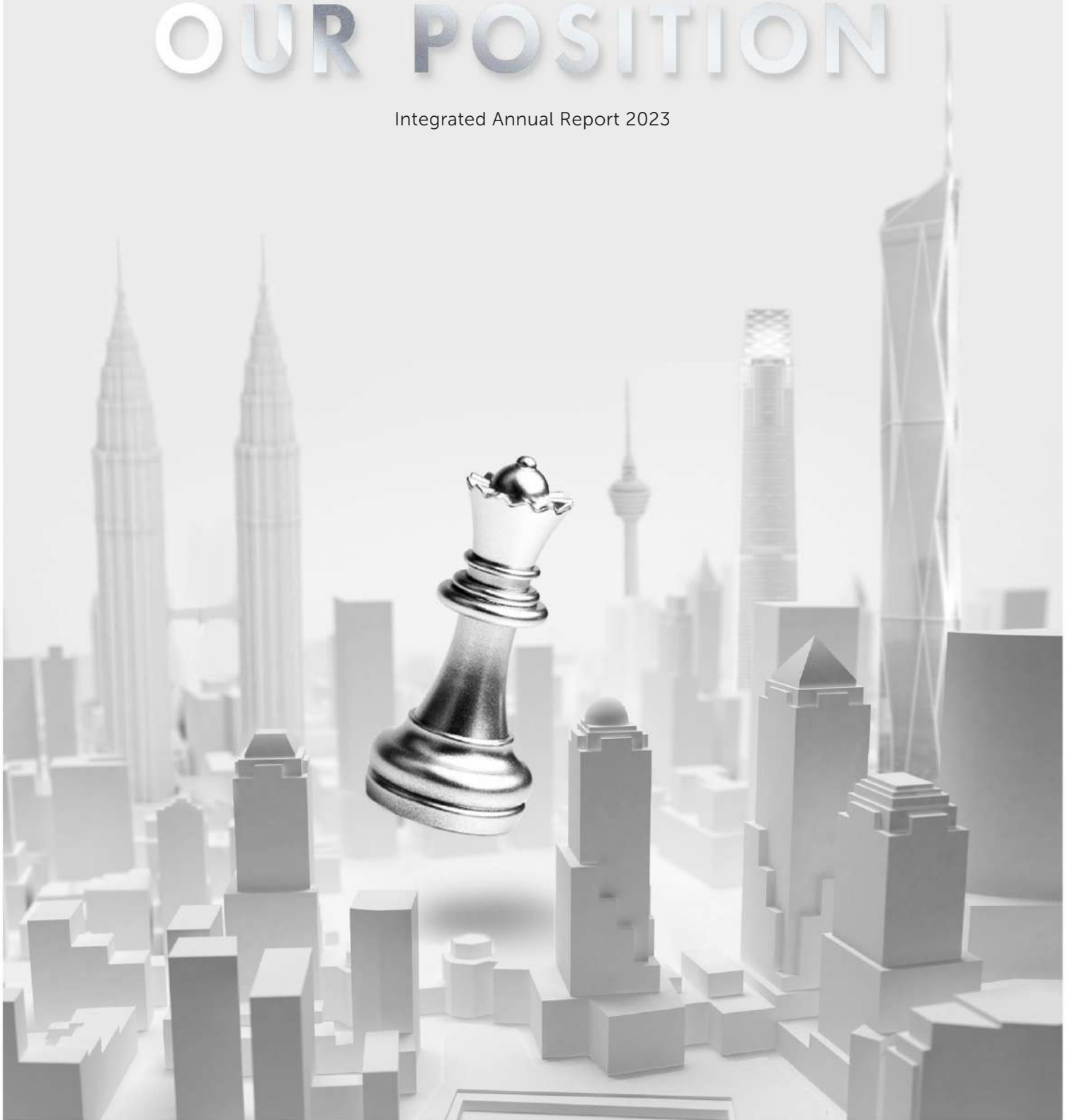
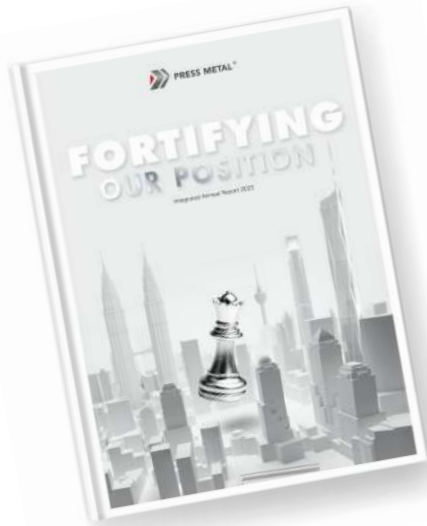




FORTIFYING OUR POSITION

Integrated Annual Report 2023





FORTIFYING OUR POSITION

Our commitment to fortifying ourselves as a sustainable integrated aluminium producer in Southeast Asia remains resolute. This inaugural Integrated Annual Report illustrates a year marked by resilience, operational efficiency and steadfast dedication to shaping a future where Press Metal not only endures but thrives amidst dynamic challenges. We invite you to witness our journey of fortification, where a harmonious blend of strength and resourcefulness shapes a lasting legacy within the industry.



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ABOUT THIS REPORT

We are pleased to present the inaugural Integrated Annual Report 2023 (“IAR 2023”) of Press Metal Aluminium Holdings Berhad (“PMAH” or the “Company”) and its subsidiaries (collectively referred to as “Press Metal” or the “Group”), marking the beginning of our integrated reporting (“<IR>”) journey.

The IAR 2023 provides a comprehensive overview of our financial and non-financial performance, integrating our operational performance, strategic priorities, current environmental risks and challenges, governance practices and future prospects. It is aligned with the Guiding Principles and Content Elements of the <IR> Framework under the Value Reporting Foundation (“VRF”), ensuring transparency and accountability in our reporting practices.

Through this IAR 2023, we diligently communicate our efforts to embed sustainability and enhance business resilience, aiming to create sustained value to our stakeholders.

SCOPE AND BOUNDARIES

This IAR 2023 covers the financial year from 1 January to 31 December 2023 (“FYE2023”), unless otherwise stated, encompassing disclosures of the Group’s activities, including subsidiaries, joint operations, joint ventures and associates, where relevant.

In demonstrating our commitment to creating value for stakeholders over the short, medium and long term, we adopt an integrated and comprehensive reporting approach that takes into account:

- **Business Performance:** Providing a holistic commentary on our financial and non-financial performance as well as insights into our future prospects (See pages 12-19 for more)
- **Stakeholder Engagement:** Building engaging relationships with various stakeholders and integrating their expectations into our business strategies (See pages 26-28 for more)
- **Materiality:** Prioritising key matters with the potential to influence our performance, based on global trends, industry developments and significant risks to our business (See pages 29-30 for more)
- **Key Capitals:** Identifying and detailing inputs and outputs for each capital in our business model, and illustrating how they collectively generate value for our business ecosystem (See pages 38-39 for more)

MATERIALITY

Full disclosures regarding the assessment and determination of our material topics can be found in the *Material Matters at Our Core* section of IAR 2023.

Our methodology for identifying material topics is outlined on page 29 of this IAR 2023. Essentially, we assess materiality based on the following criteria:

- Topics that are crucial to financial value creation; and
- Topics that are material to our stakeholders and contribute to indirect value creation

REPORTING PHILOSOPHY AND FRAMEWORK

This IAR 2023 stands as our primary report communicated to our stakeholders. We have prepared the report in accordance with the following frameworks, standards and guidelines:

IAR 2023

- VRF’s <IR> Framework
- Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)
- Companies Act 2016
- Malaysian Code on Corporate Governance 2021 (“MCCG 2021”)
- Corporate Governance Guide (4th Edition) of Bursa Malaysia

Sustainability Report 2023 (“SR 2023”)

- MMLR of Bursa Malaysia
- Bursa Malaysia’s Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative (“GRI”) Universal Standards 2021
- United Nations’ Sustainable Development Goals (“UN SDGs”)
- FTSE4Good Bursa Malaysia Index’s Environmental, Social and Governance (“ESG”) Indicators
- Task Force on Climate-related Financial Disclosures (“TCFD”)
- United Nations Global Compact’s (“UNGC”) Ten Principles
- Sustainability Accounting Standards Board (“SASB”) Sector-Specific Disclosures
- Aluminium Stewardship Initiative (“ASI”) Performance Standard Version V3 (“ASI PS v3”)

Corporate Governance Report 2023 (“CG Report 2023”)

- MCCG 2021
- MMLR of Bursa Malaysia
- Companies Act 2016

Financial Statements for FYE2023

- MMLR of Bursa Malaysia
- Companies Act 2016
- International Financial Reporting Standards (“IFRS”)
- Malaysian Financial Reporting Standards (“MFRS”)

About This Report

FORWARD-LOOKING STATEMENTS

This IAR 2023 contains forward-looking statements concerning the Group’s financial position, future prospects, targets and business strategies. Although these statements and forecasts are grounded in reasonable and current assumptions and circumstances, they do not serve as guarantees for future results; actual outcomes may differ due to various events, risks, uncertainties and other factors. Therefore, our readers are advised not to place undue reliance on these forward-looking statements.

ASSURANCE

The financial disclosures and reports presented in the *Financial Statements* section of this report have undergone independent auditing by KPMG PLT.

To uphold the consistent accuracy and reliability of our report, we have enlisted an independent third party, Grant Thornton Malaysia PLT, to provide external assurance on our SR 2023. This limited assurance specifically pertains to selected sustainability performance data and data collection processes related to environmental management and occupational health and safety, which includes the following five (5) indicators:

1. Greenhouse Gas (“GHG”) emissions (Scope 1 and 2)
2. GHG emissions intensity (Scope 1 and 2)
3. Total energy consumption
4. Number of work-related fatalities
5. Lost-Time Injury Frequency Rate (“LTIFR”)

BOARD RESPONSIBILITY STATEMENT

The Board of Directors (“Board”) of PMAH acknowledges its responsibility in ensuring the integrity and credibility of this IAR 2023.

This IAR 2023 has been prepared in line with good governance practices and is guided by the VRF’s <IR> Framework. In the Board’s assessment, the IAR 2023 adequately addresses materials that matter to the Group’s performance and its ability to create value. This IAR 2023 has been approved by the Board.

REPORTING SUITE

Scan the QR code or visit our website at www.pressmetal.com to read our IAR 2023.



FEEDBACK AND CONTACT POINT

We are committed to continuously improving the quality of our reporting. We highly value and welcome your feedback and input to enhance our reporting journey. If you would like to submit feedback about this report or request further clarification, please email: corpcomm@pressmetal.com.

NAVIGATION ICONS

Our 6 Capitals

- | | |
|----------------------|---------------------------------|
| Financial Capital | Human Capital |
| Natural Capital | Manufactured Capital |
| Intellectual Capital | Social and Relationship Capital |

Our Material Matters

Sustainability Theme 1: Upholding Good Governance and Economic Resilience

- | | |
|--|--|
| Economic Performance | Product Quality and Customer Satisfaction |
| Business Ethics and Corporate Governance | Sustainable Manufacturing |
| Regulatory Compliance | Risk Management |
| Responsible Sourcing | Customer Data Privacy & Information Technology |

Sustainability Theme 2: Caring for the Planet

- | | |
|----------------------|---------------------|
| Climate Change | Water and Effluents |
| Waste | Biodiversity |
| Material Stewardship | |

Sustainability Theme 3: Empowering Our People and Enriching Our Communities

- | | |
|--------------------------------|------------------------------|
| Occupational Health and Safety | Talent and Labour Management |
| Human Rights | Community Management |
| Diversity and Inclusivity | |

Our Stakeholders

- | | |
|---|--|
| Business Partners | Key Senior Management |
| Capital Providers (Financiers, Shareholders, Investors) | Local Communities |
| Customers/ Distributors | Media/ Analysts |
| Employees | Suppliers/ Contractors/ Service Providers/ Consultants |
| Government/ Regulatory Authorities | |

WHO WE ARE

OUR STORY

With a journey spanning over three (3) decades of growth and expansion, Press Metal has evolved from a local aluminium extrusion company into a globally integrated aluminium producer – serving many of the world’s biggest companies and providing the aluminium used in various industries including infrastructure, transportation, construction and consumer sectors. Listed on the Main Market of Bursa Malaysia, PMAH is a constituent of the FTSE Bursa Malaysia Kuala Lumpur Composite Index (“KLCI”). PMAH, since FYE2022, earned a place in the FTSE4Good Bursa Malaysia Index, giving recognition to our commendable sustainability practices and disclosures.

Our principal business activities include the manufacturing and trading of primary, value-added and extruded aluminium products. With our corporate headquarters in Selangor and operations extending to Sarawak, Malaysia and Guangdong, China, we are the largest aluminium producer in Southeast Asia (“SEA”). Our global presence is strengthened by distribution offices in Australia, the United Kingdom (“UK”) and the United States of America (“US”), which cater to the needs of their respective local and regional markets.

OUR VISION

To provide products and solutions for a sustainable future

OUR MISSION



Business

Establish partnerships and deliver incremental value to stakeholders



Environment

Mindfully consume and source natural resources to deliver our aluminium products



Society

Enrich the communities we operate in



Talent

Enable an inclusive workplace and protect the social welfare of our people

OUR CORPORATE VALUES

Business Acumen

The ability to enable strategic decision-making that supports value creation for both the Group and its stakeholders

Global Outlook

To drive business growth with a global perspective and to progressively expand into a top industry player

Social Responsibilities

Upholding our role as a good corporate citizen by continually contributing to the development of a better industry, community and world

Quality Excellence

A constant focus to attain, retain and improve the quality of products based on industry benchmarks and clients’ requirements

Focused Teamwork

Harnessing the collective capabilities and skill sets of our people towards realising company goals and objectives

OUR INTEGRATED VALUE CHAIN



UPSTREAM*

Bauxite Mining & Alumina Refining

- PT Bintan Alumina Indonesia
- Worsley Alumina Unincorporated Joint Venture

Carbon Anode Manufacturing

- Shandong Sunstone & PMB Carbon Ltd., Co

* joint investments



MIDSTREAM

Smelting

- Press Metal Bintulu Sdn. Bhd.
- Press Metal Sarawak Sdn. Bhd.

Casting

- Press Metal Aluminium Rods Sdn. Bhd.



Smelting Capacity
1.08 million
MT



Integrated Aluminium Production



Aluminium
- Metal of the future



DOWNSTREAM

- PMB Aluminium Sdn. Bhd.
- Press Metal International Limited
- Press Metal International Technology Ltd.

Extrusion Capacity
230k
MT



TRADING AND DISTRIBUTION

- Press Metal UK Limited
- Press Metal Aluminium (Aus) Pty. Ltd.
- Press Metal North America Inc.
- PMB Aluminium Sabah Sdn. Bhd.
- PMB Central Sdn. Bhd.
- PMB Eastern Sdn. Bhd.
- PMB Northern Sdn. Bhd.



OUR KEY STRENGTHS

INTEGRATED ALUMINIUM OPERATIONS



- We stand as the leading integrated aluminium producer in SEA, with a midstream smelting capacity of 1.08 million tonnes per annum and our downstream extrusion segment possessing a production capacity of 230,000 tonnes per annum.
- Venturing vertically upstream, we have strategically invested in two (2) alumina refineries – PT Bintan Alumina Indonesia (“PT Bintan”) in Indonesia, and Worsley Alumina Unincorporated Joint Venture (“Worsley UJV”) in Australia [via Japan Alumina Associates Pty. Ltd (“JAA”)] – investments that secure a significant portion of our alumina requirements. The proximity of these refineries to our smelters enhances logistics and cost efficiencies.
- Our investment in Shandong Sunstone & PMB Carbon Ltd, Co in China, ensures reliable supply of up to 40% of our carbon anode requirements.
- As the largest integrated aluminium producer in SEA, our substantial growth has allowed us to serve a diverse customer base not only in the region but across Europe, USA, Asia-Pacific (“APAC”) and Oceania, underscoring our capabilities to meet the varied demands of global markets.



Smelting Capacity
1.08 million MT



Extrusion Capacity
230k MT

RESPONSIBLE ALUMINIUM PRODUCTION



- Our smelting facilities meet the GHG emissions intensity benchmark set by the Aluminium Stewardship Initiative (“ASI”), maintaining our levels well below the threshold of 11 tonnes CO₂e per tonnes of aluminium produced.
- In recognition of our dedication to sustainable aluminium manufacturing, our smelting facilities in Sarawak, Press Metal Bintulu Sdn. Bhd. (“PMBtu”) and Press Metal Sarawak Sdn. Bhd. (“PMS”), and our extrusion facility in China, Press Metal International Limited (“PMI”), have received the Performance Standard certifications from ASI.
- As a low-carbon aluminium producer, we position ourselves as the preferred supplier, gaining a competitive edge in trending industries that are actively seeking sustainable materials for their products. These include global mega sectors such as automotive, renewable energy and construction.



Received

Performance Standard certification

from ASI for our smelting facilities in Sarawak and extrusion facility in China

Our Key Strengths

SUSTAINABILITY-DRIVEN APPROACH



- Sustainability is a core component of the Group’s strategy, and we take pride in our inclusion as a constituent of the FTSE4Good Bursa Malaysia Index, making our debut in June 2022 with a 4-star rating.
- We have established a Sustainability Roadmap, set time-bound and measurable targets, and established action plans to advance initiatives in GHG emissions reduction, improved resource efficiency and ecosystem monitoring.
- Press Metal engages with associations promoting the sustainability agenda, including ASI, UNGC, the Federation of Malaysian Manufacturers (“FMM”) and the British Malaysian Chamber of Commerce (“BMCC”). These collaborations foster knowledge exchange and shared experiences, driving positive change across the aluminium industry.



Inclusion as a constituent of the

**FTSE4Good
Bursa Malaysia
Index**



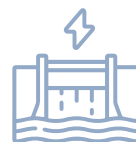
4-star rating

since our debut in June 2022

RENEWABLE & RELIABLE POWER SOURCE



- Our smelting plants are located in Sarawak, Malaysia, which benefits from consistent rainfall and abundant rivers. This favourable environment for harnessing stable hydropower supply has enabled our smelting operations to derive a significant portion of electricity from hydro sources.
- Our smelting plants benefit from a renewable and reliable electricity supply, secured through long-term power purchase agreements with the Sarawak State’s power company.
- Unlike many other smelters that are tied to floating-rate power purchase agreements that vary in accordance with market prices for coal or gas, we are not subject to fluctuations in our energy costs.



Our smelting operations derive a significant portion of

electricity from hydro sources

KEY HIGHLIGHTS IN 2023



Revenue

RM13,805 million



PATAMI

RM1,215 million



Earnings per Share

14.75 sen



Dividends

RM577 million



Total Equity

RM8,396 million



Gearing Ratio

0.4 times



FTSE4Good

FTSE4Good Bursa Malaysia Index

Press Metal Aluminium Holdings Berhad

Top 25% by ESG Ratings amongst PLCs in FBM EMAS

2023 Rating:



Key Highlights in 2023



MSCI ESG Rating
Press Metal Aluminium Holdings Berhad

2023 Rating: **A**

AWARDS AND ACCOLADES

PRESS METAL ALUMINIUM HOLDINGS BERHAD



Global ESG Monitor

- Ranked as the regional No.1 for ESG transparency



Talentbank Graduates' Choice Award 2023

- Champion in the Manufacturing (Metal)



The Edge ESG Awards 2023

- Industrial Products & Services Category (Gold)
- Green Transition (Gold)



The Edge Billion Ringgit Club 2023

Super Big Cap Companies: Above RM40 Billion Market Capitalisation

- Highest Growth in Profit After Tax Over Three Years
- Highest Return to Shareholders Over Three Years

Industrial Products & Services Category

- Highest Growth in Profit After Tax Over Three Years



Cambridge IFA 3G Awards

- 3G Green Innovation Award 2023
- 3G Excellence in Sustainable Development Award 2023



BMCC Business Excellence Awards 2023

- Outstanding ESG Award (First Runner-Up)

PRESS METAL BINTULU SDN. BHD.

World Green & Sustainability Summit 2023

- World Sustainability Leadership Award

PRESS METAL INTERNATIONAL LIMITED

Guangdong's Manufacturing Top 500

ASSOCIATIONS AND MEMBERSHIPS

We participate in both domestic and international industry associations to gain access to industry practices and stay abreast of emerging trends and developments. Remaining well-informed about the evolving industry allows us to measure our performance against peers and industry benchmarks. This, in turn, empowers us to formulate relevant and resilient strategies to seize opportunities and address challenges within the aluminium industry, including those associated with climate change and human rights.

Our involvement in industry associations aligns with the principles articulated in our Industry Association Participation Principles. For more details on these principles, please visit our website at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Outlined below are international associations in which Press Metal holds membership or actively participates:



Aluminium Stewardship Initiative

A multi-stakeholder initiative dedicated to maximising the positive impact of aluminium through responsible production, sourcing and stewardship. ASI addresses sustainability challenges in the aluminium value chain and promotes transparency via its ASI Performance Standard and Chain of Custody.

WE SUPPORT



United Nations Global Compact

A voluntary initiative launched by the United Nations to encourage global businesses and organisations to adopt sustainable and socially responsible policies. It provides a framework for companies to align their strategies and operations with ten principles, covering human rights, labour, environment and anti-corruption. By joining the UNGC, we commit ourselves to implementing these principles and submitting an annual Communication on Progress update.



British Malaysian Chamber of Commerce

A prominent networking chamber in Malaysia that offers business networking opportunities, knowledge exchange and bilateral trading assistance. We have expressed our commitment to supporting BMCC's efforts to raise climate change awareness by endorsing BMCC's Climate Action Pledge.

The following is a list of trade groups that we belong to or are affiliated with:

MALAYSIA

- Federation of Malaysian Manufacturers
 - Member of the Environmental Management & Circular Economy Committee
 - Member of the Sustainable Development & Climate Change Committee
- International Aluminium Institute
- Sarawak Chamber of Commerce and Industry

CHINA

- Alashan Society of Entrepreneurs and Ecology
- China Aluminium Association
- China Non-Ferrous Metals Fabrication Industry Association
- Foshan Nanhai Aluminium Profile Industry Association
- Foshan Listing Promotion Association
- Guangdong Association of Shipbuilding Industry
- Guangdong Automobile Industry Association
- Guangdong Society of Naval Architecture and Marine Engineering
- MAYCHAM China Greater Bay
- Sanshui District Aluminum Processing Industry Association
- Shanghai Aluminium Trade Association

CHAIRMAN'S STATEMENT



MOVING AHEAD WITH RESILIENCE

“We are making steady progress in Fortifying Our Position in the aluminium industry in Asia.”

REVENUE

RM13.8
billion

PATAMI

RM1.2
billion

Datuk Yvonne Chia

Independent Non-Executive Chairman

Chairman's Statement

DEAR VALUED STAKEHOLDERS

On behalf of the Board of Directors of Press Metal Aluminium Holdings Berhad, it is my pleasure to present to you our inaugural Integrated Annual Report 2023.

This IAR 2023 articulates our strategies, governance and performance during the financial year ended 31 December 2023. It highlights the strong links between our financial performance and the broader social, environmental and economic context, demonstrating how we have deployed our capital to drive value creation across the short, medium and long term.

We delivered a strong financial performance in FYE2023 despite operating in a very challenging environment. This was achieved by leveraging our strong customer base, which forms the solid foundation of our efforts, expanding our product range to serve the automotive, industrial and various commercial sectors and enhancing our portfolio with value-added ancillary products. Most importantly, the resilience of our workforce empowered us to adapt to the fast-changing environment and meet our goals while remaining true to our purpose.

In addition, we expanded our extrusion capacity, enhanced our efficiency and optimised our cost structures while maintaining a sharp focus on improving our financial position, resulting in a lower gearing ratio and improved cash flow.

In alignment with our commitment to our five core values – Business Acumen, Global Outlook, Focused Teamwork, Quality Excellence and Social Responsibility – these forward-thinking actions have and will continue to guide us in the allocation of capital and resources towards achieving our strategic objectives across the short, medium and long-term.

Strategically, we are actively exploring renewable technologies. Notably, our partnership with Xi'an Jiaotong University through a collaborative research project aims to advance research and development initiatives in carbon capture and utilisation. Through this endeavour, we are committed to enhancing our contribution to a greener tomorrow.

Indeed, we are making steady progress in Fortifying Our Position in the aluminium industry in Asia.

OUR FIVE CORE VALUES

- 1 **Business Acumen**
- 2 **Global Outlook**
- 3 **Focused Teamwork**
- 4 **Quality Excellence**
- 5 **Social Responsibility**

CONTINUING MACROECONOMIC UNCERTAINTY

The global economic landscape in 2023 remained challenging, with headwinds stemming from a high-interest environment, escalating geopolitical conflicts from Ukraine to the Middle East and China's slower than expected recovery. With these accelerating risks compounded by rapid technological change and the urgency of the net zero agenda, the Board and Management must proactively engage in future-proof planning to seek new opportunities and address rapidly evolving challenges.

Within the global aluminium industry, the macroeconomic challenges led to reduced London Metal Exchange ("LME") aluminium prices. However, we capitalised on the growth of green sectors such as electric vehicles ("EV"), solar and energy transmission – where aluminium plays a crucial role in key components and solutions – to open new avenues for growth. These emerging sectors represent promising opportunities for the Group and, with the trend towards low-carbon aluminium accelerating, we took steps to strengthen our sustainability profile, embracing the energy transition as a key driver of our future growth.

FINANCIAL FORTITUDE IN CHALLENGING TIMES

Our financial standing in FYE2023 remained robust with an annual revenue of RM13.8 billion and profit after tax and minority interest ("PATAMI") of RM1.2 billion. This was mirrored by a strong balance sheet, with our net gearing ratio decreasing from 0.6 times in FYE2022 to 0.4 times as at the end of FYE2023. These results underscore our adept management of margins, our focus on value-added products ("VAPs") – which deliver higher margins – and our prudent approach to balance sheet management. Our return on capital employed remains healthy at 22.2%.

Chairman's Statement

With our strong cash flow, a healthy debt-to-EBITDA ratio and strong liquidity, we have been able to effectively balance our transactional working capital and longer-term funding needs. This has resulted in a resilient financial framework for the Group, enabling us to allocate appropriate capital for investments in Environmental, Social and Governance ("ESG") initiatives, new technologies and employee housing, amongst other areas. It also positions us well to seize potential expansion, acquisition and partnership opportunities.

A YEAR OF ADDED VALUE AND SUSTAINABILITY PROGRESSION

In FYE2023, we made commendable progress in strengthening our position across the aluminium value chain.

In the upstream segment, our joint investments in Australia, Indonesia and China played a pivotal role in ensuring raw material security and streamlining our logistics costs, enabling us to improve our margins and drive enhanced financial synergies.

Meanwhile, the establishment of a 30,000-tonne solar extrusion line at our Nilai plant in Malaysia opens the door for us to expand our production to include photovoltaic components and mounting extrusions, increasing our presence in the burgeoning solar energy sector.

Within the context of sustainability, I am delighted to report that we maintained our status as a constituent of the FTSE4Good Bursa Malaysia Index with a four-star rating. Additionally, three (3) of our manufacturing plants – PMBtu, PMS and PMI – have obtained the Performance Standard certification from the ASI. These achievements are a testament to our unwavering commitment to sustainable aluminium manufacturing practices.

Moreover, we have been recognised for the strong steps we are taking towards achieving carbon neutrality by 2050 and are making progress in reducing our Scope 3 greenhouse gas ("GHG") emissions. This is happening in concert with close vendor and partner collaborations which aim to future-proof our decarbonisation actions and make them integral to our operations.

In addition, we are amongst the leaders in implementing the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), through which we are enhancing the clarity, quality and transparency of our climate-related disclosures.

These proactive measures are enabling us to stay ahead of the fast-evolving regulatory landscape on emissions and climate action, solidifying our leadership in sustainability within the Asian aluminium industry and positioning us competitively amongst our customers, suppliers and partners.



Over

RM6.3 million

in contributions to local community programmes



Approximately

7,700

volunteer hours by our employees in community engagements

In our social sustainability thrust, we remained committed to fostering healthy and liveable communities, delivering over RM6.3 million of in-kind contributions to local community programmes in FYE2023, with our employees completing approximately 7,700 volunteer hours in community engagements. These initiatives are elaborated on in detail in the Community Management topic within our Sustainability Report 2023.

In addition, the Board has approved in principle a capital budget over three (3) years for the construction of a new township to house our employees working at Samalaju Industrial Park, Bintulu, and the development is currently in progress. The township will provide our employees with a range of commercial and recreational facilities, enhancing everyday convenience and improving their quality of life. It is another way that we are advancing our talent retention efforts.

In governance, we continued to build the Board's capacity to lead our holistic climate and ESG agenda while addressing the challenges involved in developing a viable and credible transition strategy – including issues surrounding appropriate disclosures, capital allocation and progress tracking. Given our expansion in recent years and the fast-evolving trade-related regulatory landscape, the Board is focused equally on improving our compliance oversight and enhancing our internal controls to drive operational efficiency, including by leveraging new technologies and artificial intelligence ("AI") where feasible.

On this note, our Management team is at the forefront of digitising and future-proofing our operations. In this vital area of competency, we strive to remain well ahead of the rapidly changing technology landscape, proactively identifying areas where technology adoption can advance our objectives as a business while upskilling our workforce to maximise our potential.

Chairman's Statement

A CAUTIOUSLY OPTIMISTIC OUTLOOK FOR 2024

In 2024, the global green transition will call upon all industries to step up. We anticipate increased demand for low-carbon aluminium and see opportunities for growth in emerging sectors such as EVs and green energy infrastructure. Our own transition plans are robust and we remain flexible to adapt and adjust them if advancements in technology necessitate changes.

However, the global aluminium outlook remains subdued, reflecting the subdued macroeconomic landscape and ongoing geopolitical uncertainties. Supply chain disruptions due to sanctions or bans in certain areas may also lead to short spikes in demand and prices.

Nevertheless, armed with a robust financial structure, greater flexibility and a commitment to sustainable growth, pillared on our dedication to innovation, we are well positioned to navigate these cycles and stay on track to achieve our mid-to-long-term value creation goals.



ACKNOWLEDGEMENT

Effectiveness and high performance stem from translating strategies into actionable outcomes. On this note, I would like to extend the Board's sincere appreciation to our Senior Executive Management team for stepping up to assume joint responsibility for our success with unceasing diligence, commitment and focused teamwork. Their efforts, supported by the dedication of our people and talents across the Group, have been instrumental.

I would also like to express my heartfelt gratitude to our shareholders, stakeholders, suppliers, partners, bankers and esteemed Board members for their unwavering support and confidence throughout the year.

As we look ahead to 2024, we remain committed to further Fortifying Our Position by remaining transparent and responsible on our journey towards carbon neutrality, sustainable growth and value creation.

DATUK YVONNE CHIA

Independent Non-Executive Chairman

April 2024

MANAGEMENT DISCUSSION AND ANALYSIS BY GROUP CEO



POSITIONED FOR LONG-TERM GROWTH

“We are positioned strongly to capitalise on the industry’s changing dynamics and deliver long-term value and success for our business and our stakeholders.”

SMELTING SEGMENT

1.08 million
MT
per annum

EXTRUSION SEGMENT

230k
MT
per annum

Tan Sri Dato' Koon Poh Keong
Group CEO

Management Discussion and Analysis by Group CEO

FOREWORD

In 2023, the global macroeconomic landscape continued to be marked by challenges and uncertainties, ranging from ongoing trade tensions and geopolitical conflicts to persistently high inflation. Amidst this challenging environment, we have remained laser-focused on building our resilience and driving transformation for future success. We are growing our value-added products segment, which offers higher margins, while pursuing downstream growth opportunities in fast-growing green sectors like renewable energy and electric vehicles. We are also making commendable progress in securing our supply chain with the expansion of PT Bintan's alumina refinery plant in Indonesia.

As a result, we are confident that we will emerge from these economically uncertain times to a stronger, forward-looking position. Armed with a truly sustainable business model, we are positioned to drive optimum long-term value for our business and our stakeholders.

OVERVIEW OF PRESS METAL

Established in 1986, Press Metal has grown from a privately-owned aluminium extruder to become the largest integrated aluminium producer in Southeast Asia.

Our midstream smelting plants, with a total capacity of 1.08 million tonnes per annum, are strategically located in Mukah and the Samalaju Industrial Park, Sarawak. Sarawak's abundant rainfall and rivers ensure a consistent and sustainable hydropower supply, which is essential for our operations. Catering to a diverse clientele, including some of the world's leading companies in transportation, construction, and consumer sectors, we offer a comprehensive range of products. This includes LME-certified high-grade aluminium ingot P1020, as well as value-added products such as billets, alloyed ingots (A356.2), and wire rods.

Our downstream extrusion plants in West Malaysia and in Foshan, China, have a combined annual capacity of 230,000 tonnes per annum, enabling us to manufacture a variety of products tailored to specific usage across various industries. These include construction, automotive, consumer-related products, as well as electronics and electrical applications.

To ensure a stable supply of key raw materials, we have strategically acquired and entered into collaborative agreements with companies in the upstream segment. These include equity interests in JAA and PT Bintan, respectively, enable us to secure a significant portion of our alumina requirement and reducing our reliance on third-party suppliers.

Additionally, our joint venture with Sunstone Development Co., Ltd has resulted in the development of a state-of-the-art carbon anode plant, providing approximately 40% of our consumption requirements.

MARKET UPDATES

In spite of various external challenges faced in recent years, we have demonstrated financial and operational resilience by effectively managing a multitude of headwinds. The primary challenge to our business – and the aluminium industry as a whole – is the slower than expected recovery of the global economy. With inflation levels remaining high around the world and governments imposing monetary tightening policies in response, demand for aluminium in key sectors such as real estate, construction and manufacturing has moderated. Furthermore, trade and geopolitical conflicts have led to higher tariffs, trade restrictions and export quotas, with voluntary sanctions on Russian metal by some buyers have caused additional complexity to a challenging market landscape.

Reflecting these challenges, 2023 was a year of consolidation and de-stocking for the industry. LME aluminium prices declined by an average of approximately 17% over the year while stocks have gradually depleted since August 2023, with headline inventory reducing to 443,000 tonnes in December 2023 – the lowest level since February 2023. The dwindling stocks signalled a tight supply of aluminium to the market despite weakened consumption due to the uncertain global economic outlook. Nevertheless, towards the end of December 2023, the official LME aluminium price surged, closing at USD2,335 per tonne, in response to the anticipated economic recovery and the expectation that the US Federal Reserve would commence interest rate cuts.



In December 2023, aluminium prices surged to

USD2,335 per tonne

Further room for optimism comes from the robust business investment climate in post-COVID China, where government policies are driving the nation's transformation towards sustainable industries, including the solar and EV sectors. This development presents a promising growth opportunity for us as aluminium is used to form the frame of solar panels and as an input in various EV components like battery casings and car components, enabling lightweight design, improved corrosion resistance and greater durability.

Management Discussion and Analysis by Group CEO

Lastly, amidst the major macro- and industry-level evolutions taking place, climate change remains a fundamental driver of change for manufacturers. Regulatory pressure has already come in the form of the European Union's Carbon Border Adjustment Mechanism, which will effectively impose a carbon cost on imports of aluminium and other goods – when its transitional phase concludes at end-2025. Meanwhile, China's Emissions Trading System is expected to be expanded to include industrial production, including that of aluminium, in the near future. This may benefit aluminium producers outside of China over the short-term by reducing market supply from China as national players adapt to the changes and will ultimately accelerate the industry's move towards renewable energy and other sustainable production processes.

Taken as a whole, these trends illustrate the dynamic nature of the industry, validating our proactive moves to fortify our business and wholeheartedly embrace sustainability across our operations and through the sectors and companies we serve.

STRATEGIC FOCUS AREAS

Cognisant of the potential impacts of the market dynamics, we have proactively identified strategic focus areas that will collectively enable us to remain on a sturdy growth path and further our reputation as a responsible, sustainable organisation.

In our smelting segment, we have continued to invest in growing our capacity for VAPs. These products, which are detailed in the "Updates on Operational Activities" section, deliver higher margins compared to our primary aluminium products while also enabling us to diversify our business and minimise overall risk.

In the downstream segment, our focus is on developing product-based extrusion solutions that address specific industry needs. This is illustrated by our extrusion plant in China, which has commenced the supply of aluminium car bumpers and battery casings to car manufacturers in the country. Meanwhile, we have also completed the construction of a 30,000 tonne photovoltaic components extrusion line at our Nilai plant, dedicated exclusively to manufacturing solar panel frames and mounting extrusions to support the solar power sector.

These strategic moves into energy transition-related sectors mirror our Group-wide focus on sustainability, which has accelerated over the past years. All our smelters have obtained the ASI Performance Standard certification, showcasing our commitment to sustainable aluminium manufacturing

practices and opening the door for us to supply to companies with more stringent standards around sustainable aluminium production.

The benefits of our shift towards low-carbon products were evidenced in April 2023 when we secured a long-term export deal for aluminium ingots with Daching Enterprises Ltd ("Daching"), the world's top three global aluminium foil manufacturers. The deal, which totalled RM110 million in revenue during FYE2023 and will generate a further RM670 million in revenue over the following five (5) years, was enabled in part by the low-carbon content of our ingots, which helped Daching meet its climate commitments.

Meanwhile, we seek to expand our market reach, ensuring the resilience of our supply chain becomes more crucial than ever. To this end, we made progress by completing Phase 2 of our associate company, PT Bintan's plant in Indonesia in 2023. This enables us with a consistent supply of alumina and meeting our smelting operations' needs. It also unlocks cost savings due to its closer geographical proximity to our smelters, as opposed to relying on sources in other regions which entail higher logistics costs.

UPDATES ON OPERATIONAL ACTIVITIES

Despite the ongoing challenges affecting aluminium demand and prices, our smelting segment's forward sales strategy enabled us to consistently deliver commendable profits and returns to our shareholders in 2023, while the decline in raw material and freight costs throughout the year also helped to alleviate overall cost pressures. With an eye towards future growth, we continue to explore opportunities in transport, transmission and other energy transition-related sectors that have shown great promise in replacing the weaker demand for aluminium within traditional sectors and applications.

Within the extrusion segment, our focus on product-based extrusion has broadened, with our extrusion plant in China manufacturing aluminium battery casings and car components as well as our new photovoltaic components production line in Nilai currently undergoing testing with potential customers. To drive further growth in the sales of our extrusion products, we are actively on the lookout for opportunities in the renewable energy and EV markets, while seeking to establish opportunities with manufacturers relocating their operations to the ASEAN region.

In addition, we continued to invest in the growth of our VAP segment by introducing new casting line for A356 ingots and wire rods. As a result, the segment has increased its share of our total sales volume to 41%, compared to the previous year's 36%.

Management Discussion and Analysis by Group CEO

Across both segments of our business, we took significant strides in enhancing internal operational efficiencies, with a key strategy here being the implementation of resource optimisation initiatives to improve our smelting efficiency. By improving our operational footprint in this way, we are unlocking lower operating costs while driving emissions reductions, thus meeting our business and sustainability goals holistically.

REVIEW OF FINANCIAL PERFORMANCE

	Financial Year Ended 31 December (RM'million)					
	2023	2022	2021	2020	2019	
Revenue	13,805	15,683	10,995	7,476	8,805	
EBITDA	2,551	2,768	2,045	1,239	1,229	
Profit before tax	1,646	1,952	1,443	655	631	
Profit after tax	1,518	1,767	1,295	587	582	
Profit attributable to shareholders	1,215	1,407	1,002	460	474	
Total assets	15,366	15,316	14,211	11,934	9,661	
Shareholders' funds	6,933	6,637	3,873	3,995	3,666	
Total equity	8,396	8,005	4,920	4,890	4,480	
Borrowings	4,628	5,093	6,370	5,148	3,861	
Net Debt/ Equity	Times	0.40	0.56	1.20	0.91	0.78
Net earnings per share*	Sen	14.75	17.16	12.41	5.69	5.90
Dividend per share*	Sen	7.0	6.0	3.4	2.1	2.6

* Adjusted retrospectively to reflect the 1 for 1 bonus issue exercise completed in April 2021

Revenue

We achieved revenue of RM13.8 billion in FYE2023, representing a 12% decrease compared to FYE2022, mainly due to softened aluminium prices during the year. As our smelting segment is the main driver of our revenue and profitability, LME aluminium prices play a vital role in determining our financial performance.

Costs

Alumina, pre-baked carbon anodes and electricity make up the primary manufacturing costs of our smelting operations. At the start of 2023, alumina market prices surged to an annual peak of USD371 per tonne, an uptick from USD330 per tonne at the end of 2022 which is mainly attributed to supply disruptions in Australia and heightened stockpiling activities. From April 2023 onwards, alumina prices began to normalise, fluctuating within the range of USD325 - USD362 per tonne, due to softer demand stemming from lower aluminium prices. The average market price of alumina for the year was USD343 per tonne – approximately 15.0% of the average aluminium price in 2023.

The average price for pre-baked carbon anode moderated substantially during 2023, starting at above RMB7,000 in January 2023 and declined by more than 30% to below RMB5,000 by the end of the year. The price adjustment was

mainly due to the easing of raw material prices. The average market price for the entire year was at least 20% lower compared to the average price in 2022.

In terms of electricity, we benefit from the location of our smelting plants within the Sarawak Corridor of Renewable Energy. This enables us to receive a stable electricity supply generated predominantly from hydropower, secured by long-term power purchase agreements with the Sarawak state's power company. Therefore, unlike smelters operating under a floating rate of power purchase agreement involving coal-fired or gas-fired power plants, our financial performance is not influenced by coal and gas price fluctuations.

Profitability

Tracing our moderated revenue, our profit before tax declined by 15.7% to RM1.6 billion in FYE2023 while our PATAMI for FYE2023 was RM1.2 billion.

Dividends

A total dividend of RM576.8 million, or approximately 47% of PATAMI, was declared in respect of FYE2023. Moving forward, we will continue to reward shareholders for their steadfast support subject to fulfilling our profitability, capital expenditure and overall liquidity requirements.

Management Discussion and Analysis by Group CEO

Borrowings and Gearing

Our total borrowings decreased by 10%, from RM5.1 billion in FYE2022 to RM4.6 billion in FYE2023. The decrease in borrowings was due to higher repayment of borrowings on the back of strong cash flow generated from our operations. As a consequence, our net gearing ratio has decreased significantly, from 0.6 times in FYE2022 to 0.4 times in FYE2023.



PATAMI

RM1.2 billion

in FYE2023



Total dividends paid as a percentage of PATAMI

47%

RISK FACTORS AND RISK MANAGEMENT

The performance of our business is impacted by several key market risks, including adverse changes in aluminium prices, premiums and upcharges for our VAPs. In response, we hedge a portion of our aluminium production volume for up to three (3) years, thus securing an acceptable price and minimising the impact of any industry downturns which may occur. We also undertake foreign currency hedging to reduce our exposure to fluctuations in the USD-RM exchange rate.

Within the macroeconomic environment, geopolitical uncertainties and trade disputes remain prominent risks affecting global demand and commodity prices. In addition, the spectre of rising interest rates, cost inflation and the possibility of a slowing economy could potentially dampen future consumption. By expanding our profit margins through our VAPs and steering towards opportunities arising from new market dynamics, we can reduce the impact of such macroeconomic trends on our business.

Lastly, sustainability-related risks are a key concern and area of focus for our business. Cognisant of the negative impact that any instance of non-compliance with environmental or social regulations can have – financially, legally and reputationally – we have integrated sustainability as a core consideration within our strategic and operational decision-making processes.

ESG PRIORITIES

As regulatory standards and customer expectations around sustainability grow more stringent, the progress we are making across the ESG spectrum stands us in a good stead to deliver shared and lasting value for our stakeholders and our business.

As outlined earlier in this statement, we have adopted a forward-thinking approach to sustainability by introducing circular economy practices, enhancing our resource efficiency and pursuing the use of renewable energy in our operations.

Our sustainability performance continues to be validated by reputable local and international ratings and accreditation organisations. In October 2023, our MSCI ESG Rating was upgraded from “BBB” to “A”, certifying that we remain highly resilient against long-term, ESG-related risks. Meanwhile, our management quality score under the Transition Pathway Initiative has been graded up from Level 3 (Integrated into Operational Decision-Making) to Level 4 (Strategic Assessment), indicating a high level of readiness to undertake a low-carbon transition.

These concerted efforts and consistent achievements have resulted in us maintaining our 4-star rating under the FTSE4Good Bursa Malaysia Index for the second year running. Detailed information on our sustainability approach and achievements can be found in our Sustainability Report 2023, from pages 94 to 97.

TRENDS AND OUTLOOK

We are adopting a cautiously optimistic outlook, conscious of the potential for a prolonged economic downturn and also the various growth opportunities that have emerged.

In the short-term, we foresee a consolidation of the aluminium market at present levels, indicating that the worst may be over for the market. We also anticipate that the demand for aluminium will improve as interest rates potentially embark on a reversal course and global economies continue to recover.

While the demand for aluminium awaits a rebound in the economy, its supply, previously curtailed, is expected to make an equally slow return to normal levels due to the scarcity of renewable energy for low-carbon production. Consequently, there is a possibility of a gradual improvement in aluminium prices, aligning with the potential recovery of the global economy.

Management Discussion and Analysis by Group CEO

Looking further ahead, we are confident in the prospects of the aluminium industry. With increased capital investments in green sectors and a shift towards low-carbon content aluminium, sustainable industry players stand to benefit from an increase in demand, cushioning the reduced demand from traditional industries. Additionally, the supply chain outside of China may experience higher demand for aluminium as manufacturing operations relocate to ASEAN, thus providing new opportunities for local players to capitalise on.

Through our investments in sustainable production processes and our continued pursuit of growth in the renewable energy, EV and other emerging sectors, we are positioned strongly to capitalise on the industry's changing dynamics and to deliver long-term value and success for our business and our stakeholders.

APPRECIATION

As we navigate through these unprecedented times, our resilience is thanks in no small part to the unwavering faith and support shown by our stakeholders.

First and foremost, I would like to thank our Board of Directors for their wisdom, guiding us towards the best path forward during good and trying times alike. Similarly, our employees have not only displayed admirable loyalty but brought their skills and knowledge to the fore when they were needed the most. Your contributions are crucial to our shared success.

I would also like to pay a special tribute to our customers, some of whom have been with us since our earliest days. Your ongoing trust and spirit of partnership are essential ingredients of our success, making us who we are today.

Lastly, to our shareholders, I offer my heartiest thanks for the confidence you continue to show in us. We value your support and will continue to strive towards our goals to create sustainable value and returns for you.

As we look forward to 2024 and the many possibilities that lie before us, I hope that you will share our view that our best days still lie ahead. With that, I look forward to making these avenues for advancement a reality and sharing them with you.

TAN SRI DATO' KOON POH KEONG
Group CEO

April 2024

THE MARKET WE OPERATE IN

The global economic landscape in 2023 was marked by structural headwinds, with geopolitical instability and supply chain disruptions exacerbating existing post-pandemic challenges. This led to elevated raw material prices and persistently high inflation levels, creating a difficult environment for manufacturers around the world.

This confluence of factors is reflected in subdued global economic growth. According to the International Monetary Fund's World Economic Outlook, global real gross domestic product is expected to slow to 3.0% in 2023 from 3.5% in 2022, with advanced economies set to take the brunt of the slowdown.

Against this backdrop, we have witnessed reduced demand for aluminium from traditional sectors such as construction and manufacturing. However, the rise of energy transition-related, green sectors like EV, solar power and energy transmission offered opportunities for sustainable growth. In addition, the structural changes brought about by the Russia-Ukraine war opened the door for us to strengthen our position in the western market, leveraging our status as a producer of low-carbon aluminium.

Supporting our ambitions, we are leveraging strategic partnerships across the value chain, including that with Sumitomo Corporation and Glencore International AG, to secure some of our supply of raw materials and sales, while rigorously assessing risks through our well-established Enterprise Risk Management ("ERM") process. Through these proactive moves, we are positioned to remain resilient during these challenging times and to emerge from the economic slowdown in a stronger and more competitive position.

Aluminium Demand and Price Fluctuations

Global Megatrend

Aluminium prices on the LME fluctuated between USD2,068 and USD2,636 per tonne during 2023, failing to sustain momentum and tracking marginally downwards for most of the year.

This downtrend was precipitated by two key factors. Firstly, China's slower than expected recovery from the COVID-19 pandemic coupled with sluggish growth outside of China particularly Europe, resulted in reduced demand from traditional sectors such as real estate and construction. Secondly, many buyers engaged in destocking activities during the year, influenced by higher interest and holding cost.

On a brighter note, the rise of green sectors which is primarily driven by Chinese manufacturers, offset a significant portion of the decline in demand during the year, preventing prices from dropping lower. Meanwhile, the announcement by the US Federal Reserve in December 2023 that it would not undertake further interest rate hikes has prompted a more optimistic global economic outlook, leading to a surge in LME prices from USD2,147 in early December to USD2,335 per tonne as the year closed.

Impact on Business Operations

- Our profitability is impacted by movements in the price of aluminium, which in turn depend on various external factors including geopolitical instability, energy prices, economic performance, inflation and green infrastructure adoption.
- By continually diversifying our sources of income through the provision of VAPs and leveraging on opportunities in green industries, we can mitigate the impact of these macroeconomic trends on our overall performance.
- In FYE2023, we attained revenue of RM13.8 billion, a 12.0% decline compared to FYE2022, and PATAMI of RM1.2 billion.

Outlook for 2024

We anticipate that the global economy will gradually recover, bolstered by the anticipated pause in US rate hikes and expected rate cuts. However, the aluminium industry may continue to be affected by the considerable macroeconomic headwinds, which will continue to depress growth in the building and construction sector.

On a positive note, increasing demand for aluminium from green industries offers a more positive outlook for the industry, with the EV, solar and energy transmission sectors showing considerable growth potential. This positive trend is further accelerated by the ongoing shift of manufacturing operations to the ASEAN region, which should drive demand for local and regional sources of aluminium and other inputs.

Consequently, we anticipate a gradual increase in aluminium prices in the coming years, while maintaining a cautiously optimistic outlook until the world economy shows clear signs of sustained recovery. This is substantiated by research from Bloomberg Intelligence, which expects aluminium demand to grow by 3% and 2% in 2024 and 2025, respectively¹.

The Market We Operate In

Supply Chain

Global Megatrend

Supply chain disruptions have been a persistent factor affecting the global economy over the past four (4) years. The challenge began with the COVID-19 pandemic and its lockdowns, which caused major labour shortages, heightened freight costs and significant delivery delays. The Russia-Ukraine conflict and China's zero-COVID policy then further complicated the situation, affecting supply in sectors including consumer goods, metals, food, chemicals and other commodities.

With China's relaxation of its COVID-19 restrictions, S&P Global Market Intelligence remarked that conditions have largely returned to normal. However, the agency also stated that uncertainties remain for government policy and physical risk. The ongoing conflict in Ukraine, in particular, may continue to create supply chain challenges in the near future due to sanctions against the current Russian administration and new European Union ("EU") regulations on exports².

Impact on Business Operations

- Disruptions in the supply of raw materials and logistics challenges, both locally and globally, could affect our business operations, potentially resulting in transit delays, inventory shortages and disruptions to manufacturing processes, thereby impacting our efficiency.
- Supply chain disruptions may also lead to increased freight expenses, higher inventory costs and extended turnover days which may, in turn, have implications on our operating costs and profitability.

Outlook for 2024

Looking forward, the trend of protectionism amongst governments is a cause for concern as this may affect the stability of global supply chains and the ability of manufacturers to secure inputs and access export markets.

In Indonesia, for instance, the government announced a ban on bauxite exports beginning of 2023, aimed at shoring up the country's domestic refineries³. As Indonesia represents 6% of global bauxite production, the ban impacted alumina refineries in other countries that source bauxite from them. From our standpoint, such protectionist actions create a stronger case for securing a portion of our alumina inputs, which we are doing via our upstream investment in PT Bintan Alumina Indonesia.

Meanwhile, the occurrences of extreme weather event, which are becoming increasingly frequent, pose an additional challenge to the global aluminium supply intermittently, particularly to some aluminium smelters in China. As a globalised market player, we will stay attuned to this evolving landscape and strategically planning our resources and product allocation accordingly.

The Market We Operate In

Transition to a Low-Carbon Economy

Global Megatrend

In line with the worldwide push to limit global warming to 1.5°C above pre-industrial levels, national and global policies are increasingly emphasising the need to decarbonise heavy industries and transition from fossil fuels to renewable energy sources. This opens new growth opportunities for the aluminium industry, which plays an important role in the renewable energy sector, and it is expected that global demand for aluminium will increase by 80% (or 80 million tonnes) between 2020 and 2050 in line with the global energy transition⁵.

Specifically, the increase in global EV production, which is expected to drive aluminium demand to 31.7 million tonnes by 2030⁴, as aluminium, due to its lightweight properties, forms a crucial input in EV components such as battery casings, chassis, body structures and heat management systems.

Beyond EVs, the aluminium industry also stands to benefit from other environmental developments such as the European Green Deal, which will boost the use of aluminium in the construction sector for heating, ventilation and air-conditioning systems within green buildings. In addition, aluminium will be in high demand for components such as solar panels, wind power plants and high-voltage power grids, which play an important role in low-carbon electricity systems.

However, as the aluminium industry positions itself to capitalise on these growth opportunities, it will also have to contend with the emissions it generates. Illustrating this, the industry currently emits over 1.1 billion tonnes of CO₂ equivalent annually,^{5,6} and approximately 60% of global primary aluminium smelting in 2022 relies on non-renewable energy sources, with China's supply (which accounts for 60% of global output) primarily powered by coal energy sources. In response to this challenge, China is taking strong steps including:^{7,8,9}

- Setting caps for total energy consumption,
- Reducing emissions from inefficient smelters,
- Introducing a new Emissions Trading System, and
- Creating certifications for locally produced green aluminium.

At the global level, industry players are collaborating with governmental bodies, suppliers and customers to drive collective climate actions. For example, the Aluminium for Climate Initiative is promoting the transition to renewable energy sources and carbon capture, utilisation and storage technologies, decarbonising direct emissions from the processing of aluminium and increasing the collection and recovery of post-consumer scrap¹⁰.

Aluminium is an infinitely recyclable material and requires up to 95% less energy to recycle than primary aluminium production. These developments provide optimism that the aluminium industry can emerge as a leader in green manufacturing and play a vital role in the world's transition to a low-carbon economy.

Impact on Business Operations

- Using electricity generated predominantly by hydroelectric dams to power our operations we are positioning ourselves as a producer of low-carbon aluminium, providing us with a competitive advantage as consumers and investors shift their preferences towards climate-friendly solutions.
- With the rise of EVs, we stand to benefit from increasing aluminium demand over the coming decades.
- As a major aluminium producer in Southeast Asia, we stand to gain from the potential relocation of EV manufacturing facilities to the region, which we are well positioned for the new supply chain ecosystem.
- Leveraging our low-carbon aluminium solutions and entrenched efficient cost model, we will be able to strengthen our market position, broaden our geographical reach and optimise large-scale production.

Outlook for 2024

According to Goldman Sachs Research, EV adoption will reach approximately 73 million units by 2040, up from only 2 million in 2020. This shift presents opportunities for the aluminium industry, as outlined above, as aluminium is an excellent option for EV due to its lightweight properties.

At the same time, we recognise that our shift to greener industries can only bear fruit if we make progress in decarbonising our business. Therefore, we will continue to make strides on our journey to carbon neutrality by 2050 by giving consideration to cleaner technologies and driving energy efficiency across our operations.

The Market We Operate In

Geopolitical Tensions

Global Megatrend

Aluminium is crucial in numerous key industries and is of growing value in green sectors such as EVs and solar energy. However, recent tensions among major producing nations have disrupted supply chains through tariffs, trade restrictions, export quotas and financing limitations, presenting an uncertain environment for industry players.

In February 2023, the USA imposed a 200% tariff on aluminium and aluminium derivatives from Russia, leading to an aluminium shortage in western countries¹¹. Meanwhile, China imported a total of 1.54 million tonnes of primary aluminium in 2023, a 130% increase on the previous year¹², using these imports to meet rising demand from the solar and automotive sectors.

This difference in availability and supply of aluminium is evidence of the increasing market fragmentation along regional lines, and this dynamic is set to continue for as long as existing geopolitical tensions persist.

Impact on Business Operations

- Geopolitical tensions, trade conflicts or sanctions can disrupt the global aluminium supply chain, leading to price volatility. However, the paradigm shift of the aluminium dynamic also presents new market access opportunities for us.
- Shipping disruptions can also affect delivery and insurance costs, impacting our ability to meet our obligations and our profitability.
- To mitigate against these risks, we have executed proactive strategies to secure our supply of raw materials, reaching out to different markets and enhance the sustainability of our practices.

Outlook for 2024

We expect the aluminium market to remain sensitive to geopolitical shifts, requiring us to closely monitor and adapt to changes in the global environment. By continuing to build supply chain resilience, widening our sales network and pursuing strategic collaborations with upstream and business partners, we may minimise the impact of external events on our operations and our performance.

Meanwhile, with the expectation of gradual increase in aluminium prices, driven by growing demand from green sectors, it is essential that we continue to carefully plan our semi-finished and downstream production, effectively managing input costs and execute business strategies in a timely manner to capitalise on these emerging opportunities.




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ENGAGING WITH OUR STAKEHOLDERS

We are committed to driving an inclusive sustainability agenda by proactively engaging with our stakeholders. Such engagement enables us to understand their evolving concerns and interests, develop effective strategies and align these strategies to deliver their intended outcomes while meeting our organisational goals.




To this end, we have implemented various practices to address the concerns in a timely and effective manner. These include regular stakeholder engagements, feedback mechanisms and our steadfast commitment to transparent reporting. Ultimately, these efforts help us to build stronger, trust-based relationships with our stakeholders, safeguarding our reputation and sustainability as a business.

Why They Matter	Engagement Channel	Area of Interest	Our Response
 Business Partners			
Our business partners provide us with essential resources and distribution channels that are vital for our sustained growth and success.	<ul style="list-style-type: none"> • Periodic meetings 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Efficient aluminium manufacturing • Protection of confidential data and information • Sustainable material usage 	<ul style="list-style-type: none"> • Maintained a comprehensive legal register • Incorporated process improvement initiatives within our operations • Managed occupational health and safety ("OHS") risks responsibly and obtained ISO 45001:2018 certifications • Managed environmental impacts responsibly and obtained ISO 14001:2015 certifications • Safeguard customer data in accordance with all relevant data management laws • Incorporated recoverable or recyclable materials into our aluminium products • Implemented Supplier Management Programme to promote responsible practices across our supply chain
 Employees			
Our employees are one of the driving forces behind our growth, making it vital to provide our employees with inclusive work environments and developmental resources to support their career advancement goals.	<ul style="list-style-type: none"> • Town halls • Annual performance evaluations • Employee engagement surveys • Company intranet, mobile platform, emails, memos • Learning and development programmes 	<ul style="list-style-type: none"> • Health and safety at the workplace • Upholding of human rights • Product quality and customers' satisfaction • Stance on unethical behaviour such as bribery or fraud • Efficient aluminium manufacturing processes • Professional growth and career progression • Competitive remuneration 	<ul style="list-style-type: none"> • Managed OHS risks responsibly and obtained ISO 45001:2018 certifications • Established a robust employee management system that includes our Human Rights Policy and grievance mechanisms for employees to raise concerns • Established plant-specific policies on product quality and obtained ISO 9001:2015 certifications • Established policies and procedures to uphold good governance practices • Provided upskilling and reskilling trainings to maximise our employees' potential to meet evolving market demands
 Customers/ Distributors			
Our customers and distributors play a crucial role in enabling us to meet our financial goals and expand our market reach, while also providing valuable feedback that guides our innovation and continual improvement efforts.	<ul style="list-style-type: none"> • Annual customer satisfaction survey • Regular customer audits across the year • Periodic meetings and visitations 	<ul style="list-style-type: none"> • Stance on unethical behaviour such as bribery and fraud • Product quality and customers' satisfaction • Health and safety at workplace • Prevention of anti-competitive practices • Sustainable material usage 	<ul style="list-style-type: none"> • Established policies and procedures to uphold good governance practices • Established plant-specific quality policies and obtained ISO 9001:2015 certifications • Managed OHS risks responsibly and obtained ISO 45001:2018 certifications • Managed environmental impacts responsibly and obtained ISO 14001:2015 certifications • Implemented Supplier Management Programme to promote responsible practices across our supply chain • Enforced Supplier Code of Conduct ("SCoC") to drive responsible practices across our supply chain • Incorporated recoverable or recyclable materials into our aluminium products

Engaging with Our Stakeholders

Why They Matter	Engagement Channel	Area of Interest	Our Response
 Local Communities			
<p>As a responsible corporate citizen, we have a duty to contribute to local community development, both through the economic value generated by our business and through programmes that create sustainable social value.</p>	<ul style="list-style-type: none"> • Town halls • Corporate social responsibility events • Dialogues and meetings 	<ul style="list-style-type: none"> • Conservation and protection of natural ecosystems • Responsible management of environmental and social impacts • Local recruitment policies • Health and safety at the workplace • Effective management of community relations 	<ul style="list-style-type: none"> • Managed environmental impacts responsibly and obtained ISO 14001:2015 certifications • Managed OHS risks responsibly and obtained ISO 45001:2018 certifications • Prioritised hiring of locals to meet our workforce needs • Organised community development programmes focused on promoting education, health and economic development • Implemented Supplier Management Programme to promote responsible practices across our supply chain
 Media/ Analysts			
<p>The media and analysts play a vital role in shaping public opinion and providing valuable industry insights which we can leverage to drive growth. Thus, it is essential that we cultivate strong and mutually beneficial relationships with them.</p>	<ul style="list-style-type: none"> • Our corporate website • Conferences and briefings • Media releases and announcements 	<ul style="list-style-type: none"> • Stance on unethical behaviour such as bribery or fraud • Compliance with laws and regulations • Mitigation of business and financial risks • Sustainable financial performance • Efficient aluminium manufacturing performance • Transparent communication 	<ul style="list-style-type: none"> • Established policies and procedures to uphold good governance practices across the organisation • Managed OHS risks responsibly and obtained ISO 45001:2018 certifications • Managed environmental impacts responsibly and obtained ISO 14001:2015 certifications • Maintained comprehensive legal registers • Established our ERM Framework, which is aligned with ISO 31000:2018 Risk Management – Guidelines • Strategically managed our assets to optimise financial returns • Implemented process improvement initiatives • Communicated our progress through conferences, briefings and press releases
 Government/ Regulatory Authorities			
<p>Engaging with authorities is pivotal to stay abreast of industry regulations and developments, which in turn enables us to minimise our risk of non-compliance and drive improvements to our operational framework, policies and strategies.</p>	<ul style="list-style-type: none"> • Dialogues and meetings • Government/ regulatory events/ visits 	<ul style="list-style-type: none"> • Health and safety at workplace • Upholding of human rights • Stance on unethical behaviour such as bribery or fraud • Compliance with environmental regulations and standards 	<ul style="list-style-type: none"> • Established policies and procedures to uphold good governance practices • Managed OHS risks responsibly and obtained ISO 45001:2018 certifications • Managed our environmental impacts responsibly and obtained ISO 14001:2015 certifications • Established robust approaches to employee management and local community management • Provided grievance mechanisms for internal and external stakeholders to raise concerns

Engaging with Our Stakeholders

Why They Matter	Engagement Channel	Area of Interest	Our Response
 Suppliers/ Contractors/ Service Providers/ Consultants			
<p>Our suppliers, contractors, service providers and consultants are important as they provide us with essential resources such as raw materials, technologies and specialised expertise, enabling us to meet evolving business needs and drive continuous growth.</p>	<ul style="list-style-type: none"> • Annual performance evaluations • Periodic meetings 	<ul style="list-style-type: none"> • Stance on unethical behaviour such as bribery or fraud • Product quality • Ability to meet customer expectations • Compliance with laws and regulations • Health and safety at workplace • Efficient aluminium manufacturing • Supplier capacity building programmes 	<ul style="list-style-type: none"> • Established policies and procedures to uphold good governance practices across the organisation • Managed OHS risks responsibly and obtained ISO 45001:2018 certifications • Managed our environmental impacts responsibly and obtained ISO 14001:2015 certifications • Established a robust employee management system that includes our Human Rights Policy and grievance mechanisms for employees to raise concerns • Conducted supplier ESG assessments to promote responsible practices across our supply chain
 Capital Providers (Financiers, Shareholders, Investors)			
<p>The trust and confidence of our capital providers are essential to ensure continued access to funding at competitive rates and terms. Our engagements with them also enable us to identify opportunities, risks and emerging trends in financial markets, driving the creation of effective, long-term strategic plans.</p>	<ul style="list-style-type: none"> • Our Annual General Meeting • Quarterly and annual reports • Our corporate website • Media releases and announcements 	<ul style="list-style-type: none"> • Stance on unethical behaviour such as bribery or fraud • Sustainable financial performance and return on investment • Compliance with laws and regulations • Upholding of human rights • Effective risk management strategies 	<ul style="list-style-type: none"> • Established policies and procedures to uphold good governance practices across the organisation • Strategically managed our assets to optimise financial returns • Maintained a comprehensive suite of legal registers • Established a robust employee management system that includes our Human Rights Policy and grievance mechanisms for employees to raise concerns • Established ERM Framework, which is aligned with ISO 31000:2018 Risk Management – Guidelines
 Key Senior Management			
<p>Our Key Senior Management are pivotal in implementing strategies to achieve our goals, making it vital to providing them with appropriate resources, support and guidance.</p>	<ul style="list-style-type: none"> • Quarterly Board meetings • Executive Committee meetings 	<ul style="list-style-type: none"> • Group strategies • Business development strategies • Partnerships and collaborations • Robust corporate governance practices • Performance of manufacturing facilities • Contributions to local communities and society • Human capital management • Effective climate change and environmental management • Quality of products and services 	<ul style="list-style-type: none"> • Provided Key Senior Management with the required support and resources to execute their responsibilities in a manner that enables business growth and advances our sustainability agenda • Established ESG Remuneration Framework to incentivise relevant Key Senior Management personnel to drive improvements to our sustainability performance • Adopted Remuneration Policy to guide the compensation of Directors and Key Senior Management • Ensured our manufacturing entities are certified with relevant ISO management systems • Aligned our ERM Framework with ISO 31000:2018 Risk Management – Guidelines • Undertook succession planning

MATERIAL MATTERS AT OUR CORE

Understanding the evolving business environment is important for Press Metal to capitalise on existing and emerging opportunities as well as strategising plans to avoid or minimise potential or underlying risks that may affect the ability to generate value over time. Materiality assessment, which serves as a tool for the identification and prioritisation of sustainability matters, provides insights into matters that are important to the Group and our stakeholders. The outcome of which, underpins the basis for the development of Press Metal's overall strategy, effectively addresses matters in a meaningful and objective manner.

In FYE2022, we conducted a comprehensive materiality assessment through which 18 material matters were identified. To ensure their continued relevance, we undertook a thorough review of our Materiality Matrix during FYE2023, assessing the relevance of each existing material matter with reference to the current business landscape and the expectations of our stakeholders. The review was performed in line with the methodologies outlined by Bursa Malaysia's Sustainability Toolkit: Materiality Assessment (3rd Edition), the GRI Standards, as well as guidance from the Materiality Guiding Principle of the <IR> Framework.

STEP 1: REVIEW EXISTING MATERIAL MATTERS

We assessed the relevance of our existing 18 material matters by:

- Identifying key risks and opportunities
- Considering stakeholders' issues and concerns
- Considering matters raised during the Company's 7th Annual General Meeting
- Reviewing sustainability reporting standards and guidelines (e.g., GRI Standards, Bursa Malaysia's Sustainability Reporting Guide)
- Considering global and local sustainability trends in the aluminium sector (spanning economic, environmental, social and governance issues)
- Undertaking benchmarking against our industry peers

STEP 2: ASSESS IMPORTANCE TO BUSINESS AND STAKEHOLDERS

To gain greater insight into the perspectives and priorities of our stakeholders, we revisited the responses to the engagement survey we distributed in FYE2022 and confirmed that the feedback received from both internal and external stakeholders on the importance of each material matter remained relevant. Concurrently, we revisited the sustainability impact assessment ratings and reassessed each material matter based on the severity of its impact and likelihood of occurrence.

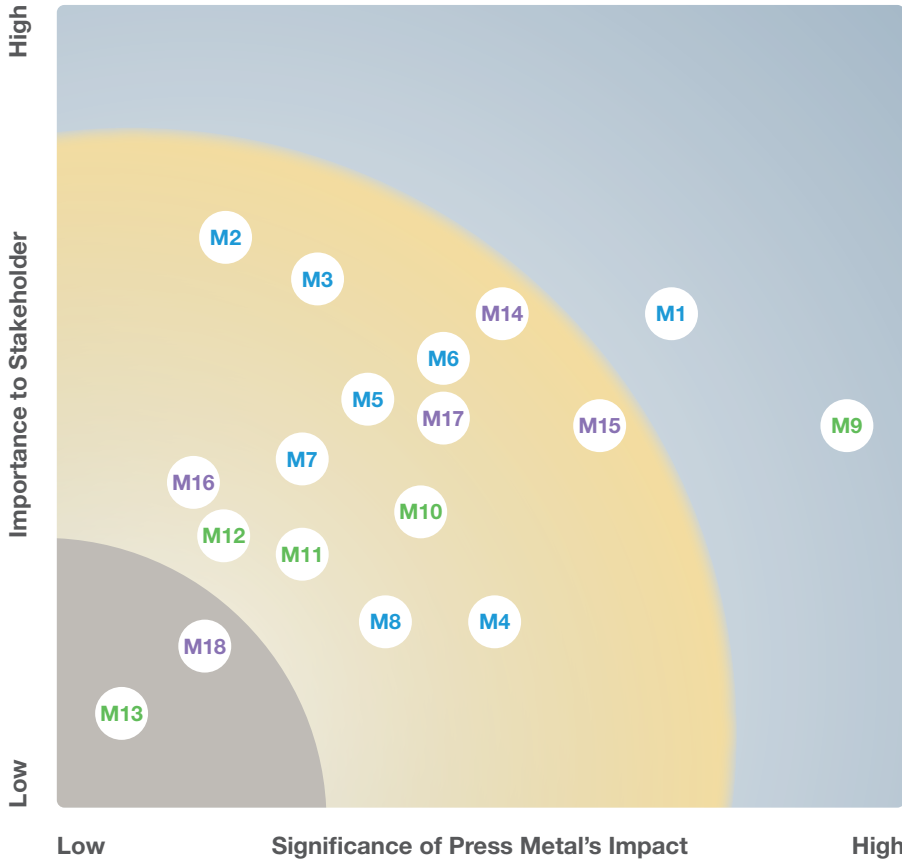
Through these steps, we reviewed the importance of each material matter to our business and our stakeholders. This enabled us to develop our Materiality Matrix for FYE2023, which rates each matter on a three (3) level scale: high, medium and low.

STEP 3: REVIEW AND VALIDATION

The final Materiality Matrix was then shared with the Sustainability Committee and Risk Management Committee for review and validation before being presented to the Board for final approval.

Material Matters at Our Core

MATERIALITY MATRIX



- Upholding Good Governance and Economic Resilience
- Caring for the Planet
- Empowering Our People and Enriching Our Communities

Our Materiality Matrix for FYE2023 reflects the following changes to the importance of specific material matters in comparison to FYE2022:

- Climate Change remained as our top material matter. This was due to the accelerating global climate action movement, which heavily influences the evaluations of stakeholders, and the increasing importance of climate-related risks, which may pose significant challenges to our business operations, such as in the sourcing of raw materials and products, as well as to the long-term growth, prosperity and economic success of nations.
- Sustainable Manufacturing has been included within our top ten (10) material matters. The reason for this is the increasing focus on digitalisation and automation in the manufacturing process, with technological evolution now an imperative to meet industry requirements.
- Talent and Labour Management has increased in priority. To this end, we will continue to channel efforts towards minimising the risk of high turnover rates while focusing on enhancing the well-being and welfare of our employees.

The Board and Senior Management will continue to exercise oversight to address all of our material matters. Our approach here includes assessing the risks or potential impacts arising from such topics to value creation and, subsequently, developing effective strategies to minimise these risks and maximise positive impact.

HIGH PRIORITY

- M9 Climate Change
- M1 Economic Performance

MEDIUM PRIORITY

- M15 Human Rights
- M14 Occupational Health and Safety
- M6 Sustainable Manufacturing
- M17 Talent and Labour Management
- M3 Regulatory Compliance
- M5 Product Quality and Customer Satisfaction
- M4 Responsible Sourcing
- M10 Waste
- M2 Business Ethics and Corporate Governance
- M8 Customer Data Privacy & Information Technology
- M7 Risk Management
- M11 Material Stewardship
- M12 Water and Effluents
- M16 Diversity and Inclusivity

LOW PRIORITY

- M18 Community Management
- M13 Biodiversity

MANAGING OUR RISKS AND OPPORTUNITIES EFFECTIVELY

Press Metal is cognisant of the importance in implementing a robust and effective ERM framework and undertaking continuous monitoring of identified risks. Through effective risk mitigation measures and vigilant monitoring, we keep our potential threats under supervision and position ourselves to capitalise on value creation opportunities. This proactive approach fortifies our resilience and creates position for us to seize opportunities that arise, advancing sustainability for Press Metal and our stakeholders.



ENVIRONMENT

Climate Change and Sustainability Risks

Climate change presents environmental and business risks including weather pattern shifts, increased occurrences of flood, biodiversity loss, and supply chain disruptions. At Press Metal, sustainability is a priority, and we diligently evaluate these risks. As climate-related risks intensify, stakeholders emphasise the importance of reducing our carbon footprint to safeguard ecosystems and communities. The introduction of regulations like the National Energy Transition Roadmap brings added uncertainty to ESG standards and societal dynamics.

Opportunities

- Exploring and leveraging on innovative products, services and business models that may aid businesses, communities and ecosystems in adapting to the effects of climate change, improving our operational efficiency and driving cost savings.
- Fostering collaboration in multi-stakeholder initiatives with regulators, industry peers and non-governmental organisations with the intention of promoting effective action on climate change adaptation.
- Enhancing our reputation through environmentally-conscious measures.

Link to Capitals

- FC MC HC IC SRC

Link to Material Matter

- M9 M10 M11 M12 M13



GOVERNANCE/ REPUTATIONAL

Corporate Governance and Ethical Practices Risks

Businesses are subject to various legal and compliance risks including bribery, corruption and violations of human rights or employment laws. Failure to adhere to applicable legal requirements or regulatory standards, often due to inadequate monitoring or ineffective contract management, can lead to fines or license revocation.

Therefore, Press Metal emphasises on the implementation of sound governance practices and continued compliance to regulatory requirements or standard such as Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009, MCCG 2021 and Bursa Malaysia’s MMLR. It is imperative to have robust board oversight, implement effective internal controls and foster a culture of transparency and accountability throughout the organisation.

Opportunities

- Cultivating integrity, accountability and transparency by cascading comprehensive corporate governance practices across our organisation.
- Safeguarding our credibility and reputation by maintaining robust and sound management systems.

Link to Capitals

- FC HC SRC

Link to Material Matter

- M2 M3 M4 M7

Managing Our Risks and Opportunities Effectively



HUMAN CAPITAL

Talent Acquisition and Retention Capabilities Risks

Risks stemming from insufficient human capital management practices and processes may result in potential disruptions to our business operations and the loss of institutional knowledge and expertise. Additionally, they could contribute to a higher employee attrition rate and unfavourably impact employees' morale and performance. These adverse outcomes could hinder succession planning, increasing reliance on external candidates for leadership positions and potentially causing strategic misalignments due to differences in competencies and values among leadership teams.

Opportunities

- Enhancing business value through retention of high-performing employees, thereby enhancing our institutional knowledge.
- Minimising recruitment and onboarding costs and ensuring business continuity by cultivating and maintaining a pipeline of skilled leaders from within our organisation.

Link to Capitals



Link to Material Matter



HEALTH AND SAFETY

Health and Safety at the Workplace Risks

We prioritise safety and well-being of our employees by implementing robust and sound management system and adhere strictly to the Occupational Safety and Health Act 1994 ("OSHA 1994") and other regulatory requirements. We implement proactive risk management strategies and continuously oversee operational processes to identify and mitigate potential hazards for both our employees and contractors, thereby reducing the likelihood of accidents and injuries. This comprehensive approach not only enhances productivity and drives cost savings but also preserves our reputation as a responsible organisation. In addition, it fosters greater trust with shareholders and attracting skilled talents to our workforce.

Opportunities

- Fostering a culture of safety within the organisation by maintaining zero (0) fatalities and driving a reduced LTIFR.
- Building trust with our employees by having robust and sound management system in place and ensuring strict compliance of safety and health standards, thus driving higher productivity and operational efficiency.

Link to Capitals



Link to Material Matter



Managing Our Risks and Opportunities Effectively



REGULATORY/ SOCIAL

Modern Slavery Risks

Instances of modern slavery, including forced or child labour and human rights violations, may occur across our value chain. It is imperative to recognise and mitigate these risks by upholding ethical business standards, complying with legal requirements, and safeguarding the well-being of our stakeholders across our value chain. Poor management of these risks may lead to severe consequences ranging from legal repercussions to reputation damage that erodes shareholders' trust.

Opportunities

- Strengthening market competitiveness by embracing ethical social practices, attracting socially-conscious customers and investors who align with our values.
- Facilitating strategic partnerships and market access through robust management and adherence to international labour standards.

Link to Capitals



Link to Material Matter



TECHNOLOGY

Information Security Risks

With the adoption of digital technologies, we face increased exposure to cyberthreats and breaches of data privacy that could pose consequential impacts on business continuity or organisational reputation, leading to a loss of revenue and reduced competitive advantage.

Opportunities

- Maintaining strong network security to ensure smooth business operations and protect assets from unauthorised access and breaches.
- Building resilience against cyber attacks through robust cybersecurity practices to preserve stakeholders' trust.

Link to Capitals



Link to Material Matter



MARKET

Supply Chain Security Risks

The aluminium industry is reliant on a multifaceted supply chain that is susceptible to risks stemming from global economic and political dynamics. Geopolitical instability, regulatory changes, and economic fluctuations have the potential to disrupt supply chains, increase raw material costs, and impede product distribution. These circumstances may pose significant challenges to our operational effectiveness, inventory control, and achievement of sales objectives.

Furthermore, inadequate supplier selection practices and insufficient due diligence regarding human rights and environmental standards may result in legal and reputational challenges. These issues can lead to operational disruptions, escalate costs, and ultimately influence revenue generation and profitability.

Opportunities

- Safeguarding our business continuity by identifying alternative suppliers, enabling us to mitigate the impact of supplier disruptions or price increases.
- Maintaining customer relationships and satisfaction by providing high standards of product quality, delivery and quality standards.

Link to Capitals



Link to Material Matter



Managing Our Risks and Opportunities Effectively



FINANCIAL

Economic and Financial Risks

The economic and financial risks may create potential uncertainties surrounding the financial performance, profitability, and overall financial stability. These risks including liquidity risk, could result in increased borrowing expenses.

In addition, investment risks may occur during the pursuit of acquisitions or ventures, wherein inadequate valuation or insufficient due diligence on economic, environmental, social, and governance factors may pose adverse operational and financial outcomes.

Opportunities

- Preserving our strong financial position and maintaining a positive credit rating by adopting strategic cost management and prudent financial management practices.
- Capitalising on new investment opportunities and markets through diversification of investments and financial.

Link to Capitals



Link to Material Matter



FINANCIAL

Product Quality and Manufacturing Efficiency Risks

Product quality deficiencies resulting from inadequate quality control or planning failures can lead to defects, delivery delays, and customer dissatisfaction. Additionally, system and technology malfunctions may hinder production, reduce productivity and operational efficiency, potentially impact financial performance and stakeholder trust.

Opportunities

- Accelerating digital transformation and innovation, and optimising our supply chain, by investing in advanced technologies.

Link to Capitals



Link to Material Matter



FUELLING GROWTH THROUGH OUR STRATEGIC PRIORITY AREAS

At Press Metal, our strategic priorities serve as the cornerstone of our organisational strategy, guiding our efforts and fostering alignment across all levels. These strategic priorities reinforce our commitment to excellence and provides clear framework for performance measurement, via our short, medium and long term targets. By collectively advancing along this pathway, we aim to strengthen our organisation’s confidence and trust, positioning us for sustained success in an ever-evolving business landscape.



OPERATIONAL GHG EMISSION EFFICIENCY

Prioritising structural measures to reduce our operational GHG emissions, thereby mitigating climate change and minimising our environmental impact.

<p>Impacted Capitals</p> <div style="display: flex; flex-wrap: wrap; gap: 10px;"> <div style="border: 1px solid #ccc; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 5px;">FC</div> <div style="border: 1px solid #ccc; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 5px;">MC</div> <div style="border: 1px solid #ccc; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 5px;">IC</div> <div style="border: 1px solid #ccc; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 5px;">NC</div> <div style="border: 1px solid #ccc; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 5px;">HC</div> </div>	<p>Aims</p> <ul style="list-style-type: none"> Reducing our GHG emissions intensity (for Scope 1 and Scope 2) to achieve our emissions reduction targets. Monitoring and reducing our Scope 3 GHG emissions through tracking and mitigating GHG emissions from raw materials, transportation, manufacturing and other relevant activities.
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Going Forward

- Promoting circular economy.
- Investing in energy-efficient technologies and renewable energy sources.
- Adopting process improvements to reduce energy consumption.
- Exploring CCU projects.
- Collaborating with suppliers and partners for capacity building and GHG emissions data collection.



SUPPLY CHAIN CONTINUITY

Strengthening our suppliers with ESG awareness, helps us build a resilient supply chain.

<p>Impacted Capitals</p> <div style="display: flex; flex-wrap: wrap; gap: 10px;"> <div style="border: 1px solid #ccc; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 5px;">FC</div> <div style="border: 1px solid #ccc; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 5px;">NC</div> <div style="border: 1px solid #ccc; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 5px;">SRC</div> </div>	<p>Aims</p> <ul style="list-style-type: none"> Implementing long-term agreements to secure access to key raw materials. Sustaining relationships with suppliers who consistently received good ratings evaluated based on factors including on-time delivery, quality, packaging, services and pricing. Maintaining a pool of suppliers that adhere to good sustainability practices, using a scoring system to assess factors related to ESG aspects.
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Going Forward

- Periodically assessing our suppliers’ capabilities and investing in capacity building initiatives.
- Conducting supply chain risk assessments to identify potential threats and implement mitigation measures to prevent disruptions.

Fuelling Growth through Our Strategic Priority Areas



BUSINESS RESILIENCY

Enhancing our operational efficiencies through technological improvements and digital transformation to build business resilience and to fortify financial performance.

Impacted Capitals

FC

MC

IC

NC

Aims

- Increasing the contribution of VAPs and streamlining our business through business integration and enhanced extrusion performance.
- Scaling up our overall production capabilities by increasing our aggregated production capacity.
- Continuously improving our operational efficiencies through process optimisation and technology adoption.
- Ensuring sufficient liquidity (i.e., cash and available credit facilities) to meet core funding needs, including growth requirements.

Going Forward

- Employing an integrated business model to streamline operations from smelting to distribution through direct product manufacturing for end-consumers, thereby controlling production costs.
- Adopting automation technologies in our manufacturing processes to enhance operational efficiency.



STRATEGIC PARTNERSHIP

Forging strategic partnerships to leverage shared resources, expertise and market insights, thus fostering business continuity, growth and innovation.

Impacted Capitals

FC

MC

SRC

Aims

- Ensuring continuity of raw material supplies by increasing the number of strategic upstream business partners.
- Ensuring continuity in our business transactions and enhancing financial resiliency by broadening our market reach through new partnerships.

Going Forward

- Leveraging synergy with global strategic partners to explore opportunities for market and supply chain integration, enhancing supply chain resilience, cost-effectiveness and global market visibility.
- Penetrating emerging markets by developing tailored products and services to meet demand.

Fuelling Growth through Our Strategic Priority Areas



HUMAN CAPITAL ENHANCEMENT

Sustaining the continuity of our operations by providing on-going capacity building programmes and enhancing the well-being of our employees.

Impacted Capitals

FC

HC

Aims

- Maintaining zero (0) fatalities workplace through rigorous safety measures and trainings.
- Implementing stringent safety protocols to safeguard our employees' well-being.
- Enhancing our retention strategies and professional development programmes to reduce our turnover rate.
- Enhancing our professional growth of employees by increasing average training hours.
- Improving overall employee well-being such as health benefits, work-life balance and mental health support.
- Assessing the impact of our training programmes by monitoring improvements in employee skills, competencies and performance.

Going Forward

- Enhancing our health and safety controls to safeguard health and safety at workplace.
- Implementing more wellness programmes and initiatives.
- Improving our employee training needs analysis to assist employees in progressing in their careers.
- Strengthening our pre- and post-training assessments to better measure skill improvements and gauge the effectiveness of our training programmes.



POSITIVE SOCIETAL IMPACT

Prioritising positive societal impacts that align with our commitment to corporate social responsibility ("CSR") and sustainable business practices.

Impacted Capitals

FC

SRC

HC

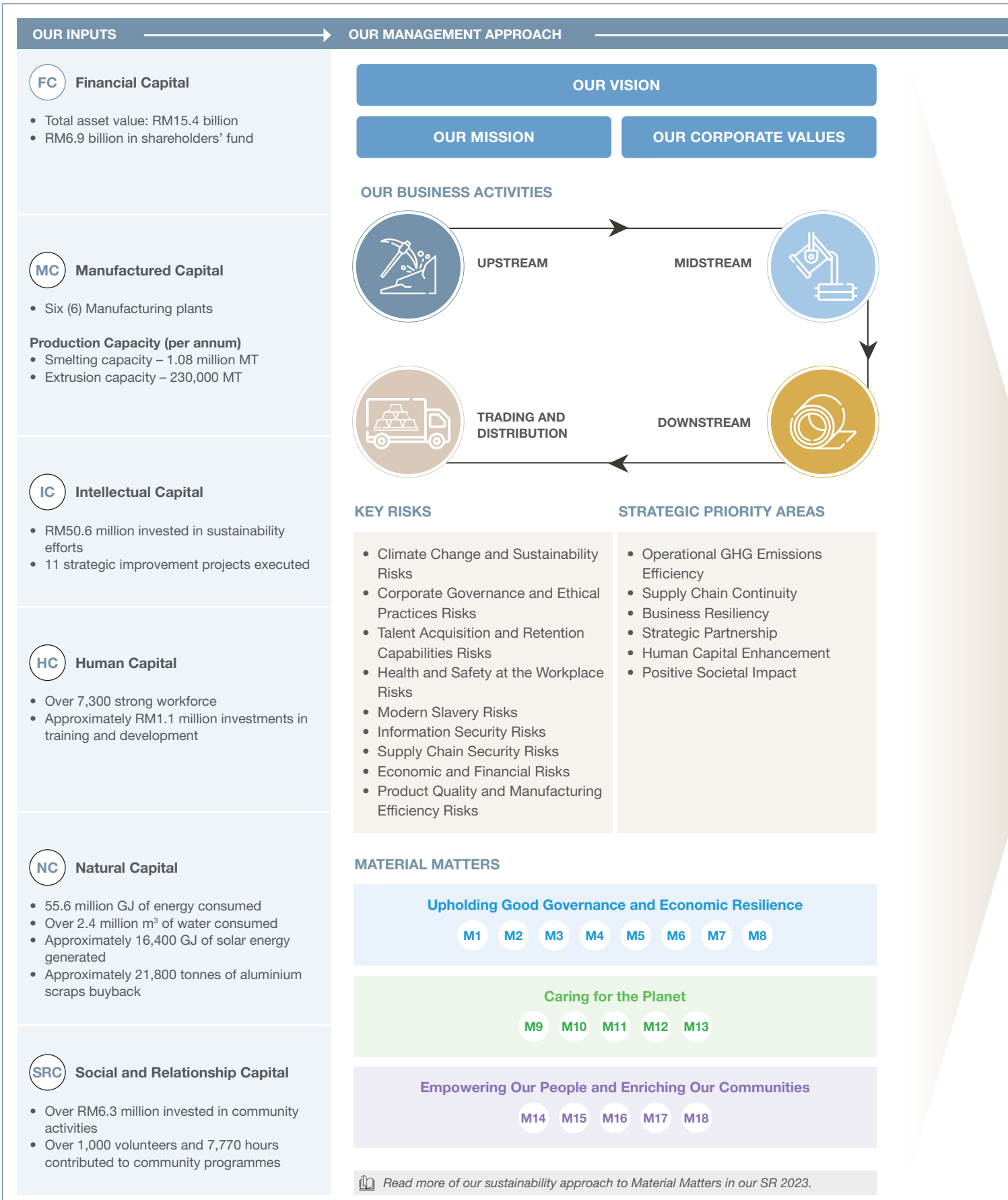
Aims

- Increasing our contributions to the local community to address their needs and improve their livelihood.
- Increasing the proportion of expenditure allocated to local suppliers subject to the availability and quality of products and their services.

Going Forward

- Developing community programmes aligned with our focus areas, targeting significant positive impacts in health, social welfare, education, culture and the environment.
- Exploring collaborations with suppliers to enhance the capabilities and capacities of local suppliers.

OUR VALUE CREATION MODEL



Our Value Creation Model

OUR OUTPUTS	VALUE CREATED	TRADE-OFFS AND INTERDEPENDENCIES
<p>FC</p> <ul style="list-style-type: none"> • RM13.8 billion in revenue • RM2.6 billion in EBITDA 	<ul style="list-style-type: none"> • Generated Profit after Tax: RM1.5 billion • Total Dividend Payout: RM576.8 million • 18.1% return on equity 	<p>Financial capital is crucial to our business ecosystem, generating value for stakeholders. We strategically invest in Manufactured, Intellectual, and Human Capital to enhance financial performance and ensure sustained value creation for the Group and our stakeholders.</p>
<p>MC</p> <p>Main aluminium products</p> <ul style="list-style-type: none"> • High-grade primary aluminium ingots (P1020) • Value-added aluminium products (i.e., billets, alloy billets, alloy ingots and EC-grade aluminium wire rods) • Extrusion products 	<ul style="list-style-type: none"> • Produced high-quality aluminium ingots conforming to the High-Grade Primary Aluminium Contract by LME • Produced aluminium wire rods conforming to the specifications for Aluminium Electrical Conductor Grade Rods • Continued production of low-carbon products through the utilisation of renewable power sources • Attainment of Integrated Management System Certification (ISO 9001, ISO 45001 and ISO 14001) for our operational sites 	<p>Our Manufactured Capital, including tools, machines, plants, infrastructure, and buildings, drives our production output. We utilise Financial Capital and Human Capital to enhance development, improving operational efficiency, production capacity, product quality, and cost reduction.</p>
<p>IC</p> <ul style="list-style-type: none"> • 11 SiPros implemented under our Sarawak Operations' Improvement Programme ("SOIP")* • 3 extrusion products obtained SCS Global Recycled Content certifications, demonstrating a minimum of 80% and 98% pre-consumer recycled aluminium alloy content • 38 patents • Zero (0) data breaches <p>* SOIP is a platform for our employees to contribute solutions, categorised into SiPro (long-term initiatives) and iPro (smaller, standalone solutions), aimed at improving our manufacturing processes</p>	<ul style="list-style-type: none"> • Developing the Smelter Operation MES of the digital transformation project, focusing on increasing data interconnectivity and smart automation • Enhancement of manufacturing processes and production efficiencies • PMI selected as one of the Guangdong Provincial Engineering Technology R&D Centre, recognising PMI's commitment to embracing digitalisation and intelligent transformation • Pursuit of various collaborations and strategic partnerships to improve R&D efforts 	<p>Investing in our Intellectual Capital drives sustained innovation, boosts R&D capabilities, and enables adaptation to market changes. This enhances production efficiency, strengthens our Manufactured Capital, and reduces environmental impact through innovative technologies, preserving our Natural Capital.</p>
<p>HC</p> <ul style="list-style-type: none"> • 46.8 training hours per employee on average • 88.6% local senior management hired • 30.5% female managerial representation Group-wide • 17.4% reduction in LTIFR • 46 career/ executive programme graduates • Zero (0) human rights violations • Zero (0) workplace fatalities 	<ul style="list-style-type: none"> • Enhancement of workforce skills through training and development programmes • Provision of a conducive working environment • Continued to promote an inclusive employee culture that values diversity and equal opportunities 	<p>Investing in our Human Capital to create an inclusive, productive, and sustainable workplace is crucial. Balancing investments in learning, development, and wellbeing enhances skills and productivity, leading to improved operational efficiencies.</p>
<p>NC</p> <ul style="list-style-type: none"> • 3.3 tCO₂e/tonne of aluminium produced recorded for GHG emissions intensity 17.8% less than FYE2022 • 2.2 m³/tonne of aluminium produced recorded for water withdrawal intensity, 7.1% less than FYE2022 • Over 5,400 tCO₂e in Scope 2 GHG emissions avoided due to solar energy usage • Over 203,000 tonnes of waste diverted from landfills • 8.1% recycled aluminium intensity 	<ul style="list-style-type: none"> • Efficient resource use across business activities, leveraging strategic partnerships to reduce product footprint • Promotion of circular economy practices through comprehensive life cycle assessments and post-consumer scrap recycling • Carbon footprint reduction through the adoption of environmental friendly technologies 	<p>Promoting sustainable practices in our supply chain is essential for our decarbonisation journey. We invest in eco-friendly materials, energy-efficient technologies, and renewables to minimise our carbon footprint and preserve Natural Capital.</p>
<p>SRC</p> <ul style="list-style-type: none"> • Community activities benefitting approximately 860,000 beneficiaries • 84.3% and 92.4% customer service scores received at our midstream and downstream operations • 141 volunteer activities participated by our employees • 42.3% of total suppliers' expenditure spent on local suppliers • 5 suppliers benefited from ESG capacity-building training 	<ul style="list-style-type: none"> • Increased job opportunities for local communities through youth development programmes and collaboration with local universities • Establishment of a Supplier Management Programme to fortify supply chain resilience • Organised community-oriented programmes aimed at creating positive and sustained impacts on the well-being of surrounding communities 	<p>Building stakeholder relationships and investing in Social and Relationship Capital drive our corporate responsibility and sustainability. Through community programmes, leveraging Human and Financial Capital, we create direct and indirect economic value to the stakeholders in areas where we operate in.</p>

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Yvonne Chia
(Yau Ah Lan @ Fara Yvonne)
Independent Non-Executive Chairman

Koon Poh Ming
Executive Vice Chairman

Tan Sri Dato' Koon Poh Keong
Group Chief Executive Officer

Dato' Koon Poh Tat
Executive Director

Koon Poh Weng
Executive Director

Koon Poh Kong
Executive Director

Noor Alina Binti Mohamad Faiz
Independent Non-Executive Director

Lim Hun Soon @ David Lim
Independent Non-Executive Director

Susan Yuen Su Min
Independent Non-Executive Director

Chong Kin Leong
Independent Non-Executive Director

John Koon Tzer Lim
Alternate Director to Koon Poh Ming

AUDIT COMMITTEE

Chairman

Lim Hun Soon @ David Lim

Member

Noor Alina Binti Mohamad Faiz
Susan Yuen Su Min
Chong Kin Leong

NOMINATION & CORPORATE GOVERNANCE COMMITTEE

Chairman

Susan Yuen Su Min

Member

Noor Alina Binti Mohamad Faiz
Lim Hun Soon @ David Lim
Chong Kin Leong

REMUNERATION COMMITTEE

Chairman

Noor Alina Binti Mohamad Faiz

Member

Lim Hun Soon @ David Lim
Susan Yuen Su Min

RISK MANAGEMENT COMMITTEE

Chairman

Chong Kin Leong

Member

Koon Poh Ming
Lim Hun Soon @ David Lim
Susan Yuen Su Min

Corporate Information

CORPORATE OFFICE

Suite 61 & 62, Setia Avenue
 No. 2, Jalan Setia Prima S U13/S
 Setia Alam Seksyen U13
 40170 Shah Alam
 Selangor Darul Ehsan, Malaysia
 Tel : +603 - 3362 2188
 Fax : +603 - 3362 2000
 Website : www.pressmetal.com

REGISTERED OFFICE

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

PRINCIPAL BANKERS

- Alliance Bank Malaysia Berhad
- AmBank (M) Berhad/ AmIslamic Bank Berhad
- Hong Leong Bank Berhad/ Hong Leong Islamic Bank Berhad
- Malayan Banking Berhad/ Maybank Islamic Bank Berhad
- Standard Chartered Bank Malaysia Berhad/ Standard Chartered Saadiq Berhad
- Sumitomo Mitsui Banking Corporation Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad

AUDITORS**KPMG PLT**

Firm No. LLP0010081-LCA & AF 0758
 (Chartered Accountants)
 Level 10, KPMG Tower
 8 First Avenue, Bandar Utama
 47800 Petaling Jaya
 Selangor Darul Ehsan, Malaysia
 Tel : +603 - 7721 3388
 Fax : +603 - 7721 3399

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

COMPANY SECRETARIES

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

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

SHARE REGISTRAR

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

PROFILE OF OUR BOARD OF DIRECTORS



Datuk Yvonne Chia P.M.W. (Yau Ah Lan @ Fara Yvonne)
Independent Non-Executive Chairman

Nationality: **Malaysian** Gender: **Female** Age: **71**

Board Meeting Attendance

6/6

Board Committee

NIL

Datuk Yvonne Chia is the Independent Non-Executive Chairman of the Company. She was first appointed to the Board of the Company on 27 May 2021 as an Independent Non-Executive Director and was re-designated to her current position on 2 August 2021.

She has more than 40 years' experience in the financial services industry, having held leading positions in both foreign and local institutions. She is a Fellow Chartered Banker and holds a Bachelor of Economics (Hons) from the University of Malaya. She started her career in Bank of America and held various roles in Malaysia and in the Asia region. She was the former Group Managing Director and Chief Executive Officer of RHB Banking Group from 1996 to 2002 and Hong Leong Banking Group from 2003 to 2013.

Currently, she is the Independent Non-Executive Chairman of Standard Chartered Bank Malaysia Berhad and Standard Chartered Saadiq Berhad. She is also an Independent Non-Executive Director of Silverlake Axis Limited (listed on the Singapore Exchange Ltd) and until December 2023, she was the Independent Non-Executive Chairman of Cradle Fund Sdn. Bhd.

She is a Council Member of the Asian Institute of Chartered Bankers, a Trustee for Teach For Malaysia Foundation and The Merdeka Awards Trust (until December 2022). She is also an Honorary Professor of the University of Nottingham School of Economics and a member of the Chartered Institute of Islamic Finance Professionals.

The Group has a banking relationship with Standard Chartered Bank Malaysia Berhad and Standard Chartered Saadiq Berhad ("the Banks") of which Datuk Yvonne Chia is an Independent Non-Executive Chairman. Datuk Yvonne Chia's directorship in the Banks will not pose any conflict of interest as Datuk Yvonne Chia is not involved in the management decisions and the services provided by the Banks to the Group nor is she involved in the day-to-day operations of the Group. Nonetheless, Datuk Yvonne Chia has and will continue to abstain from all Board deliberations relating to the Banks.

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



Koon Poh Ming
Executive Vice Chairman

Nationality: **Malaysian** Gender: **Male** Age: **68**

Board Meeting Attendance

6/6

Board Committee

RMC

Mr. Koon Poh Ming is a founding Board member of Press Metal Berhad ("PMB") since its inception on 13 May 1986. He was appointed to the Board of the Company on 4 July 2017 as an Executive Vice Chairman; ahead of the Company's assumption of the listing status of PMB pursuant to the internal reorganisation on 10 July 2017. Presently, he is a member of the Risk Management Committee of the Company.

After graduating with a Degree in Civil Engineering from the University of Wales in United Kingdom, he started his career with an international consulting engineering firm based in Kuala Lumpur. He is currently a professional engineer registered with the Board of Engineers and The Institution of Engineers, Malaysia.

Mr. Koon Poh Ming has been actively involved in the management and business development of the Group. Currently, he also holds the position of Chief Executive Officer of PMB Technology Berhad.

He is interested in various Recurrent Related Party Transactions which are carried out in the ordinary course of business as disclosed in the Circular for RRPT where the annual mandate is sought. He has immediate family members working in the Group, i.e., his brothers and sister.

He is the brother to Tan Sri Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Weng and Dato' Koon Poh Tat. He is also father to John Koon Tzer Lim. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor subject to any public sanction or penalty imposed by regulatory bodies during the financial year.

Profile of Our Board of Directors



Tan Sri Dato' Koon Poh Keong
Group Chief Executive Officer

Nationality: **Malaysian** Gender: **Male** Age: **63**

Board Meeting Attendance Board Committee
6/6 **NIL**

Tan Sri Dato' Koon Poh Keong is one of the founding members of PMB since its inception on 13 May 1986. He has been the Group Chief Executive Officer since 1993. He has been instrumental in growing the Group into the largest integrated aluminium producer in Southeast Asia.

Tan Sri Dato' Koon Poh Keong was appointed as the Group Chief Executive Officer of the Company on 4 July 2017; ahead of the Company's assumption of the listing status of PMB pursuant to the internal reorganisation on 10 July 2017.

Tan Sri Dato' Koon Poh Keong graduated with a Bachelor of Science degree in Electrical Engineering from The University of Oklahoma, United States of America, in 1986. He has more than 30 years of experience in the aluminium industry. Currently, he also acts as the Executive Chairman of PMB Technology Berhad.

He is interested in various Recurrent Related Party Transactions which are carried out in the ordinary course of business as disclosed in the Circular for RRPT where the annual mandate is sought. He has immediate family members working in the Group, i.e., his brothers and sister.

He is the brother to Koon Poh Ming, Koon Poh Kong, Koon Poh Weng and Dato' Koon Poh Tat. He is also the uncle to John Koon Tzer Lim. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor subject to any public sanction or penalty imposed by regulatory bodies during the financial year.



Dato' Koon Poh Tat
Executive Director

Nationality: **Malaysian** Gender: **Male** Age: **65**

Board Meeting Attendance Board Committee
6/6 **NIL**

Dato' Koon Poh Tat was first appointed to the Board of PMB on 7 June 1999. He is a co-founder of PMB and has been actively involved in PMB's operations including forming up new business outlets both domestic and overseas to enlarge PMB's network and market share. His hard work and dedication have led the Group to be the pioneer in the aluminium industry.

Dato' Koon Poh Tat was appointed as the Executive Director of the Company on 4 July 2017; ahead of the Company's assumption of the listing status of PMB pursuant to the internal reorganisation on 10 July 2017.

He is currently the Executive Director of PMB Technology Berhad.

He is interested in various Recurrent Related Party Transactions which are carried out in the ordinary course of business as disclosed in the Circular for RRPT where the annual mandate is sought. He has immediate family members working in the Group, i.e., his brothers and sister.

He is the brother to Koon Poh Ming, Tan Sri Dato' Koon Poh Keong, Koon Poh Kong and Koon Poh Weng. He is also the uncle to John Koon Tzer Lim. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor subject to any public sanction or penalty imposed by regulatory bodies during the financial year.

Board Committees

- AC** Audit Committee **NCGC** Nomination and Corporate Governance Committee
- RC** Remuneration Committee **RMC** Risk Management Committee **Chairman**

Profile of Our Board of Directors



Koon Poh Weng
Executive Director

Nationality: **Malaysian** Gender: **Male** Age: **69**

Board Meeting Attendance

6/6

Board Committee

NIL

Mr. Koon Poh Weng was a Board member of PMB since 13 May 1986. Being a key founder of PMB, Mr. Koon Poh Weng was pivotal to the Group's aluminium façade and curtain wall business.

Mr. Koon Poh Weng was appointed as the Executive Director of the Company on 4 July 2017; ahead of the Company's assumption of the listing status of PMB pursuant to the internal reorganisation on 10 July 2017.

Mr. Koon Poh Weng has been widely involved in the design, engineering and development of cost-effective, innovative and versatile system solutions for both local and international projects. He continually strives on the changing and creative ideas to meet the complex and advanced technical skills to all aspects of aluminium and glazing industry.

Currently, Mr. Koon Poh Weng is also an Executive Director of PMB Technology Berhad.

He is interested in various Recurrent Related Party Transactions which are carried out in the ordinary course of business as disclosed in the Circular for RRPT where the annual mandate is sought. He has immediate family members working in the Group, i.e., his brothers and sister.

He is the brother to Koon Poh Ming, Tan Sri Dato' Koon Poh Keong, Koon Poh Kong and Dato' Koon Poh Tat. He is also the uncle to John Koon Tzer Lim. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor subject to any public sanction or penalty imposed by regulatory bodies during the financial year.



Koon Poh Kong
Executive Director

Nationality: **Malaysian** Gender: **Male** Age: **71**

Board Meeting Attendance

6/6

Board Committee

NIL

Mr. Koon Poh Kong was a Board member of PMB since 13 May 1986. As a key founder of PMB, Mr. Koon Poh Kong has been responsible for managing various prominent projects involving aluminium applications. His expertise and knowledge in business development and aluminium applications are instrumental to the growth and development of the Group.

Mr. Koon Poh Kong was appointed as the Executive Director of the Company on 4 July 2017; ahead of the Company's assumption of the listing status of PMB pursuant to the internal reorganisation on 10 July 2017.

Other than the Company, Mr. Koon Poh Kong does not hold directorship in any other public companies and listed issuers.

He is interested in various Recurrent Related Party Transactions which are carried out in the ordinary course of business as disclosed in the Circular for RRPT where the annual mandate is sought. He has immediate family members working in the Group, i.e., his brothers and sister.

He is the brother to Koon Poh Ming, Tan Sri Dato' Koon Poh Keong, Koon Poh Weng and Dato' Koon Poh Tat. He is also the uncle to John Koon Tzer Lim. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor subject to any public sanction or penalty imposed by regulatory bodies during the financial year.

Profile of Our Board of Directors



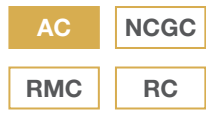
Lim Hun Soon @ David Lim
Independent Non-Executive Director

Nationality: **Malaysian** Gender: **Male** Age: **68**

Board Meeting Attendance



Board Committee



Mr. Lim Hun Soon @ David Lim was appointed to the Board on 15 August 2018. He is the Chairman of the Audit Committee and also serves as a member of the Nomination and Corporate Governance Committee, Remuneration Committee and Risk Management Committee of the Company.

Mr. David Lim is a Member of the Chartered Institute of Taxation, United Kingdom; a professional member of The Institute of Chartered Accountants in England and Wales; a member of the Malaysian Institute of Accountants; and a member of Malaysian Institute of Certified Public Accountants. He graduated with a Bachelor of Arts in Economics from the University of Leeds in 1978 and started his professional career in Peat Marwick Mitchell (now known as KPMG) in the United Kingdom. He returned to Malaysia in 1982 to continue his service with KPMG.

Mr. David Lim has had an extensive career serving as an Auditor at KPMG for 33 years. During his tenure with KPMG, he was admitted as Partner of the Firm in 1990 and served in the Management Committee of the Firm from 1997 to 2001 as well as KPMG’s Partnership Supervisory Council from 2002 to 2010. He was also the Asian Anchor Practice representative for Marketing from 2000 to 2001, during which he gained extensive and insightful knowledge from KPMG Global counterparts worldwide.

In May 2006, he was tasked to start up the Audit Committee Institute, Malaysia, which was a virtual worldwide initiative sponsored by KPMG to assist Independent Non-Executive Directors in enhancing their awareness and ability to implement effective board processes.

Mr. David Lim actively served as an examiner for Company Law examinations conducted by the Malaysian Institute of Certified Public Accountants (“MICPA”) for over a period of 10 years. He was also the Chairman of the MICPA Code of Ethics Committee and a member of the Malaysian Institute of Accountants Code of Ethics Committee from 2002 to 2004. He developed expertise from undertaking the role of Reporting Accountants in initial public offerings (“IPO”) and was the audit partner in charge of over 30 IPOs whilst at KPMG. He retired from KPMG in 2011.

In 2013, he was appointed as Council member of The Institute of Chartered Accountants in England & Wales (“ICAEW”). This appointment marked the first time that ICAEW, in its illustrious history had granted Malaysia a seat on the Council. He held the position for a two-year term until 2015, and was reappointed for two additional terms, serving until March 2019, which is the maximum tenure permitted.

Mr. David Lim serves on the Board of several public listed companies, including Ranhill Utilities Berhad (formerly known as Ranhill Holdings Berhad), Kawan Food Berhad as an Independent Non-Executive Director, and TSA Group Berhad as an Independent Non-Executive Chairman. He also holds directorships in Public Investment Bank Berhad, Rockwills Trustee Berhad and Affin Investment Berhad (in Member’s Voluntary Liquidation). He retired from Manulife Holdings Berhad and Manulife Insurance Berhad on 16 July 2021 after serving nine years as an Independent Non-Executive Director (the maximum tenure permitted for Financial Institution).

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

Profile of Our Board of Directors



Noor Alina Binti Mohamad Faiz
Independent Non-Executive Director

Nationality: **Malaysian** Gender: **Female** Age: **50**

Board Meeting Attendance

6/6

Board Committee

RC **NCGC**
AC

Puan Noor Alina was appointed as an Independent Non-Executive Director of PMB on 18 October 2016. She was appointed to the Board on 4 July 2017; ahead of the Company's assumption of the listing status of PMB pursuant to the internal reorganisation on 10 July 2017. She resigned as an Independent Non-Executive Director of PMB on 19 September 2017. She is the Chairman of the Remuneration Committee and also serves as a member of the Audit Committee and Nomination and Corporate Governance Committee of the Company.

Puan Noor Alina is a lawyer by profession and read law at the University of Leicester, United Kingdom. She is a member of the Middle Temple and was called to the Bar of England and Wales in 1998. Upon being called to the Malaysian Bar in 1999, she began her legal career with Messrs Lee, Perara & Tan, specialising mainly in Corporate Law. She left the firm in 2009 and worked as in-house counsel between 2010 and 2015, where she was the Legal & Secretarial Group General Manager for a public listed company and subsequently Head of Department of the legal and secretarial department of a large non-public listed company. In 2016, she provided legal and secretarial consultancy services for various companies before resuming practise in 2017 as the sole proprietor of the Chambers of Noor Alina Faiz. In 2021, she returned to Messrs Lee, Perara & Tan as a Partner. She also acts as an Independent Non-Executive Director of PMB Technology Berhad.

By virtue of being an Independent Director of PMB Technology Berhad, she is interested in various Recurrent Related Party Transactions between the Company and PMB Technology Berhad which are carried out in the ordinary course of business and as disclosed in the Circular for RRPT where the annual mandate is sought.

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



Susan Yuen Su Min
Independent Non-Executive Director

Nationality: **Malaysian** Gender: **Female** Age: **64**

Board Meeting Attendance

6/6

Board Committee

NCGC **AC**
RMC **RC**

Ms. Susan Yuen Su Min was appointed to the Board on 1 July 2020. She is the Chairman of the Nomination and Corporate Governance Committee, and also serves as a member of the Audit Committee, Risk Management Committee and Remuneration Committee of the Company.

Ms. Susan graduated with a Bachelor Hons (Upper Second) Computer Science from University of London. She has over 30 years of working experience in the banking industry and has served several banking establishments including Maybank and HSBC Malaysia. She was also previously attached to the National Bank of Abu Dhabi Malaysia Berhad ("NBAD") where she was the Regional CEO Asia and Country CEO Malaysia from 2014-2018. Prior to joining NBAD, she served as CEO of ANZ Banking Group in Hong Kong from 2009-2014.

She sits on the Board of several public listed companies, namely Alliance Bank Malaysia Berhad ("Alliance Bank") and Batu Kawan Bhd as an Independent Non-Executive Director. She also holds directorship in Chubb Insurance Malaysia Berhad.

The Group has a banking relationship with Alliance Bank of which Ms. Susan is an Independent Non-Executive Director. Ms. Susan's directorship in the Alliance Bank will not pose any conflict of interest as Ms. Susan is not involved in the management decisions involving services provided by Alliance Bank to the Group nor is she involved in the day-to-day operations of the Group. Nonetheless, Ms. Susan has and will continue to abstain from all Board deliberations relating to Alliance Bank.

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

Profile of Our Board of Directors



Chong Kin Leong
Independent Non-Executive Director

Nationality: **Malaysian** Gender: **Male** Age: **65**

Board Meeting Attendance

6/6

Board Committee

RMC **AC**
NCGC

Mr. Chong Kin Leong was appointed to the Board on 1 October 2021. He is the Chairman of the Risk Management Committee, and also serves as a member of the Audit Committee and Nomination and Corporate Governance Committee of the Company.

Mr. Chong graduated with a Bachelor of Accounting (Hons) from the University of Malaya. He is a member of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. He has more than 40 years of experience in all aspects of financial and business management in the corporate sector, financial institutions and auditing. He started work with Peat Marwick Mitchell & Co. (now known as KPMG) in 1981. Mr. Chong joined Sime Darby Berhad in 1985 where he held various roles in the corporate head office and subsidiaries involved in manufacturing and marketing and plantations. Thereafter, he joined Rashid Hussain Berhad in 1993 and was promoted to Finance Director in 1995. In May 2003, he joined Genting Berhad as Executive Vice President - Finance/ Chief Financial Officer until his retirement in December 2018.

Mr. Chong also holds directorships in AIA PUBLIC Takaful Bhd, AIA General Berhad, Cagamas Holdings Berhad, Deutsche Bank (Malaysia) Berhad (“Deutsche Bank”) and The Community Chest.

Mr. Chong’s directorship in Deutsche Bank does not pose any conflict of interest to the Group as he is not involved in the management decisions involving services provided by Deutsche Bank nor is he involved in the day-to-day operations of the Group. Presently Deutsche Bank is not a principal banker of the Group. Nevertheless, to prevent any potential conflict of interest, Mr. Chong will abstain from all Board deliberations and voting on matters relating to Deutsche Bank.

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



John Koon Tzer Lim
Alternate Director to Koon Poh Ming

Nationality: **Malaysian** Gender: **Male** Age: **27**

Board Meeting Attendance

2/2

Board Committee

NIL

Mr. John Koon is the Assistant Manager of the Risk Management department of the Company. He leads the Risk Management team and ensures the Group’s Risk Framework is aligned with ISO 31000 practices. He effectively manages and mentors a team of Risk Management personnel, providing guidance and support tailored to the operating nature and culture of the Group. He was appointed as Alternate Director to Mr. Koon Poh Ming on 15 June 2023.

Mr. John Koon graduated with a Bachelor of Actuarial Mathematics (Hons) from the University of Leeds, United Kingdom and qualified as an Enterprise Risk Manager by the Institute of Enterprise Risk Practitioners.

Prior to joining the Risk Management department, Mr. John Koon worked as the Insurance Liaison Executive for the Group, overseeing its insurance programmes and negotiating better terms with insurers. He actively participated in risk surveys and coordinated the implementation of recommended mitigation actions.

Other than the Company, Mr. John Koon does not hold directorship in any other public companies and listed issuers.

He is deemed interested in various Recurrent Related Party Transactions which are carried out in the ordinary course of business as disclosed in the Circular for RRPT where the annual mandate is sought. His father is the Executive Vice Chairman of the Company.

Mr. John Koon is the son of Mr. Koon Poh Ming, nephew to Tan Sri Dato’ Koon Poh Keong, Dato’ Koon Poh Tat, Mr. Koon Poh Kong and Mr. Koon Poh Weng. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor subject to any public sanction or penalty imposed by regulatory bodies during the financial year.

PROFILE OF OUR KEY SENIOR MANAGEMENT, KEY OPERATING MANAGEMENT AND COUNTRY HEADS

(Profiles of Key Senior Management i.e., the Executive Vice Chairman, Group Chief Executive Officer and Executive Directors are listed under Profile of Our Board of Directors on pages 42 to 44)



Choa Wei Keong

Deputy Chief Executive
Officer

Nationality: **Singaporean**

Gender: **Male**

Age: **52**

Mr. Choa Wei Keong joined Press Metal in 2009 and assumed the role of Group General Manager of Smelting Division between 2018 and 2023. Mr. Choa was appointed as Deputy CEO in January 2024, overseeing the Group's upstream business units and investment portfolios. He holds a Master's degree in Business Administration from University of Nottingham and a Bachelor of Science Degree (Hons.) in Business Administration (Marketing) from University of Wales.

Mr. Choa started his career with the banking industry, specialising in trade financing and credit management. He was the Vice President of Group Special Asset Management of a Singapore bank prior to joining Press Metal.



Ooi Beng Guan

Deputy Chief Executive
Officer

Nationality: **Malaysian**

Gender: **Male**

Age: **57**

Mr. Ooi Beng Guan joined Press Metal as Deputy CEO in January 2024, overseeing the strategic development and operations of the mid-stream business units, including corporate functions. He holds a Bachelor of Science Degree (Hons.) in Chemistry from the University Pertanian Malaysia.

Mr. Ooi brings with him 27 years of industry experience, with 18 years in senior management positions based in Hong Kong and Japan. Prior to joining Press Metal, Mr. Ooi served as Vice President for a leading global chemical company. Apart from being responsible for the financial performance of the business unit in Asia Pacific, his previous roles included organisation development, operation and investment, and serving as President of the affiliate company in Japan. Additionally, he has served as Chairman of the Board and as a Board member for the joint-venture companies in the region.

Profile of Our Key Senior Management, Key Operating Management and Country Heads



David Tan Hung Hoe
Chief Corporate Officer

Nationality: **Malaysian**
Gender: **Male**
Age: **59**

Mr. David Tan joined Press Metal as the Head of Corporate Affairs in 2007 and was appointed as the Chief Corporate Officer in January 2024. He holds a Master's degree in Business Administration from University of Georgia and a Bachelor of Science Degree (Banking & Finance) from University of Arkansas.

Mr. David Tan started his career as corporate finance analyst and advisor both locally and overseas. Prior to joining Press Metal, he was the Corporate Affairs General Manager of a public listed company, overseeing various corporate developments and expansions.



Loo Tai Choong
Chief Financial Officer

Nationality: **Malaysian**
Gender: **Male**
Age: **56**

Mr. Loo Tai Choong joined Press Metal in 2001 and was promoted to the position of Group Financial Controller in 2002. He was appointed as the Chief Financial Officer in January 2024. He is a qualified Chartered Accountant and a member of the Malaysian Institute of Certified Public Accountants.

Mr. Loo started his career as an auditor, involved in a wide range of audit and tax consultation, as well as corporate investigation works, specialising particularly in manufacturing, banking and insurance industries. Prior to joining Press Metal, he was the Finance Manager of a local banking group.



Lim Heng Kam
Chief Operating Officer
(Extrusion Business Unit)

Nationality: **Malaysian**
Gender: **Male**
Age: **54**

Mr. Lim Heng Kam joined Press Metal in 2003 and was promoted as the Manufacturing Director of Press Metal International Limited ("PMI") in 2006. He was then appointed as a Director of PMI in 2011. In 2020, Mr. Lim was appointed as the Chief Operating Officer of the Extrusion Business Unit, i.e., PMI Group, overseeing both local and overseas extrusion operations and development. Mr. Lim holds a Master of Science degree in Manufacturing System Engineering from Warwick University.

Prior to joining Press Metal, Mr. Lim was the Production Engineer of a local aluminium company.

Note:

Save as disclosed, all Key Senior Management and Key Operating Management have no family relationship with any director and/ or major shareholder of the Company, have no directorship in public companies and listed issuers, have no conflict of interest with the Company and have not been convicted of any offences (other than traffic offence, if any) within the past five (5) years nor subject to any public sanction or penalty imposed by the relevant regulatory bodies during FYE2023.

Profile of Our Key Senior Management, Key Operating Management and Country Heads



AUSTRALIA



Paul Ingram

Managing Director
Press Metal Aluminium (Australia)
Pty. Ltd.

Nationality: **Australian**
Gender: **Male**
Age: **56**

Mr. Paul Ingram joined Press Metal Aluminium (Australia) Pty. Ltd. as the Managing Director in 2014. He holds a High School Certificate from Saint Ignatius College Riverview.

Mr. Ingram has more than 20 years of experience in the aluminium industry. Prior to joining Press Metal, he was the owner and director of a long-established aluminium fabrication company in Australia.



UNITED KINGDOM



Andrew Clarke

Operations Director
Press Metal UK Limited

Nationality: **British**
Gender: **Male**
Age: **54**

Mr. Andrew Clarke joined Press Metal UK Limited as the General Manager in 2006 and was promoted as Operations Director in 2022. He was trained at Birmingham University, School of Architecture, and is a fully trained registered Architect.

Prior to joining Press Metal, Mr. Clarke held various positions within blue chip logistics companies including freight forwarding.



NORTH AMERICA



Keith Burlingame

Director
Press Metal North America Inc.

Nationality: **American**
Gender: **Male**
Age: **66**

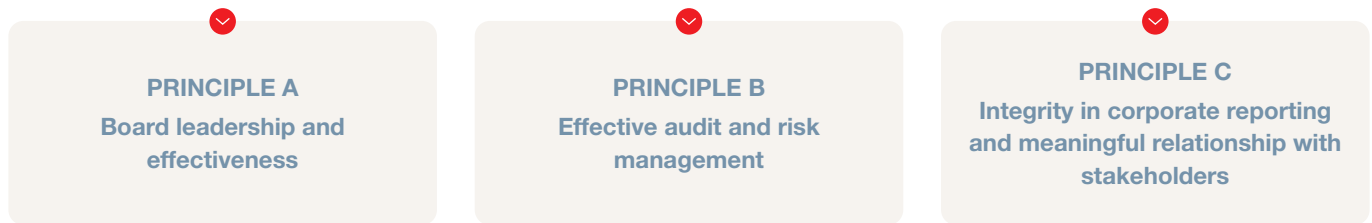
Mr. Keith Burlingame joined Press Metal North America Inc. as a director in 2009. He holds a Bachelor of Science degree in Economics from University of Illinois.

Mr. Burlingame has over 40 years of experience in the aluminium industry during which he has led large sales and marketing organisations. His experience includes key account and sales team management, manufacturing operations as well as business planning and development. He has worked with various industry groups throughout his career, including The Aluminium Association, The Aluminium Extruders Council, Truck Trailer Manufacturers Association.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of the Company recognises the importance of conducting good corporate governance and constantly strives to ensure that good corporate governance practices are carried out throughout the Group as it is fundamental in fulfilling its responsibilities, which include protecting and enhancing shareholders' value as well as the financial performance of the Company.

This Corporate Governance Overview Statement ("CGOS") provides a summary of the Company's corporate governance practices during the FYE2023 with reference to the following three (3) principles set out in the MCCG 2021:



This CGOS is prepared pursuant to Paragraph 15.25 (1) of MMLR of Bursa Malaysia, with guidance being drawn from Practice Note 9 of the MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia.

This CGOS is to be read together with the CG Report 2023 of the Company which is available on the Bursa Malaysia website and the Company's website at www.pressmetal.com under the "Shareholders Meeting" section. The CG Report 2023 provides detailed explanations of the Company's application of the practices as set out in the MCCG during the financial year under review.

As PMAH is a Large Company (defined as listed on FTSE Bursa Malaysia Top 100 Index or market capitalisation of RM2 billion and above) for FYE2023, the Board is committed to ensure high standards of governance are practised wherein the Company has adopted and complied substantially with the practices of MCCG.

CORPORATE GOVERNANCE APPROACH

The Board is committed to ensure that the Group is upholding sound corporate governance and promotes ethical standards in the Group. Over the course of more than 3 decades since the Group's inception, good corporate governance practices have been steadily embedded in its lexicon based on the premise that a sound corporate governance framework is essential to form the bedrock of responsible and responsive decision making.

The Group's overall approach to corporate governance is to:

- Promote sustainability as ESG issues become material to the ability of the Group to create sustainable value and uphold the confidence of stakeholders;
- Promote individual accountability, particularly at the leadership level (i.e., Board and Senior Management) as they represent the core and conscience of the Group;
- Drive the application of good governance practices in tandem with the value creation process of the Group;
- Demonstrate openness and accountability in the way the Group conducts its business and engages with and reports to stakeholders;
- Enhance oversight on risk management of the Group;
- Embed a Group-wide anti-bribery culture and awareness amongst staff and relevant stakeholders such as business partners; and
- Interweave governance, economic, environment and social considerations into its business operation in line of becoming economic resilient, sustainable and responsible corporate citizen.

The Board regularly reviews the Group's corporate governance practices and procedures to ensure they reflect market dynamics, the evolving expectations of stakeholders and best practices whilst simultaneously addressing the needs of the Group.

Corporate Governance Overview Statement

In its effort to achieve its corporate governance aspirations, Press Metal has benchmarked its practices against the relevant promulgations and best practices.

A summary of the Group's corporate governance practices with reference to the MCCG is described below.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Board Roles and Responsibilities

The Board is primarily responsible for reviewing the Group's strategic plan, adequacy of internal control and risk management systems in place, promoting good corporate governance culture and the governance of sustainability within the Group, whilst overseeing the conduct and performance of the Group's business and management team in the pursuit of the long-term success of the Group and deliver sustainable value to its stakeholders.

The Directors are aware of their responsibility to make decisions objectively to achieve the success of the Group, with the best interest of the stakeholders in mind. In discharging its responsibilities, the Board is guided by the Board Charter that sets out, amongst others, its composition, roles and responsibilities, powers, Board Committees and Board meeting procedures. The Board Charter was last reviewed and adopted by the Board in August 2023 and is available on the Company's website at www.pressmetal.com.

The roles and responsibilities of the Board, which are delineated in the Board Charter include, but are not limited to the following:

- (a) Reviewing and approving of corporate strategies and plans of the Group and monitoring the implementation of strategies by Management;
- (b) Overseeing and monitoring the conduct and performance management of the business of the Group;
- (c) Identifying principal risks faced by the Group and ensuring the implementation of appropriate internal controls and systems to monitor and manage these risks;
- (d) Ensuring the integrity of the financial and non-financial reporting of the Group;
- (e) Maintaining an effective stakeholders' communication strategy;
- (f) Implementing succession planning for business and functional continuity;
- (g) Reviewing the adequacy and integrity of internal control systems and management information systems, including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines; and
- (h) Establishing a corporate culture which engenders ethical conduct and behaviour.

The formal schedule of matters which specifically require the Board's approval or guidance are those involving:

- (a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- (b) Corporate strategy and yearly budget;
- (c) Limits of authority, treasury policies, risk management policies and key human resource issues;
- (d) Material acquisition and disposal of assets/ investments not in the ordinary course of business, including material financial/ funding arrangements and significant capital expenditure; and
- (e) Strategic investments, mergers and acquisitions and corporate exercises.

The Board delegates the day-to-day management of the Group to the Group Chief Executive Officer ("Group CEO"), Executive Directors and Management but reserves for its consideration pertinent significant matters. In discharging its stewardship role effectively, the Board delegates certain responsibilities to the following Board Committees and Management Committees.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Board Roles and Responsibilities (cont'd)

Board Committees

- (a) Audit Committee ("AC")
- (b) Nomination and Corporate Governance Committee ("NCGC")
- (c) Remuneration Committee ("RC")
- (d) Risk Management Committee ("RMC")

Management Committees

- (a) Sustainability Committee ("SC")
- (b) Investment Committee ("InvC")

The Chairpersons of the relevant Board Committees report to the Board on key issues deliberated at their respective committee meetings. The Board acknowledges that while these Board Committees have the authority to examine issues and make recommendations to the Board, the ultimate responsibility for all matters lies with the Board.

All Board Committees are actively engaged and act as oversight committees. They contemplate and recommend matters under their purview for the Board's deliberation and approval. The Board Committees are governed by their respective Terms of Reference, which were approved by the Board, and discharge their respective functions as stipulated therein, whilst Group CEO, Executive Directors and Management are responsible for the day-to-day management of the Group pursuant to the powers delegated by the Board, subject to compliance with the applicable laws and regulations. The Terms of Reference of the respective Board Committees are published on the Company's website at www.pressmetal.com.

During FYE2023, the Board adopted the following new policies:

- Conflict of Interest Policy
- ESG-Linked Executive Incentive Remuneration Framework
- Non-Assurance Services Pre-Approval Policy
- Responsible Sourcing Policy

These documents define the Group's commitments towards issues relevant to good corporate governance and are periodically reviewed to ensure relevance and applicability.

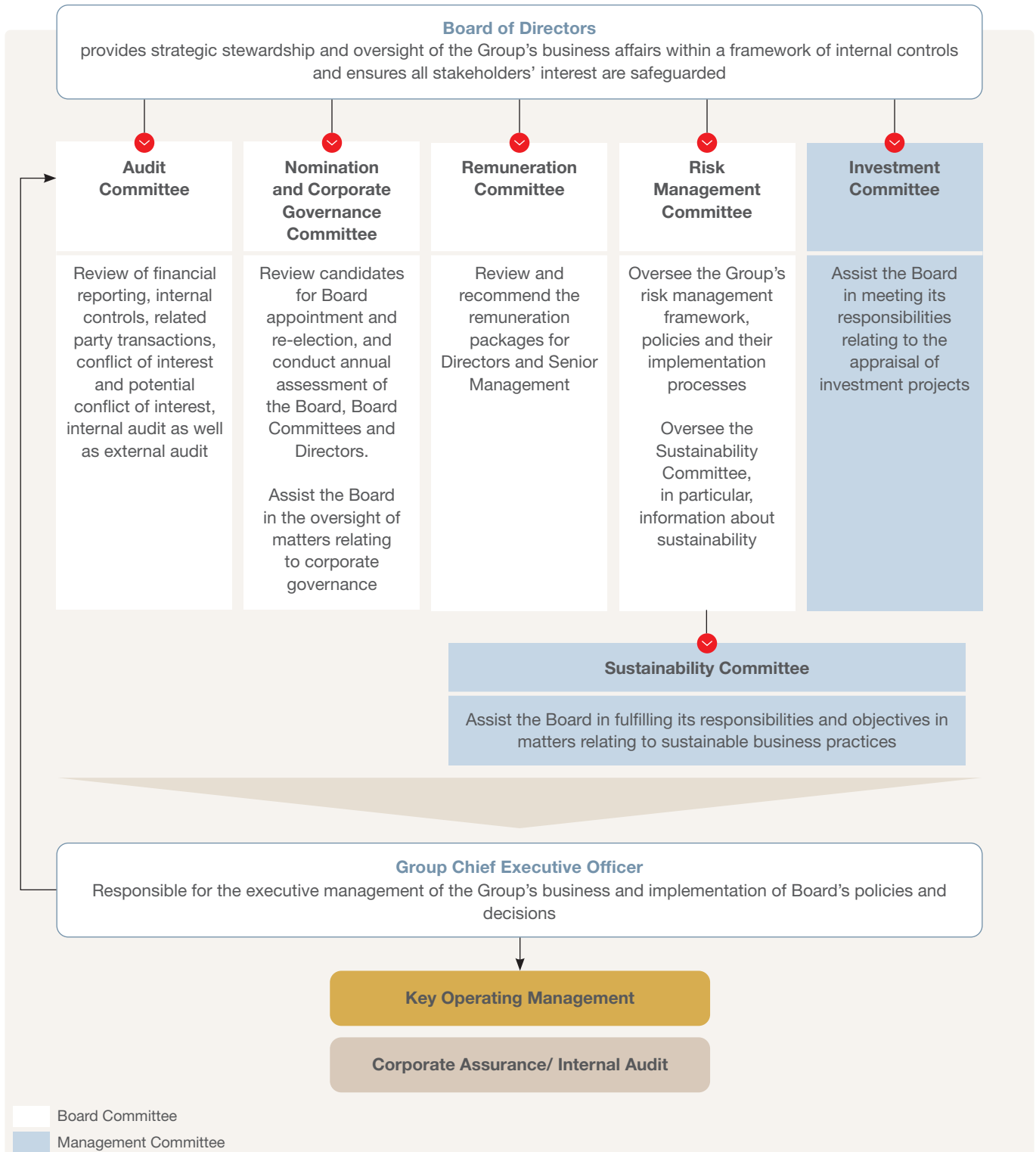
Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Board Roles and Responsibilities (cont'd)

The following diagram provides a brief overview of the governance framework of the Company:



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Separation of positions of the Chairman, Executive Vice Chairman and Group Chief Executive Officer

The position of the Chairman, Executive Vice Chairman and the Group CEO are separate and held by different individuals with clear distinction of responsibilities between them to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision making.

Datuk Yvonne Chia is the Chairman of the Board, Mr. Koon Poh Ming is the Executive Vice Chairman and Tan Sri Dato' Koon Poh Keong is the Group CEO. The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman encourages active and effective engagement, participation and contribution from all Directors and facilitates constructive relations between the Board and Management. The Executive Vice Chairman shall assist the Chairman in performing the latter's duties and responsibilities. He is also responsible to the Board for the formulation of high-level strategies of the Group and overseeing the Group's business development and operations together with the Group CEO.

The Group CEO is responsible for the executive management of the business and activities of the Group and implements the strategies, policies and decisions approved by the Board. Independent Non-Executive Directors are responsible for providing insights, unbiased and independent views, advice and judgement to the Board and bring impartiality to the Board's deliberations and decision-making.

During the year under review, the Chairman of the Board led the Board by setting the tone from the top and managing Board effectiveness by focusing on strategic matters, ongoing business matters, governance and compliance. She guided the Board through the decision-making process and ensured that the Board operates effectively as a team.

Company Secretary

The Board is supported by two (2) suitably qualified Company Secretaries who play a vital role in advising the Board in relation to the Company's Constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations to ensure the Board's application of the corporate governance practices to meet the stakeholders' expectations. They constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending the relevant training programmes/ conferences.

During the FYE2023, the Company Secretaries carried out the following:

- Documented Minutes and Resolutions of the Company;
- Updated the Board on any periodic Bursa Malaysia's amendments to MMLR or any relevant regulations;
- Prepared and presented the CGOS, CG Report and Audit Committee Report;
- Conducted the Board Effectiveness Evaluation for FYE2022;
- Facilitated the Board and Board Committees meetings virtually, and in hybrid and physical modes; and
- Managed the meeting process and circulated all board documents and proposals for consideration of all Board members.

Board and Board Committee Meetings

Board meetings and Board Committees' meetings for the ensuing financial year are scheduled in advance in consultation with the Directors to ensure maximum attendance. The Board meets on a quarterly basis, with additional meetings convened as and when necessary. Where appropriate, the Board may also resolve and approve various matters by way of written resolutions.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Board and Board Committee Meetings (cont'd)

During the FYE2023, a total of six (6) Board meetings were held. The attendance of the Board and Board Committee members at the meetings of the Company during the FYE2023 are as follows:

Directors	Board	AC	NCGC	RC	RMC
Executive Directors					
Koon Poh Ming ⁽¹⁾ (Alternate Director: John Koon Tzer Lim)	6/6				4/4
Tan Sri Dato' Koon Poh Keong	6/6				
Dato' Koon Poh Tat	6/6				
Koon Poh Weng	6/6				
Koon Poh Kong	6/6				
Independent Non-Executive Directors					
Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)	6/6				
Noor Alina Binti Mohamad Faiz	6/6	5/5	3/3	1/1	
Lim Hun Soon @ David Lim	6/6	5/5	3/3	1/1	4/4
Susan Yuen Su Min	6/6	5/5	3/3	1/1	4/4
Chong Kin Leong	6/6	5/5	3/3		4/4

 Chairman  Member

Note:

⁽¹⁾ Appointed as Alternate Director on 15 June 2023.

The Board is satisfied with the time commitment given by the Directors as demonstrated by their full attendance at the meetings of the Board and Board Committees.

All Directors are expected to devote sufficient time to carry out their responsibility and are required to notify the Chairman before accepting any new directorships in other listed issuer. Currently, all Directors of the Company hold not more than five (5) directorships in listed issuers, which is in compliance with Paragraph 15.06 of the MMLR of Bursa Malaysia.

Supply of and Access to Information

All Directors are furnished with an agenda and a set of Board meeting papers in advance of each Board and/ or Board Committees' meeting. This would give sufficient time to the Directors to obtain further explanation or clarification, where necessary, in order to be properly briefed before the meeting to facilitate informed decision making and meaningful discharge of their duties and responsibilities. The Board papers include, but are not limited the following:

- Group CEO Report;
- Group Financial Controller Report comprising the quarterly financial report, treasury report, sensitivity analysis and the Group's cash and borrowings position;
- Minutes of meetings of all Board Committees;
- Updates on corporate and secretarial matters; and
- Minutes of previous Board meetings.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Supply of and Access to Information (cont'd)

Meeting materials are uploaded electronically into a digital platform, which allows Board papers and other information to be securely and remotely accessible by all Directors in a timely manner. The minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes at the commencement of the next Board meeting. The Board also noted the decisions and salient issues deliberated by Board Committees through the minutes of the respective Board Committees.

Key Operating Management is requested to attend Board meetings to present and provide additional information on matters being discussed and to respond to any queries that the Directors may have.

In furtherance of discharging its duties and functions with adequate knowledge in the decision-making process, the Board is also authorised to obtain, at the Company's expense, independent professional advice on specific matters, if necessary.

All Directors have unrestricted access to any information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity. The Directors also have access to the advice of the Company Secretary who is responsible for ensuring the Board's procedures are adhered to.

Code of Conduct, Code of Ethics, Whistle-Blowing Policy, Anti-Bribery and Anti-Corruption Policy

Conducting our business with the highest standards of ethics is essential to the Company. The Board acknowledges its role in setting the "tone at the top" to embed this as the culture for the Group. To this end, the Board adopted and implemented a Code of Conduct for Directors, Management and employees of the Group as well as Code of Ethics for the Board. The Code of Conduct and the Code of Ethics were last reviewed and endorsed by the Board in August 2023. The revised Codes are made available on the Company's website at www.pressmetal.com.

The Company has always advocated for openness and transparency in its commitment to the highest standard of integrity and accountability. The Board adopted a Whistle-Blowing Policy which enables stakeholders to report and disclose, through established channels, any improper or unethical activities relating to the Group. The identity of the whistle-blower is kept confidential and protection is accorded to the whistle-blower against any form of reprisal. Any concerns raised will be investigated and a report and update will be provided to the Board through the AC. The Whistle-Blowing Policy was last reviewed and endorsed by the Board in August 2023 and the revised Whistle-Blowing Policy is published on the Company's website at www.pressmetal.com.

The Company adopts a "zero tolerance" policy against all forms of bribery and corruption and is committed to conducting business professionally and upholding high standard of ethics and integrity. In this regard, the Company has adopted the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") to ensure compliance with and adherence to all applicable laws including, amongst others, the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments that may be made by the relevant authority from time to time. The ABAC Policy will be reviewed and updated as and when necessary to ensure its relevance and effectiveness. The ABAC Policy is available on the Company's website at www.pressmetal.com.

Governance of Sustainability

The Board recognises that sustainable development is an important and integral part of the Group's pursuit for long-term business success. The Company is fully committed towards instituting a robust, wide-ranging and germane sustainability framework to cover all aspects of operations. The Board assumes the ultimate responsibility for the Group's sustainability development and management, and as such, oversee the enhanced Group's Sustainability Roadmap to further strengthen the sustainability framework within the organisation to support long term value creation and sustainability goals.

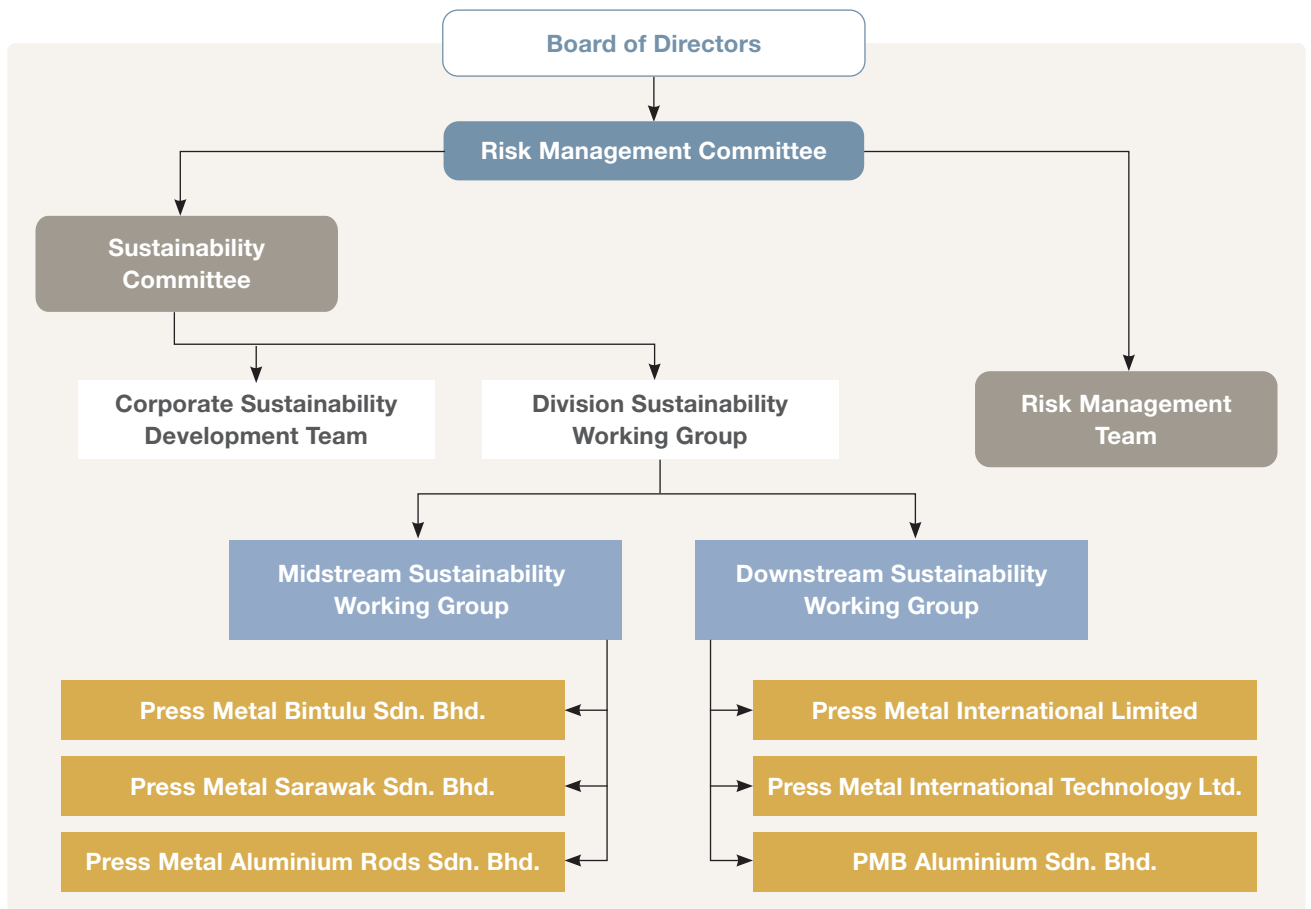
Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Governance of Sustainability (cont'd)

The Sustainability Governance Structure endorsed and adopted by the Board is outlined below:



Pursuant to the Sustainability Governance Structure, the SC, which is a Management Committee, supports the Board in overseeing the sustainability development of the Group, under the oversight of the RMC. The Corporate Sustainability Development Team (“CSD Team”) provides support and input to the SC on the Group’s strategies, priorities and targets on matters related to sustainability as well as provides advisory support to the Division Sustainability Working Group (“SWG”) in the areas of sustainability, where necessary. The SWG is responsible for the implementation, monitoring and reporting of sustainability management action across respective business activities. The Board is also supported by the RMC for the review and assessment of the Group’s risk management and internal controls systems, covering the sustainability risks that the Group is or may be exposed to.

The Board has fiduciary duties and is focused on maintaining good corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility, ensuring that our corporate strategy aligns with our values and culture. The Board takes guidance on material sustainable issues from the SC.

The strategic management of the material sustainability matters and the integration of sustainability considerations in the operations of the Group are driven by the Senior Management of the Company, led by the Group Chief Executive Officer, who serves as the Chair of the Group Sustainability Committee. Progress on the implementation of the Group’s sustainability initiatives, ESG targets and other significant ESG matters are brought to the attention of the Board through the SC for deliberation.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Governance of Sustainability (cont'd)

The SC presented updates to the Board on the sustainability performance review of the Group related to GHG Emissions Intensity, Water Withdrawal Intensity, Waste Diversion Rate, Safety and Health, and Gender Diversity at the quarterly Board meetings and keeps the Board updated on any latest ESG developments and initiatives of the Group. The Board had undertaken relevant trainings to stay abreast and understand the latest sustainability issues. The relevant training and programmes in relation to Sustainability are shown in the following:

- (a) Climate governance – a standing item in board agendas
- (b) Update Brief on climate risk and ESG initiatives
- (c) Exercising Sustainability Governance and Oversight – What is next for Press Metal
- (d) ESG Frameworks: Understanding the Alphabet Soup
- (e) Understanding Task Force on Climate-Related Financial Disclosures (“TCFD”)
- (f) Materiality: Determining ESG Topics That Matter
- (g) JC3 Upskilling Sustainability Training (JUST) Series 3 – A Passion for Purpose, Delivering a Just Transition to Net Zero
- (h) TCFD 101 – Climate Disclosure Training
- (i) Climate Risk Management and Scenario Analysis
- (j) Developing Malaysia’s Roadmap to Net Zero
- (k) Understanding the Requirements in Bursa Malaysia’s Enhanced Sustainability Reporting Framework

During the financial year under review, the Board adopted the ESG-Linked Executive Incentive Remuneration Framework for Key Senior Management personnel (covering C-Suite members and Heads of Divisions/ Departments) of the Group. The framework defines how remuneration components should be linked to the ESG metrics, particularly the material matters that are considered most important to the Group’s business and stakeholders as well as approaches on how ESG metrics may be incorporated into various incentive plans. Malus and Clawback procedures are part of the ESG-Linked Executive Incentive Remuneration Framework.

Full details of the Group’s Sustainability efforts can be found in the *Sustainability Report* on pages 86 to 205 of this IAR 2023.

II. Board Composition

Board Size, Composition and Diversity

During the financial year under review, the Board comprises ten (10) members, of whom five (5) are Executive Directors and five (5) are Independent Non-Executive Directors, along with one (1) Alternate Director to Executive Director. The composition of the Board complies with Paragraph 15.02 of the MMLR of Bursa Malaysia, which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent.

The size and composition of the Board are reviewed periodically by the NCGC to ensure that the size of the Board is appropriate and conducive for effective discussion and decision-making, with a strong element of independence. No individual or small group of individuals dominates the Board’s decision-making process. The Independent Non-Executive Directors have conducted themselves professionally, are clear with the objectives and their fiduciary role, with independent insights in doing what is right for the Company and all stakeholders. The NCGC, with the concurrence of the Board, is of the view that the current Board size is optimal based on the Group’s operation and that it reflects a fair mix of financial, technical and business experiences that are important to the stewardship of the Group.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Board Size, Composition and Diversity (cont'd)

The Board is satisfied with the current composition as this size is optimal and would enable effective oversight and delegation of responsibilities. The summary of the Board composition as of 31 December 2023 is set out below:

MCCG Practice 5.2 (At least half of the Board comprises Independent Directors)

5 Executive Directors (50%)

5 Independent Non-Executive Directors (50%)

MCCG Step-Up 5.4 (The Board has a policy which limits the tenure of its Independent Directors to 9 years without further extension)

Less than 3 years (2)

Between 3 years to 6 years (2)

More than 6 years and up to 9 years (1)

MCCG Practice 5.9 (The Board comprises at least 30% female Directors)

(70%) Male

(30%) Female

Age

50 to 59 years old (1)

60 to 69 years old (7)

70 years old and above (2)

Nationality

Malaysian (10)

The Board recognises that diversity, in its broadest sense, which comprises individuals with a broad range of backgrounds, skills, experience, expertise and perspectives is a key driver of an effective Board. The Board is composed of members with experience and expertise in strategy, accounting, finance, legal, regulatory, banking and economics, engineering and business management, which allows for informed deliberation, diverse insights for decision-making at the Board level as well as meeting corporate objectives.

The Board supports gender diversity as part of the agenda in achieving boardroom diversity as the Board acknowledges and embraces that a wide range of perspectives is critical to effective corporate governance and strategic decision-making in the fast-changing business environment. The Board composition currently comprises three (3) women Directors, representing 30% of the Board. The female representation in the managerial role stands at 30.5% with appointments being subject to formal, rigorous, and transparent procedures and decided on merit against a defined job specification and criteria. The Board is committed to supporting the work of the Group to look for new and innovative ways to promote a diverse and inclusive workforce at every level of the organisation.

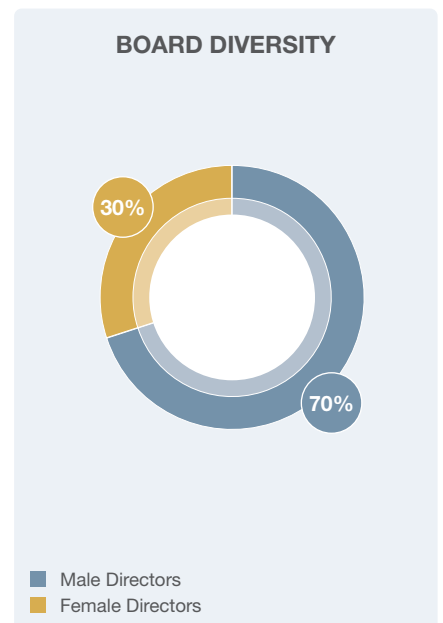
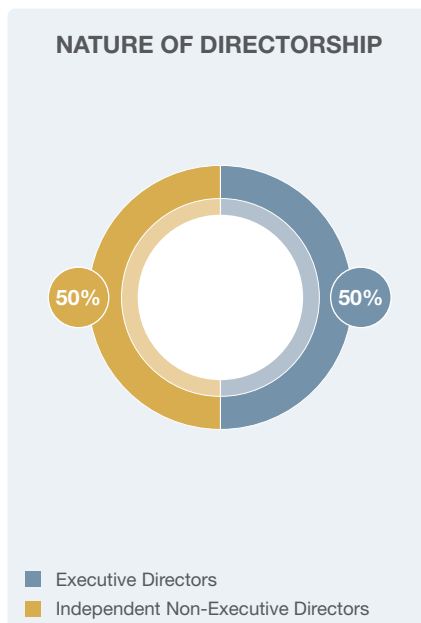
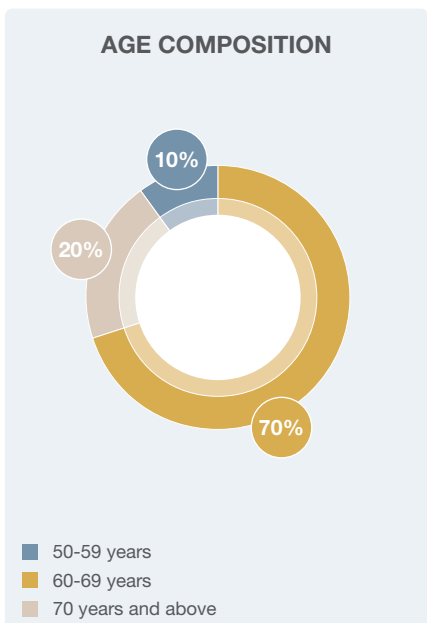
Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Board Size, Composition and Diversity (cont'd)

A granular view of the Board composition during the financial year under review is illustrated below:



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Independent Non-Executive Directors

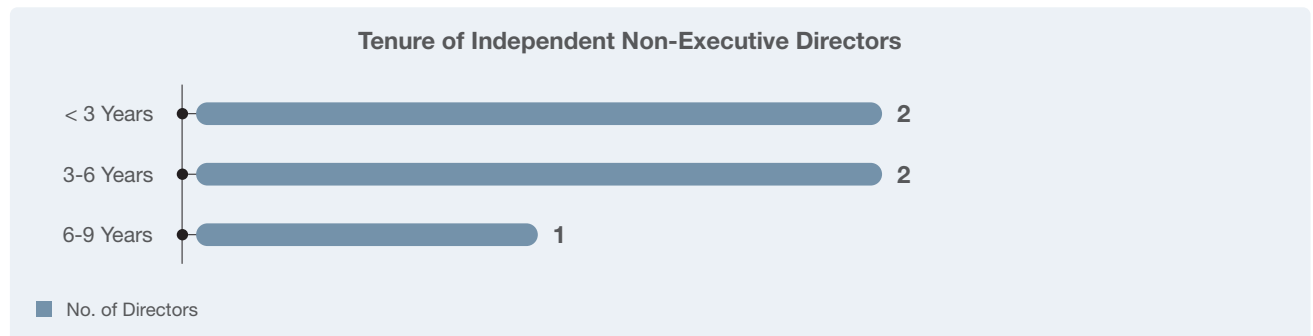
The Board recognises the importance of independence and objectivity in the decision-making process. The Independent Non-Executive Directors are independent from management and are free from any business or other relationship with the Company which could interfere with the exercise of their independent judgement. This provides an effective check and balance in the functioning of the Board where all matters are reviewed with balance and fairness, to ensure the needs and interests of the Company are met.

Whilst the Board does not comprise a majority of Independent Non-Executive Directors as espoused by the MCCG, half of its members are independent. The presence of an Independent Non-Executive Chairman on the Board allows for deliberations and discussions to be framed and mediated in an objective manner.

The Independent Non-Executive Directors scrutinise and monitor the performance of Management in meeting agreed goals and objectives. They are required to satisfy themselves on the integrity of the financial information and that financial controls and systems of internal control and risk management are robust and defensible.

As stipulated in the Board Charter, the maximum tenure of an Independent Non-Executive Director of the Company is a cumulative term of nine (9) years. Upon reaching such maximum tenure, an Independent Non-Executive Director may continue to serve on the Board but shall be redesignated as Non-Independent Non-Executive Director.

As at the date of issuance of this IAR 2023 none of the Independent Non-Executive Director has exceeded the tenure of a cumulative term of nine (9) years on the Board of the Company. The tenure of the existing Independent Non-Executive Directors of the Company is as follows:



Nomination and Corporate Governance Committee

The NCGC is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the director should bring to the Board, as well as overseeing all matters relating to corporate governance. The NCGC also assesses the effectiveness of the Board as a whole, the Board Committees of the Board and the contribution of each Director. The NCGC has its own Terms of Reference which deals with its authority and duties. The Terms of Reference of the NCGC is available on the Company's website at www.pressmetal.com.

The NCGC consists exclusively of Independent Non-Executive Directors, as follows:

- Chairman : Susan Yuen Su Min (Independent Non-Executive Director)
- Members : Noor Alina Binti Mohamad Faiz (Independent Non-Executive Director)
- : Lim Hun Soon @ David Lim (Independent Non-Executive Director)
- : Chong Kin Leong (Independent Non-Executive Director)

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Nomination and Corporate Governance Committee (cont'd)

During the FYE2023, three (3) NCGC meetings were held. The NCGC has undertaken the following key activities in discharging its duties:

- (i) Reviewed and assessed the performance and effectiveness of the Board as a whole, Board Committees and the performance of each Director.
- (ii) Reviewed the composition of the Board and Board Committees.
- (iii) Reviewed the terms of office and performance of the AC and each of its members.
- (iv) Reviewed the independence of the Independent Non-Executive Directors.
- (v) Reviewed the character, experience, integrity, competence and time commitment of each Director, Group CEO and the Group Financial Controller.
- (vi) Reviewed and recommended the re-election of Directors at the 7th Annual General Meeting (“AGM”) of the Company held on 14 June 2023.
- (vii) Reviewed and recommended the appointment of Alternate Director.
- (viii) Reviewed and recommended to the Board the adoption of the Conflict of Interest Policy.
- (ix) Reviewed the Board Charter and Terms of Reference of the AC and recommended the proposed revisions thereto for the Board’s approval and adoption.
- (x) Reviewed the training programmes attended by the Directors and assessed the training needs of all Directors.
- (xi) Reviewed the statements/ reports for incorporation into Annual Report 2022 of the Company and the Circular/ Statement to Shareholders and recommended the same to the Board for approval.
- (xii) Reviewed the Code of Conduct, Code of Ethics, Directors’ Fit and Proper Policy, ABAC Policy and Related Party Transaction Policy and recommended the proposed revisions thereto for the Board’s approval and adoption.

Board Appointment

The NCGC has been entrusted with the responsibility to identify, evaluate, select and recommend to the Board of any suitable candidate with the required credential to be appointed as a director of the Company, either to fill a casual vacancy or as an addition to meet the changing needs of the Group. The NCGC leverages on the Directors’ wide network of professional and business contacts as well as various channels to identify suitable qualified candidates.

In selecting a suitable candidate, the NCGC takes into consideration the candidate’s character, experience, integrity, competence and time commitment, as well as the candidate’s directorship in other companies, having regard to the size of the Board, and the required mix of skills and diversity required for an effective Board. For the appointment of an Independent Non-Executive Director, the NCGC would also assess whether the candidate meets the requirements for independence based on the criteria prescribed in the MMLR of Bursa Malaysia.

The Board appointment process of a new director is summarised as follows:

- (a) Should there be a vacancy on the Board or if an additional Board appointment is required, the Board will consider making an appointment that will attain and maintain the best mix of diversity, consistent with the skills, expertise, experience and background required to fill such a position. The NCGC shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.
- (b) The NCGC may seek professional advice from independent search firms as and when it considers necessary to identify and short-list suitable candidates and a list of nomination for candidates proposed by the Group CEO, and within the bounds of practicability, by any other director for considerations.
- (c) NCGC meeting will be held to deliberate on the nomination of Board candidates and review the profile of Board candidates.
- (d) Interviews between NCGC members and the shortlisted candidates will be held after the NCGC meeting.
- (e) The NCGC will then make a decision in recommending the appointment to the Board.
- (f) Based on the recommendation of the NCGC and upon review of the profile of board candidate, the Board will deliberate the appointment of a new director at the Board meeting or to approve the appointment of new Director via Directors’ Resolution in Writing.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Board Appointment (cont'd)

The Board has adopted a Directors' Fit and Proper Policy to assess the fitness and propriety of a candidate before being appointed or seeking re-election as a Director of the Company and its subsidiaries. This serves to ensure that any person to be appointed or re-elected as a Director within the Group ("Responsible Person") possesses the character, experience, integrity, competence and time to effectively discharge his/ her role as a director. The NCGC is responsible for the following:

- (a) The assessment on existing Directors for re-election, or candidates for nomination for appointment as Directors of the Company and make recommendations to the Board on these matters.
- (b) Ensuring that appropriate fit and proper assessments are carried out for each Responsible Person, including using the services of credible 3rd party service providers where necessary and appropriate.
- (c) Reporting to the Board on matters that are relevant to a particular assessment of a Responsible Person's fitness and propriety.
- (d) Providing information to the Board on matters concerning the criteria and procedure for fit and proper assessments including addressing any gaps in the assessment.
- (e) Ensuring that the Group takes all reasonable steps to protect the information and documents, which are collected for fit and proper assessments purposes from misuse, unauthorised access, modifications or disclosure.

The Directors' Fit and Proper Policy is available on the Company's website at www.pressmetal.com.

Annual Assessment of the Board and Board Committees

An annual assessment mechanism is in place to assess the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director. The annual assessment enables the Board to ensure that each of the Board members, Group CEO and Group Financial Controller have the character, experience, integrity, competence and time to effectively discharge their respective roles.

The Board, through the NCGC and the external corporate secretarial service provider of the Company, conducted an annual assessment to evaluate the effectiveness of the Board and the Board Committees for the FYE2023. The assessment was conducted by way of completion of questionnaires by each of the Directors which comprises sections on the Board and Board Committees Evaluation, Directors' Self and Peer Evaluation, Directors' Skills Set Matrix, Evaluation of the Level of Independence of an Independent Director, Company Secretary Evaluation and Group Financial Officer Evaluation. The criteria adopted for the Board's performance evaluation includes Board mix and composition, quality of information and decision making, Board's relationship with the Management, Board activities, Board Chairman's roles and responsibilities, and awareness of ESG issues, whilst the criteria adopted for the Directors' Self and Peer performance evaluation encompasses character, experience, integrity, competency and time commitment. The NCGC has evaluated the performance of the Group CEO and Group Financial Controller through evaluation form completed by themselves respectively.

In February 2024, the Company Secretary presented to the NCGC and thereafter, to the Board the outcome and the summary of the Board Effectiveness Evaluation for the FYE2023 ("BEE 2023"). The Board resolved to adopt the BEE 2023 results as recommended by NCGC's review. The results of the BEE 2023 indicated that the performance of the Board, the Board Committees, the individual Directors and members of the Board Committees collectively during the review period has been highly satisfactory, objective and professional. The results of the BEE 2023 were also used as a basis for recommending the relevant Directors for re-election at the upcoming Annual General Meeting, which is in line with the Directors' Fit and Proper Policy.

The Board is of the view that its present size and composition are optimal based on the Group's operations and that it reflects a fair mix of financial, technical and business experiences that are important to the stewardship of the Group. The Board was satisfied with the level of performance of each of the Directors and that they had also met the performance criteria in the prescribed area of assessments. The results of these assessments form the basis of the NCGC's recommendations to the Board for the re-election of Directors at the forthcoming 8th AGM of the Company.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Annual Assessment of Independent Directors

The NCGC is responsible for assessing the independence of each Independent Director annually to ensure that there are independent elements that fit the Company's objectives, strategic goals and comply with MMLR of Bursa Malaysia. This process is conducted through the assessment of independence of Independent Directors as part of the annual Board evaluation. The Independent Directors of the Company are required to confirm their independence and have undertaken to inform the Company immediately if there is any change which could hinder their independent judgement or ability to act in the best interest of the Company.

The NCGC and the Board have, upon their assessment, concluded that the Independent Directors continue to demonstrate conduct and behaviour that are essential indicators of independence and are satisfied with the level of independence demonstrated by all the Independent Directors during the financial year under review, as well as their ability to exercise objective judgement, provide independent views and act in the best interest of the Company.

Re-election of Retiring Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors must retire at an AGM. All Directors are subject to retire by rotation, at least once in each three (3) years but shall be eligible for re-election. New Director appointed by the Board during the year, if any, is required to retire at the next AGM and shall be eligible to stand for re-election by shareholders. Proposals for the re-election of Directors are recommended by the NCGC to the Board prior to the shareholders' approval at the AGM of the Company, based on the annual assessment conducted.

Based on the recent annual assessment including fit and proper evaluations, the NCGC is satisfied with the performance of the Directors who are standing for re-election and has recommended to the Board their proposed re-election in accordance with the Constitution. The Board supported the NCGC's recommendations to re-elect the eligible Directors standing for re-election at the forthcoming 8th AGM of the Company. The Directors who are retiring shall abstain from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board.

Induction, Site Visit and Professional Training

In order for the new Directors to carry out their roles and duties effectively, documents such as disclosure obligations and schedule of meetings were furnished to them. The Directors have participated and will continue to undergo the relevant training programmes to further enhance their skills and knowledge, as well as keeping themselves abreast of the latest statutory and/ or regulatory requirements in discharging their fiduciary duties as Directors to the Company.

The Board acknowledges that new Directors must attend the Mandatory Accreditation Program as prescribed by Bursa Malaysia and the training needs of all Directors are identified through the annual Board assessment by the NCGC.

During the FYE2023, two (2) in-house Directors' trainings, entitled "ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain" and "Business Considerations for Human Rights Management" were organised by the Company and both trainings were conducted by KPMG Management & Risk Consulting Sdn. Bhd.

In order for the Directors to discharge their duties effectively and to make informed decision of the business strategies of the Group, a site visit to the plant in Bintulu, Sarawak to observe the smelting plant was organised in June 2023.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Induction, Site Visit and Professional Training (cont'd)

The briefings, seminars, conferences, workshops and training programmes attended by the Directors during the financial year under review are summarised as below:

Directors	Seminars/ Conferences/ Training Programmes Attended	Date
Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)	Standard Chartered's H1 2023 Global & Malaysia Outlook	12 January 2023
	FIDE Forum: Can America Stop China's Rise? Will ASEAN Be Damaged?	12 January 2023
	Board and Governance Workshop	17 January 2023
	ESG Risk Management – Oversight of ESG risks Within Operations and Across the Value Chain	17 January 2023
	30% Club Diversity, Equity & Inclusion Conversation	7 March 2023
	Islamic Financial Markets Forum 2023	14 March 2023
	Geopolitical Update by Eric Robertsen, Global Head of Research and Chief Strategist	4 April 2023
	FIDE Forum: Community of Practice Climate Change	27 April 2023
	Minding Her Business: When Women Build Empires	31 May 2023
	Standard Chartered Saadiq Berhad: First Shariah Dialogue 1/2023	16 June 2023
	University Of Cambridge Judge Business School, United Kingdom: Leading Banks in the Post Pandemic World – Leadership Innovation in the New Era	24 - 29 July 2023
	PIDM's National Resolution Symposium 2023	18 October 2023
	Business Considerations for Human Rights Management	27 October 2023
	ESG-Related Risks and Litigation: What Boards Need to Know	2 November 2023
	Basel Committee's Virtual Asia-Pacific Regional Outreach	20 November 2023
	Information Cyber Security Risk Awareness	29 November 2023
Standard Chartered Saadiq Berhad: Second Shariah Dialogue 2/2023 – Tawarruq Alternative	5 December 2023	
Koon Poh Ming	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain	17 January 2023
	ESG Linked Incentive Based Compensation Framework Workshop	19 April 2023
	Bursa Malaysia's Voluntary Carbon Market Exchange & Impacts on Businesses	28 August 2023
	Business Considerations for Human Rights Management	27 October 2023
Tan Sri Dato' Koon Poh Keong	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain	17 January 2023
	Green Aluminium Summit 2023	23 & 24 March 2023
	ESG Linked Incentive Based Compensation Framework Workshop	19 April 2023
	Bursa Malaysia's Voluntary Carbon Market Exchange & Impacts on Businesses	28 August 2023
	Morgan Stanley Asia Tech Conference 2023	30 August - 1 September 2023

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Induction, Site Visit and Professional Training (cont'd)

The briefings, seminars, conferences, workshops and training programmes attended by the Directors during the financial year under review are summarised as below:

Directors	Seminars/ Conferences/ Training Programmes Attended	Date
Tan Sri Dato' Koon Poh Keong	2023 China Aluminum Week	26 - 28 September 2023
	Business Considerations for Human Rights Management	27 October 2023
	Morgan Stanley Asia Pacific Summit	15 & 16 November 2023
Dato' Koon Poh Tat	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain	17 January 2023
	Bursa Malaysia's Voluntary Carbon Market Exchange & Impacts on Businesses	28 August 2023
	Business Considerations for Human Rights Management	27 October 2023
Koon Poh Weng	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain	17 January 2023
	Bursa Malaysia's Voluntary Carbon Market Exchange & Impacts on Businesses	28 August 2023
	Business Considerations for Human Rights Management	27 October 2023
Koon Poh Kong	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain	17 January 2023
	Business Considerations for Human Rights Management	27 October 2023
Noor Alina binti Mohamad Faiz	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain	17 January 2023
	Persidangan Perlindungan Data Peribadi (Akta 709)	13 March 2023
	Contract and Procurement Fraud – Internal Controls, 3 rd Party Due Diligence and Reporting Mechanisms	8 May 2023
	SRI Conference 2023 – Revving up the Race for Sustainability 2	21 & 22 June 2023
	Remaking Corporate Governance for an ESG World	14 August 2023
	What amounts to a Conflict of Interest by Directors?	6 October 2023
Lim Hun Soon @ David Lim	Business Considerations for Human Rights Management	27 October 2023
	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain	17 January 2023
	ESG: Contextualising Net Zero by PwC Malaysia	8 February 2023
	Global Economic Outlook 2023 by Prof Antonio Fatas of INSEAD	4 April 2023
	The Generational Divide: Bridging Differences and Building Collaboration	8 June 2023
	Islamic Stockbroking 2023 – An Overview of Sukuk Structuring and Issues	2 August 2023
	Business Considerations for Human Rights Management	27 October 2023
Mandatory Accreditation Programme Part II: Leading for Impact	13 & 14 December 2023	

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Induction, Site Visit and Professional Training (cont'd)

The briefings, seminars, conferences, workshops and training programmes attended by the Directors during the financial year under review are summarised as below:

Directors	Seminars/ Conferences/ Training Programmes Attended	Date
Susan Yuen Su Min	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain	17 January 2023
	Iclif: Keeping the Board Out of Trouble	7 March 2023
	Anti-Money Laundering/ Counter Financing of Terrorism and Anti-Bribery & Corruption	8 March 2023
	Climate Risk Management & Scenario Analysis	15 March 2023
	ESG Banking – A Call to Action	13 June 2023
	Iclif: Beyond Box-Ticking: Essentials for Effective Remuneration Committees	7 August 2023
	Iclif: Board's Role in Value Creation	8 August 2023
	Iclif: Remaking Corporate Governance for an ESG World	14 August 2023
	International Sustainability Standards Board (ISSB) Reporting Readiness	17 August 2023
	Iclif: What Amounts to a Conflict of Interest by Directors?	12 September 2023
	ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	13 - 14 September 2023
	Sustainability Strategy & Culture	26 September 2023
	Business Considerations for Human Rights Management	27 October 2023
	Chong Kin Leong	ESG Risk Management – Oversight of ESG Risks Within Operations and Across the Value Chain
Maybank & Ogier Global Sustainable Investment Consulting: Growth of ESG Regulation in Asia – Trends, Opportunities and Implications for Sustainable Investing in 2023		22 February 2023
TCFD 101: Getting Started with Climate Related Financial Reporting		2 March 2023
TCFD 102: Building Experience and Expertise in Climate Related Financial Reporting		3 March 2023
AIA: Investment Seminar		12 April 2023
FIDE Forum: Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know		13 June 2023
OCBC Bank: Capitalising on Windows of Opportunity		14 June 2023
The Edge/ UOB Bank: Navigating Economic Shifts to Capture Investment Opportunities		17 June 2023
Climate Governance Malaysia Chairperson Masterclass Series: Scaling Up the Circular Economy		30 June 2023
Cagamas/ Ernst & Young: How Can Financial Institutions Shape a More Sustainable Future?		3 July 2023
DBS Bank: Building and Managing Crypto Portfolios – Considerations and Risks		28 July 2023

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Induction, Site Visit and Professional Training (cont'd)

The briefings, seminars, conferences, workshops and training programmes attended by the Directors during the financial year under review are summarised as below:

Directors	Seminars/ Conferences/ Training Programmes Attended	Date
Chong Kin Leong	Climate Governance Malaysia Chairperson Masterclass Series: Scaling Up the Circular Economy	30 June 2023
	Cagamas/ Ernst & Young: How Can Financial Institutions Shape a More Sustainable Future?	3 July 2023
	DBS Bank: Building and Managing Crypto Portfolios – Considerations and Risks	28 July 2023
	AIA: Cyber and Technology Risk Training	31 July 2023
	Ernst & Young: Ignite Your Sustainability Journey with the New ISSB Standards	15 September 2023
	Deutsche Bank: ESG Training	21 September 2023
	MICPA-PwC: From Numbers to Impact: A Decarbonisation Remit for Finance Function	26 September 2023
	Joint Committee on Climate Change: Journey to Zero Conference 2023	23 October 2023
	AIA: Elements of ESG and Focus Session	26 October 2023
	Business Considerations for Human Rights Management	27 October 2023
	Climate Governance Malaysia Chairperson Masterclass Series: The New Era of Board Duties	16 November 2023
	Deutsche Bank/ Deloitte: Budget 2024 Snapshots and E-Invoicing	19 November 2023
	John Koon Tzer Lim (Alternate Director to Koon Poh Ming)	Bursa Malaysia Mandatory Accreditation Programme
Business Considerations for Human Rights Management		27 October 2023

III. Remuneration

The Company aims to set remuneration at levels which are sufficient to attract and retain Directors and Senior Management needed to run the business successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved.

For oversight on remuneration matters, the Board is assisted by the RC, which comprises exclusively of Independent Non-Executive Directors, details as follows:

Chairman	: Noor Alina Binti Mohamad Faiz (Independent Non-Executive Director)
Members	: Lim Hun Soon @ David Lim (Independent Non-Executive Director)
	: Susan Yuen Su Min (Independent Non-Executive Director)

The RC is responsible to formulate and review the remuneration policies for the Board as well as the Senior Management of the Company to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices. The roles and responsibilities of the RC are set out in the Terms of Reference of the RC, which is available on the Company's website at www.pressmetal.com.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (cont'd)

The RC establishes the framework and policies, as well as reviews the remuneration of Directors and Senior Management that is linked to strategy and/ or performance and long-term objectives of the Company, including the remuneration of the Non-Executive Directors.

The Executive Directors' remuneration packages are structured to link reward to individual and corporate performance and the determination of the same is a matter to be decided and approved by the Board as a whole. The Executive Directors concerned were abstained from deciding their own remuneration. As for Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken. The current remuneration payable to Non-Executive Directors comprises Directors' fees and meeting allowance, based on the number of meetings attended in a year. Non-Executive Directors' remuneration is 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 or her individual remuneration, prior to the tabling of such for shareholders' approval at the Company's AGM. The Directors who are shareholders of Press Metal will abstain from voting on the resolution relating to the payment of the Directors' fees and benefits at the AGM of the Company.

Meeting of the RC is held as and when necessary, and at least once a year. One (1) RC meeting was held during the FYE2023 and full attendance by the members was recorded. The RC has carried out the following activities during the financial year under review:

- (a) Reviewed and recommended the remuneration package of the Group CEO and Executive Directors of the Company for the Board's approval;
- (b) Reviewed and recommended the Directors' fees and other benefits payable to the Non-Executive Directors for the Board's endorsement and the approval of the shareholders at the Company's AGM;
- (c) Reviewed the proposed changes to the ESG-Linked Executive Incentive Remuneration Framework for Key Senior Management personnel of the Group; and
- (d) Reviewed the approaches adopted in the formulation of the ESG-Linked Incentive-Based Compensation Policy for Key Senior Management Personnel.

The details of the Directors' Remuneration for the FYE2023 are disclosed in the CG Report 2023 under Practice 8.1.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

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

The AC comprises four (4) Independent Non-Executive Directors who play a key role in ensuring the integrity and transparency of corporate reporting. None of the AC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed in accordance with the Terms of Reference of the AC. The AC provides robust and comprehensive oversight on financial reporting, objectivity and effectiveness of external and internal audit processes, reportable related party transactions, conflict of interest and potential conflict of interest situations as well as risk management matters.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. Audit Committee (cont'd)

The AC Chairman is distinct from the Chairman of the Board. All AC members possess the requisite financial literacy and business knowledge that support the sound understanding of matters under their purview, with the AC's composition, term of office and performance being subject to annual review by the NCGC annually to determine whether the AC as a whole and its members have carried out their duties in accordance with the Terms of Reference of the AC before recommendation to the Board for assessment. The Board is satisfied that the AC members discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference.

The AC has unrestricted access to both the internal and external auditors, who report functionally and directly to the AC. The AC has established transparent arrangements to maintain an appropriate relationship with the Company's auditors.

Assessment of Suitability, Objectivity and Independence of External Auditors

In the annual assessment of the suitability, objectivity and independence of the External Auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the MMLR of Bursa Malaysia. The AC is also to consider the performance of the External Auditors and its independence as below:

- (a) The External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the Audit Planning Memorandum;
- (b) The competence, audit quality and resource capacity of the External Auditors in relation to the audit;
- (c) The information presented in the Annual Transparency Report of the audit firm;
- (d) The nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
- (e) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

In the fourth quarter of 2023, the Company's External Auditors, KPMG PLT, presented its 2023 Audit Planning Memorandum which outlined its engagement team, audit timeline and areas of audit emphasis for the AC's review.

As part of the AC's review processes, the AC has obtained assurance from KPMG PLT, confirming that they are and have been independent throughout the conduct of the audit in accordance with the terms of relevant professional and regulatory requirements.

Based on the AC's assessment of the External Auditors, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the External Auditors in carrying out the annual audit for the FYE2023. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 8th AGM.

Internal Audit Function

The Group has an in-house internal audit department, which is augmented with outsourced Internal Auditors for specialised expertise in selected areas. The internal audit function is independent of the activities or operations of the other operating units in the Group. The internal audit function adopts a risk-based audit approach when executing each audit assignment which is carried out in accordance with the annual audit plan. The annual audit plan covers the major subsidiaries of the Group. The internal audit function provides the AC and the Board with assurance regarding the adequacy and integrity of the systems of risk, governance and internal controls.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. Audit Committee (cont'd)

Internal Audit Function (cont'd)

The AC is responsible for assisting the Board in ensuring the adequacy and effectiveness of internal controls. The system of internal control and risk management in place during 2023, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments and the interests of all stakeholders.

The composition, attendance for meetings and summary of key activities of the AC, as well as the activities of the External Auditors and Internal Auditors of the Company during the financial year under review are further detailed in the *AC Report* on pages 76-79 of this IAR 2023.

II. Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policies and overseeing the Company's strategic risk management and internal control framework to achieve its objective within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The Group has put in place an ERM Framework which comprises the following elements:

- Provide guiding principles and approach towards risk management;
- Process of identification, assessment, evaluation and management of the various principal risks which affect the Group's business;
- Creation of a risk-awareness culture and risk ownership for more effective management of risks;
- Regular review, track and report on key risks identified and corresponding mitigation procedures; and
- Regular reviewing of the effectiveness of the system of internal control.

The framework is applied to determine, evaluate and manage principal risks of the Group. This is complemented by the system of internal control that is integrated into the Group's operations and processes.

The Board through the RMC, which comprises a majority of Independent Non-Executive Directors who reports to the Board on a quarterly basis, reviews the key risks identified to ensure proper management and mitigation of risks.

The RMC reviews the Group's risk management framework and risk tolerance for the enterprise risks. Using qualitative and quantitative measures, risks are calibrated so that balanced control processes are matched against the strategic objectives of each business unit. The Board, with the assistance of the RMC and AC, undertakes periodic reviews and a formal annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems.

A risk-based audit approach is implemented to ensure that higher risk activities in each auditable area are audited more frequently. This is designed to evaluate and enhance risk management, control and governance processes to assist the Management in achieving its corporate goals. The audits further help to ensure that appropriate instituted controls are in place and effectively applied, and risk exposures are mitigated to an acceptable level in accordance with the Group's risk management policy.

The details of the Group's Risk Management and Internal Control Framework are set out in the *Statement on Risk Management and Internal Control* on pages 82 to 85 of this IAR 2023.

Corporate Governance Overview Statement

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

I. Communications with Stakeholders

The Company recognises the importance of stakeholders' engagement leading to the long-term sustainability of its businesses. The Company is mindful of its obligations to provide material information in a fair and organised manner and on a timely basis to its shareholders. The Company strives to ensure regular, effective and fair communication with its shareholders, and be as descriptive, detailed and forthcoming as possible in disclosing the information and to inform shareholders of changes in the Company or its business which would likely materially affect the price or value of the Company's shares. Price sensitive information, quarterly and full year results announcements are always released through the Bursa Malaysia on a timely basis for dissemination to shareholders and the public in accordance with the requirements of the MMLR of Bursa Malaysia.

The Board places importance in ensuring disclosures made to shareholders and investors are accurate, clear, timely and comprehensive as they are critical towards building and maintaining corporate credibility and confidence. As such, the Board has adopted a Corporate Disclosure Policy and Procedures setting out the policies and procedures for the disclosure of material information of the Group. The said Policy and Procedures applies to all Directors, Management and employees of the Group.

The Group's investor relations activities are aimed at developing and maintaining a positive relationship with analysts, current and potential shareholders through active two-way communication. The Company's website contains dedicated sections on corporate information and financial information which are available for public access at www.pressmetal.com.

II. Conduct of General Meetings

The AGM is the principal forum for dialogue and interaction with shareholders. It provides the opportunity for shareholders to raise questions relating to the proposed resolutions as well as the Group's business operations and affairs.

The Notice of AGM is circulated at least twenty-eight (28) days before the date of meeting to ensure that shareholders are given sufficient time to read and consider the resolutions to be resolved. Notice of the 7th AGM was issued to shareholders on 28 April 2023, being more than 28 days in advance of the scheduled AGM which was held on 14 June 2023.

The 7th AGM of the Company held on 14 June 2023 was conducted virtually through live streaming from the broadcast venue. Shareholders and proxies participated at the 7th AGM remotely using the Remote Participation and Voting ("RPV") facilities without the need to be physically present at the meeting venue.

To support meaningful engagement, the virtual AGM was aimed to provide shareholders with a similar level of participation as compared to a physical AGM. In the conduct of virtual AGM, shareholders were encouraged to participate, speak and vote remotely using the RPV facilities. Shareholders who were unable to attend were allowed to appoint their own proxy(ies) or appoint the Chairman as their proxy to attend and vote on their behalf.

To encourage engagement between the Directors and shareholders, shareholders and proxies were invited to submit questions before the AGM to Tricor Investor & Issuing House Services Sdn. Bhd.'s ("Tricor") TIIH Online website at <https://tiih.online> in relation to the agenda items for the 7th AGM. Shareholders and proxies were also given the opportunity to raise questions and seek clarifications by submitting their questions to the Query Box via the RPV facilities during the conduct of the 7th AGM. The Chairman of the Board or the Meeting ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given. The Administrative Details for the 7th AGM was circulated to all shareholders and made available at Bursa Malaysia's and Company's website, detailing the procedures to register, participate and vote remotely at the 7th AGM.

During the 7th AGM, the Group CEO presented to shareholders on various topics, including the Group's FYE2022 financial and business performance. All questions raised by the Minority Shareholder Watch Group ("MSWG") and shareholders or proxies prior to and during the meeting as well as the Group's response to the same were shared to the meeting during the virtual 7th AGM. Subsequent to the 7th AGM, these Questions and Answers were published on the Company's corporate website.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Conduct of General Meetings (cont'd)

The Board encourages shareholders' active participation at the Company's AGM and endeavours to ensure all Board members, the Company's Key Operating Management and the Company's External Auditors are in attendance to respond to shareholders' queries. Where it is not possible to provide immediate answers to shareholders' queries, the Board will undertake to provide the answers after the AGM. All the Directors were in attendance during the 7th AGM via remote participation with other participants including External Auditors.

In compliance with the MMLR of Bursa Malaysia, all resolutions set out in the Notice of the 7th AGM were voted by poll via RPV facilities. The Company also appointed an independent scrutineer to validate the votes cast before the poll results were announced by the Chairman of the meeting. The outcome of all resolutions proposed at the 7th AGM was announced to Bursa Malaysia on the even date.

The minutes of the 7th AGM detailing the meeting proceedings, including issues and concerns raised by MSWG and shareholders together with the responses from the Company, was published on the Company's corporate website within 30 business days after the conclusion of the 7th AGM.

FOCUS AREAS ON CORPORATE GOVERNANCE

The Board shall continue to strive for high standards of corporate governance throughout the Group. The Board takes cognisance of the sustainability disclosures requirement under the MMLR of Bursa Malaysia in relation to the Enhanced Sustainability Reporting Framework and will continue to work towards complying with the same.

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 are drawn up in accordance with the applicable Financial Reporting Standards in Malaysia and the requirements of the Companies Act 2016. The Board is also responsible for ensuring that the annual audited financial statements of the Group are prepared with reasonable accuracy from the accounting records of the Group to give a true and fair view of the financial position of the Group as of 31 December 2023 and of their financial performance and cash flows for the year then ended, and that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are satisfied that the Group has selected and consistently applied suitable accounting policies and made reasonable and prudent judgements and estimates.

The Board is of the opinion that the financial statements have been prepared in accordance with all relevant approved financial reporting standards and have been prepared on a going concern basis.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Islamic Medium Term Notes Programme of up to RM5.0 billion in Nominal Value based on the Shariah Principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah”) (“Sukuk Programme”)

The Company had on 17 October 2019, made its first issuance of Sukuk Wakalah under the Sukuk Programme. The first issuance of Sukuk Wakalah was for the aggregate nominal value of RM1.0 billion with tenures of 5 years, 7 years and 10 years.

On 17 August 2020, the Company made its second issuance of Sukuk Wakalah under the Sukuk Programme. The second issuance of Sukuk Wakalah was for a nominal value of RM700.0 million with a tenure of 5 years.

On 7 December 2021, the Company made its third issuance of Sukuk Wakalah under the Sukuk Programme. The third issuance of Sukuk Wakalah was for a nominal value of RM600.0 million with tenures of 6 years and 7 years.

On 18 September 2023, the Company made its fourth issuance of Sukuk Wakalah under the Sukuk Programme. The fourth issuance of Sukuk Wakalah was for a nominal value of RM500.0 million with tenures of 5 years and 7 years.

The net proceeds from the Sukuk Wakalah have been utilised for general corporate purposes, including capital expenditure, working capital requirements, investments and refinancing of existing financing/ borrowings.

2. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2023, the amount of audit and non-audit fees paid by the Company and the Group to the External Auditors, KPMG PLT and two (2) firms affiliated with KPMG PLT are as follows:

	Company (RM'000)	Group (RM'000)
Audit services rendered	325	1,687
Non-audit services rendered	22	572
Total	347	2,259

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors, Chief Executive and major shareholders' interest which were still subsisting as at the end of the financial year ended 31 December 2023 or which were entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

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 2023 are stated in Sections 2.3 and 2.4 of the Circular to Shareholders dated 30 April 2024 and Note 31 of the Financial Statements.

AUDIT COMMITTEE REPORT

The primary function of the Audit Committee (“AC”) is to assist the Board in fulfilling its fiduciary duties as well as provide oversight on the integrity of the Group’s financial reporting and its audit processes. The Board of the Company is pleased to present the following Audit Committee Report which illustrates the insights as to the manner in which the AC has discharged their duties and responsibilities during the FYE2023. This report is prepared in compliance with Paragraph 15.15 of the MMLR of Bursa Malaysia.

COMPOSITION

The AC comprises four (4) members, all of whom are Independent Non-Executive Directors. This meets the requirements of Paragraph 15.09(1)(a) and (b) of the MMLR of Bursa Malaysia.

The current composition of the AC is as follows:

Name	Membership	Designation	Date of appointment
Lim Hun Soon @ David Lim	Chairman	Independent Non-Executive Director	18 August 2020
Noor Alina Binti Mohamad Faiz	Member	Independent Non-Executive Director	18 October 2016
Susan Yuen Su Min	Member	Independent Non-Executive Director	16 July 2021
Chong Kin Leong	Member	Independent Non-Executive Director	1 October 2021

Serving as the Chairman of the AC, Mr. Lim Hun Soon @ David Lim is a member of the Malaysian Institute of Accountants (“MIA”) and the Malaysian Institute of Certified Public Accountants (“MICPA”). He is also a member of the Chartered Institute of Taxation, United Kingdom and a member of The Institute of Chartered Accountants in England and Wales. Mr. Chong Kin Leong, a member of the AC, is also a member of the MIA and MICPA. The AC meets the requirements of Paragraph 15.09(1) (c)(i) of the MMLR of Bursa Malaysia and the Step-Up Practice 9.4 of the MCCG 2021 by being comprised exclusively of Independent Directors.

MEETINGS

The AC conducted five (5) meetings during the FYE2023. Details of attendance of the AC members at the AC meetings during the FYE2023 are as follows:

Name of AC Members	No. of AC Meetings Attended	Percentage of Attendance
Lim Hun Soon @ David Lim (Chairman)	5/5	100%
Noor Alina Binti Mohamad Faiz	5/5	100%
Susan Yuen Su Min	5/5	100%
Chong Kin Leong	5/5	100%

The Group Chief Financial Officer, External Auditors, Internal Auditors (both from the in-house internal audit team and professional firm providing outsourced internal audit services) together with the relevant personnel from Management were invited to attend AC meetings to present their reports and provide updates and developments on issues arising from the audit reports. The AC Chairman thereafter reported the AC’s recommendations to the Board for their consideration. He also updated the Board on significant matters discussed during the AC meetings. During the scheduled meetings, the members of the AC also had two (2) private sessions with the Internal Auditors and two (2) private sessions with the External Auditors without the presence of the Management.

Discussions and deliberation at the AC meetings were recorded in the minutes of the AC meetings. Minutes of the AC meetings were tabled to the Board after they are confirmed at each subsequent AC meeting.

In all AC meetings, the Group Chief Financial Officer was present to report on the results of the Group as well as to answer questions posed by the AC in relation to financial matters and the results.

Audit Committee Report

TERM OF OFFICE AND PERFORMANCE

In order to assess the term of office of the AC members and performance of the AC in accordance with Paragraph 15.20 of the MMLR of Bursa Malaysia, each of the AC member has performed the annual self and peer evaluation assessment and the results were tabled to the Nomination and Corporate Governance Committee (“NCGC”) for review and discussion at the NCGC meeting held on 8 February 2024, prior to presenting the summary reports to the Board for evaluation at the Board meeting held on 28 February 2024. The NCGC and the Board were satisfied with the overall performance of the AC as a whole and the performance of the AC members and confirmed that they have carried out their duties and responsibilities effectively in accordance with the Terms of Reference of the AC.

TERMS OF REFERENCE

The Terms of Reference (“TOR”) of the AC, covering its scope of duties and responsibilities, authority and other relevant matters, is made available on the Company’s website at www.pressmetal.com.

The TOR of the AC was reviewed and revised and subsequently approved by the Board in August 2023.

SUMMARY OF THE ACTIVITIES OF AC

AC meetings together with the tentative agendas are scheduled in advance of any new financial year to allow the AC members to plan ahead and incorporate the year’s meetings into their respective schedules. The agenda and meeting papers are distributed to the AC members via a secured board portal platform, which eases the process of distribution of meeting papers and minimises leakage of sensitive information, as well as enabling the AC members to have access to the papers electronically, anytime and anywhere. This practice also ensures consistency with the Board’s and Company’s commitment to sustainable practices. All proceedings of the AC meetings are duly recorded in the minutes and are properly kept by the Company Secretary.

The main activities carried out by the AC during FYE2023 were summarised as follow:

(1) Financial Reporting

- (a) The AC reviewed and ensured that the unaudited quarterly financial results of the Group complied with the Malaysian Financial Reporting Standards (“MFRS”) and Appendix 9B of the MMLR of Bursa Malaysia. They reviewed and discussed the unaudited quarterly financial results of the Group with the Management and the External Auditors (where applicable) at the scheduled quarterly AC meetings and recommended the same to the Board for consideration and approval before releasing to Bursa Malaysia.
- (b) Reviewed the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2022 before recommending to the Board for consideration and approval.

The review focused primarily on:

- major judgmental areas, significant and unusual events;
 - significant adjustments resulting from audit; and
 - the going concern assumptions.
- (c) Reviewed and made the recommendation to the Board in respect of the proposed dividend after reviewing and considering the solvency test presented.
 - (d) Reviewed the debtors ageing listing with explanation if overdue.

Audit Committee Report

SUMMARY OF THE ACTIVITIES OF AC (CONT'D)

(2) External Audit

- (a) Reviewed, discussed and approved the External Auditor's terms of engagement, audit planning memorandum of the Group, including the scope of work of the External Auditors to ensure it adequately covers the activities of the Group for the FYE2023 at the meeting held on 27 November 2023.
- (b) Reviewed with the External Auditors the results of the audit, the relevant audit reports and Management Letters together with the Management's responses and comments to the findings.
- (c) Carried out annual assessment on the performance, suitability, capabilities and independence of the External Auditors based on amongst others, the External Auditors' competency and audit independence, objectivity and professional scepticism before recommending to the Board their re-appointment and remuneration. The AC also considered the External Auditors' Transparency Report in the review.

To ensure that the External Auditors' independence is not impaired, the Audit Engagement Partner in charge of the Company is changed every seven (7) years and is required to observe a cooling-off period of five (5) years before being re-appointed, which is in line with the recommendation by the MIA. Internally, the External Auditors conduct an Independent Partner Review in order to preserve their independence. The External Auditors had also provided written assurance to the AC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement.

- (d) Had private sessions with the External Auditors during the financial year, i.e., on 23 February 2023 and 27 November 2023 respectively without the presence of any executive Board members and Management to ensure there were no restrictions on their scope of audit and to discuss any matters that the External Auditors did not wish to raise in the presence of the Management. During the private sessions with the External Auditors, it was noted that there were no major concerns from the External Auditors and they had been receiving full cooperation from the Management during their course of audit.
- (e) Reviewed the audit and non-audit fees and recommended to the Board for approval. The AC also reviewed the list of services of which are considered non-assurance services; not prohibited by the MIA By-Laws and IESBA Code of Ethics and will not create a threat to the External Auditors' independence as auditor, which were pre-approved by the AC.
- (f) At the meeting held on 23 February 2024, the AC reviewed and discussed with the External Auditors the status of the audit for the FYE2023 including the issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their report to the AC.
- (g) Reviewed and assessed audit focus areas on hedge effectiveness of commodity and foreign exchange hedges conducted by the External Auditor.

(3) Internal Audit (both in-house and outsourced)

- (a) At the meeting held on 23 February 2023, the AC reviewed the adequacy of the scope, functions, competency and resources of the internal audit function to ensure its effectiveness and efficiency.
- (b) Reviewed and approved the Internal Audit Plan for 2023 to ensure adequate scope and comprehensive coverage over the activities of the Company and the Group, sufficient resources requirements as well as budget of in-house Internal Audit Department to carry out its functions.
- (c) Reviewed and discussed the findings on the internal audit reports which were tabled during the year, the audit recommendations made, as well as the Management's response to these recommendations and the implementation of the agreed action plan on a quarterly basis.
- (d) Reviewed the progress updates on the follow-up audit review of the previous internal audit reports and monitored the implementation of mitigating actions taken by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed.

Audit Committee Report

SUMMARY OF THE ACTIVITIES OF AC (CONT'D)

(3) Internal Audit (both in-house and outsourced) (cont'd)

- (e) Met with the outsourced Internal Auditors on 26 May 2023 and in-house Internal Auditors on 26 May 2023, 25 August 2023 and 27 November 2023 respectively, all of which without the presence of any executive Board members and the Management for discussion on internal audit related matters.

(4) Related Party Transactions

- (a) Reviewed and considered any related party transactions ("RPTs"), conflict of interest and potential conflict of interest situations that may arise within the Company or the Group, including any transactions, procedure or course of conduct that may raise questions of Management integrity or impartiality.
- (b) Reviewed the RPTs and recurrent RPTs ("RRPTs") on a quarterly basis to ensure that the transactions entered into were at arm's length basis and on normal commercial terms and not detrimental to the interests of the minority and non-interested shareholders of the Company.
- (c) Reviewed the Circular to Shareholders in respect of the RRPTs prior to recommending for the Board's approval on 19 April 2023 to seek shareholders' mandate at the Annual General Meeting of the Company.

(5) Corporate Governance and Regulatory Compliance

- (a) Reported to and updated the Board on significant issues and concerns discussed during the AC meetings and where appropriate, made the necessary recommendation to the Board.
- (b) Reviewed the AC Report, Statement on Risk Management and Internal Control (particularly items related to internal controls), Additional Compliance Information and Directors' Responsibility Statement in respect of the Audited Financial Statements, prior to recommending for Board's approval and inclusion in the Company's Annual Report.
- (c) Conducted a self-assessment exercise to evaluate their own effectiveness in discharging their duties and responsibilities.
- (d) Reviewed the revised Terms of Reference of AC, Anti-Bribery and Anti-Corruption Policy and Related Party Transaction Policy prior to recommending for Board's approval.
- (e) Reviewed and recommended to the Board the adoption of the Conflict of Interest Policy together with the various policies which stipulate the framework and appropriate control and measures for management of conflicts and Non-Assurance Services Pre-Approval Policy.
- (f) Reviewed the internal controls for hedging and Information Technology with the assistance of the External Auditors.
- (g) Approved the appointment of the new in-house Head of Internal Audit.

INTERNAL AUDIT FUNCTION

The primary role of the internal audit function is to undertake regular and systematic review of the systems of internal control so as to provide sufficient assurance that the Group has a sound system of internal control and that established policies and procedures are adhered to.

A risk-based audit approach is implemented to ensure that higher risk activities in each auditable area are audited more frequently. This is designed to evaluate and enhance risk management, control and governance processes to assist the Management in achieving its corporate goals. The audits further help to ensure that appropriate instituted controls are in place and effectively applied, and risk exposures are mitigated to an acceptable level in accordance with the Group's risk management policy.

Audit Committee Report

INTERNAL AUDIT FUNCTION (CONT'D)

The Group has an in-house Internal Audit Department (“Group Internal Audit”) which provides the internal audit function to the Group. The Group Internal Audit is additionally supported by a professional firm providing specific outsourced internal audit services, namely Baker Tilly Monteiro Heng Governance Sdn. Bhd. (“BTMHG”) who conducted the independent internal audit review on the RPTs of the Group. Both Group Internal Audit and BTMHG report directly to the AC and have affirmed to the AC that they are free from any relationships or conflicts of interest in respect of the Group or the Company which could impair their objectivity and independence.

The Company has put in place internal controls, guidelines and procedures to ensure that RPTs and RRPTs are entered into on normal commercial terms and on terms which are not more favourable than those generally available to third parties dealing on arms’ length basis and are not detrimental to the minority shareholders of the Company. During the FYE2023, the Group Internal Audit developed an audit plan using risk-based approach and carried out the assignments according to the audit plan for the year. The Group Internal Audit performed operational audits on business units of the Group to ascertain the adequacy of the internal control systems and made recommendations for improvement where weaknesses exist in accordance with the Internal Audit Plan approved by the AC. The auditable entities and business processes are as follows:

Name of entity	Auditable areas
Press Metal Aluminium Holdings Berhad	<ul style="list-style-type: none"> • Currency Hedging Management • Anti-Bribery and Anti-Corruption (“ABAC”) Management
Press Metal Bintulu Sdn. Bhd.	<ul style="list-style-type: none"> • Environmental, Health and Safety (“EHS”) Management • Waste Management • Workshop Management • Anode Rodding Management • Quality Control Management • ABAC Management • Purchasing Management • Pot Tending Machine Management • Equipment Spare Part Warehouse (“ESPW”) Management • Overhead Crane (“OHC”) Management • Water Distribution Section Management • Fabrication Management
Press Metal Sarawak Sdn. Bhd.	<ul style="list-style-type: none"> • Electrolysis Management • Electrolysis Support Management • Power Distribution Management • Anode Rodding Management • Anode Repair Management • Quality Control Management • EHS Management • Waste Management • Accounting and Finance Management • ABAC Management • Purchasing Management • ESPW Management • OHC Management • Water Distribution Section Management • Fabrication Management
PMB Aluminium Sdn. Bhd.	<ul style="list-style-type: none"> • EHS Management • Waste Management • ABAC Management
Press Metal Aluminium Rods Sdn. Bhd.	<ul style="list-style-type: none"> • Production Management • Inventory Management • Quality Control Management • ABAC Management

Audit Committee Report

INTERNAL AUDIT FUNCTION (CONT'D)

Name of entity	Auditable areas
PMB Aluminium Sabah Sdn. Bhd.	<ul style="list-style-type: none"> • Sales and Marketing Management • Human Resource Management • Inventory Management • ABAC Management
PMB Eastern Sdn. Bhd.	<ul style="list-style-type: none"> • ABAC Management
PMB Northern Sdn. Bhd.	<ul style="list-style-type: none"> • ABAC Management
Press Metal International Limited	<ul style="list-style-type: none"> • Information Technology Management • Human Resource Management • Extrusion Management • Credit Risk Control Management
Press Metal International Technology Ltd.	<ul style="list-style-type: none"> • Information Technology Management • Quality Management • Human Resource Management • Facility and Maintenance Management
PMB Central Sdn. Bhd.	<ul style="list-style-type: none"> • ABAC Management

The internal audit function evaluated the adequacy and effectiveness of key controls in response to risks within the Group's governance, operations and information systems. The areas evaluated included the following:

- Relevancy, reliability, integrity, accuracy, completeness and timeliness of financial and operational information of the Group;
- Adequacy of controls to safeguard the Group's assets;
- Adequacy and effectiveness of the Group's system of internal controls;
- Compliance with policies, procedures, rules, regulations, guidelines, directives and laws by the Group;
- Integrity of risks measurement, adequacy of control and reporting systems and compliance with approved risk management policies and procedures;
- Nature of the RPTs, conflict of interest and potential conflict of interest situations that could raise questions of management integrity;
- Adequacy and effectiveness of the Group's system in assessing its capital in relation to its estimate of risks; and
- Effectiveness of Information System ("IS") in supporting the business activities and the adequacy of controls over IS management, systems development and programming, computer operations and security and data integrity.

The internal audit function worked collaboratively with the ERM function to review and assess the adequacy and effectiveness of the risk management processes within the Group.

Findings from the internal audit reviews, including the recommended corrective actions, were discussed with the Management and the relevant head of departments prior to being presented to AC at their scheduled meetings on a quarterly basis.

During the year under review, the in-house Internal Auditors also conducted follow-up reviews of audit findings to ensure that corrective actions have been implemented in a timely manner.

The total cost incurred for the internal audit function of the Group for the FYE2023 was RM1,339,000 (FYE2022: RM1,089,000).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”), 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 maintaining both a sound system of risk management and internal control and the proper management of risks throughout the operations of the Group. The Board acknowledges that it is ultimately responsible for the Group’s system of internal control including the establishment of an appropriate control environment and framework, which encompass financial, operational and compliance controls, and risk management.

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

The Board believes the risk management and internal control system in place are adequate and effective to manage the risk of the Group. In view of the limitations inherent in any process, the Group has established a system of internal control and risk management designed to mitigate the risks that may impede the Group from achieving its objectives. As risks cannot be eliminated completely, the system can only provide reasonable, but not absolute assurance against material misstatements, losses or occurrences of unforeseeable circumstances.

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT FRAMEWORK

The Board delegates the responsibility of monitoring the system of risk management and internal control to the Risk Management Committee (“RMC”) and Audit Committee (“AC”). Notwithstanding the delegated responsibilities, the Board retains its overall responsibility in the establishment and oversight of the Group’s risk management framework and internal control system. The Board recognises that the internal control system are designed to manage and minimise rather than eliminate and avoid occurrences of material misstatements or unforeseen circumstances, fraud or losses.

This statement does not deal with the associates and joint operation of the Group. Assessments on the adequacy, efficiency and effectiveness of the internal control of the associates and joint operation are performed under the purview of their respective established governing procedures.

Risk Management Committee

The RMC was established to assist the Board in providing oversight, direction and counsel on the overall risk management process, establishing and reviewing the risk management framework, process and responsibilities as well as assessing whether they provide reasonable assurance that risks are managed within tolerable limits.

The specific duties of the RMC are as follows:

1. Review the adequacy of the scope, function, authority and resources of the Risk Management Department;
2. Provide oversight, direction and counsel to the risk management process to ensure that appropriate risk management policies, framework and processes are implemented;
3. Review the Group’s risk profile and ensure that potential significant risks, including ESG risks that are outside tolerable ranges are addressed with appropriate and effective preventive and mitigation actions;
4. Monitor and evaluate the risk profile and risk appetite of the Group;
5. Review and monitor the integration of ESG risks into the Group’s risk management framework; and
6. Conduct periodic review of the Group’s Risk Management Policy and Framework.

Statement on Risk Management and Internal Control

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT FRAMEWORK (CONT'D)

Risk Management Committee (cont'd)

The RMC holds quarterly meetings to review the key risks and, at the same time, ensure that mitigation plans are in place to manage such risks. The adequacy and effectiveness of the controls and the robustness of the mitigation actions are also addressed.

The Group recognises the importance of the identification and assessment of ESG and climate-related risks and has included them as part of the Enterprise Risk Management process. This is to strengthen the resilience of the Group in achieving its long-term business objectives amidst the challenges associated with climate change. The inclusion of climate-related risks is also in line with the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD"). The Sustainability Committee reports to the RMC on sustainability risks as a coordinated approach for the Company's long-term sustainability plan.

The Company has a Risk Management Policy which guides the overall best practice of identifying, evaluating, managing, reporting and monitoring the evolving risks faced by the Group and specific measures to mitigate these risks. The emphasis is to effectively reduce the impact of risks, respond to immediate risk events and recover from any material business disruption to ensure continuity and sustainability of key business activities and achievement of business objectives.

Risk Management Department

The Risk Management Department ("RMD") assists the Board and RMC in discharging their risk management responsibilities. RMD is structured to provide adequate support to the Head Office and Business Units with regard to risk management implementation and monitoring. The RMD is mainly responsible for the following:

1. Outlining the strategic framework to guide the priorities and direction of the Group's risk management activities;
2. Developing the appropriate risk management guidelines;
3. Monitoring risk exposure and tolerance limits across the Group;
4. Providing the necessary guidance and support for the risk management activities of the Group; and
5. Assessing the effectiveness of the preventive and mitigating controls implemented.

The RMD continuously enhances the risk reports with guidance from the RMC members. The Risk Dashboard and Key Risk Indicators are tools that assist the Management and Board members in focusing on the Group key risks.

Audit Committee

For the current year, both the outsourced internal auditors and in-house internal auditors assisted the AC to fulfill its responsibilities by conducting internal audits in accordance with audit plans reviewed and approved by the AC. A risk-based approach is adopted via the development of internal audit policies, establishment of annual audit plans, audit work processes and audit work reporting.

The AC reviewed the adequacy of the scope, functions, competency and resources of the internal audit function to ascertain its effectiveness in discharging duties assigned. The details on the Internal Audit function are further explained on page 79 to 81 of this IAR 2023.

During the year, the outsourced internal auditors conducted four (4) audits covering one (1) business function and the in-house internal auditors conducted twenty-three (23) audits covering thirty (30) business functions. The internal auditors also conducted follow up reviews on the implementation status of action plans previously agreed by Management.

The results of the internal audits and recommendations for improvement co-developed with Management were tabled at the AC meetings for discussion and assessment. Key and significant issues were reported to the Board by the Chairman of the AC for further deliberation.

Statement on Risk Management and Internal Control

WEAKNESSES

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- A management structure with job descriptions and defined lines of responsibilities is in place for all business operating units;
- Six (6) of its subsidiaries have the following accreditation for their operational processes:

PMB Aluminium Sdn. Bhd.	<ul style="list-style-type: none"> • ISO 9001:2015 on Quality Management Systems • ISO 14001:2015 on Environmental Management Systems • ISO 45001:2018 on Occupational Health and Safety Management Systems
Press Metal International Limited	<ul style="list-style-type: none"> • ISO 9001:2015 on Quality Management Systems • ISO 14001:2015 on Environmental Management Systems • ISO 45001:2018 on Occupational Health and Safety Management Systems • ISO 50001:2018 on Energy Management Systems • IATF 16949:2016 on Automotive Quality Management Systems
Press Metal Sarawak Sdn. Bhd.	<ul style="list-style-type: none"> • ISO 9001:2015 on Quality Management Systems • ISO 14001:2015 on Environmental Management Systems • ISO 45001:2018 on Occupational Health and Safety Management Systems • ISO 50001:2018 on Energy Management Systems
Press Metal Bintulu Sdn. Bhd.	<ul style="list-style-type: none"> • ISO 9001:2015 on Quality Management Systems • ISO 14001:2015 on Environmental Management Systems • ISO 45001:2018 on Occupational Health and Safety Management Systems • ISO 50001:2018 on Energy Management Systems
Press Metal International Technology Ltd.	<ul style="list-style-type: none"> • ISO 9001:2015 on Quality Management Systems • ISO 14001:2015 on Environmental Management Systems • ISO 45001:2018 on Occupational Health and Safety Management Systems • IATF 16949:2016 on Automotive Quality Management Systems
Press Metal Aluminium Rods Sdn. Bhd.	<ul style="list-style-type: none"> • ISO 9001:2015 on Quality Management Systems • ISO 14001:2015 on Environmental Management Systems • ISO 45001:2018 on Occupational Health and Safety Management Systems

- Review of all proposals for material capital and investment acquisitions by Management prior to the review and approval by the Board;
- Management meeting is conducted on a monthly basis for all business unit heads to present business performance results as well as key performance indicators, such as product sales analysis and operating cost analysis and highlight significant matters. These performance reports are benchmarked against budget;
- Quarterly review and approval of the Group's financial results by the AC and Board;
- The Group performs an annual budgeting and forecasting exercise. A comprehensive operating capital expenditure requirement is tabled to the Board for approval at the commencement of a new financial year;
- Periodic visits to business operating units by Board members and the management team;
- Quarterly review of the Group's related party transactions by the AC;
- Clearly documented policies including the Code of Conduct, Code of Ethics, Whistle-Blowing Policy, ABAC Policy which serves as primary guidance on the ethical and behavioural conduct of the Group; and
- Clearly defined Terms of Reference, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination and Corporate Governance Committee, Remuneration Committee, Sustainability Committee and Investment Committee.

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

Statement on Risk Management and Internal Control

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

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

For the financial year under review, the Board believes that there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in this Integrated Annual Report. The Board is of the view that the existing system of risk management and internal controls is considered appropriate and adequate to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

Nevertheless, the Board acknowledges that the Group's system of risk management and internal control practices must evolve on an ongoing basis in order to meet the ever changing and challenging business environment. In this respect, the Board will continuously assess and enhance the Group's risk management and internal controls system.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Integrated Annual Report of the Group for the year ended 31 December 2023 and reported to the Board that nothing has *come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group*, in all material respects:

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

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