,734	<b>2,514</b>	2,107
<b>Total equity and liabilities</b>		<b>332,399</b>	284,951	<b>48,240</b>	48,922

The notes on pages 59 to 106 are an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 December 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	15	<b>281,883</b>	284,705	<b>2,496</b>	6,430
Cost of sales	16	<b>(228,854)</b>	(237,084)	-	-
<b>Gross profit</b>		<b>53,029</b>	47,621	<b>2,496</b>	6,430
Other income		<b>1,131</b>	5,153	-	-
Distribution expenses		<b>(4,113)</b>	(3,450)	-	-
Administrative expenses		<b>(21,272)</b>	(17,609)	<b>(533)</b>	(498)
Other expenses		<b>(12,705)</b>	(14,119)	<b>(260)</b>	(256)
<b>Results from operating activities</b>		<b>16,070</b>	17,596	<b>1,703</b>	5,676
Finance income	17	<b>11</b>	46	-	-
Finance costs	18	<b>(5,588)</b>	(5,178)	-	-
<b>Net finance costs</b>		<b>(5,577)</b>	(5,132)	-	-
Share of losses of equity-accounted associates, net of tax		<b>(8)</b>	(8)	-	-
<b>Profit before tax</b>	19	<b>10,485</b>	12,456	<b>1,703</b>	5,676
Tax expense	20	<b>(2,930)</b>	(2,311)	<b>(467)</b>	(1,471)
<b>Profit for the year</b>		<b>7,555</b>	10,145	<b>1,236</b>	4,205
<b>Other comprehensive income/ (expense), net of tax</b>					
<b>Item that is or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		<b>2,132</b>	(1,074)	-	-
<b>Other comprehensive income/(expense) for the year, net of tax</b>		<b>2,132</b>	(1,074)	-	-
<b>Total comprehensive income for the year</b>		<b>9,687</b>	9,071	<b>1,236</b>	4,205
<b>Profit attributable to:</b>					
Owners of the Company		<b>7,555</b>	10,145	<b>1,236</b>	4,205
Non-controlling interests		-	-	-	-
<b>Profit for the year</b>		<b>7,555</b>	10,145	<b>1,236</b>	4,205
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<b>9,687</b>	9,071	<b>1,236</b>	4,205
Non-controlling interests		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>9,687</b>	9,071	<b>1,236</b>	4,205
<b>Basic earnings per ordinary share (sen)</b>	21	<b>9.75</b>	13.09		

*The notes on pages 59 to 106 are an integral part of these financial statements.*

# Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2013

Group	Note	← Attributable to owners of the Company →					Retained earnings	Total	Non-controlling interests	Total equity
		Share capital	Share premium	Translation reserve	Treasury shares					
		RM'000	RM'000	RM'000	RM'000	RM'000				
<b>At 1 January 2012</b>		40,000	6,941	(4,120)	(2,220)	71,870	112,471	-	112,471	
Foreign currency translation differences for foreign operations		-	-	(1,074)	-	-	(1,074)	-	(1,074)	
Total other comprehensive expense for the year		-	-	(1,074)	-	-	(1,074)	-	(1,074)	
Profit for the year		-	-	-	-	10,145	10,145	-	10,145	
<b>Total comprehensive (expense)/ income for the year</b>		-	-	(1,074)	-	10,145	9,071	-	9,071	
Dividends to owners of the Company	22	-	-	-	-	(2,325)	(2,325)	-	(2,325)	
<b>At 31 December 2012</b>		40,000	6,941	(5,194)	(2,220)	79,690	119,217	-	119,217	

# Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2013  
(cont'd)

Group	Note	← Attributable to owners of the Company →							Non- controlling interests	Total equity
		← Non-distributable →				Distributable				
		Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	RM'000		
<b>At 1 January 2013</b>		40,000	6,941	(5,194)	(2,220)	79,690	119,217	-	119,217	
Foreign currency translation differences for foreign operations		-	-	2,132	-	-	2,132	-	2,132	
Total other comprehensive income for the year		-	-	2,132	-	-	2,132	-	2,132	
Profit for the year		-	-	-	-	7,555	7,555	-	7,555	
<b>Total comprehensive income for the year</b>		-	-	2,132	-	7,555	9,687	-	9,687	
Dividends to owners of the Company	22	-	-	-	-	(2,325)	(2,325)	-	(2,325)	
<b>At 31 December 2013</b>		<b>40,000</b>	<b>6,941</b>	<b>(3,062)</b>	<b>(2,220)</b>	<b>84,920</b>	<b>126,579</b>	<b>-</b>	<b>126,579</b>	

The notes on pages 59 to 106 are an integral part of these financial statements.

# Statement of Changes in Equity

for the Year Ended 31 December 2013

Company	Note	Non-distributable			Distributable	Total equity RM'000
		Share capital	Share premium	Treasury shares	Retained earnings	
		RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2012</b>		40,000	6,941	(2,220)	214	44,935
Profit and total comprehensive income for the year		-	-	-	4,205	4,205
Dividends to owners of the Company	22	-	-	-	(2,325)	(2,325)
<b>At 31 December 2012/1 January 2013</b>		40,000	6,941	(2,220)	2,094	46,815
Profit and total comprehensive income for the year		-	-	-	1,236	1,236
Dividends to owners of the Company	22	-	-	-	(2,325)	(2,325)
<b>At 31 December 2013</b>		<b>40,000</b>	<b>6,941</b>	<b>(2,220)</b>	<b>1,005</b>	<b>45,726</b>

# Statement of Cash Flows

for the Year Ended 31 December 2013

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Cash flows from operating activities</b>				
Profit before tax	10,485	12,456	1,703	5,676
<i>Adjustments for:</i>				
Depreciation of investment properties	15	21	-	-
Depreciation of property, plant and equipment	6,822	7,812	1	1
Dividend income	-	-	(2,066)	(6,000)
Finance costs	5,588	5,178	-	-
Finance income	(11)	(46)	-	-
Gain on disposal of asset classified as held for sale	-	(4,184)	-	-
Gain on disposal of property, plant and equipment	(15)	(63)	-	-
Property, plant and equipment written off	51	3	-	-
Share of losses of equity-accounted associates, net of tax	8	8	-	-
Unrealised foreign exchange loss	102	2,135	-	-
<b>Operating profit/(loss) before changes in working capital</b>	<b>23,045</b>	23,320	<b>(362)</b>	(323)
Change in inventories	(8,620)	(6,919)	-	-
Change in trade and other receivables	(28,459)	12,917	1,437	(1,018)
Change in trade and other payables	21,574	(21,200)	32	6
<b>Cash generated from/(used in) operations</b>	<b>7,540</b>	8,118	<b>1,107</b>	(1,335)
Tax paid	(2,415)	(938)	(3)	(3)
Tax refunded	345	-	296	-
<b>Net cash from/(used in) operating activities</b>	<b>5,470</b>	7,180	<b>1,400</b>	(1,338)
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(7,951)	(17,896)	-	-
Dividends received from subsidiaries	-	-	1,550	4,066
Interest received from fixed deposits	11	46	-	-
Net proceeds from disposal of asset classified as held for sale	-	10,712	-	-
Proceeds from disposal of property, plant and equipment	747	165	-	-
<b>Net cash (used in)/from investing activities</b>	<b>(7,193)</b>	(6,973)	<b>1,550</b>	4,066

# Statements of Cash Flows

for the Year Ended 31 December 2013  
(cont'd)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Cash flows from financing activities</b>				
Decrease in amounts due to associates	(7)	(1)	-	-
(Decrease)/Increase in amounts due to subsidiaries	-	-	(400)	100
Dividends paid to owners of the Company	(1,550)	(2,325)	(1,550)	(2,325)
Drawdown/(Repayment) of bankers' acceptances	10,109	(2,802)	-	-
Drawdown/(Repayment) of revolving credits	336	(168)	-	-
Increase in amounts due from subsidiaries	-	-	(81)	(385)
Increase in amounts due to affiliated companies	-	3	-	3
Interest paid on loans and borrowings	(5,588)	(5,178)	-	-
Placement of deposits pledged with a licensed bank	(6)	(200)	-	-
Repayment of finance lease liabilities	(2,218)	(1,213)	-	-
(Repayment)/Drawdown of bank loans	(1,622)	7,816	-	-
<b>Net cash used in financing activities</b>	<b>(546)</b>	<b>(4,068)</b>	<b>(2,031)</b>	<b>(2,607)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,269)</b>	<b>(3,861)</b>	<b>919</b>	<b>121</b>
Effect of exchange rate fluctuations on cash held	2,107	(1,059)	-	-
Cash and cash equivalents at 1 January	17,558	22,478	149	28
<b>Cash and cash equivalents at 31 December</b>	<b>17,396</b>	<b>17,558</b>	<b>1,068</b>	<b>149</b>

## Cash and cash equivalents

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

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits	10	206	200	-	-
Less: Pledged deposits		(206)	(200)	-	-
		-	-	-	-
Cash and bank balances	10	22,653	18,609	1,068	149
Bank overdrafts	12	(5,257)	(1,051)	-	-
		<b>17,396</b>	<b>17,558</b>	<b>1,068</b>	<b>149</b>

## Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM13,789,000 (2012: RM20,841,000), of which RM5,838,000 (2012: RM2,945,000) were acquired by means of finance leases.

# Notes to the Financial Statements

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

## Principal place of business

Lot 1797, Jalan Balakong  
Bukit Belimbing  
43300 Seri Kembangan  
Selangor Darul Ehsan

## Registered office

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates. The financial statements of the Company as at and for the financial year ended 31 December 2013 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 25 April 2014.

## 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, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board but have not been adopted by the Group and by the Company:

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

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

# 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 a date yet to be confirmed***

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- MFRS 9, *Financial Instruments - Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures*

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

- from the annual period beginning on 1 January 2014 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for IC Interpretation 21 which is not applicable to the Group and to the Company.
- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except for Amendments to MFRS 2 and Amendments to MFRS 119 which are not applicable to the Group and to the Company.

The initial application of the accounting standards, amendments or interpretations is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company upon their first adoption except as mentioned below:

#### **MFRS 9, Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

### (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 4 - measurement of the recoverable amounts of cash-generating units
- Note 5 - valuation of investment properties
- Note 25 - contingencies

# Notes to the Financial Statements

(cont'd)

## 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 the Group entities, unless otherwise stated.

### (a) Basis of consolidation

#### (i) *Subsidiaries*

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

The Group adopted MFRS 10, *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group 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. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group 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. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 10. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

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.

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (a) Basis of consolidation (cont'd)

#### (iii) *Loss of control*

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

#### (iv) *Associates*

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

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

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 re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to 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.

#### (v) *Non-controlling interests*

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

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

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (a) Basis of consolidation (cont'd)

#### (vi) *Transactions eliminated on consolidation*

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

Unrealised gains arising from transactions with equity-accounted 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.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

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

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

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

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 (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 foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

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

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

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Financial instruments

#### (i) *Initial recognition and measurement*

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

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

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

#### (ii) *Financial instrument categories and subsequent measurement*

The Group and the Company categorise financial instruments as follows:

##### *Financial assets*

##### Loans and receivables

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

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

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

#### (iii) *Financial guarantee contracts*

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

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

#### (iv) *Derecognition*

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

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Financial instruments (cont'd)

#### (iv) Derecognition (cont'd)

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

### (d) Property, plant and equipment

#### (i) Recognition and measurement

Freehold land and property, plant and equipment under construction are measured at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The costs of self-constructed assets and self-manufactured plant and equipment also include the cost of materials and direct labour.

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date and in accordance with Note 2(u).

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.

#### (iii) Depreciation

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

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

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

#### (iii) Depreciation (cont'd)

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

• leasehold land	32 - 87 years
• buildings	50 years
• motor vehicles	5 - 10 years
• office renovation	5 - 10 years
• furniture and fittings	5 - 10 years
• office equipment	5 - 10 years
• plant and equipment/machinery	3 - 10 years

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

### (e) Leased assets

#### (i) Finance lease

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

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

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

#### (ii) Operating lease

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

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

### (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) Affiliated companies

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

### (h) Investment properties

#### *Investment property 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.

### (i) Inventories

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

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

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

### (j) Construction work-in-progress

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

Construction work-in-progress is presented as part of trade and other receivables as amounts due from contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amounts due to contract customers which is part of trade and other payables in the statement of financial position.

### (k) Cash and cash equivalents

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

### (l) Impairment

#### (i) *Financial assets*

All financial assets (except for investments in subsidiaries and investments in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (I) Impairment (cont'd)

#### (i) *Financial assets* (cont'd)

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

#### (ii) *Other assets*

The carrying amounts of other assets (except for inventories and amounts due from contract customers) 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.

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.

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (m) 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.

### (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) *Goods sold*

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

#### (ii) *Construction contracts*

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

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

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (o) Revenue and other income (cont'd)

#### (ii) **Construction contracts** (cont'd)

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

#### (iii) **Rental income**

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

#### (iv) **Management fee income**

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

#### (v) **Dividend income**

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

#### (vi) **Interest income**

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

### (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.

### (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.

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.

# Notes to the Financial Statements

(cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (q) Income tax (cont'd)

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

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

Unutilised reinvestment allowance, being a tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

### (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 not presented as the Group has no shares or other instruments with potential dilutive effects.

### (s) Operating segments

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

### (t) Contingencies

#### *Contingent liabilities*

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

### (u) Fair value measurement

From 1 January 2013, the Group adopted MFRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and 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.

In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

# Notes to the Financial Statements

(cont'd)

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM'000	Buildings RM'000	Motor vehicles RM'000	Office renovation RM'000	Furniture and fittings RM'000	Office equipment RM'000	Plant and equipment/ machinery RM'000	Under construction RM'000	Total RM'000
<b>Cost</b>									
At 1 January 2012	21,190	13,164	8,450	397	3,149	3,692	70,655	403	121,100
Additions	12,339	523	502	-	469	449	6,448	111	20,841
Disposals	-	-	(233)	-	(7)	(2)	(76)	-	(318)
Written off	-	-	-	-	-	-	(13)	-	(13)
Transfer from investment properties (Note 5)	-	290	-	-	-	-	-	-	290
Effect of movements in exchange rates	-	-	(2)	(11)	(7)	(20)	(6)	-	(46)
At 31 December 2012/1 January 2013	33,529	13,977	8,717	386	3,604	4,119	77,008	514	141,854
Additions	755	747	927	52	195	228	7,879	3,006	13,789
Disposals	-	-	(153)	-	-	(2)	(1,437)	-	(1,592)
Written off	-	-	-	-	(81)	(82)	(104)	-	(267)
Effect of movements in exchange rates	-	-	5	24	13	45	15	-	102
At 31 December 2013	<b>34,284</b>	<b>14,724</b>	<b>9,496</b>	<b>462</b>	<b>3,731</b>	<b>4,308</b>	<b>83,361</b>	<b>3,520</b>	<b>153,886</b>

# Notes to the Financial Statements

(cont'd)

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

Group	Land RM'000	Buildings RM'000	Motor vehicles RM'000	Office renovation RM'000	Furniture and fittings RM'000	Office equipment RM'000	Plant and equipment/ machinery RM'000	Under construction RM'000	Total RM'000
<b>Depreciation</b>									
At 1 January 2012	476	2,481	4,572	281	1,938	2,121	32,011	-	43,880
Depreciation for the year	305	270	782	27	220	335	5,873	-	7,812
Disposals	-	-	(203)	-	(3)	(1)	(9)	-	(216)
Written off	-	-	-	-	-	-	(10)	-	(10)
Transfer from investment properties (Note 5)	-	28	-	-	-	-	-	-	28
Effect of movements in exchange rates	-	-	(1)	(7)	(4)	(14)	(5)	-	(31)
At 31 December 2012/1 January 2013	781	2,779	5,150	301	2,151	2,441	37,860	-	51,463
Depreciation for the year	357	283	855	25	252	350	4,700	-	6,822
Disposals	-	-	(141)	-	-	(1)	(718)	-	(860)
Written off	-	-	-	-	(81)	(82)	(53)	-	(216)
Effect of movements in exchange rates	-	-	1	19	7	36	14	-	77
At 31 December 2013	<b>1,138</b>	<b>3,062</b>	<b>5,865</b>	<b>345</b>	<b>2,329</b>	<b>2,744</b>	<b>41,803</b>	-	<b>57,286</b>
<b>Carrying amounts</b>									
At 31 December 2012/1 January 2013	32,748	11,198	3,567	85	1,453	1,678	39,148	514	90,391
At 31 December 2013	<b>33,146</b>	<b>11,662</b>	<b>3,631</b>	<b>117</b>	<b>1,402</b>	<b>1,564</b>	<b>41,558</b>	<b>3,520</b>	<b>96,600</b>

# Notes to the Financial Statements

(cont'd)

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

<b>Company</b>	<b>Furniture and fittings RM'000</b>
<hr/>	
<b>Cost</b>	
At 1 January 2012/31 December 2012/1 January 2013/31 December 2013	13
<hr/>	
<b>Depreciation</b>	
At 1 January 2012	9
Depreciation for the year	1
At 31 December 2012/1 January 2013	10
Depreciation for the year	1
At 31 December 2013	11
<hr/>	
<b>Carrying amounts</b>	
At 31 December 2012/1 January 2013	3
At 31 December 2013	2
<hr/>	

### 3.1 Leased plant and equipment/machinery and motor vehicles

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

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Plant and equipment/machinery	8,127	3,014
Motor vehicles	3,211	3,088
	<hr/>	<hr/>
	<b>11,338</b>	<b>6,102</b>
	<hr/>	

# Notes to the Financial Statements

(cont'd)

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

#### 3.2 Security

Properties with a carrying amount of RM33,594,000 (2012: RM29,394,000) are pledged as security to secure bank loans granted to the Group (see Note 12).

#### 3.3 Land

Included in the total carrying amount of land are:

	Group	
	2013 RM'000	2012 RM'000
Freehold land	5,001	5,001
Leasehold land with unexpired lease period of more than 50 years	27,254	27,549
Leasehold land with unexpired lease period of less than 50 years	891	198
	<b>33,146</b>	<b>32,748</b>

### 4. GOODWILL

	Group	
	2013 RM'000	2012 RM'000
<b>Cost</b>		
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	
	2013 RM'000	2012 RM'000
PMB Quick Access Sdn. Bhd.	2	2
PMB-Cyberwall Limited	790	790
	<b>792</b>	<b>792</b>

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

# Notes to the Financial Statements

(cont'd)

## 4. GOODWILL (cont'd)

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

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

- Cash flows were projected based on past experience, anticipated future events and actual operating results. Cash flows for a 5-year period were projected using a constant growth rate of 5% (2012: 5%) per annum.
- The anticipated annual revenue growth included in the cash flow projections was 5% (2012: 10%), based on average growth rate level experienced in the past 3 years.
- The anticipated annual expenses growth included in the cash flow projections was 5% (2012: 5%), which is in line with inflation.
- A pre-tax discount rate of 8% (2012: 8%) was applied in determining the recoverable amount of the units.

The values assigned to the key assumptions represent management's assessment of future trends in the operating divisions and are based on internal sources (historical data).

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

## 5. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2012	42	1,015	1,057
Transfer to property, plant and equipment (Note 3)	-	(290)	(290)
At 31 December 2012/1 January 2013/31 December 2013	<b>42</b>	<b>725</b>	<b>767</b>
<b>Depreciation</b>			
At 1 January 2012	-	200	200
Depreciation for the year	-	21	21
Transfer to property, plant and equipment (Note 3)	-	(28)	(28)
At 31 December 2012/1 January 2013	-	193	193
Depreciation for the year	-	15	15
At 31 December 2013	-	<b>208</b>	<b>208</b>
<b>Carrying amounts</b>			
At 31 December 2012/1 January 2013	42	532	574
At 31 December 2013	<b>42</b>	<b>517</b>	<b>559</b>

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

# Notes to the Financial Statements

(cont'd)

## 5. INVESTMENT PROPERTIES (cont'd)

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

	Group	
	2013	2012
	RM'000	RM'000
Rental income	16	16
Direct operating expenses:		
- income generating investment properties	(14)	(11)
- non-income generating investment properties	(9)	(10)

### Fair value information

Fair value of investment properties are categorised as follows:

	Group	
	2013	2012
	RM'000	RM'000
<b>Level 3 fair value</b>		
Freehold land	51	69
Freehold buildings	962	801
	<b>1,013</b>	870

### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 2 fair values of land and building are generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

#### Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and 2 fair values during the financial year.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

# Notes to the Financial Statements

(cont'd)

## 5. INVESTMENT PROPERTIES (cont'd)

### Valuation process applied by the Group for Level 3 fair value

The fair value of the 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.

## 6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	39,120	39,120

Details of the subsidiaries are as follows:

Name of entity	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2013 %	2012 %
PMB Facade Technology Sdn. Bhd. and its subsidiaries:-	Malaysia	Design, fabrication and installation of aluminium curtain wall and cladding systems, as well as manufacturing and trading of aluminium related products	100	100
PMB Facade Technology (H.K.) Limited *	Hong Kong	Design, fabrication and installation of aluminium curtain wall and cladding systems and other related products	100	100
PMB-Cyberwall Limited *	Hong Kong	Design, fabrication and installation of aluminium curtain wall and cladding systems, trading and computer related business	100	100
PMB Facade Technology (S) Pte. Ltd. #, i	Singapore	Dormant. De-registered on 8 January 2013	-	70
Kai PMB Facade Technology Limited #, ii	Bangladesh	Dormant	51	51
Everlast Aluminium (M) Sdn. Bhd. and its subsidiaries:-	Malaysia	Marketing of aluminium and other related products	100	100
Everlast Environmental Management Sdn. Bhd.	Malaysia	Dormant	100	100
PMB Northern Sdn. Bhd.	Malaysia	Marketing of aluminium and other products	100	100
PMB Central Sdn. Bhd.	Malaysia	Marketing of gypsum board, aluminium extrusion and other products	100	100
Everlast Access Technologies Sdn. Bhd.	Malaysia	Manufacturing and marketing of aluminium and other related products	100	100
PMB Eastern Sdn. Bhd. *	Malaysia	Marketing of gypsum board and other products	100	100
PMB Quick Access Sdn. Bhd. *	Malaysia	Manufacturing and marketing of scaffolding tower, rental of machinery and scaffolding tower and trading of other related products	100	100

# 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 activities	Effective ownership interest and voting interest	
			2013 %	2012 %
PMB Aluminium Sabah Sdn. Bhd. and its subsidiary:-	Malaysia	Marketing of gypsum board, aluminium extrusion and other products	100	100
PMB.POIC Bulking Sdn. Bhd.	Malaysia	Dormant	100	100
PMB Carbon Sdn. Bhd.	Malaysia	Dormant	100	100
Sun Power Generation Sdn. Bhd.	Malaysia	Dormant	100	100
Solar Power Generation (Sabah) Sdn. Bhd.	Malaysia	Dormant	100	100

\* Not audited by member firms of KPMG International

# Consolidated based on management accounts

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

ii The non-controlling interests in this subsidiary are not material to the Group.

## 7. INVESTMENTS IN ASSOCIATES

	Group	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	354	354
Share of post-acquisition reserves	(323)	(315)
Group's share of net assets	31	39

The Group has two associates, PMB-Qatar W.L.L and PMB Facade Technology International Limited Liability Company, which are incorporated in Qatar and United Arab Emirates, respectively. The Group has a 49% effective ownership interest and voting interest in both of these associates.

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

# Notes to the Financial Statements

(cont'd)

## 8. INVENTORIES

	Group	
	2013 RM'000	2012 RM'000
Raw materials	11,915	9,106
Work-in-progress	1,672	1,362
Trading inventories and finished goods	29,882	24,381
	<b>43,469</b>	34,849
Recognised in profit or loss:		
Inventories recognised as cost of sales	<b>139,437</b>	138,970

## 9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Current</b>					
<b>Trade</b>					
Trade receivables		49,712	44,066	-	-
Progress billings receivable	9.1	55,180	38,501	-	-
Less: Individual impairment allowance		(4,219)	(3,358)	-	-
		<b>100,673</b>	79,209	-	-
Amounts due from contract customers	9.2	46,243	32,245	-	-
Amounts due from associates	9.3	4,463	8,335	-	-
Less: Individual impairment allowance		(2,628)	-	-	-
		<b>1,835</b>	8,335	-	-
Amounts due from affiliated companies	9.3	15,127	16,262	-	-
		<b>163,878</b>	136,051	-	-
<b>Non-trade</b>					
Amounts due from subsidiaries	9.3	-	-	7,990	7,909
Other receivables	9.4	715	434	-	1,450
Deposits		856	710	2	2
Prepayments		2,261	1,629	17	4
		<b>3,832</b>	2,773	<b>8,009</b>	9,365
		<b>167,710</b>	138,824	<b>8,009</b>	9,365

# Notes to the Financial Statements

(cont'd)

## 9. TRADE AND OTHER RECEIVABLES (cont'd)

### 9.1 Progress billings receivable

Included in progress billings receivable at 31 December 2013 are retentions of RM18,566,000 (2012: RM17,215,000) relating to construction work-in-progress. Retentions are unsecured, interest free and are expected to be collected as follows:

	Group	
	2013	2012
	RM'000	RM'000
Within 1 year	2,223	2,732
1 - 2 years	16,343	14,483
	<b>18,566</b>	<b>17,215</b>

### 9.2 Construction work-in-progress

	Group	
	2013	2012
	RM'000	RM'000
Aggregate costs incurred to date	551,978	602,753
Add: Attributable profits	80,853	84,445
	<b>632,831</b>	687,198
Less: Progress billings	<b>(594,955)</b>	(667,270)
	<b>37,876</b>	19,928
Represented by:		
Amounts due from contract customers	46,243	32,245
Amounts due to contract customers (Note 14)	<b>(8,367)</b>	(12,317)
	<b>37,876</b>	19,928

### 9.3 Related party balances

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

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

### 9.4 Other receivables

At 31 December 2012, included in other receivables of the Company were dividends receivable from subsidiaries amounting to RM1,450,000.

# Notes to the Financial Statements

(cont'd)

## 10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits placed with a licensed bank	206	200	-	-
Cash and bank balances	22,653	18,609	1,068	149
	<b>22,859</b>	<b>18,809</b>	<b>1,068</b>	<b>149</b>

The entire deposits placed with a licensed bank are pledged as security to secure bank facilities granted to the Group (see Note 12).

## 11. CAPITAL AND RESERVES

### Share capital

	Group and Company			
	Amount	Number of shares	Amount	Number of shares
	2013 RM'000	2013 '000	2012 RM'000	2012 '000
Ordinary share of RM0.50 each:				
Authorised	50,000	100,000	50,000	100,000
Issued and fully paid	40,000	80,000	40,000	80,000

### 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.

### Treasury shares

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

There was no repurchase of issued share capital in the current financial year. For 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. The shares repurchased are held as treasury shares.

At 31 December 2013, the Group held 2,520,000 (2012: 2,520,000) of the Company's shares.

# Notes to the Financial Statements

(cont'd)

## 12. LOANS AND BORROWINGS

	Note	Group	
		2013 RM'000	2012 RM'000
<b>Non-current</b>			
Bank loans - secured	12.2	15,998	17,944
Finance lease liabilities	12.3	5,301	3,325
		<b>21,299</b>	21,269
<b>Current</b>			
Bank loans - secured	12.2	3,069	2,745
Revolving credits - unsecured	12.1	6,076	5,740
Bankers' acceptances - secured	12.1	79,237	69,128
Bank overdrafts - unsecured	12.1	5,257	1,051
Finance lease liabilities	12.3	3,240	1,596
		<b>96,879</b>	80,260
		<b>118,178</b>	101,529

### 12.1 Revolving credits, bankers' acceptances and bank overdrafts - security and guarantee

The revolving credits, bankers' acceptances and bank overdrafts of the Group are guaranteed by the Company. The bankers' acceptances are also secured over deposits placed with a licensed bank (see Note 10).

### 12.2 Bank loans

	Group	
	2013 RM'000	2012 RM'000
Loan 1	1,633	1,789
Loan 2	8,045	9,251
Loan 3	8,266	9,649
Loan 4	1,123	-
	<b>19,067</b>	20,689

### Security and guarantee

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

# Notes to the Financial Statements

(cont'd)

## 12. LOANS AND BORROWINGS (cont'd)

### 12.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	2013	2013	2013	2012	2012	2012
<b>Group</b>						
Less than one year	3,666	(426)	3,240	1,841	(245)	1,596
Between one and five years	5,470	(364)	5,106	3,341	(251)	3,090
More than five years	203	(8)	195	249	(14)	235
	<b>9,339</b>	<b>(798)</b>	<b>8,541</b>	5,431	(510)	4,921

## 13. DEFERRED TAX LIABILITIES

### Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	-	6,720	6,424	6,720	6,424
Provisions	(1,250)	(496)	-	-	(1,250)	(496)
Other items	(327)	(1,200)	-	-	(327)	(1,200)
Tax (assets)/liabilities	<b>(1,577)</b>	(1,696)	<b>6,720</b>	6,424	<b>5,143</b>	4,728
Set off of tax	<b>1,577</b>	1,696	<b>(1,577)</b>	(1,696)	-	-
Net tax liabilities	-	-	<b>5,143</b>	4,728	<b>5,143</b>	4,728

# Notes to the Financial Statements

(cont'd)

## 13. DEFERRED TAX LIABILITIES (cont'd)

### Movement in temporary differences during the year

Group	At	Recognised	At	Recognised	At
	1.1.2012	in profit	31.12.2012	in profit	31.12.2013
	RM'000	or loss	/1.1.2013	or loss	RM'000
		(Note 20)		(Note 20)	
		RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	5,720	704	6,424	296	6,720
Provisions	(262)	(234)	(496)	(754)	(1,250)
Other items	(1,215)	15	(1,200)	873	(327)
	4,243	485	4,728	415	5,143

## 14. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
<b>Trade</b>					
Trade payables		19,649	17,840	-	-
Amounts due to contract customers	9.2	8,367	12,317	-	-
Amounts due to affiliated companies	14.1	46,650	20,985	-	-
		74,666	51,142	-	-
<b>Non-trade</b>					
Amounts due to associates	14.1	60	67	-	-
Amounts due to affiliated companies	14.1	3	3	3	3
Amounts due to subsidiaries	14.1	-	-	1,550	1,950
Other payables and accrued expenses	14.2	7,079	7,725	961	154
		7,142	7,795	2,514	2,107
		81,808	58,937	2,514	2,107

### 14.1 Related party balances

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

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

### 14.2 Other payables and accrued expenses

Included in other payables and accrued expenses of the Group are accruals for project costs amounting to RM2,324,000 (2012: RM3,640,000).

Included in other payables and accrued expenses of the Group and of the Company are dividends payable to owners of the Company amounting to RM775,000 (2012: Nil).

# Notes to the Financial Statements

(cont'd)

**15. REVENUE**

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sale of goods	174,022	167,853	-	-
Construction contracts	107,861	116,852	-	-
Management fees	-	-	430	430
Dividends	-	-	2,066	6,000
	<b>281,883</b>	284,705	<b>2,496</b>	6,430

**16. COST OF SALES**

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sale of goods	139,437	138,970	-	-
Construction contracts	89,417	98,114	-	-
	<b>228,854</b>	237,084	-	-

**17. FINANCE INCOME**

	Group	
	2013 RM'000	2012 RM'000
Interest income of financial assets that are not at fair value through profit or loss:		
- fixed deposits	11	46

# Notes to the Financial Statements

(cont'd)

## 18. FINANCE COSTS

	Group	
	2013 RM'000	2012 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank overdrafts	462	232
- bankers' acceptances	2,971	2,914
- bank loans	1,341	1,203
- finance lease liabilities	376	331
- revolving credits	192	188
	<b>5,342</b>	4,868
Other finance costs	246	310
	<b>5,588</b>	5,178

## 19. PROFIT BEFORE TAX

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Profit before tax is arrived at after charging:</b>				
Auditors' remuneration:				
- Audit fees				
KPMG Malaysia	150	160	48	50
Other auditors	44	45	-	-
- Non-audit fees				
KPMG Malaysia	25	15	25	15
Depreciation of investment properties	15	21	-	-
Depreciation of property, plant and equipment	6,822	7,812	1	1
Impairment loss on:				
- Trade receivables	857	151	-	-
- Associate	2,628	-	-	-
Loss on foreign exchange:				
- Realised	845	-	-	-
- Unrealised	102	2,135	-	-
Property, plant and equipment written off	51	3	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	1,447	1,385	48	43
- Wages, salaries and others	22,253	21,526	496	427
Rental expense in respect of:				
- Equipment and machinery	216	168	-	-
- Motor vehicle	100	71	-	-
- Property	2,715	2,142	-	-

# Notes to the Financial Statements

(cont'd)

**19. PROFIT BEFORE TAX** (cont'd)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Profit before tax is arrived at after charging:</b> (cont'd)				
Bad debts written off	-	1	-	-
Share of losses of equity-accounted associates	<b>8</b>	8	-	-
<b>and after crediting:</b>				
Dividend income from subsidiaries	-	-	<b>2,066</b>	6,000
Gain on disposal of asset classified as held for sale	-	4,184	-	-
Gain on disposal of property, plant and equipment	<b>15</b>	63	-	-
Management fees from subsidiaries	-	-	<b>430</b>	430
Realised gain on foreign exchange	-	569	-	-
Rental income from:				
- Investment property	<b>16</b>	16	-	-
- Property	<b>105</b>	104	-	-
- Subleased property	<b>24</b>	24	-	-
Reversal of impairment loss on trade receivables	<b>6</b>	-	-	-

**20. TAX EXPENSE****Recognised in profit or loss**

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Current tax expense</b>				
Malaysian - current year	<b>2,339</b>	1,648	<b>478</b>	1,477
- prior year	<b>47</b>	103	<b>(11)</b>	(6)
Overseas - current year	<b>129</b>	75	-	-
Total current tax recognised in profit or loss	<b>2,515</b>	1,826	<b>467</b>	1,471
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	<b>513</b>	367	-	-
Under provision in prior year	<b>102</b>	118	-	-
Effect of change in tax rate	<b>(200)</b>	-	-	-
Total deferred tax recognised in profit or loss	<b>415</b>	485	-	-
Total income tax expense	<b>2,930</b>	2,311	<b>467</b>	1,471

# Notes to the Financial Statements

(cont'd)

## 20. TAX EXPENSE (cont'd)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Reconciliation of tax expense</b>				
Profit before tax	<b>10,485</b>	12,456	<b>1,703</b>	5,676
Income tax calculated using Malaysian tax rate of 25%	<b>2,621</b>	3,114	<b>426</b>	1,419
Effect of tax rates in foreign jurisdictions	<b>(67)</b>	(38)	-	-
Non-deductible expenses	<b>1,008</b>	505	<b>52</b>	58
Tax-exempt income	<b>(581)</b>	(1,491)	-	-
Effect of change in tax rate	<b>(200)</b>	-	-	-
Under/(Over) provision in prior year	<b>149</b>	221	<b>(11)</b>	(6)
	<b>2,930</b>	2,311	<b>467</b>	1,471

## 21. BASIC EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at 31 December 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2013 RM'000	2012 RM'000
Profit attributable to ordinary shareholders	<b>7,555</b>	10,145
	Group	
	2013 '000	2012 '000
Weighted average number of ordinary shares	<b>77,480</b>	77,480
	Group	
	2013 sen	2012 sen
Basic earnings per ordinary share	<b>9.75</b>	13.09

# Notes to the Financial Statements

(cont'd)

## 22. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2013</b>			
Third interim 2012 ordinary	1.00	775	9 April 2013
First interim 2013 ordinary	1.00	775	17 October 2013
Second interim 2013 ordinary	1.00	775	7 January 2014
Total amount		<u>2,325</u>	
<b>2012</b>			
Final 2011 ordinary	1.00	775	8 August 2012
First interim 2012 ordinary	1.00	775	3 October 2012
Second interim 2012 ordinary	1.00	775	13 December 2012
Total amount		<u>2,325</u>	

After the reporting period, the following dividend was declared by the Directors and paid on 9 April 2014. This dividend will be recognised in the subsequent financial period. The Directors do not recommend any final dividend to be paid for the financial year under review.

	Sen per share	Total amount RM'000
Third interim 2013 ordinary	1.00	<u>775</u>

## 23. OPERATING LEASES

### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2013 RM'000	2012 RM'000
Less than one year	1,198	723
Between one and five years	573	328
	<u>1,771</u>	<u>1,051</u>

The Group leases a number of office premises, apartments, warehouses and factory facilities under operating leases, with an option to renew the leases after their expiration.

# Notes to the Financial Statements

(cont'd)

## 24. OPERATING SEGMENTS

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

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

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

There are varying levels of integration between 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 Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### **Segment assets**

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total assets 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 Group's Chief Executive Officer. Hence, no disclosure is made on segment liabilities.

### **Segment capital expenditure**

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

# Notes to the Financial Statements

(cont'd)

## 24. OPERATING SEGMENTS (cont'd)

	Manufacturing and trading		Construction and fabrication		Total	
	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment profit</b>	<b>11,646</b>	11,212	<b>4,822</b>	2,782	<b>16,468</b>	13,994
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	<b>174,022</b>	167,853	<b>107,861</b>	116,852	<b>281,883</b>	284,705
Inter-segment revenue	<b>12,596</b>	4,351	<b>2,651</b>	2,082	<b>15,247</b>	6,433
Depreciation	<b>2,654</b>	2,147	<b>3,869</b>	5,422	<b>6,523</b>	7,569
<b>Segment assets</b>	<b>167,495</b>	135,344	<b>173,640</b>	141,665	<b>341,135</b>	277,009
<i>Included in the measure of segment assets are:</i>						
Additions to non-current assets other than financial instruments and deferred tax assets	<b>6,554</b>	5,050	<b>4,180</b>	3,452	<b>10,734</b>	8,502

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

	2013	2012
	RM'000	RM'000
<b>Profit or loss</b>		
Total profit for reportable segments	<b>16,468</b>	13,994
Other non-reportable segments	<b>(398)</b>	(568)
Gain on disposal of asset classified as held for sale	-	4,184
Elimination of inter-segment profits	-	(14)
Share of loss of associates not included in reportable segments	<b>(8)</b>	(8)
Finance income	<b>11</b>	46
Finance costs	<b>(5,588)</b>	(5,178)
Tax expense	<b>(2,930)</b>	(2,311)
Consolidated total	<b>7,555</b>	10,145

# Notes to the Financial Statements

(cont'd)

## 24. OPERATING SEGMENTS (cont'd)

### Reconciliation of reportable profit or loss, assets and other material items (cont'd)

	2013 RM'000	2012 RM'000
<b>Total assets</b>		
Total assets for reportable segments	341,135	277,009
Other non-reportable segments	91,635	90,093
Elimination of inter-segment balances	(100,371)	(82,151)
Consolidated total	<b>332,399</b>	284,951
<b>Depreciation</b>		
Total depreciation for reportable segments	6,523	7,569
Other non-reportable segments	314	264
Consolidated total	<b>6,837</b>	7,833
<b>Additions to non-current assets</b>		
Total additions to non-current assets for reportable segments	10,734	8,502
Other non-reportable segments	3,055	12,339
Consolidated total	<b>13,789</b>	20,841

### 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.

# Notes to the Financial Statements

(cont'd)

## 24. OPERATING SEGMENTS (cont'd)

### Geographical segments (cont'd)

	Revenue RM'000	Non- current assets RM'000
<b>Geographical information</b>		
<b>2013</b>		
Malaysia	202,615	97,662
Hong Kong	68,151	320
Other countries	11,117	-
	<b>281,883</b>	<b>97,982</b>
<b>2012</b>		
Malaysia	186,334	91,447
Hong Kong	84,760	349
Other countries	13,611	-
	<b>284,705</b>	<b>91,796</b>

### Major customers

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

## 25. CONTINGENCIES

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Guarantees given to contract customers	12,566	9,225	-	-
Guarantees given to financial institutions for facilities granted to subsidiaries	-	-	113,836	82,353

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS

### 26.1 Categories of financial instruments

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

### 26.2 Net losses arising from financial instruments

	Group	
	2013 RM'000	2012 RM'000
Net losses on:		
Loans and receivables	4,944	1,830
Financial liabilities measured at amortised cost	5,059	5,020
	10,003	6,850

### 26.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

### 26.4 Credit risk

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

#### Receivables

*Risk management objectives, policies and processes for managing the risk*

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

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

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS (cont'd)

### 26.4 Credit risk (cont'd)

#### Receivables (cont'd)

##### *Exposure to credit risk and credit quality*

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 180 days, which are deemed to have higher credit risk, are monitored individually.

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

	Group	
	2013 RM'000	2012 RM'000
Domestic	72,305	52,143
Asia	24,519	24,282
Others	3,849	2,784
	<b>100,673</b>	<b>79,209</b>

##### *Impairment losses*

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

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
<b>2013</b>			
Not past due	73,692	-	73,692
Past due 1 - 30 days	5,721	-	5,721
Past due 31 - 180 days	7,312	-	7,312
Past due more than 180 days	18,167	(4,219)	13,948
	<b>104,892</b>	<b>(4,219)</b>	<b>100,673</b>
<b>2012</b>			
Not past due	41,338	-	41,338
Past due 1 - 30 days	23,008	(5)	23,003
Past due 31 - 180 days	9,966	(1,292)	8,674
Past due more than 180 days	8,255	(2,061)	6,194
	<b>82,567</b>	<b>(3,358)</b>	<b>79,209</b>

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS (cont'd)

### 26.4 Credit risk (cont'd)

#### Receivables (cont'd)

##### *Impairment losses (cont'd)*

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

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

	Group	
	2013	2012
	RM'000	RM'000
At 1 January	3,358	3,441
Impairment loss recognised	857	151
Impairment loss reversed	(6)	-
Impairment loss written off	-	(229)
Effect in movement in exchange rate	10	(5)
At 31 December	<b>4,219</b>	3,358

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

#### Financial guarantees

##### *Risk management objectives, policies and processes for managing the risk*

The Group provides unsecured financial guarantees to contract customers while the Company provides unsecured financial guarantees to financial institutions for facilities granted to certain subsidiaries. The Group and the Company monitor 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 arising from financial guarantees amounts to RM126,402,000 (2012: RM91,578,000) as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the group would default on their obligations under the constructions and any subsidiary would default on repayment.

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

#### Inter-company loans and advances

##### *Risk management objectives, policies and processes for managing the risk*

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

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS (cont'd)

### 26.4 Credit risk (cont'd)

#### Inter-company loans and advances (cont'd)

##### *Exposure to credit risk, credit quality and collateral*

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

##### *Impairment losses*

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. The Group and the Company do not specifically monitor the ageing of advances to the subsidiaries.

### 26.5 Liquidity risk

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

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

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

##### *Maturity analysis*

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

2013	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
<b>Group</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	81,808	-	81,808	81,808	-	-	-
Bank loans – secured	19,067	*	22,916	4,288	4,285	4,285	10,058
Revolving credits – unsecured	6,076	2.97 - 4.90	6,076	6,076	-	-	-
Bankers' acceptances – secured	79,237	3.90 - 5.32	79,237	79,237	-	-	-
Bank overdrafts – unsecured	5,257	7.35 - 7.85	5,257	5,257	-	-	-
Finance lease liabilities	8,541	2.35 - 4.25	9,339	3,666	2,943	1,777	953
	<b>199,986</b>		<b>204,633</b>	<b>180,332</b>	<b>7,228</b>	<b>6,062</b>	<b>11,011</b>
<b>Company</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	2,514	-	2,514	2,514	-	-	-

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

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS (cont'd)

### 26.5 Liquidity risk (cont'd)

#### Maturity analysis (cont'd)

2012	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
<b>Group</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	58,937	-	58,937	58,937	-	-	-
Bank loans – secured	20,689	*	25,600	4,084	4,084	12,251	5,181
Revolving credits – unsecured	5,740	2.96 - 5.06	5,740	5,740	-	-	-
Bankers' acceptances – secured	69,128	3.90 - 5.30	69,128	69,128	-	-	-
Bank overdrafts – unsecured	1,051	7.35 - 8.60	1,051	1,051	-	-	-
Finance lease liabilities	4,921	2.26 - 4.25	5,431	1,841	1,750	1,591	249
	<u>160,466</u>		<u>165,887</u>	<u>140,781</u>	<u>5,834</u>	<u>13,842</u>	<u>5,430</u>
<b>Company</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	<u>2,107</u>	-	<u>2,107</u>	<u>2,107</u>	-	-	-

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

### 26.6 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.

#### 26.6.1 Foreign currency risk

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

#### *Risk management objectives, policies and processes for managing the risk*

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

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS (cont'd)

### 26.6 Market risk (cont'd)

#### 26.6.1 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		Trade and other receivables RM'000	Cash and cash equivalents RM'000	Trade and other payables RM'000	Net exposure RM'000
<b>2013</b>					
Functional currency	Foreign currency				
RM	USD	2,323	6,138	(23,116)	(14,655)
RM	GBP	2,841	7	-	2,848
RM	AUD	1,753	25	-	1,778
RM	SGD	1,746	6	-	1,752
RM	QAR	1,835	-	-	1,835
RM	AED	1,776	1	(60)	1,717
<b>2012</b>					
Functional currency	Foreign currency				
RM	USD	1,485	2,323	(7,763)	(3,955)
RM	GBP	2,784	1	-	2,785
RM	AUD	1,136	204	-	1,340
RM	SGD	3,944	22	-	3,966
RM	QAR	8,335	-	-	8,335
RM	AED	2,839	455	(67)	3,227
RM	BDT	-	2	-	2

##### *Currency risk sensitivity analysis*

Foreign currency risk for the current/previous financial years mainly arises from USD and QAR. The exposure to other currencies is not material and hence, sensitivity analysis is not presented.

A 10% (2012: 10%) strengthening of RM against the following currencies at the end of the reporting period would have increased (decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS (cont'd)

### 26.6 Market risk (cont'd)

#### 26.6.1 Foreign currency risk (cont'd)

##### *Currency risk sensitivity analysis (cont'd)*

	Profit or loss	
	2013	2012
	RM'000	RM'000
USD	1,099	297
QAR	(138)	(625)

A 10% (2012:10%) weakening of RM 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.

#### 26.6.2 Interest rate risk

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

##### *Risk management objectives, policies and processes for managing the risk*

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

##### *Exposure to interest rate risk*

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

	Group	
	2013	2012
	RM'000	RM'000
<b>Fixed rate instruments</b>		
Financial assets	206	200
Financial liabilities	(95,487)	(81,578)
	<b>(95,281)</b>	<b>(81,378)</b>
<b>Floating rate instruments</b>		
Financial liabilities	(22,691)	(19,951)

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS (cont'd)

### 26.6 Market risk (cont'd)

#### 26.6.2 Interest rate risk (cont'd)

##### *Interest rate risk sensitivity analysis*

##### *Fair value sensitivity analysis for fixed rate instruments*

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

##### *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	
	30 bp increase RM'000	30 bp decrease RM'000
<b>Group</b>		
<b>2013</b>		
Floating rate instruments	(51)	51
<b>2012</b>		
Floating rate instruments	(45)	45

#### 26.6.3 Other price risk

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

### 26.7 Fair value information

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

The carrying amounts of finance lease liabilities also approximate fair values upon discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

# Notes to the Financial Statements

(cont'd)

## 26. FINANCIAL INSTRUMENTS (cont'd)

### 26.7 Fair value information (cont'd)

The fair values of bank loans (financial instruments not carried at fair value) together with the carrying amounts shown in the statements of financial position, are as follows:

Group	2013		2012	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
		Level 3		*
Bank loans - secured	19,067	18,643	20,689	20,226

\* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of MFRS 13.

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

#### Non-derivative financial liabilities

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

#### Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2012: no transfer in either direction).

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities. For financial instruments not carried at fair value, the Group has applied discounted cash flows valuation technique in the determination of fair values within Level 3. The Group Finance Controller has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

# Notes to the Financial Statements

(cont'd)

## 27. 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 2013 and 31 December 2012 were as follows:

	Note	Group	
		2013 RM'000	2012 RM'000
Total loans and borrowings	12	<b>118,178</b>	101,529
Less: Cash and cash equivalents	10	<b>(22,859)</b>	(18,809)
Net debt		<b>95,319</b>	82,720
Total equity		<b>126,579</b>	119,217
Debt-to-equity ratio		<b>0.8</b>	0.7

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

## 28. 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 the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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 include 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, Directors and key management personnel.

# Notes to the Financial Statements

(cont'd)

## 28. 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 9 and 14.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>A. Affiliated companies</b>				
Sale of goods	(19,373)	(15,409)	-	-
Purchase of goods	136,152	125,500	-	-
Rental income on properties	(20)	(20)	-	-
<b>B. Subsidiaries</b>				
Dividend income	-	-	(2,066)	(6,000)
Management fee income	-	-	(430)	(430)
<b>C. Key management personnel</b>				
<i>Directors:</i>				
- Fees	72	54	72	54
- Remuneration	1,024	976	190	181
- Other short-term employee benefits	190	194	35	34
Total short-term employee benefits	1,286	1,224	297	269
<i>Other key management personnel</i>				
Short-term employee benefits	1,195	1,473	-	-
	<b>2,481</b>	<b>2,697</b>	<b>297</b>	<b>269</b>

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.

## 29. BUSINESS COMBINATIONS

### De-registration of subsidiaries

#### 2013

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

#### 2012

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

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

The deconsolidation of these subsidiaries did not have any material impact to the Group as these subsidiaries were dormant.

# Notes to the Financial Statements

(cont'd)

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

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained earnings of the Company and its subsidiaries				
- realised	<b>120,277</b>	118,778	<b>1,005</b>	2,094
- unrealised	<b>(5,245)</b>	(6,863)	-	-
	<b>115,032</b>	111,915	<b>1,005</b>	2,094
Total share of accumulated losses from associates				
- realised	<b>(323)</b>	(315)	-	-
	<b>114,709</b>	111,600	<b>1,005</b>	2,094
Less: Consolidation adjustments	<b>(29,789)</b>	(31,910)	-	-
Total retained earnings	<b>84,920</b>	79,690	<b>1,005</b>	2,094

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

## Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 52 to 105 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 30 on page 106 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

**Koon Poh Ming**

**Koon Poh Weng**

Petaling Jaya, Selangor

Date: 25 April 2014

## Statutory Declaration

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

I, **Wan Shuw Yee**, the officer primarily responsible for the financial management of PMB Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 52 to 106 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur in the Federal Territory on 25 April 2014.

**Wan Shuw Yee**

Before me:

Commissioner for Oaths  
Kuala Lumpur

# Independent Auditors' Report

to the members of PMB Technology Berhad  
(Company No. 584257-X)(Incorporated in Malaysia)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of PMB Technology Berhad, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 52 to 105.

### Directors' Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

# Independent Auditors' Report

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

## OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 30 on page 106 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

## OTHER MATTERS

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

### KPMG

Firm Number: AF 0758  
Chartered Accountants

Petaling Jaya, Selangor

Date: 25 April 2014

### Foong Mun Kong

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

# Analysis of Shareholdings

## as at 5 May 2014

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

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital <sup>#</sup>
Less than 100	4	0.37	104	0.00
100 to 1,000	302	28.30	282,000	0.36
1,001 to 10,000	488	45.74	2,499,596	3.23
10,001 to 100,000	217	20.34	7,567,900	9.77
100,001 to less than 5% of issued shares	52	4.87	30,153,566	38.92
5% and above of issued shares	4	0.37	36,976,634	47.72
<b>Total</b>	<b>1,067</b>	<b>100.00</b>	<b>77,479,800*</b>	<b>100.00</b>

<sup>#</sup> Excluding a total of 2,520,200 shares bought-back by the Company and retained as treasury shares as per the Record of Depositors as at 5 May 2014.

### DIRECTORS' SHAREHOLDINGS

as at 5 May 2014

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital <sup>#</sup>	No. of Shares Held	% of Issued Capital <sup>#</sup>
Dato' Koon Poh Keong	1,089,700	1.41	0	0.00
Koon Poh Ming	30,000	0.04	10,314,988 <sup>@</sup>	13.31
Dato' Koon Poh Tat	3,455,000	4.46	6,797,288*	8.77
Koon Poh Weng	0	0.00	6,797,288*	8.77
Tuan Haji Mohamad Faiz Bin Abdul Hamid	100,000	0.13	0	0.00
Loo Lean Hock	0	0.00	0	0.00
David Tan Hung Hoe	30,000	0.04	0	0.00
Ernest Bong Miao Fatt	48,000	0.06	0	0.00

<sup>@</sup> Deemed interested by virtue of his interest in Weng Fatt Stainless Steel Sdn Bhd and shares held by his spouse, Ong Soo Fan

\* Deemed interested by virtue of their interest in Weng Fatt Stainless Steel Sdn Bhd

<sup>#</sup> Excluding a total of 2,520,200 shares bought-back by the Company and retained as treasury shares.

# Substantial Shareholders

as per Register of Substantial Shareholders as at 5 May 2014

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital <sup>#</sup>	No. of Shares Held	% of Issued Capital <sup>#</sup>
Press Metal Berhad	21,475,958	27.72	0	0.00
Weng Fatt Stainless Steel Sdn Bhd	6,797,288	8.77	0	0.00
Koon Poh Ming	30,000	0.04	10,314,988 <sup>@</sup>	13.31
Dato' Koon Poh Tat	3,455,000	4.46	6,797,288 <sup>*</sup>	8.77
Koon Poh Weng	0	0.00	6,797,288 <sup>*</sup>	8.77
Estate of Kuan Poh Fatt	0	0.00	6,797,288 <sup>*</sup>	8.77
Koon Poh Kong	0	0.00	6,797,288 <sup>*</sup>	8.77
Ong Sow Yong	4,798,288	6.19	0	0.00
Ong Soo Fan	3,517,700	4.54	6,827,288 <sup>^</sup>	8.81
Ong Sow Mei	3,905,100	5.04	0	0.00

<sup>@</sup> Deemed interested by virtue of his interest in Weng Fatt Stainless Steel Sdn Bhd and shares held by his spouse, Ong Soo Fan

<sup>\*</sup> Deemed interested by virtue of their interest in Weng Fatt Stainless Steel Sdn Bhd

<sup>^</sup> Deemed interested in the shares held by her spouse, Koon Poh Ming and his interest in Weng Fatt Stainless Steel Sdn Bhd

<sup>#</sup> Excluding a total of 2,520,200 shares bought-back by the Company and retained as treasury shares.

# Thirty Largest Shareholders

as at 5 May 2014

	Name of Shareholders	No. of Shares	% of Issued Capital <sup>#</sup>
1	Press Metal Berhad	21,475,958	27.72
2	Weng Fatt Stainless Steel Sdn Bhd	6,797,288	8.77
3	Ong Sow Yong	4,798,288	6.19
4	Ong Sow Mei	3,905,100	5.04
5	Ong Soo Fan	3,517,700	4.54
6	Casatechnic Sdn Bhd	3,477,200	4.49
7	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dato' Koon Poh Tat</i>	3,455,000	4.46
8	Lim Boon Kuan	2,917,415	3.77
9	Cyberwall Limited	2,057,651	2.66
10	Ong Shaw Huat	1,123,300	1.45
11	Chew Huat Heng	1,107,000	1.43
12	Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	1,000,000	1.29
13	Chan Yat Wai	868,000	1.12
14	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Koon Yun Hong @ Koon Pow Shyang</i>	800,000	1.03
15	Maybank Nominees (Asing) Sdn Bhd <i>Exempt An For DBS Bank Limited (Client A/C)</i>	679,800	0.88
16	Chow Kai Chong	616,900	0.80
17	Lim Siew Yan	482,000	0.62
18	Everpress Aluminium Industries Sdn Bhd	414,900	0.54
19	Tie Ming Chuon	390,100	0.50
20	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Loh Kwi Yong</i>	365,800	0.47
21	Tan Ting Wong	327,000	0.42
22	Gan Ling Sing	317,000	0.41
23	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Koon Yun Hong @ Koon Pow Shyang</i>	303,000	0.39
24	Lee Choon Hwa	300,000	0.39
25	Tan Kar Pin	297,000	0.38
26	Chan Poh Leng	290,400	0.37
27	Chua Seng Sam	290,000	0.37
28	Go Cheng Hock	271,900	0.35
29	Wang Sze Yao @ Wang Ming Way	270,000	0.35
30	United Panels Sdn Bhd	268,800	0.35
	<b>Total</b>	<b>63,184,500</b>	<b>81.55</b>

<sup>#</sup> Excluding a total of 2,520,200 shares bought-back by the Company and retained as treasury shares as per the Record of Depositors as at 5 May 2014

# List of Properties

Held by the Group as at 31 December 2013

Proprietor	Location	Description/ Age (Year)/ Acquisition Date	Existing Use	Tenure	Area sq. ft.	Net Book Value as at 31.12.2013 RM'000
Everlast Aluminium (M) Sdn Bhd	Lot 1797, Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Freehold land and building 19 years 12/07/1994	Factory cum office	Freehold	83,036	6,432
Everlast Aluminium (M) Sdn Bhd	Lot 1798, Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Leasehold land and building 17 years 29/03/1996	Factory cum office	Leasehold for 52 years expiring 02/12/2065	77,591	4,479
Everlast Aluminium (M) Sdn Bhd	Lot 2794, Mukim Petaling Daerah Wilayah Persekutuan Kuala Lumpur	AGF-7 Office Suite Business Park 16 years 13/08/1998	Tenanted	Freehold	1,266	273
PMB Facade Technology Sdn Bhd	Lot 1804, Mukim of Cheras Daerah Hulu Langat Selangor Darul Ehsan	Freehold Land and Building 8 years 16/12/2005	Factory cum office	Freehold	89,821	4,979
PMB Central Sdn Bhd	HS (D) 57903, PT 537 Mukim Petaling Daerah Petaling Selangor Darul Ehsan	Two Storey Terrace House 17 years 02/04/2007	Employee's Accommodation	Leasehold for 77 years Expiring 26/12/2090	1,400	257
PMB Northern Sdn Bhd	HS (D) 77/92, PT 18852 Mukim Sungai Petani Daerah Kuala Muda Kedah Darul Aman	Leasehold Land and Building 23 years 22/08/2005	Warehouse	Leasehold for 37 years expiring 31/10/2050	19,776	886
PMB Eastern Sdn Bhd	Lot 50356, Mukim Kuala Kuantan Daerah Kuantan Negeri Pahang	Leasehold Land and Building 35 years 13/07/2012	Warehouse	Leasehold for 32 years expiring 13/04/2045	28,514	1,396
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 5 years 26/09/2008	Vacant	Leasehold for 84 years expiring 30/03/2097	326,700	2,586
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 5 years 26/09/2008	Vacant	Leasehold for 84 years expiring 30/03/2097	1,409,602	11,113
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 2 years 18/01/2012	Vacant	Leasehold for 84 years expiring 30/03/2097	1,522,858	15,115

# Group Directory

## **PMB TECHNOLOGY BERHAD**

(Company No. 584257-X)

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

## **EVERLAST ALUMINIUM (M) SDN. BHD.**

(Company No. 170443-T)

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

## **EVERLAST ACCESS TECHNOLOGIES SDN. BHD.**

(Company No. 491803-H)

### Malaysia

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43300 Seri Kembangan,  
Selangor Darul Ehsan, Malaysia.  
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Fax : 603-8961 5213

### United Arab Emirates

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

## **PMB CENTRAL SDN. BHD.**

(Company No. 446486-M)

### Central I

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43300 Seri Kembangan,  
Selangor Darul Ehsan, Malaysia.  
Tel : 603-8961 1088  
Fax : 603-8961 9137  
Email : pmbc@streamyx.com

### Central II

Lot 439, Kampung Satu, Off 3rd Miles,  
Jalan Sungai Besi,  
57100 Kuala Lumpur, Malaysia.  
Tel : 603-9221 8388  
Fax : 603-9221 2688

## **PMB EASTERN SDN. BHD.**

(Company No. 439685-T)

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

## **PMB NORTHERN SDN. BHD.**

(Company No. 460005-X)

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

## **PMB ALUMINIUM SABAH SDN. BHD.**

(Company No.772936-H)

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

## **PMB QUICK ACCESS SDN. BHD.**

(Company No. 516692-X)

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

## **PMB FACADE TECHNOLOGY SDN. BHD.**

(Company No. 291486-H)

## **PMB.POIC BULKING SDN. BHD.**

(Company No. 777915-W)

## **PMB CARBON SDN. BHD.**

(Company No. 817599-X)

## **SUN POWER GENERATION SDN. BHD.**

(Company No. 953951-D)

## **SOLAR POWER GENERATION (SABAH) SDN. BHD.**

(Company No. 958826-D)

## **KAI PMB FACADE TECHNOLOGY LTD.**

(Company No. C41554(913)/2000)

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

## **PMB-CYBERWALL LTD.**

(Company No. 704047)

## **PMB FACADE TECHNOLOGY (H.K.) LTD.**

(Company No. 675899)

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

## **EVERLAST ENVIRONMENTAL MANAGEMENT SDN. BHD.**

(Company No. 207793-P)

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

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

CDS account number of holder

I/We, \_\_\_\_\_ (name of shareholder as per NRIC/Passport, in capital letters)  
 IC No./ID No./Company No. \_\_\_\_\_ (new) \_\_\_\_\_ (old)  
 of \_\_\_\_\_ (full address)  
 being a member of PMB TECHNOLOGY BERHAD, hereby appoint \_\_\_\_\_  
 (name of proxy as per NRIC, in capital letters) IC No. \_\_\_\_\_ (new) \_\_\_\_\_ (old)  
 of \_\_\_\_\_ (full address)  
 or failing him/her \_\_\_\_\_ (name of proxy as per NRIC, in capital letters)  
 IC No. \_\_\_\_\_ (new) \_\_\_\_\_ (old) of \_\_\_\_\_  
 \_\_\_\_\_ (full address) or failing him/her, the

\*Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at Hazel & Ivy Room, Level 2M, One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor on Thursday, 26 June 2014 at 9.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

RESOLUTIONS		FOR	AGAINST
1. Approval of Directors' Fees	Ordinary Resolution 1		
2. Re-election of Ernest Bong Miao Fatt as Director	Ordinary Resolution 2		
3. Re-election of Loo Lean Hock as Director	Ordinary Resolution 3		
4. Re-election of Dato' Koon Poh Tat as Director	Ordinary Resolution 4		
5. Re-appointment of Tuan Haji Mohamad Faiz Bin Abdul Hamid as Director	Ordinary Resolution 5		
6. Re-appointment of Messrs KPMG as Auditors of the Company	Ordinary Resolution 6		
7. Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares	Ordinary Resolution 7		
8. Authority for Tuan Haji Mohamad Faiz Bin Abdul Hamid to continue in office as Independent Non-Executive Director	Ordinary Resolution 8		
9. Authority for Loo Lean Hock to continue in office as Independent Non-Executive Director	Ordinary Resolution 9		
10. Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 10		
11. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares	Ordinary Resolution 11		

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

Signature/Common Seal \_\_\_\_\_

Number of shares held : \_\_\_\_\_

Date : \_\_\_\_\_

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

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

**NOTES:**

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
- The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Share Registrar's office of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 June 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Fold This Flap For Sealing

Then Fold Here

Affix  
Stamp

The Share Registrar  
**PMB TECHNOLOGY BERHAD** (584257-X)

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

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