



# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

For the year ended 31 December 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

### RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	1,215,268	625,331
Non-controlling interests	302,724	-
	1,517,992	625,331

### RESERVES AND PROVISIONS

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

### DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 31 December 2022 as reported in the Directors' Report of that year, a fourth interim ordinary dividend of 1.75 sen per ordinary share totalling RM144,193,000 declared on 24 February 2023 and paid on 31 March 2023.
- ii) In respect of the financial year ended 31 December 2023:
  - a first interim ordinary dividend of 1.75 sen per ordinary share totalling RM144,193,000 declared on 30 May 2023 and paid on 30 June 2023.
  - a second interim ordinary dividend of 1.75 sen per ordinary share totalling RM144,193,000 declared on 29 August 2023 and paid on 29 September 2023.
  - a third interim ordinary dividend of 1.75 sen per ordinary share totalling RM144,193,000 declared on 28 November 2023 and paid on 29 December 2023.

Subsequent to the end of the current financial year, the Directors declared a fourth interim ordinary dividend of 1.75 sen per ordinary share totalling RM144,193,000 on 28 February 2024 in respect of the financial year ended 31 December 2023, which was paid on 29 March 2024.

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

## Directors' Report

For the year ended 31 December 2023

### DIRECTORS OF THE COMPANY

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

Datuk Yvonne Chia P.M.W. (Yau Ah Lan @ Fara Yvonne)  
 Tan Sri Dato' Koon Poh Keong  
 Koon Poh Ming  
 Dato' Koon Poh Tat  
 Koon Poh Kong  
 Koon Poh Weng  
 Lim Hun Soon @ David Lim  
 Noor Alina Binti Mohamad Faiz  
 Susan Yuen Su Min  
 Chong Kin Leong  
 John Koon Tzer Lim (Alternate to Koon Poh Ming) (appointed on 15 June 2023)

### DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	At 1.1.2023	Bought/ Transferred	Sold/ Transferred	At 31.12.2023
Interests in the Company:				
Datuk Yvonne Chia P.M.W. (Yau Ah Lan @ Fara Yvonne)	50,000	50,000	-	100,000
Tan Sri Dato' Koon Poh Keong				
- own	231,535,022	-	(6,000,000)	225,535,022
- spouse	22,161,145	-	-	22,161,145
Koon Poh Ming				
- own	518,864,516	-	(6,000,000)	512,864,516
- spouse	100,920,000	-	-	100,920,000
Dato' Koon Poh Tat				
- own	224,378,760	-	(2,000,000)	222,378,760
- spouse	8,528,604	-	-	8,528,604
Koon Poh Kong				
- own	116,501,372	-	(11,000,000)	105,501,372
- spouse	1,960,240	-	-	1,960,240
- children	28,100,000	6,000,000	-	34,100,000
Koon Poh Weng				
- own	330,975,136	-	(10,000,000)	320,975,136
- spouse	149,212,160	-	-	149,212,160
- children	109,760	-	-	109,760

## Directors' Report

For the year ended 31 December 2023

## DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of ordinary shares			
	At 1.1.2023	Bought/ Transferred	Sold/ Transferred	At 31.12.2023
Interests in the Company (cont'd):				
Susan Yuen Su Min				
- own	-	2,000	-	2,000
Deemed interests in the Company:				
Tan Sri Dato' Koon Poh Keong*	2,806,676,677	-	(21,000,000)	2,785,676,677
Koon Poh Ming**	30,000,000	-	-	30,000,000
Koon Poh Kong***	30,000,000	-	-	30,000,000

\* Deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd, by virtue of Paul Koon Pte. Ltd's 100% direct equity interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn. Bhd.

\*\* Deemed interested by virtue of the Director's interests in 7G Holdings Pte. Ltd.

\*\*\* Deemed interested by virtue of the Director's interests in TK Capital Investment Ltd.

In accordance with the Companies Act, the interests and deemed interests of the spouses and children of the Directors in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall also be treated as the interests of the Directors.

By virtue of their interests in the shares of the Company, Tan Sri Dato' Koon Poh Keong, Dato' Koon Poh Tat, Koon Poh Ming, Koon Poh Kong and Koon Poh Weng are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Press Metal Aluminium Holdings Berhad has an interest.

None of the other Directors holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2023 are as follows:

	From the Company RM'000	From the subsidiary companies RM'000
Directors of the Company:		
Fees	1,007	-
Remuneration	11,460	1,168
<b>Total short-term employee benefits</b>	<b>12,467</b>	<b>1,168</b>

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

## Directors' Report

For the year ended 31 December 2023

### ISSUE OF SHARES AND DEBENTURES

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

There were no debentures issued during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

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

### INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity sum insured and premium paid for Directors and officers of the Company are RM30,000,000 and RM142,000 respectively. This sum exclude coverage for the auditors of the Company.

### OTHER STATUTORY INFORMATION

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

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

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

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

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

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

## Directors' Report

For the year ended 31 December 2023

**OTHER STATUTORY INFORMATION (CONT'D)**

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**SIGNIFICANT EVENTS**

The significant events are disclosed in Note 34 to the financial statements.

**SUBSEQUENT EVENT**

The subsequent event is disclosed in Note 35 to the financial statements.

**AUDITORS**

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

The auditors' remuneration of the Group and of the Company during the year are as follows:

	Group RM'000	Company RM'000
KPMG PLT	1,587	325
Overseas affiliates of KPMG PLT	100	-
Other auditors	867	-
	2,554	325

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

**Tan Sri Dato' Koon Poh Keong**  
Director

Petaling Jaya, Selangor

Date: 22 April 2024

**Koon Poh Ming**  
Director

## STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Assets</b>					
Property, plant and equipment	3	7,215,832	7,164,885	2,555	31
Right-of-use assets	4	481,563	521,484	-	-
Investment properties	5	49,181	52,805	-	-
Intangible assets	6	67,111	66,907	-	-
Investments in subsidiaries	7	-	-	1,197,234	1,197,234
Investments in associates	8	1,836,390	1,543,596	1,332,267	1,207,691
Other investments	9	1,803	1,803	-	-
Derivative financial assets	10	58,067	391,109	2,036	17,226
Deferred tax assets	11	20,993	715	18,151	-
Trade and other receivables	12	-	-	1,459,776	1,444,633
Prepayments and other assets		5,792	6,829	-	-
<b>Total non-current assets</b>		<b>9,736,732</b>	<b>9,750,133</b>	<b>4,012,019</b>	<b>3,866,815</b>
Inventories	13	2,566,424	2,794,089	-	-
Trade and other receivables	12	1,557,448	1,987,868	1,776,496	1,860,472
Prepayments and other assets		41,228	37,331	-	-
Current tax assets		68,291	18,461	-	-
Derivative financial assets	10	168,341	124,398	-	1,438
Cash and bank balances	14	1,228,008	604,002	173,206	80,351
<b>Total current assets</b>		<b>5,629,740</b>	<b>5,566,149</b>	<b>1,949,702</b>	<b>1,942,261</b>
<b>Total assets</b>		<b>15,366,472</b>	<b>15,316,282</b>	<b>5,961,721</b>	<b>5,809,076</b>
<b>Equity</b>					
Share capital		2,052,744	2,052,744	2,052,744	2,052,744
Reserves		(159,341)	177,542	(283,300)	(219,221)
Retained earnings		5,039,611	4,406,758	420,229	371,670
<b>Equity attributable to owners of the Company</b>	15	<b>6,933,014</b>	<b>6,637,044</b>	<b>2,189,673</b>	<b>2,205,193</b>
<b>Non-controlling interests</b>		<b>1,463,239</b>	<b>1,368,306</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>8,396,253</b>	<b>8,005,350</b>	<b>2,189,673</b>	<b>2,205,193</b>
<b>Liabilities</b>					
Loans and borrowings	16	3,067,950	3,300,985	2,782,154	2,985,471
Lease liabilities		206,242	214,799	-	-
Provisions	17	151,671	170,517	-	-
Deferred tax liabilities	11	487,661	468,350	-	1,428
Derivative financial liabilities	10	299,084	12,214	34,815	2,120
<b>Total non-current liabilities</b>		<b>4,212,608</b>	<b>4,166,865</b>	<b>2,816,969</b>	<b>2,989,019</b>
Loans and borrowings	16	1,330,836	1,553,185	857,413	543,941
Lease liabilities		22,825	24,344	-	-
Provisions	17	10,337	9,416	-	-
Trade and other payables	18	1,248,913	1,344,432	60,953	63,648
Current tax liabilities		4,501	9,947	283	673
Derivative financial liabilities	10	140,199	202,743	36,430	6,602
<b>Total current liabilities</b>		<b>2,757,611</b>	<b>3,144,067</b>	<b>955,079</b>	<b>614,864</b>
<b>Total liabilities</b>		<b>6,970,219</b>	<b>7,310,932</b>	<b>3,772,048</b>	<b>3,603,883</b>
<b>Total equity and liabilities</b>		<b>15,366,472</b>	<b>15,316,282</b>	<b>5,961,721</b>	<b>5,809,076</b>

The notes on pages 222 to 305 are an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	19	13,804,707	15,682,941	772,948	574,794
Cost of sales		(11,510,066)	(12,801,141)	-	-
<b>Gross profit</b>		<b>2,294,641</b>	<b>2,881,800</b>	<b>772,948</b>	<b>574,794</b>
Other income		65,028	64,942	5,339	78,205
Distribution expenses		(314,698)	(526,143)	-	-
Administrative expenses		(286,450)	(310,624)	(58,184)	(45,182)
Net loss on impairment of financial instruments and contract assets		(7,407)	(273)	-	-
Other expenses		(93,943)	(100,210)	(33,379)	(72,986)
<b>Results from operating activities</b>		<b>1,657,171</b>	<b>2,009,492</b>	<b>686,724</b>	<b>534,831</b>
Finance income	20	23,797	9,921	107,409	130,962
Finance costs	21	(242,475)	(241,990)	(165,801)	(138,679)
<b>Net finance costs</b>		<b>(218,678)</b>	<b>(232,069)</b>	<b>(58,392)</b>	<b>(7,717)</b>
Share of profit of equity-accounted associates, net of tax		207,356	174,405	-	-
<b>Profit before tax</b>	22	<b>1,645,849</b>	<b>1,951,828</b>	<b>628,332</b>	<b>527,114</b>
Tax expense	23	(127,857)	(185,287)	(3,001)	(26,086)
<b>Profit for the year</b>		<b>1,517,992</b>	<b>1,766,541</b>	<b>625,331</b>	<b>501,028</b>
<b>Other comprehensive (expense)/income, net of tax</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Cash flow hedge		(450,275)	1,009,225	(64,079)	167
Foreign currency translation differences for foreign operations		33,927	(23,884)	-	-
Share of other comprehensive income of equity-accounted associates		12,112	-	-	-
<b>Other comprehensive (expense)/income for the year, net of tax</b>	24	<b>(404,236)</b>	<b>985,341</b>	<b>(64,079)</b>	<b>167</b>
<b>Total comprehensive income for the year</b>		<b>1,113,756</b>	<b>2,751,882</b>	<b>561,252</b>	<b>501,195</b>
<b>Profit attributable to:</b>					
Owners of the Company		1,215,268	1,406,770	625,331	501,028
Non-controlling interests		302,724	359,771	-	-
<b>Profit for the year</b>		<b>1,517,992</b>	<b>1,766,541</b>	<b>625,331</b>	<b>501,028</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		878,385	2,278,171	561,252	501,195
Non-controlling interests		235,371	473,711	-	-
<b>Total comprehensive income for the year</b>		<b>1,113,756</b>	<b>2,751,882</b>	<b>561,252</b>	<b>501,195</b>
<b>Basic earnings per ordinary share (sen)</b>	25	<b>14.75</b>	17.16		

The notes on pages 222 to 305 are an integral part of these financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

Group	Note	← Attributable to owners of the Company →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Translation reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000			
<b>At 1 January 2022</b>		1,088,487	82,360	(776,219)	3,477,930	3,872,558	1,047,295	4,919,853
Cash flow hedge		-	-	897,271	-	897,271	111,954	1,009,225
Foreign currency translation differences for foreign operations:								
- Losses arising during the year		-	(25,870)	-	-	(25,870)	1,986	(23,884)
Total other comprehensive income for the year		-	(25,870)	897,271	-	871,401	113,940	985,341
Profit for the year		-	-	-	1,406,770	1,406,770	359,771	1,766,541
<b>Total comprehensive income for the year</b>		-	(25,870)	897,271	1,406,770	2,278,171	473,711	2,751,882
<i>Contributions by and distributions to owners of the Group</i>								
Dividends to owners of the Company	26	-	-	-	(492,742)	(492,742)	-	(492,742)
Distribution to NCI in relation to share capital reduction in a subsidiary		-	-	-	-	-	(2,000)	(2,000)
Dividends to non-controlling interests		-	-	-	-	-	(135,900)	(135,900)
Issue of ordinary shares	15	964,257	-	-	-	964,257	-	964,257
Adjustment in purchase consideration on partial disposal of a subsidiary in previous years	7.2	-	-	-	14,800	14,800	(14,800)	-
<b>Total transactions with owners of the Group</b>		964,257	-	-	(477,942)	486,315	(152,700)	333,615
<b>At 31 December 2022</b>		2,052,744	56,490	121,052	4,406,758	6,637,044	1,368,306	8,005,350

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

Group	Note	← Attributable to owners of the Company →				Total RM'000	← Non-distributable → Distributable		Total equity RM'000
		Share capital RM'000	Translation reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000		Non- controlling interests RM'000		
<b>At 1 January 2023</b>		<b>2,052,744</b>	<b>56,490</b>	<b>121,052</b>	<b>4,406,758</b>	<b>6,637,044</b>	<b>1,368,306</b>	<b>8,005,350</b>	
Cash flow hedge		-	-	(376,706)	-	(376,706)	(73,569)	(450,275)	
Foreign currency translation differences for foreign operations:									
- Gains arising during the year		-	27,711	-	-	27,711	6,216	33,927	
Share of other comprehensive income of equity-accounted associates		-	15,719	(3,607)	-	12,112	-	12,112	
Total other comprehensive expense for the year		-	43,430	(380,313)	-	(336,883)	(67,353)	(404,236)	
Profit for the year		-	-	-	1,215,268	1,215,268	302,724	1,517,992	
<b>Total comprehensive income for the year</b>		-	43,430	(380,313)	1,215,268	878,385	235,371	1,113,756	
<i>Contributions by and distributions to owners of the Group</i>									
Dividends to owners of the Company	26	-	-	-	(576,772)	(576,772)	-	(576,772)	
Dividends to non-controlling interests		-	-	-	-	-	(173,100)	(173,100)	
Partial disposal of interest in a subsidiary	32.2	-	-	-	(5,643)	(5,643)	32,662	27,019	
<b>Total transactions with owners of the Group</b>		-	-	-	(582,415)	(582,415)	(140,438)	(722,853)	
<b>At 31 December 2023</b>		<b>2,052,744</b>	<b>99,920</b>	<b>(259,261)</b>	<b>5,039,611</b>	<b>6,933,014</b>	<b>1,463,239</b>	<b>8,396,253</b>	

The notes on pages 222 to 305 are an integral part of these financial statements.

## Statement of Changes in Equity

for the year ended 31 December 2023

Company	Note	← Non-distributable →			Distributable	Total equity RM'000
		Share capital RM'000	Reorganisation reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	
<b>At 1 January 2022</b>		1,088,487	(230,702)	11,314	363,384	1,232,483
Cash flow hedge		-	-	167	-	167
Total other comprehensive income for the year		-	-	167	-	167
Profit for the year		-	-	-	501,028	501,028
<b>Total comprehensive income for the year</b>		-	-	167	501,028	501,195
<i>Contributions by and distributions to owners of the Company</i>						
Dividends to owners of the Company	26	-	-	-	(492,742)	(492,742)
Issue of ordinary shares	15	964,257	-	-	-	964,257
<b>Total transactions with owners of the Company</b>		964,257	-	-	(492,742)	471,515
<b>At 31 December 2022/1 January 2023</b>		<b>2,052,744</b>	<b>(230,702)</b>	<b>11,481</b>	<b>371,670</b>	<b>2,205,193</b>
Cash flow hedge		-	-	(64,079)	-	(64,079)
Total other comprehensive expense for the year		-	-	(64,079)	-	(64,079)
Profit for the year		-	-	-	625,331	625,331
<b>Total comprehensive income for the year</b>		-	-	(64,079)	625,331	561,252
<i>Contributions by and distributions to owners of the Company</i>						
Dividends to owners of the Company	26	-	-	-	(576,772)	(576,772)
<b>Total transactions with owners of the Company</b>		-	-	-	(576,772)	(576,772)
<b>At 31 December 2023</b>		<b>2,052,744</b>	<b>(230,702)</b>	<b>(52,598)</b>	<b>420,229</b>	<b>2,189,673</b>

The notes on pages 222 to 305 are an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

for the year ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from operating activities</b>				
Profit before tax	1,645,849	1,951,828	628,332	527,114
<i>Adjustments for:</i>				
Depreciation of investment properties	1,558	2,141	-	-
Depreciation of property, plant and equipment	654,911	551,384	10	13
Depreciation of right-of-use assets	30,326	30,555	-	-
Dividend income	-	-	(735,870)	(545,748)
Finance costs	242,475	241,990	165,801	138,679
Finance income	(23,797)	(9,921)	(107,409)	(130,962)
Loss on disposal of right-of-use assets	49	-	-	-
Gain on disposal of investment property	(370)	-	-	-
Loss/(Gain) on derecognition of right-of-use assets	905	(60)	-	-
Impairment loss on investment in a subsidiary	-	-	-	7,128
Impairment loss of financial instruments	7,407	273	-	-
Loss/(Gain) on disposal of property, plant and equipment	751	(228)	-	-
Loss on disposal of investment in subsidiaries	1,223	-	-	-
Others	116	110	-	-
Property, plant and equipment written off	20,116	18,035	-	-
Share of profit of equity-accounted associates, net of tax	(207,356)	(174,405)	-	-
Unrealised derivative loss/(gain)	3,717	619	(5,163)	(78,030)
Unrealised foreign exchange (gain)/loss	(8,059)	(927)	31,613	49,264
<b>Operating profit/(loss) before changes in working capital</b>	<b>2,369,821</b>	<b>2,611,394</b>	<b>(22,686)</b>	<b>(32,542)</b>
Change in derivatives	39,688	(56,053)	-	-
Change in inventories	227,665	(60,562)	-	-
Change in trade and other payables and provisions	(70,708)	(43,955)	(36,897)	5,581
Change in trade and other receivables and prepayments	422,302	(233,541)	175,040	(1,306,632)
Change in contract assets	-	115	-	-
Change in contract liabilities	-	(286)	-	-
<b>Cash generated from/(used in) operations</b>	<b>2,988,768</b>	<b>2,217,112</b>	<b>115,457</b>	<b>(1,333,593)</b>
Tax paid	(124,677)	(158,937)	(2,735)	(1,550)
Tax refunded	1,891	-	-	-
<b>Net cash from/(used in) operating activities</b>	<b>2,865,982</b>	<b>2,058,175</b>	<b>112,722</b>	<b>(1,335,143)</b>

## Statements of Cash Flows

for the year ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from investing activities</b>				
Acquisition of a subsidiary, net of cash and cash equivalents acquired (Note 32.1)	-	(4,444)	-	-
Acquisition of property, plant and equipment	(701,625)	(652,092)	(2,534)	-
Acquisition of right-of-use assets	(2,787)	(924)	-	-
Change in pledged deposits	67,707	(128,578)	(622)	(60,249)
Dividends received from subsidiaries	-	-	692,400	543,600
Dividends received from an associate	51,250	4,688	43,470	2,148
Decrease in amounts due from subsidiaries	-	-	13,066	267,732
Increase in investment in an associate	(124,576)	(32,214)	(124,576)	(32,214)
Interest received from Irredeemable Convertible Secured Loan Stocks of an associate	1,765	1,765	1,765	1,765
Interest received from short-term deposits	22,032	8,156	2,046	1,812
Loans to a subsidiary	-	-	(500,000)	-
Proceeds from disposal of property, plant and equipment	2,337	2,651	-	-
Proceeds from disposal of right-of-use assets	591	61	-	-
Proceeds from disposal of investment properties	3,175	3,146	-	-
Proceeds from disposal of investment in subsidiaries	15,086	-	-	-
Proceeds from disposal of interest in a subsidiary	27,019	-	-	-
Repayment of loans to a subsidiary	-	-	484,325	544,826
<b>Net cash (used in)/generated from investing activities</b>	<b>(638,026)</b>	<b>(797,785)</b>	<b>609,340</b>	<b>1,269,420</b>
<b>Cash flows from financing activities</b>				
Increase in amounts due to subsidiaries	-	-	888	7,760
Dividends paid to non-controlling interests of subsidiaries	(173,100)	(135,900)	-	-
Dividends paid to owners of the Company	(576,772)	(492,742)	(576,772)	(492,742)
Drawdown of bank loans	431,094	495,246	124,308	131,700
Drawdown of bankers' acceptances	3,234,410	5,050,895	-	-
Drawdown of revolving credits	489,593	-	-	-
Interest paid in relation to lease liabilities	(9,006)	(9,643)	-	-
Interest paid on loans and borrowings	(233,469)	(232,347)	(132,487)	(121,186)
Proceeds from issuance of shares	-	970,588	-	970,588
Transaction costs paid on issue of shares	-	(6,331)	-	(6,331)
Payment of lease liabilities	(27,617)	(35,046)	-	-
Proceeds from issuance of Islamic Medium-Term Notes	500,000	-	500,000	-
Repayment of bank loans	(827,248)	(820,366)	(545,766)	(422,628)
Repayment of bankers' acceptances	(3,833,298)	(5,902,269)	-	-
Repayment of revolving credits	(511,272)	(145,763)	-	-
<b>Net cash (used in)/from financing activities</b>	<b>(1,536,685)</b>	<b>(1,263,678)</b>	<b>(629,829)</b>	<b>67,161</b>
<b>Net cash flows from/(used in) operating, investing and financing activities</b>	<b>691,271</b>	<b>(3,288)</b>	<b>92,233</b>	<b>1,438</b>
Effect of foreign currency translation differences	(5,408)	2,309	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>685,863</b>	<b>(979)</b>	<b>92,233</b>	<b>1,438</b>
Effect of exchange rate fluctuations on cash held	4,929	15,445	-	-
Cash and cash equivalents at 1 January	449,895	435,429	2,018	580
<b>Cash and cash equivalents at 31 December</b>	<b>1,140,687</b>	<b>449,895</b>	<b>94,251</b>	<b>2,018</b>

## Statements of Cash Flows

for the year ended 31 December 2023

### CASH AND CASH EQUIVALENTS

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

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits	14	250,052	288,177	78,955	78,333
Less: Pledged deposits	14	(78,955)	(146,662)	(78,955)	(78,333)
		171,097	141,515	-	-
Cash and bank balances	14	977,956	315,825	94,251	2,018
Bank overdrafts	16	(8,366)	(7,445)	-	-
		1,140,687	449,895	94,251	2,018

### ACQUISITION OF RIGHT-OF-USE ASSETS

During the financial year ended 31 December 2023, the Group recognised right-of-use assets amounting to RM31,252,000 (2022: RM64,426,000) of which RM2,787,000 (2022: RM924,000) were down payments made in cash.

### CASH OUTFLOWS FOR LEASES AS A LESSEE

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Included in net cash from operating activities:</b>					
Payment relating to short-term leases		18,066	18,671	696	695
<b>Included in net cash from financing activities:</b>					
Interest paid in relation to lease liabilities	21	9,006	9,643	-	-
Payment of lease liabilities		27,617	35,046	-	-
<b>Total cash outflows for leases</b>		<b>54,689</b>	<b>63,360</b>	<b>696</b>	<b>695</b>

## Statements of Cash Flows

for the year ended 31 December 2023

### Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1.1.2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Dividends declared RM'000	Foreign exchange movements RM'000	Other changes RM'000	At 31.12.2022 RM'000
<b>Group</b>							
Bank loans	2,047,067	(325,120)	-	-	(2,550)	10,913	1,730,310
Dividends payable	-	(492,742)	-	492,742	-	-	-
Lease liabilities	214,000	(35,046)	63,502	-	(2,362)	(951)	239,143
Islamic Medium-Term Notes	2,300,000	-	-	-	-	-	2,300,000
Bankers' acceptances	1,457,433	(851,374)	-	-	9,400	-	615,459
Revolving credits	346,719	(145,763)	-	-	-	-	200,956
Total liabilities from financing activities	6,365,219	(1,850,045)	63,502	492,742	4,488	9,962	5,085,868

	At 1.1.2023 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Dividends declared RM'000	Foreign exchange movements RM'000	Other changes RM'000	At 31.12.2023 RM'000
<b>Group</b>							
Bank loans	1,730,310	(396,154)	-	-	2,758	49,970	1,386,884
Dividends payable	-	(576,772)	-	576,772	-	-	-
Lease liabilities	239,143	(27,617)	28,465	-	9,507	(20,431)	229,067
Islamic Medium-Term Notes	2,300,000	500,000	-	-	-	-	2,800,000
Bankers' acceptances	615,459	(598,888)	-	-	2,922	-	19,493
Revolving credits	200,956	(21,679)	-	-	4,766	-	184,043
Total liabilities from financing activities	5,085,868	(1,121,110)	28,465	576,772	19,953	29,539	4,619,487

## Statements of Cash Flows

for the year ended 31 December 2023

### Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	At 1.1.2022 RM'000	Net changes from financing cash flows RM'000	Dividends declared RM'000	Foreign exchange movements RM'000	At 31.12.2022 RM'000
<b>Company</b>					
Amounts due to subsidiaries	10,757	7,760	-	-	18,517
Bank loans	1,470,815	(290,928)	-	49,525	1,229,412
Dividends payable	-	(492,742)	492,742	-	-
Islamic Medium-Term Notes	2,300,000	-	-	-	2,300,000
Total liabilities from financing activities	3,781,572	(775,910)	492,742	49,525	3,547,929

	At 1.1.2023 RM'000	Net changes from financing cash flows RM'000	Dividends declared RM'000	Foreign exchange movements RM'000	At 31.12.2023 RM'000
<b>Company</b>					
Amounts due to subsidiaries	18,517	888	-	-	19,405
Bank loans	1,229,412	(421,458)	-	31,613	839,567
Dividends payable	-	(576,772)	576,772	-	-
Islamic Medium-Term Notes	2,300,000	500,000	-	-	2,800,000
Total liabilities from financing activities	3,547,929	(497,342)	576,772	31,613	3,658,972



## NOTES TO THE FINANCIAL STATEMENTS

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

### Principal place of business

Suite 61 & 62, Setia Avenue  
No. 2, Jalan Setia Prima S U13/S  
Setia Alam, Seksyen U13  
40170 Shah Alam  
Selangor Darul Ehsan

### Registered office

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associates. The financial statements of the Company as at and for the financial year ended 31 December 2023 also include a joint operation.

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 22 April 2024.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

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

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

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

## Notes to the Financial Statements

**1. BASIS OF PREPARATION (CONT'D)****(a) Statement of compliance (cont'd)*****MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

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

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

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

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

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

<b>Items</b>	<b>Measurement bases</b>
Derivative financial instruments	Fair value
Non-derivative financial instruments at FVTPL	Fair value
Debt and equity securities at FVOCI	Fair value
Contingent consideration in a business combination	Fair value

**(c) Functional and presentation currency**

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

**(d) Use of estimates and judgements**

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

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

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

- Note 6 - measurement of the recoverable amounts of cash-generating units
- Note 11 - measurement of deferred tax assets and liabilities
- Note 17 - provisions

## Notes to the Financial Statements

### 2. MATERIAL ACCOUNTING POLICIES

#### 2.1 Global minimum top-up tax

The Group has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure (see note 11).

The temporary mandatory relief applies retrospectively. However, there was no new legislation enacted or substantively enacted to implement the top-up tax on 31 December 2022 in the jurisdictions in which the Group operates. The retrospective application has no impact on the Group's consolidated financial statements.

#### 2.2 Material accounting policy information

The Group also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.



## Notes to the Financial Statements

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Land RM'000	Mine, conveying, refining and port facilities RM'000	Buildings and renovation RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Cost (cont'd)</b>										
At 1 January 2023	28,105	900,296	2,311,167	6,506,917	98,183	129,091	27,726	242,721	125,936	10,370,142
Additions	-	-	60,924	392,966	4,274	6,848	2,324	16,176	215,206	698,718
Borrowing costs capitalised at 3% to 4.89% per annum	-	-	-	-	-	-	-	-	2,907	2,907
Disposals	-	(9,608)	(3,803)	(17,886)	(260)	(1,282)	(23)	-	(109)	(32,971)
Disposal of subsidiaries	-	-	(78,522)	(47,453)	(3,575)	(528)	(10)	-	-	(130,088)
Written off	-	-	-	(43,685)	(1,137)	(2,601)	(365)	(13,458)	(138)	(61,384)
Remeasurement of provision for restoration and rehabilitation (Note 17)	-	(32,730)	-	-	-	-	-	-	-	(32,730)
Transfers	-	17,772	2,276	72,687	825	-	3,216	-	(96,776)	-
Transfer from right-of- use assets (Note 4)	-	-	-	13,965	48	16,017	-	-	-	30,030
Effect of movements in exchange rates	138	67,081	5,866	7,666	773	97	225	5,136	1,934	88,916
At 31 December 2023	28,243	942,811	2,297,908	6,885,177	99,131	147,642	33,093	250,575	248,960	10,933,540



## Notes to the Financial Statements

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Land RM'000	Mine, conveying, refining and port facilities RM'000	Buildings and renovation machinery RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Capital work-in- progress RM'000	Total RM'000
Depreciation and impairment loss (cont'd)										
At 1 January 2023										
Accumulated depreciation	-	136,919	415,772	2,217,512	47,803	91,427	11,273	225,231	-	3,145,937
Accumulated impairment loss	-	-	39,294	17,255	2,633	138	-	-	-	59,320
Depreciation for the year	-	136,919	455,066	2,234,767	50,436	91,565	11,273	225,231	-	3,205,257
Disposals	-	38,056	52,267	528,869	10,005	9,260	2,724	13,730	-	654,911
Disposal of subsidiaries	-	(8,892)	(3,286)	(15,436)	(229)	(2,356)	(21)	-	-	(30,220)
Written off	-	-	(78,522)	(42,517)	(3,586)	(528)	(10)	-	-	(125,163)
Transfer from right-of- use assets (Note 4)	-	-	-	(27,801)	(1,005)	(2,062)	(357)	(10,043)	-	(41,268)
Effect of movements in exchange rates	-	-	-	3,421	25	4,402	-	-	-	7,848
At 31 December 2023	-	33,135	3,342	4,250	491	80	107	4,938	-	46,343
At 31 December 2023	-	199,218	428,867	2,685,553	56,137	100,361	13,716	233,856	-	3,717,708
Carrying amounts										
At 1 January 2022	28,145	820,116	1,825,048	4,190,466	43,966	38,921	13,459	16,527	132,224	7,108,872
At 31 December 2022/ 1 January 2023	28,105	763,377	1,856,101	4,272,150	47,747	37,526	16,453	17,490	125,936	7,164,885
At 31 December 2023	28,243	743,593	1,869,041	4,199,624	42,994	47,281	19,377	16,719	248,960	7,215,832

## Notes to the Financial Statements

**3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Company	Capital work-in-progress RM'000	Office equipment RM'000	Motor vehicle RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2022/31 December 2022/ 1 January 2023	-	38	45	83
Additions	2,431	103	-	2,534
At 31 December 2023	2,431	141	45	2,617
<b>Depreciation</b>				
At 1 January 2022	-	3	36	39
Depreciation for the year	-	9	4	13
At 31 December 2022/1 January 2023	-	12	40	52
Depreciation for the year	-	5	5	10
At 31 December 2023	-	17	45	62
<b>Carrying amounts</b>				
At 1 January 2022	-	35	9	44
At 31 December 2022/1 January 2023	-	26	5	31
At 31 December 2023	2,431	124	-	2,555

**3.1 Security**

At 31 December 2023, property, plant and equipment of the Group with an aggregate carrying amount of RM50,896,000 (2022: RM12,928,000) was pledged as security and as fixed and floating charges to secure bank facilities granted to its subsidiaries (see Note 16).

**3.2 Material accounting policy information****(a) Recognition and measurement**

Freehold land and capital work-in-progress are measured at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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

**(b) Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

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

• mine, conveying, refining and port facilities	4 - 65 years
• buildings and renovation	10 - 50 years
• plant and machinery	5 - 25 years
• office equipment	10 years
• motor vehicles	5 - 10 years
• furniture and fittings	10 years
• moulds and dies	3 - 6 years



## Notes to the Financial Statements

## 4. RIGHT-OF-USE ASSETS

Group	Land RM'000	Buildings RM'000	Plant, machinery, office equipment, and motor vehicles RM'000	Multi-fuel cogeneration facility RM'000	Total RM'000
At 1 January 2022	268,966	15,439	40,528	174,172	499,105
Additions	11,655	12,278	30,431	10,062	64,426
Depreciation	(5,860)	(8,838)	(6,241)	(9,616)	(30,555)
Derecognition*	-	(492)	(399)	-	(891)
Disposals	-	-	(61)	-	(61)
Transfer to property, plant and equipment (Note 3)	-	-	(1,771)	-	(1,771)
Effect of movements in exchange rates	(5,968)	45	(696)	(2,150)	(8,769)
At 31 December 2022/ 1 January 2023	<b>268,793</b>	<b>18,432</b>	<b>61,791</b>	<b>172,468</b>	<b>521,484</b>
Additions	177	24,176	6,899	-	31,252
Depreciation	(6,208)	(10,011)	(4,588)	(9,519)	(30,326)
Derecognition*	-	(32)	(21,304)	-	(21,336)
Disposals	-	-	(640)	-	(640)
Disposal of subsidiaries	(7,782)	-	-	-	(7,782)
Transfer to property, plant and equipment (Note 3)	-	-	(22,182)	-	(22,182)
Effect of movements in exchange rates	2,932	902	202	7,057	11,093
At 31 December 2023	<b>257,912</b>	<b>33,467</b>	<b>20,178</b>	<b>170,006</b>	<b>481,563</b>

\* Derecognition of the right-of-use assets was a result of early termination of certain lease arrangements.

The Group leases a number of properties, machinery and facility that run between 1 year and 25 years and in some cases, with an option to renew the lease after that date.

## 4.1 Extension options

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

The extension options of all leases are currently included in the lease term as the Group assessed that it is reasonably certain to exercise the extension options, which is supported by the high historical rate of extensions exercised by the Group. Hence, as at 31 December 2023 and 31 December 2022, there were no potential future lease payments not included in lease liabilities.

## Notes to the Financial Statements

**4. RIGHT-OF-USE ASSETS (CONT'D)****4.2 Judgements and assumptions in relation to leases**

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

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

**4.3 Material accounting policy information****(a) Lease and non-lease components**

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

**(b) Recognition exemption**

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

## Notes to the Financial Statements

## 5. INVESTMENT PROPERTIES

	Group RM'000
<b>Cost</b>	
At 1 January 2022	75,745
Disposal	(3,528)
Effect of movements in exchange rates	(1,743)
At 31 December 2022/1 January 2023	<b>70,474</b>
Disposal	<b>(3,252)</b>
Effect of movements in exchange rates	<b>1,054</b>
At 31 December 2023	<b>68,276</b>
<b>Depreciation and impairment loss</b>	
At 1 January 2022	
Accumulated depreciation	16,219
Accumulated impairment loss	200
	16,419
Depreciation for the year	2,141
Disposal	(382)
Effect of movements in exchange rates	(509)
At 31 December 2022/1 January 2023	
Accumulated depreciation	<b>17,469</b>
Accumulated impairment loss	<b>200</b>
	<b>17,669</b>
Depreciation for the year	<b>1,558</b>
Disposal	<b>(447)</b>
Effect of movements in exchange rates	<b>315</b>
At 31 December 2023	
Accumulated depreciation	<b>18,895</b>
Accumulated impairment loss	<b>200</b>
	<b>19,095</b>
<b>Carrying amounts</b>	
At 1 January 2022	59,326
At 31 December 2022/1 January 2023	52,805
At 31 December 2023	<b>49,181</b>

## Notes to the Financial Statements

**5. INVESTMENT PROPERTIES (CONT'D)**

	Group	
	2023	2022
	RM'000	RM'000
Included in the above are:		
Land owned	-	180
Land leased	<b>33,520</b>	33,840
Buildings	<b>15,661</b>	18,785
	<b>49,181</b>	52,805

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

Investment properties of the Group amounting to RM4,967,000 (2022: RM5,080,000) have been charged to secure banking facilities granted to the Group (see Note 16).

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

	Group	
	2023	2022
	RM'000	RM'000
Lease income	<b>2,262</b>	2,491
Direct operating expenses:		
- income generating investment properties	<b>(1,552)</b>	(2,053)
- non-income generating investment properties	<b>(406)</b>	(438)

**Fair value information**

Fair value of investment properties is categorised as follows:

	Group	
	2023	2022
	RM'000	RM'000
<b>Level 3</b>		
Land	<b>104,460</b>	89,764
Buildings	<b>20,616</b>	25,869
	<b>125,076</b>	115,633

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

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

**5.1 Material accounting policy information**

Investment properties are initially and subsequently measured at cost and are accounted for similarly to property, plant and equipment.

## Notes to the Financial Statements

## 6. INTANGIBLE ASSETS

Group	Goodwill RM'000	Others RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2022	67,285	659	67,944
Acquisition through business combination (Note 32.1)	3,687	-	3,687
Effect of movements in exchange rates	(176)	(9)	(185)
At 31 December 2022/1 January 2023	<b>70,796</b>	<b>650</b>	<b>71,446</b>
Effect of movements in exchange rates	<b>314</b>	<b>32</b>	<b>346</b>
At 31 December 2023	<b>71,110</b>	<b>682</b>	<b>71,792</b>
<b>Amortisation and impairment loss</b>			
At 1 January 2022			
Accumulated amortisation	-	307	307
Accumulated impairment loss	4,131	-	4,131
	4,131	307	4,438
Amortisation for the year	-	101	101
At 31 December 2022/1 January 2023			
Accumulated amortisation	-	408	408
Accumulated impairment loss	4,131	-	4,131
	4,131	408	4,539
Amortisation for the year	-	116	116
Effect of movements in exchange rates	-	26	26
At 31 December 2023			
Accumulated amortisation	-	550	550
Accumulated impairment loss	4,131	-	4,131
	4,131	550	4,681
<b>Carrying amounts</b>			
At 1 January 2022	63,154	352	63,506
At 31 December 2022/1 January 2023	66,665	242	66,907
At 31 December 2023	<b>66,979</b>	<b>132</b>	<b>67,111</b>

## Notes to the Financial Statements

**6. INTANGIBLE ASSETS (CONT'D)****6.1 Impairment testing for cash-generating units containing goodwill**

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

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

	Group	
	2023 RM'000	2022 RM'000
Press Metal International Limited	9,219	9,219
Press Metal Aluminium Rods Sdn. Bhd.	28,628	28,628
Japan Alumina Associates (Australia) Pty. Ltd.	7,991	7,677
PMB Central Sdn. Bhd.	6,763	6,763
	<b>52,601</b>	52,287
Multiple units without significant goodwill	<b>14,378</b>	14,378
	<b>66,979</b>	66,665

The recoverable amount of each unit was based on its value in use.

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

- Cash flows were projected based on past experience, actual operating results and a 5-year business plan. A terminal growth rate of 2% (2022: 2%) was then applied. Management believes that this terminal growth rate was justified due to the long-term nature of the aluminium business.
- The anticipated annual revenue growth included in the cash flow projections was between 1% to 3% (2022: 1% to 3%), which is lower than the average growth rate experienced in the past 3 years.
- The aluminium price was assumed to be similar to the average prices for the current financial year.
- Cost growth, based on past experience, was estimated to be between 1% to 3% (2022: 1% to 3%), which is in line with revenue growth.
- Pre-tax discount rates of 8% - 10% (2022: 8% - 10%) were applied in determining the recoverable amount of the units. The discount rates were estimated based on an industry weighted average cost of capital.

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

The above estimates are not particularly sensitive in any areas.

**6.2 Material accounting policy information****(a) Recognition and measurement**

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**(b) Amortisation**

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful life for the current and comparative periods for other intangible assets is 7 years.

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES

	Note	Company	
		2023 RM'000	2022 RM'000
Cost of investment		1,946,967	1,946,967
Less: Impairment loss	7.3	(749,733)	(749,733)
		<b>1,197,234</b>	<b>1,197,234</b>

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
<b>Direct subsidiaries of the Company:</b>				
Press Metal Bintulu Sdn. Bhd. ("PMBTU")	Malaysia	Manufacturing and trading of aluminium products and marketing of share of alumina produced	80.0	80.0
Press Metal Sarawak Sdn. Bhd. ("PMS")	Malaysia	Manufacturing and trading of aluminium products	80.0	80.0
Press Metal (Labuan) Ltd. ("PMLL")	Malaysia	Investment holding and to acquire or hold any securities	100.0	100.0
PMIM Extrusion Sdn. Bhd. ("PMIM")	Malaysia	Investment holding	100.0	100.0
Angkasa Jasa Sdn. Bhd. ("AJSB")	Malaysia	Contracting and fabrication of aluminium and stainless steel products	100.0	100.0
Press Metal (HK) Limited ("PMHK")*	Hong Kong	Investment holding	100.0	100.0
<b>Direct subsidiary of PMBTU:</b>				
Press Metal Aluminium Rods Sdn. Bhd. ("PMAR")	Malaysia	Manufacturing and trading of aluminium products	80.0	80.0
<b>Direct subsidiary of PMIM:</b>				
Press Metal Berhad ("PMB")	Malaysia	Manufacturing and trading of aluminium products and investment holding	100.0	100.0
<b>Direct subsidiary of PMHK:</b>				
Press Metal International Limited ("PMI")*#	China	Manufacturing and trading of aluminium products and investment holding	88.3	92.4

## Notes to the Financial Statements

**7. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

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

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
<b>Direct subsidiaries of PMI:</b>				
Press Metal International Technology Ltd. ("PMIT")**	China	Manufacturing and trading of aluminium products	88.3	92.4
Press Metal Precision Technology Co. Ltd. **^	China	Manufacturing and trading of aluminium products	88.3	92.4
Press Metal International (HK) Limited ("PMIHK")**	Hong Kong	Investment holding	88.3	92.4
Foshan Baiwen New Energy Co., Ltd.**	China	Marketing and trading of photovoltaic generation system and supply of electricity	88.3	92.4
<b>Direct subsidiaries of PMIHK:</b>				
Press Metal UK Limited ("PMUK")**	United Kingdom	Marketing of aluminium products	88.3	92.4
PMB Aluminium Sdn. Bhd. ("PMBA")#	Malaysia	Manufacturing and trading of aluminium products and investment holding	88.3	92.4
<b>Direct subsidiaries of PMUK:</b>				
Press Metal Aluminium (Australia) Pty. Ltd.**	Australia	Marketing of aluminium products	88.3	92.4
Press Metal North America Inc.**	United States of America	Marketing of aluminium products	88.3	92.4
<b>Direct subsidiaries of PMBA:</b>				
PMB Central Sdn. Bhd.#	Malaysia	Marketing of gypsum boards, aluminium extrusion and other related products	88.3	92.4
PMB Northern Sdn. Bhd.#	Malaysia	Marketing of aluminium and other related products	88.3	92.4
PMB Eastern Sdn. Bhd.#	Malaysia	Marketing of gypsum boards and other related products	88.3	92.4
PMB Aluminium Sabah Sdn. Bhd.#	Malaysia	Marketing of all types of aluminium sections, gypsum boards and other related products	88.3	92.4



## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
<b>Direct subsidiaries of PMB:</b>				
PMB Development Sdn. Bhd. and its subsidiary,	Malaysia	Dormant	100.0	100.0
PMB Spectrum Sdn. Bhd. ("PMBS")	Malaysia	Under Members' Voluntary winding up	60.0	60.0
Wesama Sdn. Bhd. and its subsidiary,	Malaysia	Investment holding	100.0	100.0
Ace Extrusion Sdn. Bhd.	Malaysia	Dormant	100.0	100.0
PT Press Metal Indonesia*	Indonesia	Dormant	100.0	100.0
Hubei Press Metal Huasheng Aluminium & Electric Co. Ltd. ("PMH") * <sup>@</sup> and its subsidiary,	China	Investment holding	-	100.0
Press Metal International (Hubei) Ltd. ("PMIH") * <sup>@</sup>	China	Dormant	-	100.0

\* Not audited by KPMG PLT.

# In December 2023, the Group, via its wholly-owned subsidiary, Press Metal (HK) Limited disposed 4.1% equity interest in a subsidiary, Press Metal International Limited ("PMI") to third parties for a total cash consideration of RMB41,345,000 (equivalent to approximately RM27,019,000), decreasing its ownership in PMI and its direct subsidiaries ("collectively known as PMI subgroup") from 92.4% to 88.3%.

<sup>@</sup> In July 2023, the Group, via its wholly-owned subsidiary, Press Metal Berhad, disposed 100% equity interest in a subsidiary, Hubei Press Metal Huasheng Aluminium & Electric Co. Ltd ("PMH") to a third party for a total cash consideration of RMB23,635,176 (equivalent to approximately RM15,086,000), effectively losing ownership in PMH and its direct subsidiary ("collectively known as PMH subgroup").

<sup>^</sup> The subsidiary was formerly known as Press Metal Glomag Precision Technology Co. Ltd.

## Notes to the Financial Statements

**7. INVESTMENTS IN SUBSIDIARIES (CONT'D)****7.1 Non-controlling interests in subsidiaries**

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	2023			Other subsidiaries with immaterial NCI	Total
	Press Metal Sarawak Sdn. Bhd. RM'000	Press Metal Bintulu Sdn. Bhd. RM'000	Press Metal International Limited RM'000		
NCI percentage of ownership interest and voting interest	20.0%	20.0%	11.7%		
Carrying amount of NCI	252,085	1,104,543	67,655	38,956	1,463,239
Profit allocated to NCI	19,178	269,091	1,752	12,703	302,724
<b>Summarised financial information before intra-group elimination</b>					
<b>As at 31 December</b>					
Non-current assets	640,206	6,453,829	626,889		
Current assets	854,023	4,302,735	461,607		
Non-current liabilities	(102,166)	(2,184,125)	(71,614)		
Current liabilities	(131,639)	(3,049,725)	(440,116)		
Net assets	1,260,424	5,522,714	576,766		
<b>Year ended 31 December</b>					
Revenue	1,353,450	10,366,544	872,059		
Profit for the year	95,891	1,345,457	14,935		
Total comprehensive income	59,023	1,100,173	-		
Cash flows from operating activities	126,713	2,861,699	95,793		
Cash flows from investing activities	(27,341)	(493,731)	(129,021)		
Cash flows from financing activities	(73,017)	(1,887,471)	43,349		
Net increase in cash and cash equivalents	26,355	480,497	10,121		
Dividends paid to NCI	14,200	158,900	-		

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

## 7.1 Non-controlling interests in subsidiaries (cont'd)

	2022				Total RM'000
	Press Metal Sarawak Sdn. Bhd. RM'000	Press Metal Bintulu Sdn. Bhd. RM'000	Press Metal International Limited RM'000	Other subsidiaries with immaterial NCI RM'000	
NCI percentage of ownership interest and voting interest	20.0%	20.0%	7.6%		
Carrying amount of NCI	254,480	1,055,675	39,777	18,374	1,368,306
Profit allocated to NCI	28,377	319,600	13	11,781	359,771
<b>Summarised financial information before intra-group elimination</b>					
<b>As at 31 December</b>					
Non-current assets	694,055	6,778,049	510,075		
Current assets	827,130	4,700,572	479,028		
Non-current liabilities	(104,397)	(2,333,709)	(68,575)		
Current liabilities	(144,387)	(3,866,536)	(398,518)		
Net assets	1,272,401	5,278,376	522,010		
<b>Year ended 31 December</b>					
Revenue	1,575,236	11,701,668	986,130		
Profit for the year	141,885	1,597,999	169		
Total comprehensive income	161,030	1,598,536	-		
Cash flows from operating activities	242,492	2,760,929	182,248		
Cash flows from investing activities	(34,780)	(467,214)	(66,519)		
Cash flows from financing activities	(214,359)	(2,394,937)	(116,040)		
Net decrease in cash and cash equivalents	(6,647)	(101,222)	(311)		
Dividends paid to NCI	15,100	120,800	-		

## Notes to the Financial Statements

**7. INVESTMENTS IN SUBSIDIARIES (CONT'D)****7.2 Transactions with non-controlling interests**

In April 2014, the Group disposed 20% of its equity interest in PMBTU to the existing non-controlling interests holder ("NCI") for a cash consideration of RM522,699,000. A gain on partial disposal amounting to RM405,962,000 was recognised in equity as the change in ownership interest did not result in a loss of control to the Group.

During the previous financial year, both parties had agreed to further settlements on the previous cash consideration as follows:

**2022**

The NCI was not entitled to a preference dividend declared and paid to Press Metal Berhad ("PMB"), the former holding company of PMBTU amounted to RM74,000,000, which resulted in a dilution of its interest in PMBTU by RM14,800,000.

**7.3 Impairment loss**

During the previous financial year, decline in business activities of a subsidiary caused the Company to assess the recoverable amount of investment in the subsidiary. The Company has estimated the recoverable amount of the investment in the subsidiary to be lower than its carrying amount. Arising from the above, an impairment loss of RM7,128,000 was recognised in profit or loss.

The recoverable value of the investment in the subsidiary was based on the estimated value in use, determined by discounting future cash flows to be generated from the subsidiary.

**7.4 Material accounting policy information**

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

## Notes to the Financial Statements

## 8. INVESTMENTS IN ASSOCIATES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Investments in:					
- Quoted shares	8.1	<b>102,870</b>	44,026	<b>102,870</b>	44,026
- Irredeemable convertible unsecured loan stocks ("ICULS") together with free detachable warrants	8.1	-	58,844	-	58,844
- Unquoted shares		<b>1,261,837</b>	1,137,261	<b>1,229,397</b>	1,104,821
Share of post-acquisition reserves		<b>471,683</b>	303,465	-	-
Group's share of net assets		<b>1,836,390</b>	1,543,596	<b>1,332,267</b>	1,207,691
Level 1 fair value of quoted instruments:					
- Quoted shares		<b>1,049,223</b>	947,091	<b>1,049,223</b>	947,091
- ICULS		-	376,074	-	376,074

## 8.1 ICULS together with free detachable warrants

## 2018

In June 2018, the Company subscribed in full its 27.72% entitlement on the Rights Issue of ICULS together with free detachable warrants issued by PMB Technology Berhad ("PMBT") for a total cash consideration of RM58,844,000.

The salient features of the ICULS together with free detachable warrants were as follows:

- i) The ICULS would be maturing in 2023 and the coupon rate for the ICULS was 3% per annum;
- ii) The ICULS had a nominal value of RM2.74 each and was convertible to ordinary shares of PMBT at a price of RM2.74 per share;
- iii) The ICULS had a conversion ratio of 1:1, convertible any time from the date of issuance up to the maturity date. Any ICULS not converted by maturity date would be mandatorily converted to ordinary shares of PMBT upon maturity; and
- iv) The exercise price of the warrants was RM3.01, exercisable from the date of issuance up to market day falling immediately before the fifth anniversary of the date of the issuance of the warrants.

The Directors had assessed that the ICULS together with free detachable warrants form part of the investment in PMBT as they gave current access to the returns associated with the associate.

## 2022

In July 2022, 53,689,895 warrants were exercised by the Company at the price of RM0.60. This had resulted in an increase of the investments in PMBT by RM32,214,000.

## 2023

During the current financial year, all 108,969,010 ICULS were converted by the Company to ordinary shares at a price of RM2.74 per share. There are no changes to the equity investment in PMBT.

## Notes to the Financial Statements

**8. INVESTMENTS IN ASSOCIATES (CONT'D)****8.2 Security**

At 31 December 2023, 3,856,033 shares (2022: 3,452,783 shares) of PT Bintan Alumina Indonesia (“PT BAI”) with cost of investment of RM1,229,397,000 (2022: RM1,104,822,000) were pledged as security to secure bank facilities granted to the Company (see Note 16).

**8.3 Material accounting policy information**

Investments in associates are measured in the Company’s statement of financial position at cost less any impairment losses.

Details of the material associates are as follows:

Name of entity	Principal place of Business/ Country of Incorporation	Nature of the relationship	Effective ownership interest and voting interest	
			2023 %	2022 %
PMB Technology Berhad (“PMBT”)	Malaysia	Trading of aluminium products with the Group	<b>24</b>	22
Shandong Sunstone & PMB Carbon Ltd., Co. (“Sunstone”)	China	Manufacturing of pre-baked carbon anodes for consumption of the Group	<b>20</b>	20
PT Bintan Alumina Indonesia (“PT BAI”)	Indonesia	Manufacturing of alumina for consumption of the Group	<b>25</b>	25

## Notes to the Financial Statements

## 8. INVESTMENTS IN ASSOCIATES (CONT'D)

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the summarised financial information to the carrying amount of the Group's interest in the associates.

	2023			Total RM'000
	PMBT RM'000	Sunstone RM'000	PT BAI RM'000	
<b>Summarised financial information</b>				
<b>As at 31 December</b>				
Non-current assets	1,324,242	347,336	4,481,163	
Current assets	789,286	396,134	2,128,687	
Non-current liabilities	(390,250)	(18,408)	(1,089)	
Current liabilities	(768,567)	(441,185)	(352,253)	
Net assets	954,711	(283,877)	6,256,508	
<b>Year ended 31 December</b>				
Total profit/(loss) for the year	45,161	(31,072)	871,843	
Total other comprehensive (expense)/income for the year	(10,134)	-	62,876	
<b>Included in the total comprehensive income is:</b>				
Revenue	989,589	974,108	2,989,353	
<b>Reconciliation of net assets to carrying amount as at 31 December</b>				
Group's share of net assets	228,840	56,775	1,564,127	
Elimination of unrealised profit	(4,242)	(2,015)	(15,719)	
Others	(20,714)	-	29,338	
Carrying amount in the statement of financial position	203,884	54,760	1,577,746	1,836,390
<b>Group's share of results for the year ended 31 December</b>				
Group's share of profit	10,366	(5,252)	202,242	207,356
Group's share of other comprehensive income	(3,607)	-	15,719	12,112
<b>Other information</b>				
Dividends received by the Group	-	7,780	43,470	51,250

## Notes to the Financial Statements

## 8. INVESTMENTS IN ASSOCIATES (CONT'D)

	2022			Total RM'000
	PMBT RM'000	Sunstone RM'000	PT BAI RM'000	
<b>Summarised financial information</b>				
<b>As at 31 December</b>				
Non-current assets	1,006,566	355,370	4,024,680	
Current assets	714,734	698,490	1,686,963	
Non-current liabilities	(259,036)	(84,396)	(1,660)	
Current liabilities	(547,009)	(613,610)	(548,767)	
Net assets	915,255	355,854	5,161,216	
<b>Year ended 31 December</b>				
Total profit and other comprehensive income for the year	118,198	79,765	543,504	
<b>Included in the total comprehensive income is:</b>				
Revenue	1,182,214	1,367,208	2,053,757	
<b>Reconciliation of net assets to carrying amount as at 31 December</b>				
Group's share of net assets	199,526	71,171	1,290,304	
Elimination of unrealised profits	(2,401)	(3,379)	(11,625)	
Carrying amount in the statement of financial position	197,125	67,792	1,278,679	1,543,596
<b>Group's share of results for the year ended 31 December</b>				
Group's share of profit and other comprehensive income	22,616	15,913	135,876	174,405
<b>Other information</b>				
Dividends received by the Group	2,148	2,540	-	4,688

## 9. OTHER INVESTMENTS

	Group	
	2023 RM'000	2022 RM'000
<b>Non-current</b>		
Unquoted shares		
Fair value through profit or loss	1,803	1,803



## Notes to the Financial Statements

## 10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Nominal value RM'000	Assets RM'000	Liabilities RM'000
<b>Group</b>			
<b>2023</b>			
<b>Non-current</b>			
Commodity swaps and options	2,241,123	21,062	(75,291)
Forward exchange contracts	12,318,977	34,760	(162,371)
Cross currency swaps	1,835,000	2,245	(61,422)
	<b>16,395,100</b>	<b>58,067</b>	<b>(299,084)</b>
<b>Current</b>			
Commodity swaps and options	1,826,766	155,270	(15,659)
Forward exchange contracts	4,211,929	13,071	(88,110)
Cross currency swaps	550,000	-	(36,430)
	<b>6,588,695</b>	<b>168,341</b>	<b>(140,199)</b>
Derivatives held for trading at fair value through profit or loss	77,209	302	(907)
Derivatives used for hedging	22,906,586	226,106	(438,376)
	<b>22,983,795</b>	<b>226,408</b>	<b>(439,283)</b>
<b>2022</b>			
<b>Non-current</b>			
Commodity swaps and options	1,065,941	40,496	(7,570)
Forward exchange contracts	11,552,613	318,187	(2,524)
Cross currency swaps	2,300,000	32,426	(2,120)
	<b>14,918,554</b>	<b>391,109</b>	<b>(12,214)</b>
<b>Current</b>			
Commodity swaps and options	4,991,977	85,249	(151,854)
Forward exchange contracts	3,302,504	39,149	(39,358)
Cross currency swaps	250,000	-	(11,531)
	<b>8,544,481</b>	<b>124,398</b>	<b>(202,743)</b>
Derivatives held for trading at fair value through profit or loss	146,079	3,183	(343)
Derivatives used for hedging	23,316,956	512,324	(214,614)
	<b>23,463,035</b>	<b>515,507</b>	<b>(214,957)</b>

## Notes to the Financial Statements

## 10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONT'D)

	Nominal value RM'000	Assets RM'000	Liabilities RM'000
<b>Company</b>			
<b>2023</b>			
<b>Non-current</b>			
Cross currency swaps	950,000	2,036	(34,815)
<b>Current</b>			
Cross currency swaps	550,000	-	(36,430)
Derivatives used for hedging	1,500,000	2,036	(71,245)
<b>2022</b>			
<b>Non-current</b>			
Cross currency swaps	1,500,000	17,226	(2,120)
<b>Current</b>			
Commodity swaps and options	397,734	1,438	(6,602)
Derivatives held for trading at fair value through profit or loss	397,734	1,438	(6,602)
Derivatives used for hedging	1,500,000	17,226	(2,120)
	1,897,734	18,664	(8,722)

Commodity swaps and options are used to lock in aluminium prices for future sales while forward exchange contracts are used to manage the foreign currency exposures arising from the monetary assets and liabilities denominated in currencies other than the functional currencies of Group entities. Some of the derivative contracts have maturities of more than five years after the end of the reporting period. Where necessary, the derivatives are rolled over at maturity.

The Group and the Company also entered into cross currency swaps to swap their RM denominated loan to USD. The swap was performed to manage the Group's exposure to USD and RM within the Group's policy.

## Notes to the Financial Statements

**11. DEFERRED TAX ASSETS/(LIABILITIES)**

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Group</b>						
Property, plant and equipment	32	95	(511,419)	(460,299)	(511,387)	(460,204)
Right-of-use assets	-	-	(64,700)	(54,678)	(64,700)	(54,678)
Lease liabilities	69,894	55,502	-	-	69,894	55,502
Provisions	55,886	60,691	-	-	55,886	60,691
Capital allowance carry-forwards	407	232	-	-	407	232
Unutilised tax losses	3,509	-	-	-	3,509	-
Investment tax allowance carry-forwards	487	-	-	-	487	-
Derivatives	31,706	65	(891)	(39,351)	30,815	(39,286)
Other items	315	-	(51,894)	(29,892)	(51,579)	(29,892)
Tax assets/(liabilities)	162,236	116,585	(628,904)	(584,220)	(466,668)	(467,635)
Set off of tax	(141,243)	(115,870)	141,243	115,870	-	-
Net tax assets/(liabilities)	20,993	715	(487,661)	(468,350)	(466,668)	(467,635)
<b>Company</b>						
Provisions	1,509	929	-	-	1,509	929
Derivatives	16,610	-	-	(2,386)	16,610	(2,386)
Other items	32	29	-	-	32	29
Tax assets/(liabilities)	18,151	958	-	(2,386)	18,151	(1,428)
Set off of tax	-	(958)	-	958	-	-
Net tax assets/(liabilities)	18,151	-	-	(1,428)	18,151	(1,428)

## Notes to the Financial Statements

## 11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

## Movement in temporary differences during the year

	At 1.1.2022		Recognised in profit or loss (Note 23)		Recognised in other comprehensive income (expense)/in rates		Effect of exchange movements in rates		At 31.12.2023	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
Property, plant and equipment	(427,184)	(33,929)	-	909	(460,204)	(46,773)	-	(4,410)	(511,387)	
Right-of-use assets	(53,398)	(1,280)	-	-	(54,678)	(7,905)	-	(2,117)	(64,700)	
Lease liabilities	56,628	(1,126)	-	-	55,502	11,919	-	2,473	69,894	
Provisions	59,213	1,478	-	-	60,691	(7,370)	-	2,565	55,886	
Capital allowance carry-forwards	86	146	-	-	232	175	-	-	407	
Unutilised tax losses	-	-	-	-	-	3,494	-	15	3,509	
Investment tax allowance carry-forwards	58	(58)	-	-	-	-	-	-	-	
Reinvestment tax allowance carry-forwards	-	-	-	-	-	487	-	-	487	
Derivatives	16,601	(1,167)	(54,720)	-	(39,286)	6,094	64,007	-	30,815	
Other items	(631)	(29,261)	-	-	(29,892)	(21,238)	-	(449)	(51,579)	
	(348,627)	(65,197)	(54,720)	909	(467,635)	(61,117)	64,007	(1,923)	(466,668)	
<b>Company</b>										
Provisions	633	296	-	-	929	580	-	-	1,509	
Derivatives	21,507	(23,840)	(53)	-	(2,386)	(1,239)	20,235	-	16,610	
Other items	31	(2)	-	-	29	3	-	-	32	
	22,171	(23,546)	(53)	-	(1,428)	(656)	20,235	-	18,151	

## Notes to the Financial Statements

**11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

Estimation uncertainty and significant judgements

In October 2013, PMBTU was awarded Pioneer Status by the Malaysian Investment Development Authority (“MIDA”), which entitled PMBTU exemption from tax for a period of 15 years from 1 January 2013 to 31 December 2027 on 100% of statutory income derived from the production of aluminium products.

The measurement of the net deferred tax liabilities of PMBTU amounting to RM305,008,000 (2022: RM270,700,000) is based on the assumptions below:

- (i) PMBTU will continuously achieve the conditions imposed in the MIDA’s approval to enjoy the Pioneer Status till the maturity on 31 December 2027;
- (ii) there will not be any substantial changes to the estimated useful lives of the property, plant and equipment of PMBTU nor will there be any significant disposals/write-off of existing property, plant and equipment up to 31 December 2027; and
- (iii) there will not be any substantial changes to the currently enacted tax rates.

**Unrecognised deferred tax assets**

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

	Group	
	2023 RM'000	2022 RM'000
Tax loss carry-forwards	386,622	363,980
Capital allowance carry-forwards	523	367
	<b>387,145</b>	<b>364,347</b>

Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which these assets can be utilised. The tax loss carry-forwards of Group entities (other than foreign subsidiaries) of RM386,622,000 (2022: RM302,078,000) can be carried forward up to 10 consecutive years of assessment (“YA”) following the enactment of the Finance Act 2022 from the YAs as shown below:

	Group	
	2023 RM'000	2022 RM'000
YA2018 and prior YAs	4,728	4,728
YA2021	80,509	83,896
YA2022	222,228	213,454
YA2023	79,157	-
	<b>386,622</b>	<b>302,078</b>

The other deductible temporary differences do not expire under current tax legislation.

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

## Notes to the Financial Statements

**11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)****11.1 Global minimum top-up tax**

As at 31 December 2023, the governments of the United Kingdom (“UK”) and Malaysia (“MY”) have both enacted new legislation, respectively, to implement the global minimum top-up tax. The Group expects to be subjected to the top-up tax in relation to its operations in both UK and MY. However, since the newly enacted tax legislation in UK and MY will only come into effect in year 2024 and 2025, respectively.

Based on the initial assessment carried out as at 31 December 2023, the Group has identified potential exposure to Pillar Two income taxes on its operating arm where effective tax rate is lower than 15% arising from its pioneer status.

There is no current tax impact for the financial year ended 31 December 2023. Had the global minimum top-up tax been applied in the current financial year, approximately 89% of the profit before tax of the Group will be subject to this minimum top-up tax.

**11.2 Temporary mandatory relief from deferred tax accounting**

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

**12. TRADE AND OTHER RECEIVABLES**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Amounts due from subsidiaries	12.1	-	-	-	88
Loans to a subsidiary	12.1	-	-	<b>1,459,776</b>	1,444,545
		-	-	<b>1,459,776</b>	1,444,633
<b>Current</b>					
<b>Trade</b>					
Trade receivables from contracts with customers		<b>1,326,625</b>	1,563,082	-	-
Less: Individual impairment allowance		<b>(14,563)</b>	(10,601)	-	-
		<b>1,312,062</b>	1,552,481	-	-
Amounts due from subsidiaries	12.1	-	-	<b>1,386,663</b>	1,458,160
Amount due from an associate	12.1	<b>13,745</b>	11,529	-	-
		<b>1,325,807</b>	1,564,010	<b>1,386,663</b>	1,458,160
<b>Non-trade</b>					
Amounts due from subsidiaries	12.1	-	-	<b>80,470</b>	93,536
Loans to a subsidiary	12.1	-	-	<b>309,182</b>	308,650
Other receivables	12.2	<b>226,250</b>	414,229	-	-
Deposits		<b>5,391</b>	9,629	<b>181</b>	126
		<b>231,641</b>	423,858	<b>389,833</b>	402,312
		<b>1,557,448</b>	1,987,868	<b>1,776,496</b>	1,860,472
		<b>1,557,448</b>	1,987,868	<b>3,236,272</b>	3,305,105

## Notes to the Financial Statements

**12. TRADE AND OTHER RECEIVABLES (CONT'D)****12.1 Related party balances**

The non-current non-trade balances due from subsidiaries are unsecured, interest free and are unlikely to be realised within twelve months after the end of the reporting period.

Loans to a subsidiary are unsecured, subject to interest ranging from 3.0% to 5.0% (2022: 3.0% to 5.0%) per annum and repayable from year 2022 to 2029.

The current non-trade balances due from subsidiaries and an associate are unsecured, interest free and are expected to be realised within twelve months after the end of the reporting period.

**12.2 Other receivables**

Included in other receivables of the Group are advances made to purchasing agents for the procurement of capital work-in-progress, spare parts and materials on behalf of the Group entities amounting to RM168,703,000 (2022: RM350,353,000).

**13. INVENTORIES**

	Group	
	2023 RM'000	2022 RM'000
Raw materials	861,937	1,206,296
Work-in-progress	434,258	421,931
Finished goods	697,707	604,913
Consumable parts	398,069	420,257
Goods in transit	174,453	140,692
	<b>2,566,424</b>	<b>2,794,089</b>
Recognised in profit or loss:		
Inventories recognised as cost of sales	<b>11,448,093</b>	<b>12,686,024</b>

**13.1 Material accounting policy information**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first-out method.

**14. CASH AND BANK BALANCES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits placed with licensed banks	250,052	288,177	78,955	78,333
Cash and bank balances	977,956	315,825	94,251	2,018
	<b>1,228,008</b>	<b>604,002</b>	<b>173,206</b>	<b>80,351</b>

Deposits placed with licensed banks of the Group and of the Company comprise deposits pledged for bank facilities granted to the Group and to the Company of RM78,955,000 (2022: RM146,662,000) and RM78,955,000 (2022: RM78,333,000) respectively (see Note 16).

## Notes to the Financial Statements

**15. CAPITAL AND RESERVES****Share capital**

	Group and Company			
	Amount	Number of	Amount	Number of
	2023	shares	2022	shares
	RM'000	'000	RM'000	'000
Ordinary shares with no par value, issued and fully paid:				
At 1 January	2,052,744	8,239,619	1,088,487	8,076,220
Issue of ordinary shares	-	-	970,588	163,399
Transaction costs for issued share capital	-	-	(6,331)	-
At 31 December	2,052,744	8,239,619	2,052,744	8,239,619

**Ordinary shares**

On 21 March 2022, the Company had proposed to undertake a private placement of up to 163,398,700 new ordinary shares ("Placement"). The issue price was fixed at RM5.94 per share on 28 March 2022 and the Placement was completed on 8 April 2022 following the listing and quotation of the 163,398,700 new ordinary shares on the Main Market of Bursa Malaysia Securities Berhad. The total gross proceeds raised was RM970,588,000.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

**Reorganisation reserve**

The reorganisation reserve in the separate financial statements of the Company represents the difference between the value of the shares issued by the Company in exchange with the shareholders of PMB and the total equity of PMB at the date of exchange.

**Translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Hedging reserve**

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



## Notes to the Financial Statements

## 16. LOANS AND BORROWINGS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>					
Bank loans:					
- secured	16.1	549,324	620,107	517,099	612,421
- unsecured	16.1	268,626	380,878	15,055	73,050
Islamic Medium-Term Notes					
- unsecured	16.2	2,250,000	2,300,000	2,250,000	2,300,000
		<b>3,067,950</b>	<b>3,300,985</b>	<b>2,782,154</b>	<b>2,985,471</b>
<b>Current</b>					
Bank loans:					
- secured	16.1	258,209	236,689	246,090	235,291
- unsecured	16.1	310,725	492,636	61,323	308,650
Bankers' acceptances:					
- unsecured	16.3	19,493	615,459	-	-
Revolving credits:					
- unsecured	16.4	184,043	200,956	-	-
Bank overdrafts:					
- unsecured	16.5	8,366	7,445	-	-
Islamic Medium-Term Notes					
- unsecured	16.2	550,000	-	550,000	-
		<b>1,330,836</b>	<b>1,553,185</b>	<b>857,413</b>	<b>543,941</b>
		<b>4,398,786</b>	<b>4,854,170</b>	<b>3,639,567</b>	<b>3,529,412</b>

## 16.1 Bank loans

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loan 1 – unsecured	166,107	104,743	-	-
Loan 2 – secured	-	145	-	-
Loan 3 – secured	645	1,115	-	-
Loan 4 – secured	763,190	847,712	763,189	847,712
Loan 5 – unsecured	-	150,000	-	150,000
Loan 6 – unsecured	-	100,000	-	100,000
Loan 7 – secured	10,663	7,824	-	-
Loan 8 – unsecured	34,167	44,167	-	-
Loan 9 – unsecured	76,377	131,700	76,378	131,700
Loan 10 – unsecured	208,845	261,205	-	-
Loan 11 – unsecured	92,015	46,193	-	-
Loan 12 – secured	33,035	32,503	-	-
Loan 13 – unsecured	1,840	3,003	-	-
	<b>1,386,884</b>	<b>1,730,310</b>	<b>839,567</b>	<b>1,229,412</b>

## Notes to the Financial Statements

**16. LOANS AND BORROWINGS (CONT'D)****16.1 Bank loans (cont'd)****Securities and guarantees**

Loan 1	No security or guarantee
Loan 2	Secured over a building of a subsidiary with a carrying amount of RM517,000 in 2022 and guaranteed by a Director of the Company
Loan 3	Secured over buildings of a subsidiary with a carrying amount of RM4,967,000 (2022: RM5,080,000) and guaranteed by a subsidiary
Loan 4	Secured over 3,856,033 shares (2022: 3,452,783 shares) of an associate and deposits pledged with a licensed bank of RM78,955,000 (2022: RM146,662,000)
Loan 5	No security or guarantee
Loan 6	No security or guarantee
Loan 7	Secured over land and building of a subsidiary with carrying amounts of RM2,943,000 (2022: RM2,805,000) and RM9,518,000 (2022: RM9,606,000) respectively
Loan 8	No security or guarantee
Loan 9	No security or guarantee
Loan 10	No security or guarantee
Loan 11	No security or guarantee
Loan 12	Secured over machineries of a subsidiary with a carrying amounts of RM38,435,000 (2022: Nil) and guaranteed by a subsidiary
Loan 13	No security or guarantee

## Notes to the Financial Statements

### 16. LOANS AND BORROWINGS (CONT'D)

#### 16.1 Bank loans (cont'd)

##### Significant covenants

In connection with the significant bank loan facilities of Press Metal Bintulu Sdn. Bhd., the Company and the subsidiary have agreed on the following significant covenants with the lenders:

##### Press Metal Bintulu Sdn. Bhd. (Loan 10)

- i) The subsidiary shall maintain a maximum net debt to tangible net worth of not more than 1.50 times, net debt-to-earnings before interest, taxes, depreciation and amortisation ("EBITDA") of not more than 3.00 times and minimum DSCR of 1.25 times;
- ii) The consolidated financial statements of the Group shall maintain a maximum net debt to tangible net worth of not more than 1.50 times and net debt-to-EBITDA of not more than 3.50 times; and
- iii) The existing shareholders shall maintain their shareholdings in the subsidiary.

##### Press Metal Aluminium Holdings Berhad (Loans 4 and 9)

The consolidated financial statements of the Group shall maintain a maximum gross debt to tangible net worth of not more than 1.50 times and a minimum debt service coverage ratio ("DSCR") of 1.25 times.

#### 16.2 Islamic Medium-Term Notes

In August 2019, the Company made a lodgement with the Securities Commission Malaysia for the establishment of Islamic Medium-Term Notes of RM5.0 billion in nominal value based on the Shariah Principle of Wakalah Bi Al-Istithmar ("Sukuk Programme"), for a tenure of up to thirty (30) years.

In October 2019, the Company made its first issuance of the Sukuk Programme for an aggregate nominal value of RM1.0 billion with tenures ranging from 5 to 10 years repayable as follows:

- RM550 million due in 2024
- RM200 million due in 2026
- RM250 million due in 2029

In August 2020, the Company made its second issuance of the Sukuk Programme for an aggregate nominal value of RM700 million with a tenure of 5 years repayable in 2025.

In December 2021, the Company made its third issuance of the Sukuk Programme for an aggregate nominal value of RM600 million with tenures of 6 years and 7 years.

In September 2023, the Company made its fourth issuance of the Sukuk Programme for an aggregate nominal value of RM500 million with tenures of 5 years and 7 years.

The Group utilised the proceeds from the issuance for general corporate purposes including capital expenditure, working capital requirements, investments and refinancing of existing borrowings.

The transaction costs arising from these issuances have been back charged to Press Metal Bintulu Sdn. Bhd. as part of the loans to the subsidiary (Note 12.1).

## Notes to the Financial Statements

**16. LOANS AND BORROWINGS (CONT'D)****16.2 Islamic Medium-Term Notes (cont'd)****Significant covenants**

- i) The consolidated financial statements of the Group shall maintain a maximum Finance to Equity Ratio of not more than 1.75 times; and
- ii) The Company shall maintain its existing shareholdings in Press Metal Sarawak Sdn. Bhd. and Press Metal Bintulu Sdn. Bhd. (collectively known as “material subsidiaries”).

The Company and/or its material subsidiaries are, subject to certain thresholds, limitations, exceptions and qualifications, limited from:

- issuing guarantees;
- entering into transactions with shareholders or affiliates;
- creating any liens;
- selling assets;
- reducing of share capital;
- lending or advancing any money to any other parties;
- entering into partnership;
- changing of proceeds utilisation;
- substantially changing the nature or scope of its business; and
- effecting a consolidation, merger or reorganisation.

**16.3 Bankers' acceptances**

	Group	
	2023 RM'000	2022 RM'000
Guaranteed by the Company	<b>19,493</b>	615,459

**16.4 Revolving credits**

	Group	
	2023 RM'000	2022 RM'000
Guaranteed by the Company	<b>184,043</b>	200,956

**16.5 Bank overdrafts**

	Group	
	2023 RM'000	2022 RM'000
Guaranteed by the Company	<b>7,369</b>	5,444
Guaranteed by a director	<b>997</b>	2,001
	<b>8,366</b>	7,445

## Notes to the Financial Statements

## 17. PROVISIONS

	Employee entitlements (Note 17.1) RM'000	Restoration and rehabilitation (Note 17.2) RM'000	Total RM'000
<b>Group</b>			
At 1 January 2022	9,046	185,465	194,511
Provisions made during the year	285	-	285
Provisions reversed during the year	-	(18,060)	(18,060)
Unwinding of discount	-	5,403	5,403
Effect of movements in exchange rates	(132)	(2,074)	(2,206)
At 31 December 2022/1 January 2023	<b>9,199</b>	<b>170,734</b>	<b>179,933</b>
Provisions reversed during the year	-	(32,730)	(32,730)
Unwinding of discount	736	6,274	7,010
Effect of movements in exchange rates	479	7,316	7,795
At 31 December 2023	<b>10,414</b>	<b>151,594</b>	<b>162,008</b>
<b>2023</b>			
Non-current	1,034	150,637	151,671
Current	9,380	957	10,337
	<b>10,414</b>	<b>151,594</b>	<b>162,008</b>
<b>2022</b>			
Non-current	830	169,687	170,517
Current	8,369	1,047	9,416
	9,199	170,734	179,933

## 17.1 Employee entitlements

The long service leave provision is measured at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period. Forecast future salary levels, experience of employees, turnover and periods of service are considered in determining the liability.

## 17.2 Restoration and rehabilitation

The provision for restoration and rehabilitation relates to the estimated costs associated with the joint operation's obligation for decommissioning and demolition of all industrial and support infrastructure from the site and revegetation of the land. The rehabilitation is expected to occur in the next 60 years. Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. The provision has been calculated using a nominal discount rate of 4.4% (2022: 3.7%). Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period. The unwinding of the effect of discounting on provision is recognised as a finance cost.

## Notes to the Financial Statements

## 18. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Trade</b>					
Trade payables		<b>702,399</b>	826,024	-	-
Amounts due to associates	18.1	<b>155,926</b>	126,584	-	-
		<b>858,325</b>	952,608	-	-
<b>Non-trade</b>					
Amounts due to subsidiaries	18.1	-	-	<b>19,405</b>	18,517
Amounts due to associates	18.1	-	3,292	-	-
Other payables		<b>173,491</b>	171,575	<b>1,222</b>	1,125
Accrued expenses		<b>217,097</b>	216,957	<b>40,326</b>	44,006
		<b>390,588</b>	391,824	<b>60,953</b>	63,648
		<b>1,248,913</b>	1,344,432	<b>60,953</b>	63,648

## 18.1 Related party balances

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

## 19. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Revenue from contracts with customers</b>	<b>13,804,707</b>	15,682,941	<b>37,078</b>	29,046
<b>Other revenue</b>				
- Dividend income	-	-	<b>735,870</b>	545,748
<b>Total revenue</b>	<b>13,804,707</b>	15,682,941	<b>772,948</b>	574,794

## 19.1 Disaggregation of revenue

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

## Notes to the Financial Statements

## 19. REVENUE (CONT'D)

## 19.1 Disaggregation of revenue (cont'd)

Group	Reportable segments						Total			
	Smelting and extrusion		Trading		Refinery		All other segments			
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000		
<b>Primary geographical markets</b>										
Malaysia	938,551	1,006,535	166,868	258,731	-	-	1,106	9,149	1,106,525	1,274,415
Asia	6,478,507	7,622,713	75	77	321,740	372,410	46	13,660	6,800,368	8,008,860
Oceania	76,971	89,872	125,390	127,428	-	-	-	-	202,361	217,300
Europe	5,093,208	5,293,079	341,940	442,718	-	-	-	-	5,435,148	5,735,797
America	40,041	8,556	212,601	422,948	-	-	-	-	252,642	431,504
Africa	7,663	15,065	-	-	-	-	-	-	7,663	15,065
	<b>12,634,941</b>	<b>14,035,820</b>	<b>846,874</b>	<b>1,251,902</b>	<b>321,740</b>	<b>372,410</b>	<b>1,152</b>	<b>22,809</b>	<b>13,804,707</b>	<b>15,682,941</b>
<b>Major products and services lines</b>										
Smelting aluminium products	11,596,303	12,995,855	-	-	-	-	-	-	11,596,303	12,995,855
Extrusion aluminium products	1,038,638	1,039,965	846,874	1,251,902	-	-	-	-	1,885,512	2,291,867
Alumina products	-	-	-	-	321,740	372,410	-	-	321,740	372,410
Contracting and fabrication	-	-	-	-	-	-	1,106	9,149	1,106	9,149
Others	-	-	-	-	-	-	46	13,660	46	13,660
	<b>12,634,941</b>	<b>14,035,820</b>	<b>846,874</b>	<b>1,251,902</b>	<b>321,740</b>	<b>372,410</b>	<b>1,152</b>	<b>22,809</b>	<b>13,804,707</b>	<b>15,682,941</b>
<b>Timing and recognition</b>										
At a point in time	12,634,941	14,035,820	846,874	1,251,902	321,740	372,410	46	13,660	13,803,601	15,673,792
Over time	-	-	-	-	-	-	1,106	9,149	1,106	9,149
	<b>12,634,941</b>	<b>14,035,820</b>	<b>846,874</b>	<b>1,251,902</b>	<b>321,740</b>	<b>372,410</b>	<b>1,152</b>	<b>22,809</b>	<b>13,804,707</b>	<b>15,682,941</b>

## Notes to the Financial Statements

**19. REVENUE (CONT'D)****19.2 Nature of goods and services**

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Smelting aluminium products	Revenue is recognised when the goods are shipped on board evidenced by bill of lading.	Credit period of 0-30 days from invoice date.	Not applicable.	The Group allows returns only for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.
Extrusion aluminium products	Revenue is recognised when the goods are delivered and accepted by the customers at their premises or shipped on board evidenced by bill of lading.	Credit period of 90 days from invoice date.	Not applicable.	The Group allows returns only for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.
Alumina products	Revenue is recognised when the goods are shipped on board evidenced by bill of lading.	Credit period of 7 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Contracting and fabrication	Revenue is recognised over time using the cost incurred method.	Based on agreed milestones, certified by architects.	Not applicable.	Not applicable.	Generally, defect liability period of 2 years is given to the customer.

**19.3 Transaction price allocated to the remaining performance obligations**

The Group applies the following practical expedients:

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

**19.4 Judgements and assumptions arising from revenue recognition**

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

- For smelting aluminium, extrusion aluminium and alumina products, control of the goods is transferred to the customers when the goods are shipped on board evidenced by bill of lading. The Group estimates that the revenue from the additional performance obligation, arising from shipping and handling activities provided to be recognised over time, is immaterial for separate recognition from the sale of products.



## Notes to the Financial Statements

## 20. FINANCE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost	20,621	6,847	103,598	107,712
Other finance income	3,176	3,074	3,811	23,250
	<b>23,797</b>	<b>9,921</b>	<b>107,409</b>	<b>130,962</b>

## 21. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- amortisation of transaction costs	4,188	5,217	1,770	1,770
- interest paid and payable	211,585	201,187	164,024	136,900
	<b>215,773</b>	<b>206,404</b>	<b>165,794</b>	<b>138,670</b>
Interest expense on lease liabilities	9,006	9,643	-	-
Other finance costs	20,603	25,943	7	9
	<b>245,382</b>	<b>241,990</b>	<b>165,801</b>	<b>138,679</b>
Recognised in profit or loss	242,475	241,990	165,801	138,679
Capitalised on qualifying assets:				
- property, plant and equipment (Note 3)	2,907	-	-	-
	<b>245,382</b>	<b>241,990</b>	<b>165,801</b>	<b>138,679</b>

## Notes to the Financial Statements

## 22. PROFIT BEFORE TAX

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit before tax is arrived at after charging/ crediting:</b>				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	1,587	1,512	325	315
- Overseas affiliates of KPMG PLT	100	91	-	-
- Other auditors	867	848	-	-
Non-audit fees:				
- KPMG PLT	67	128	22	20
- Local affiliates of KPMG PLT	505	645	-	-
- Other professional audit firms	703	615	-	-
<b>Material expenses</b>				
Depreciation of property, plant and equipment	654,911	551,384	10	13
Depreciation of right-of-use assets	30,326	30,555	-	-
Depreciation of investment properties	1,558	2,141	-	-
Impairment loss on investment in a subsidiary	-	-	-	7,128
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	29,348	25,474	3,247	2,456
- Wages, salaries and others (Note a)	483,437	467,243	37,120	28,955
<b>Material income</b>				
Dividend income from subsidiaries	-	-	692,400	543,600
Dividend income from an associate	-	-	43,470	2,148

**Note a**

The Group or the Company leases a number of properties, machineries and forklifts with contract terms of not more than 1 year. The Group or the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

## Notes to the Financial Statements

## 23. TAX EXPENSE

## Recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax expense	127,857	185,287	3,001	26,086
Share of tax of equity-accounted associates	1,947	12,321	-	-
<b>Total income tax expense</b>	<b>129,804</b>	<b>197,608</b>	<b>3,001</b>	<b>26,086</b>
Major components of income tax expense include:				
<b>Current tax expense</b>				
Current year	71,829	115,311	2,212	2,046
Prior year	(5,100)	4,779	133	494
Real property gains tax	11	-	-	-
<b>Total current tax recognised in profit or loss</b>	<b>66,740</b>	<b>120,090</b>	<b>2,345</b>	<b>2,540</b>
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	70,783	65,095	690	23,586
(Over)/Under provision in prior year	(9,666)	102	(34)	(40)
<b>Total deferred tax recognised in profit or loss (Note 11)</b>	<b>61,117</b>	<b>65,197</b>	<b>656</b>	<b>23,546</b>
Share of tax of equity-accounted associates	1,947	12,321	-	-
<b>Total income tax expense</b>	<b>129,804</b>	<b>197,608</b>	<b>3,001</b>	<b>26,086</b>

## Notes to the Financial Statements

**23. TAX EXPENSE (CONT'D)****Reconciliation of tax expense**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the year	<b>1,517,992</b>	1,766,541	<b>625,331</b>	501,028
Total income tax expense	<b>129,804</b>	197,608	<b>3,001</b>	26,086
Profit excluding tax	<b>1,647,796</b>	1,964,149	<b>628,332</b>	527,114
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	<b>395,471</b>	471,396	<b>150,800</b>	126,507
Effect of income subject to prosperity tax	-	11,114	-	-
Effect of tax rates in foreign jurisdictions	<b>481</b>	431	-	-
Non-deductible expenses	<b>54,688</b>	59,540	<b>28,710</b>	30,104
Non-taxable income	<b>(33,268)</b>	(43,619)	<b>(176,609)</b>	(130,979)
Tax incentives	<b>(291,609)</b>	(335,924)	-	-
Real property gain tax	<b>11</b>	-	-	-
Movement of unrecognised deferred tax assets	<b>18,796</b>	29,789	-	-
(Over)/Under provision in prior years	<b>(14,766)</b>	4,881	<b>100</b>	454
	<b>129,804</b>	197,608	<b>3,001</b>	26,086

**Non-taxable income**

The non-taxable income of the Company for the financial year ended 31 December 2023 mainly relate to dividend income from subsidiaries and an associate (2022: dividend income from subsidiaries and an associate).

**Tax incentives**

As disclosed in Note 11, PMBTU was awarded Pioneer Status by the MIDA, which entitled PMBTU exemption from tax for a period of 15 years from 1 January 2013 to 31 December 2027 on 100% of statutory income derived from the production of aluminium products.

## Notes to the Financial Statements

## 24. OTHER COMPREHENSIVE (EXPENSE)/INCOME

	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
<b>Group</b>			
<b>2023</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Cash flow hedge			
- Losses during the year	(495,017)	64,007	(431,010)
- Reclassification adjustments for gains included in profit or loss	(19,265)	-	(19,265)
	(514,282)	64,007	(450,275)
Foreign currency translation differences for foreign operations			
- Gains during the year	33,927	-	33,927
	(480,355)	64,007	(416,348)
Share of other comprehensive income of equity-accounted associates			
	12,112	-	12,112
	(468,243)	64,007	(404,236)
<b>2022</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Cash flow hedge			
- Gains during the year	641,418	(54,720)	586,698
- Reclassification adjustments for losses included in profit or loss	422,527	-	422,527
	1,063,945	(54,720)	1,009,225
Foreign currency translation differences for foreign operations			
- Losses during the year	(23,884)	-	(23,884)
	1,040,061	(54,720)	985,341
<b>Company</b>			
<b>2023</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Cash flow hedge			
- Losses during the year	(84,314)	20,235	(64,079)
<b>2022</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Cash flow hedge			
- Gains during the year	220	(53)	167

## Notes to the Financial Statements

**25. EARNINGS PER ORDINARY SHARE****Basic earnings per ordinary share**

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

	Group	
	2023 RM'000	2022 RM'000
Profit attributable to ordinary shareholders	<b>1,215,268</b>	1,406,770

	Group	
	2023 '000	2022 '000
Weighted average number of ordinary shares at 31 December	<b>8,239,619</b>	8,196,641

	Group	
	2023 Sen	2022 Sen
Basic earnings per ordinary share	<b>14.75</b>	17.16

**Diluted earnings per ordinary share**

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

**26. DIVIDENDS**

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
<b>2023</b>			
Fourth interim 2022 ordinary	<b>1.75</b>	<b>144,193</b>	31 March 2023
First interim 2023 ordinary	<b>1.75</b>	<b>144,193</b>	30 June 2023
Second interim 2023 ordinary	<b>1.75</b>	<b>144,193</b>	29 September 2023
Third interim 2023 ordinary	<b>1.75</b>	<b>144,193</b>	29 December 2023
Total amount		<b>576,772</b>	
<b>2022</b>			
Fourth interim 2021 ordinary	1.00	80,762	31 March 2022
First interim 2022 ordinary	1.50	123,594	27 June 2022
Second interim 2022 ordinary	1.75	144,193	29 September 2022
Third interim 2022 ordinary	1.75	144,193	30 December 2022
Total amount		492,742	

## Notes to the Financial Statements

### 26. DIVIDENDS (CONT'D)

After the end of the reporting period, the following dividend was declared by the Directors on 28 February 2024 and paid on 29 March 2024. This dividend will be recognised in subsequent financial year.

	Sen per share	Total amount RM'000
Fourth interim 2023 ordinary	1.75	144,193

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

### 27. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Chief Executive Officer) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Smelting and Extrusion*      Includes manufacturing and trading of smelting and extrusion products
- *Trading*                              Includes marketing of aluminium and other related products
- *Refinery*                                Includes refinery of alumina
- *Investment holding*                Includes investment holding

The manufacturing and trading of smelting and extrusion products are managed by two different segments within the Group. These operating segments are aggregated to form a reportable segment as Smelting and Extrusion due to the similar nature and economic characteristics of the products. The nature and methods of distribution of the products for these divisions are similar. The type of customers for the products are similar, which consist of industrial customers.

Other non-reportable segments comprise operations related to contracting and fabrication and dormant companies. None of these segments met the quantitative thresholds for reporting segments in 2023 and 2022.

There are varying levels of integration between Smelting and Extrusion, Trading and Refinery reportable segments. This integration includes transfers of raw materials and shared distribution services respectively. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit before tax and interest, as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### Segment assets

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

#### Segment liabilities

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

#### Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets, investment properties and other investments other than goodwill.

## Notes to the Financial Statements

## 27. OPERATING SEGMENTS (CONT'D)

Group	Smelting and extrusion		Trading		Refinery		Investment holding		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Segment profit</b>	<b>1,661,139</b>	<b>1,882,819</b>	<b>107,725</b>	<b>156,638</b>	<b>14,625</b>	<b>33,872</b>	<b>207,421</b>	<b>120,618</b>	<b>1,990,910</b>	<b>2,193,947</b>
<i>Included in the measure of segment profit are:</i>										
Revenue from external customers	12,634,941	14,035,820	846,874	1,251,902	321,740	372,410	-	-	13,803,555	15,660,132
Inter-segment revenue	507,532	632,011	1,811,501	2,202,173	-	-	-	-	2,319,033	2,834,184
Property, plant and equipment written off	19,998	16,435	-	66	-	-	-	-	19,998	16,501
Share of profit or loss of associates	-	-	(5,252)	15,913	-	-	212,608	158,492	207,356	174,405
Share of other comprehensive income of associates	-	-	-	-	-	-	12,112	-	12,112	-
Unrealised foreign exchange gain/(loss)	15,277	(1,415)	(3,107)	7,796	1,039	-	(5,153)	(5,454)	8,056	927
Depreciation and amortisation	621,796	526,005	16,792	8,067	47,739	48,180	513	516	686,840	582,768
<i>Not included in the measure of segment profit but provided to CODM:</i>										
Finance costs	57,938	80,733	2,146	2,863	16,273	16,130	165,867	138,762	242,224	238,488
Finance income	18,556	6,303	454	517	820	195	3,811	2,893	23,641	9,908
Tax expense	107,492	160,139	1,865	16,564	(2,195)	6,275	22,039	2,264	129,201	185,242
<b>Segment assets</b>	<b>12,018,998</b>	<b>12,456,336</b>	<b>414,954</b>	<b>319,365</b>	<b>1,029,272</b>	<b>1,042,941</b>	<b>2,601,265</b>	<b>1,850,099</b>	<b>16,064,489</b>	<b>15,668,741</b>
<i>Included in the measure of segment assets are:</i>										
Investments in associates	-	-	54,760	67,792	-	-	1,781,630	1,475,804	1,836,390	1,543,596
Additions to non-current assets other than financial instruments and deferred tax assets	664,982	679,887	35,481	8,287	29,881	28,289	2,533	-	732,877	716,463



## Notes to the Financial Statements

## 27. OPERATING SEGMENTS (CONT'D)

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

Group	2023 RM'000	2022 RM'000
<b>Revenue</b>		
Total external revenue for reportable segments	13,803,555	15,660,132
Other non-reportable segments	1,152	22,809
Consolidated total	13,804,707	15,682,941
<b>Profit or loss</b>		
Total profit or loss for reportable segments	1,990,910	2,193,947
Other non-reportable segments	(1,465)	(7,814)
Elimination of inter-segment profits	(124,918)	(2,236)
Finance income	23,797	9,921
Finance costs	(242,475)	(241,990)
Tax expense	(127,857)	(185,287)
Consolidated total	1,517,992	1,766,541
<b>Total assets</b>		
Total assets for reportable segments	16,064,489	15,668,741
Other non-reportable segments	53,620	92,153
Elimination of inter-segment balances	(751,637)	(444,612)
Consolidated total	15,366,472	15,316,282
<b>Depreciation and amortisation</b>		
Total depreciation and amortisation for reportable segments	686,840	582,768
Other non-reportable segments	71	1,413
Consolidated total	686,911	584,181
<b>Finance costs</b>		
Total finance costs for reportable segments	242,224	238,488
Other non-reportable segments	251	3,502
Consolidated total	242,475	241,990

## Notes to the Financial Statements

**27. OPERATING SEGMENTS (CONT'D)****Reconciliation of reportable segment revenues, profit or loss, assets and other material items (cont'd)**

Group	2023 RM'000	2022 RM'000
<b>Finance income</b>		
Total finance income for reportable segments	23,641	9,908
Other non-reportable segments	156	13
Consolidated total	23,797	9,921
<b>Tax expense</b>		
Total tax expense for reportable segments	129,201	185,242
Other non-reportable segments	(1,344)	45
Consolidated total	127,857	185,287
<b>Property, plant and equipment written off</b>		
Total property, plant and equipment written off for reportable segments	19,998	16,501
Other non-reportable segments	118	1,534
Consolidated total	20,116	18,035
<b>Additions to non-current assets</b>		
Total additions to non-current assets for reportable segments	732,877	716,463
Other non-reportable segments	-	55
Consolidated total	732,877	716,518

**Geographical segments**

The Smelting and Extrusion, Trading, Refinery and the Investment Holding segments are managed mainly in Malaysia (country of domicile), countries in Oceania, Asia and Europe.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments, investments in associates and deferred tax assets.

## Notes to the Financial Statements

## 27. OPERATING SEGMENTS (CONT'D)

## Geographical information

Group	External revenue		Non-current assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	1,106,525	1,274,415	6,340,749	6,391,332
Asia:				
- China	850,381	880,965	457,089	468,569
- India	726,554	391,709	-	-
- Singapore	1,897,699	2,995,924	-	-
- Taiwan	183,781	422,399	-	-
- South Korea	1,031,355	1,402,432	-	-
- Vietnam	661,210	636,703	-	-
- Others	1,449,388	1,278,728	-	-
Europe:				
- Switzerland	4,672,658	5,071,530	-	-
- United Kingdom	347,825	442,718	12,147	9,451
- Others	414,665	221,549	-	-
Oceania				
- Australia	171,827	188,619	1,007,881	941,597
- Others	30,534	28,681	-	-
Other countries	260,305	446,569	1,613	1,961
	<b>13,804,707</b>	<b>15,682,941</b>	<b>7,819,479</b>	<b>7,812,910</b>

## Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

Group	Revenue		Segment
	2023 RM'000	2022 RM'000	
All common control companies of:			
Glencore International AG	3,652,443	3,647,376	Smelting and Extrusion
Sumitomo Corporation Asia and Oceania Pte. Ltd.	2,120,132	3,216,598	Smelting and Extrusion

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS****28.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL")
  - Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	Derivatives used for hedging RM'000
<b>2023</b>				
<b>Financial assets</b>				
<b>Group</b>				
Other investments	1,803	-	1,803	-
Trade and other receivables*	1,388,745	1,388,745	-	-
Derivative financial assets	226,408	-	302	226,106
Cash and cash equivalents	1,228,008	1,228,008	-	-
	<b>2,844,964</b>	<b>2,616,753</b>	<b>2,105</b>	<b>226,106</b>
<b>Company</b>				
Trade and other receivables	3,236,272	3,236,272	-	-
Derivative financial assets	2,036	-	-	2,036
Cash and cash equivalents	173,206	173,206	-	-
	<b>3,411,514</b>	<b>3,409,478</b>	<b>-</b>	<b>2,036</b>
<b>Financial liabilities</b>				
<b>Group</b>				
Loans and borrowings	(4,398,786)	(4,398,786)	-	-
Trade and other payables	(1,248,913)	(1,248,913)	-	-
Derivative financial liabilities	(439,283)	-	(907)	(438,376)
	<b>(6,086,982)</b>	<b>(5,647,699)</b>	<b>(907)</b>	<b>(438,376)</b>
<b>Company</b>				
Loans and borrowings	(3,639,567)	(3,639,567)	-	-
Trade and other payables	(60,953)	(60,953)	-	-
Derivative financial liabilities	(71,245)	-	-	(71,245)
	<b>(3,771,765)</b>	<b>(3,700,520)</b>	<b>-</b>	<b>(71,245)</b>

\* Excluded advances made to purchasing agents

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	Derivatives used for hedging RM'000
<b>2022</b>				
<b>Financial assets</b>				
<b>Group</b>				
Other investments	1,803	-	1,803	-
Trade and other receivables*	1,637,515	1,637,515	-	-
Derivative financial assets	515,507	-	3,183	512,324
Cash and cash equivalents	604,002	604,002	-	-
	2,758,827	2,241,517	4,986	512,324
<b>Company</b>				
Trade and other receivables	3,305,105	3,305,105	-	-
Derivative financial assets	18,664	-	1,438	17,226
Cash and cash equivalents	80,351	80,351	-	-
	3,404,120	3,385,456	1,438	17,226
<b>Financial liabilities</b>				
<b>Group</b>				
Loans and borrowings	(4,854,170)	(4,854,170)	-	-
Trade and other payables	(1,344,432)	(1,344,432)	-	-
Derivative financial liabilities	(214,957)	-	(343)	(214,614)
	(6,413,559)	(6,198,602)	(343)	(214,614)
<b>Company</b>				
Loans and borrowings	(3,529,412)	(3,529,412)	-	-
Trade and other payables	(63,648)	(63,648)	-	-
Derivative financial liabilities	(8,722)	-	(6,602)	(2,120)
	(3,601,782)	(3,593,060)	(6,602)	(2,120)

\* Excluded advances made to purchasing agents

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.2 Net gains and losses arising from financial instruments**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
- Mandatorily required by MFRS 9	-	-	-	78,030
Financial liabilities at fair value through profit or loss:				
- Mandatorily required by MFRS 9	(3,717)	(628)	5,163	(11,097)
Financial assets at amortised cost	15,779	(11,282)	111,208	140,632
Financial liabilities at amortised cost	(272,880)	(265,780)	(202,892)	(202,478)
Derivatives used for hedging				
- Recognised in other comprehensive income	(449,581)	1,061,842	(64,079)	167
Financial liabilities used for hedging				
- Recognised in other comprehensive income	(4,301)	(52,617)	-	-
	<b>(714,700)</b>	<b>731,535</b>	<b>(150,600)</b>	<b>5,254</b>

**28.3 Financial risk management**

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

- Credit risk
- Liquidity risk
- Market risk

**28.4 Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.4 Credit risk (cont'd)****Trade receivables and contract assets*****Risk management objectives, policies and processes for managing the risk***

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

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

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

There are no significant changes as compared to previous year.

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

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

The Group does not normally receive financial guarantees given by banks, shareholders or directors of customers as the Group transacts with a small pool of customers which have been dealing with the Group for a long period of time. Nevertheless, the Directors use ageing analysis to monitor the credit quality of the receivables in managing exposure to credit risks.

***Concentration of credit risk***

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

	Group	
	2023 RM'000	2022 RM'000
Domestic	164,414	181,017
Asia	632,338	1,016,377
Oceania	36,479	70,684
Europe	450,391	269,192
America	28,440	15,211
	<b>1,312,062</b>	<b>1,552,481</b>

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.4 Credit risk (cont'd)****Trade receivables and contract assets (cont'd)****Recognition and measurement of impairment loss**

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 180 days. The Group's debt recovery process is as follows:

- a) Above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team; and
- b) The Group will commence a legal proceeding against the customer who fails to pay after the Group initiates the debt recovery process.

As the Group does not deal with a large pool of customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default, except for those which have been credit impaired.

The following table provides information about the exposure to credit risk and expected credit losses for non-related party trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>2023</b>			
Current (not past due)	808,961	-	808,961
1 - 90 days past due	475,989	-	475,989
More than 90 days past due	27,112	-	27,112
	<b>1,312,062</b>	<b>-</b>	<b>1,312,062</b>
<b>Credit impaired</b>			
Individually impaired	14,563	(14,563)	-
	<b>1,326,625</b>	<b>(14,563)</b>	<b>1,312,062</b>
Trade receivables	<b>1,326,625</b>	<b>(14,563)</b>	<b>1,312,062</b>
<b>2022</b>			
Current (not past due)	1,419,787	-	1,419,787
1 - 90 days past due	119,612	-	119,612
More than 90 days past due	13,082	-	13,082
	<b>1,552,481</b>	<b>-</b>	<b>1,552,481</b>
<b>Credit impaired</b>			
Individually impaired	10,601	(10,601)	-
	<b>1,563,082</b>	<b>(10,601)</b>	<b>1,552,481</b>
Trade receivables	<b>1,563,082</b>	<b>(10,601)</b>	<b>1,552,481</b>



## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.4 Credit risk (cont'd)****Trade receivables and contract assets (cont'd)****Recognition and measurement of impairment loss (cont'd)**

The movements in the allowance for impairment in respect of non-related party trade receivables and contract assets during the year are shown below:

Group	Trade receivables credit impaired RM'000	Contract assets RM'000	Total RM'000
Balance at 1 January 2022	12,139	-	12,139
Amounts written off	(1,591)	-	(1,591)
Net remeasurement of loss allowance	273	-	273
Effect of movements in exchange rate	(220)	-	(220)
Balance at 31 December 2022/1 January 2023	<b>10,601</b>	-	<b>10,601</b>
Net remeasurement of loss allowance	<b>7,407</b>	-	<b>7,407</b>
Effect of movements in exchange rate	<b>(3,445)</b>	-	<b>(3,445)</b>
Balance at 31 December 2023	<b>14,563</b>	-	<b>14,563</b>

Increase in Group's impairment loss allowance was mainly contributed by the increase in credit impaired balance in the contracting and fabrication business.

As at 31 December 2023, all of the trade receivables written off are still subject to enforcement activity.

**Cash and cash equivalents**

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

**Investments and derivative financial instruments****Risk management objectives, policies and processes for managing the risk**

Investments are allowed only in liquid securities. Transactions involving derivative financial instruments are with approved financial institutions.

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

As at the end of the reporting period, the Group has only invested in domestic securities. The derivative contracts were entered into with approved financial institutions. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

The investments are unsecured.

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.4 Credit risk (cont'd)****Financial guarantees*****Risk management objectives, policies and processes for managing the risk***

The Company provides unsecured financial guarantees to banks in respect of banking facilities and credit terms granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to fulfil the contracts and service their repayments on an individual basis.

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

The maximum exposure to credit risk of the Company amounts to RM712,039,000 (2022: RM1,272,723,000) as at the end of the reporting period.

***Recognition and measurement of impairment loss***

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is unlikely to repay its amounts owing to the supplier in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

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

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

**Inter-company receivables and loans and advances*****Risk management objectives, policies and processes for managing the risk***

The Group trades with an associate and provides unsecured advances to an associate. The Company provides unsecured loans and advances to subsidiaries. The Group and the Company monitor the ability of the subsidiaries and associates to repay the loans and advances on an individual basis.

## Notes to the Financial Statements

### 28. FINANCIAL INSTRUMENTS (CONT'D)

#### 28.4 Credit risk (cont'd)

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

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

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

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

##### ***Recognition and measurement of impairment loss***

Generally, the Group and the Company consider receivables and loans and advances to subsidiaries and associates to have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when a subsidiary's and associate's financial position deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the subsidiaries' and associates' loans and advances when they are payable, the Group and the Company consider the loans and advances to be in default when the subsidiaries and associates are not able to pay when demanded. The Group and the Company consider a subsidiary's and associate's loan or advance to be credit impaired when:

- The subsidiary or associate is unlikely to repay its loan or advance to the Group or to the Company in full; or
- The subsidiary or associate is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default for these loans and advances individually using internal information available.

As at the end of the reporting period, there was no indication that the receivables and loans and advances to subsidiaries and associates are not recoverable. As these amounts are considered to have low credit risk, the Group and the Company are of the view that the loss allowance is not material and hence, they are not provided for.

#### 28.5 Liquidity risk

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

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

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

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.5 Liquidity risk (cont'd)

*Maturity analysis*

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

Group	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	1,248,913	-	1,248,913	1,248,913	-	-	-
Bank loans	1,386,884	*	1,534,370	664,825	387,576	443,174	38,795
Islamic Medium-Term Notes	2,800,000	2.69 - 4.45	3,201,015	649,255	799,255	1,167,455	585,050
Revolving credits	184,043	3.70 - 3.95	186,334	186,334	-	-	-
Bankers' acceptances	19,493	4.15 - 5.35	20,302	20,302	-	-	-
Bank overdrafts	8,366	2.90 - 3.95	8,366	8,366	-	-	-
Lease liabilities	229,067	2.44 - 6.01	243,691	28,601	23,515	53,245	138,330
	<b>5,876,766</b>		<b>6,442,991</b>	<b>2,806,596</b>	<b>1,210,346</b>	<b>1,663,874</b>	<b>762,175</b>
<i>Derivatives</i>							
Commodity swaps and options	90,950	-	90,950	15,659	39,577	35,714	-
Forward exchange contracts (gross settled):							
Outflow	202,650	-	16,733,556	4,286,968	3,011,261	7,183,968	2,251,359
Inflow	-	-	(16,530,906)	(4,211,929)	(2,950,745)	(7,111,102)	(2,257,130)
Cross currency swaps (gross settled):							
Outflow	95,607	-	2,480,607	586,430	738,948	822,474	332,755
Inflow	-	-	(2,385,000)	(550,000)	(700,000)	(800,000)	(335,000)
	<b>6,265,973</b>		<b>6,832,198</b>	<b>2,933,724</b>	<b>1,349,387</b>	<b>1,794,928</b>	<b>754,159</b>

\* Represents lenders' cost of funds ranging from a margin of +3.43% to +5.65% and Secured Overnight Financing Rate ("SOFR") ranging from margin of +1.10% to +3.00% per annum.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.5 Liquidity risk (cont'd)

## Maturity analysis (cont'd)

Group	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2022</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	1,344,432	-	1,344,432	1,344,432	-	-	-
Bank loans	1,730,310	*	1,848,979	806,148	413,510	601,362	27,959
Islamic Medium-Term Notes	2,300,000	2.69 - 4.07	2,640,870	77,305	627,305	1,304,725	631,535
Revolving credits	200,956	4.30 - 4.88	209,597	209,597	-	-	-
Bankers' acceptances	615,459	3.23 - 6.20	635,338	635,338	-	-	-
Bank overdrafts	7,445	2.90 - 3.80	7,445	7,445	-	-	-
Lease liabilities	239,143	1.80 - 3.98	296,959	35,194	30,563	70,083	161,119
	6,437,745		6,983,620	3,115,459	1,071,378	1,976,170	820,613
<i>Derivatives</i>							
Commodity swaps and options	159,424	-	159,424	151,854	7,570	-	-
Forward exchange contracts (gross settled):							
Outflow	-	-	14,539,663	3,302,713	2,358,267	6,212,777	2,665,906
Inflow	(315,454)	-	(14,855,117)	(3,302,504)	(2,401,180)	(6,373,962)	(2,777,471)
Cross currency swaps (gross settled):							
Outflow	-	-	2,531,225	261,531	551,340	1,140,338	578,016
Inflow	(18,775)	-	(2,550,000)	(250,000)	(550,000)	(1,150,000)	(600,000)
	6,262,940		6,808,815	3,279,053	1,037,375	1,805,323	687,064

\* Represents lenders' cost of funds ranging from a margin of -2.30% to +3.00% per annum.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.5 Liquidity risk (cont'd)

## Maturity analysis (cont'd)

Company	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	60,953	-	60,953	60,953	-	-	-
Bank loans	839,567	#	944,825	364,333	295,695	284,797	-
Islamic Medium-Term Notes	2,800,000	2.69 - 4.45	3,201,015	649,255	799,255	1,167,455	585,050
Financial guarantees	-	-	712,039	712,039	-	-	-
	<b>3,700,520</b>		<b>4,918,832</b>	<b>1,786,580</b>	<b>1,094,950</b>	<b>1,452,252</b>	<b>585,050</b>
<i>Derivative financial liabilities</i>							
Cross currency swaps (gross settled):							
Outflow	69,209	-	1,569,209	586,430	528,150	206,665	247,964
Inflow	-	-	(1,500,000)	(550,000)	(500,000)	(200,000)	(250,000)
	<b>3,769,729</b>		<b>4,988,041</b>	<b>1,823,010</b>	<b>1,123,100</b>	<b>1,458,917</b>	<b>583,014</b>
<b>2022</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	63,648	-	63,648	63,648	-	-	-
Bank loans	1,229,412	*	1,281,948	569,817	322,383	389,748	-
Islamic Medium-Term Notes	2,300,000	2.69 - 4.07	2,640,870	77,305	627,305	1,304,725	631,535
Financial guarantees	-	-	1,272,723	1,272,723	-	-	-
	<b>3,593,060</b>		<b>5,259,189</b>	<b>1,983,493</b>	<b>949,688</b>	<b>1,694,473</b>	<b>631,535</b>
<i>Derivative financial liabilities</i>							
Commodity swaps and options							
	6,602	-	6,602	6,602	-	-	-
Cross currency swaps (gross settled):							
Outflow	-	-	1,484,894	-	551,340	696,353	237,201
Inflow	(15,106)	-	(1,500,000)	-	(550,000)	(700,000)	(250,000)
	<b>3,584,556</b>		<b>5,250,685</b>	<b>1,990,095</b>	<b>951,028</b>	<b>1,690,826</b>	<b>618,736</b>

# Represents SOFR ranging from a margin of +1.50% to +3.00% per annum.

\* Represents lenders' cost of funds ranging from a margin of +1.40% to +3.00% per annum.

## Notes to the Financial Statements

### 28. FINANCIAL INSTRUMENTS (CONT'D)

#### 28.6 Market risk

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

##### 28.6.1 Currency risk

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

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

The Group actively monitors its exposure to foreign currency risk and uses forward exchange contracts and cross currency swaps to mitigate the risk when the need arises. Some of the forward exchange contracts and cross currency swaps have maturities of more than five years after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.





## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk (cont'd)

## 28.6.1 Currency risk (cont'd)

## Exposure to foreign currency risk (cont'd)

Group	Functional currency		Foreign currency		RM		RM		RM		RM		RMB		RMB		RMB		AUD		HKD		
	RM	AUD	RM	USD	SGD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	GBP	SGD	USD	USD	USD	USD	USD	USD	HKD	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>2022</b>																							
<b>Balances recognised in the statement of financial position</b>																							
Trade and other receivables	41,634	12,184	-	765,685	-	17,529	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash and cash equivalents	140,525	11,809	3,223	175,189	3,223	271	8,847	1,225	16,512	1,602	-	-	-	-	-	-	-	-	-	-	2,147	468	
Loans and borrowings	-	(299,053)	-	(1,646,887)	-	(46,846)	(55,107)	-	(37,859)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	(78,099)	-	-	(259,669)	-	(18)	-	-	(9,101)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	104,060	(275,060)	3,223	(965,682)	3,223	(29,064)	(46,260)	1,225	(30,448)	1,602	-	-	-	-	-	-	-	-	-	-	2,147	468	
<b>Forecast transaction</b>																							
Net derivative assets -	-	-	-	2,550,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cross currency swaps	-	-	-	2,550,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forecast loan repayment	-	-	-	(2,550,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net derivative liabilities -	-	-	-	6,057,918	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commodity swaps and options	-	-	-	6,057,918	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net derivative assets -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forward exchange contracts on forecast sales	5,741	-	-	14,085,772	-	-	453,011	-	-	-	-	-	-	-	-	-	-	-	-	-	310,593	-	-
Forecast sales	(5,741)	-	-	(19,997,611)	-	-	(453,011)	-	-	-	-	-	-	-	-	-	-	-	-	-	(310,593)	-	-
	-	-	-	146,079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net exposure</b>	104,060	(275,060)	3,223	(819,603)	3,223	(29,064)	(46,260)	1,225	(30,448)	1,602	-	-	-	-	-	-	-	-	-	-	2,147	468	

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk (cont'd)

## 28.6.1 Currency risk (cont'd)

*Exposure to foreign currency risk (cont'd)*

Company Functional currency	RM	RM
Foreign currency	USD	RMB
	RM'000	RM'000
<b>2023</b>		
<b>Balances recognised in the statement of financial position</b>		
Cash and cash equivalents	106,554	62,180
Loans and borrowings	839,567	-
	946,121	62,180
<b>Forecast transaction</b>		
Net derivative assets - Cross currency swaps	1,500,000	-
Forecast loan repayment	(1,500,000)	-
	-	-
<b>Net exposure</b>	<b>946,121</b>	<b>62,180</b>
<b>2022</b>		
<b>Balances recognised in the statement of financial position</b>		
Cash and cash equivalents	79,783	-
Loans and borrowings	(979,412)	-
Net derivative liabilities - Commodity swaps and options	(6,602)	-
	(906,231)	-
<b>Forecast transaction</b>		
Net derivative assets - Cross currency swaps	1,500,000	-
Forecast loan repayment	(1,500,000)	-
	-	-
<b>Net exposure</b>	<b>(906,231)</b>	<b>-</b>

**Currency risk sensitivity analysis**

Foreign currency risk mainly arises from USD and RMB against RM. The exposure to other currencies is not material and hence, sensitivity analysis is not presented.

A 10% (2022: 10%) strengthening of RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk (cont'd)

## 28.6.1 Currency risk (cont'd)

*Currency risk sensitivity analysis (cont'd)*

	Equity			
	Group	Company		
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>USD against RM</b>	<b>74,278</b>	84,816	<b>58,406</b>	64,964

  

	Profit or loss			
	Group	Company		
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>USD and RMB against RM</b>				
- USD	<b>(228,719)</b>	(11,424)	<b>(130,311)</b>	3,910
- RMB	<b>(13,078)</b>	20,905	-	-
	<b>(241,797)</b>	9,481	<b>(130,311)</b>	3,910

A 10% (2022: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

## 28.6.2 Interest rate risk

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

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

Interest rate exposure arising from the Group's borrowings is managed through the use of fixed and floating rate debts. The Group will consider entering into derivative financial instruments where necessary to achieve an appropriate mix of fixed and floating rate exposure within the Group's policy.

The Group and the Company are also exposed to the ongoing Secured Overnight Financing Rate ("SOFR") on its financial instruments. The SOFR is a benchmark interest rate for dollar-denominated derivatives and loans that replaced the London Interbank Offered Rate ("LIBOR").

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.6 Market risk (cont'd)****28.6.2 Interest rate risk (cont'd)*****Exposure to interest rate risk***

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Fixed rate instruments</b>				
Financial assets	171,097	141,515	-	78,333
Financial liabilities	(3,029,067)	(2,539,143)	(2,800,000)	(2,300,000)
	<b>(2,857,970)</b>	<b>(2,397,628)</b>	<b>(2,800,000)</b>	<b>(2,221,667)</b>
<b>Floating rate instruments</b>				
Financial liabilities	(1,598,786)	(2,554,170)	(839,567)	(1,097,712)

***Interest rate risk sensitivity analysis******Fair value sensitivity analysis for fixed rate instruments***

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

***Cash flow sensitivity analysis for variable rate instruments***

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

	Profit or loss			
	2023		2022	
	30 bp increase RM'000	30 bp decrease RM'000	30 bp increase RM'000	30 bp decrease RM'000
<b>Group</b>				
Floating rate instruments	(3,645)	3,645	(5,824)	5,824
<b>Company</b>				
Floating rate instruments	(1,914)	1,914	(2,503)	2,503

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.6 Market risk (cont'd)****28.6.3 Other price risk**

Other price risk arises from price fluctuation risk mainly on aluminium related products. The Group is exposed to commodity price risk due to fluctuations in aluminium prices. The Group's aluminium products are generally priced with reference to the London Metal Exchange ("LME") aluminium rates. The Group has entered into commodity swaps and options to manage its exposure to movements in LME aluminium rates (see Note 28.7.2).

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

The Group mitigates its risk to the price volatility through establishing fixed price level that the Group considers acceptable and where deemed prudent, entering into commodity fixed price contracts.

***Commodity price risk sensitivity analysis***

A 10% (2022: 10%) increase in LME aluminium rates at the end of the reporting period would have decreased equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Equity Group		Profit or loss Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
10% increase in LME aluminium rates	6,489	2,560	-	392

A 10% (2022: 10%) decrease in LME aluminium rates would have had equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

**28.7 Hedging activities****28.7.1 Currency risk – Transactions in foreign currency**

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currency in which sales are denominated and the respective functional currencies of the Group. The functional currencies of Group entities are primarily the Malaysian Ringgit ("MYR"). The currency in which these sales transactions are primarily denominated is U.S. Dollars ("USD").

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.7 Hedging activities (cont'd)****28.7.1 Currency risk – Transactions in foreign currency (cont'd)**

The Group's risk management policy is to hedge up to 30% of its estimated foreign currency exposure in respect of forecast sales collection over the following 12 to 120 months at any point in time. The Group purchases forward foreign exchange contracts and borrows in USD to hedge foreign sales transactions. The Group designates the forward foreign exchange contracts and foreign currency loans and borrowings in their entirety to hedge its currency risk and applies a hedge ratio of 1:1. Some of these contracts have a maturity of more than 5 years from the reporting date while the term of the foreign currency loans and borrowings ranges from 4 to 5 years. The Group determines the critical terms of the forward exchange contracts and foreign currency loans and borrowings to align with the hedged items.

The Group and the Company also entered into cross currency swaps to swap their RM denominated loan to USD. The swap was performed to manage the Group's exposure to USD and RM within the Group's policy.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivatives and foreign currency loans and borrowings designated in each hedging relationship are expected to be and have been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

**28.7.2 Commodity price risk**

The Group is exposed to commodity price risk due to fluctuations in aluminium prices. The Group's aluminium products are generally priced with reference to the LME aluminium rates.

The Group adopts a policy of ensuring that up to 65% of its commodity price risk exposure is at a fixed rate. This is achieved by entering into commodity swaps and options as hedges of the variability in cash flows attributable to movements in commodity prices. The Group adjusts its hedge ratio for each commodity contract entered to minimise the potential ineffectiveness arising from such contracts.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference commodity prices, tenors, maturities and the notional or par amounts. The Group assesses whether the derivatives designated in each hedging relationship are expected to be and have been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are:

- the differences in grades of aluminium produced by the Group and those provided in derivative contracts by financial institutions for the Group to enter into; and
- changes in the timing of the hedged transactions.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge

At as the end of the reporting period, the Group held the following instruments to hedge exposures to changes in foreign currency and commodity prices.

Group	Maturity			
	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	312,120	312,120	353,103	-
Forward exchange contracts				
Net exposure	4,134,720	2,950,745	7,111,102	2,257,130
Average MYR:USD forward contract	4.426	4.406	4.436	4.470
Average MYR:CNY forward contract	0.651	-	-	-
Average MYR:GBP forward contract	5.826	-	-	-
Average AUD:USD forward contract	0.673	-	-	-
Average CNY:USD forward contract	7.101	-	-	-
Average AUD:MYR forward contract	3.032	-	-	-
Cross currency swaps				
Net exposure	550,000	700,000	800,000	335,000
Average MYR:USD cross currency swaps	4.187	4.192	4.222	4.187
<b>Commodity price risk</b>				
Commodity swaps and options				
Net exposure	1,826,766	1,414,868	826,255	-
Average USD/MT commodity swaps and options	2,617	2,569	2,602	-

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.7 Hedging activities (cont'd)****28.7.3 Cash flow hedge (cont'd)**

Group	Maturity			
	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2022</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	298,520	298,520	518,955	-
Forward exchange contracts				
Net exposure	3,158,559	2,401,180	6,373,961	2,777,472
Average MYR:USD forward contract	4.368	4.423	4.465	4.557
Average AUD:USD forward contract	0.674	0.664	-	-
Average AUD:MYR forward contract	3.106	-	-	-
Average CNY:USD forward contract	7.010	-	-	-
Cross currency swaps				
Net exposure	250,000	550,000	1,150,000	600,000
Average MYR:USD cross currency swaps	4.297	4.176	4.178	4.226
<b>Commodity price risk</b>				
Commodity swaps and options				
Net exposure	4,989,843	1,065,941	-	-
Average USD/MT commodity swaps and options	2,554	2,791	-	-



## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

Company	Maturity			
	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	247,860	247,860	272,778	-
Cross currency swaps				
Net exposure	550,000	500,000	200,000	250,000
Average MYR:USD cross currency swaps	4.464	4.424	4.327	4.153
<b>2022</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	237,060	237,060	380,670	-
Cross currency swaps				
Net exposure	-	550,000	700,000	250,000
Average MYR:USD cross currency swaps	-	4.176	4.238	4.469

The amounts at the reporting date relating to items designated as hedged items were as follows:

	Cash flow hedge reserve RM'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied RM'000
<b>Group</b>		
<b>2023</b>		
<b>Foreign currency risk</b>		
Forecast sales – Loans and borrowings	(96,258)	5,652
Forecast sales – Forward exchange contracts	(198,691)	-
Forecast loan repayments – Cross currency swaps	(77,184)	-
<b>Commodity price risk</b>		
Forecast sales – Commodity swaps and options	85,412	-
<b>Total hedging reserve</b>	<b>(286,721)</b>	
Non-controlling interests share of hedging reserve	27,460	-
<b>Hedging reserve attributable to owners of the Company</b>	<b>(259,261)</b>	

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

	Cash flow hedge reserve RM'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied RM'000
<b>Group</b>		
<b>2022</b>		
<b>Foreign currency risk</b>		
Forecast sales – Loans and borrowings	(91,955)	(2,268)
Forecast sales – Forward exchange contracts	278,652	-
Forecast loan repayments – Cross currency swaps	12,946	-
<b>Commodity price risk</b>		
Forecast sales – Commodity swaps and options	(32,482)	-
<b>Total hedging reserve</b>	<b>167,161</b>	
Non-controlling interests share of hedging reserve	(46,109)	-
<b>Hedging reserve attributable to owners of the Company</b>	<b>121,052</b>	
<b>Company</b>		
<b>Foreign currency risk</b>		
<b>2023</b>		
Forecast loan repayments – Cross currency swaps	<b>(52,598)</b>	-
<b>Company</b>		
<b>Foreign currency risk</b>		
<b>2022</b>		
Forecast loan repayments – Cross currency swaps	11,481	-

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

The amounts relating to items designated as hedging instruments are as follows:

Group	Nominal amount RM'000	Carrying amount		Line item in the statement of financial position where the hedging instrument is included
		Assets RM'000	Liabilities RM'000	
<b>2023</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	977,343	-	(101,910)	Loans and borrowings
Forward exchange contracts	16,453,697	47,529	(249,574)	Derivative financial assets/(liabilities)
Cross currency swaps	2,385,000	2,245	(97,852)	Derivative financial assets/(liabilities)
<b>Commodity price risk</b>				
Commodity swaps and options	4,067,889	176,332	(90,950)	Derivative financial assets/(liabilities)
<b>2022</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	1,115,995	-	(89,687)	Loans and borrowings
Forward exchange contracts	14,711,172	354,153	(41,567)	Derivative financial assets/(liabilities)
Cross currency swaps	2,550,000	32,426	(13,651)	Derivative financial assets/(liabilities)
<b>Commodity price risk</b>				
Commodity swaps and options	6,055,784	125,745	(159,396)	Derivative financial assets/(liabilities)
<b>Company</b>				
<b>Foreign currency risk</b>				
<b>2023</b>				
Cross currency swaps	1,500,000	2,036	(71,245)	Derivative financial assets/(liabilities)
<b>2022</b>				
Cross currency swaps	1,500,000	17,226	(2,120)	Derivative financial assets/(liabilities)

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.7 Hedging activities (cont'd)****28.7.3 Cash flow hedge (cont'd)**

Group	Changes in the value of hedging instrument recognised in other comprehensive income RM'000	Amount reclassified from hedge reserve to profit or loss RM'000	Line item in profit or loss affected by the reclassification
<b>2023</b>			
<b>Foreign currency risk</b>			
Loans and borrowings	(11,659)	7,357	Revenue
Forward exchange contracts	(677,489)	162,855	Revenue
Cross currency swaps	(137,236)	22,855	Other expenses
<b>Commodity price risk</b>			
Commodity swaps and options	331,367	(212,332)	Revenue
<b>2022</b>			
<b>Foreign currency risk</b>			
Loans and borrowings	(78,100)	25,483	Revenue
Forward exchange contracts	134,760	87,463	Revenue
Cross currency swaps	9,911	-	Other expenses
<b>Commodity price risk</b>			
Commodity swaps and options	574,847	309,581	Revenue
<b>Company</b>			
<b>2023</b>			
<b>Foreign currency risk</b>			
Cross currency swaps	(84,314)	-	
<b>2022</b>			
<b>Foreign currency risk</b>			
Cross currency risk	220	-	

The hedge ineffectiveness arising from the above items is immaterial to be recognised in profit or loss for both the current and previous financial years.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

The following table provides reconciliation by risk category of components of equity and analysis of OCI items, resulting from cash flow hedge accounting.

Group	Hedging reserve	
	2023 RM'000	2022 RM'000
<b>Balance at 1 January</b>	<b>167,161</b>	<b>(842,064)</b>
<b>Cash flow hedge</b>		
Net hedging (loss)/gain:		
Foreign currency risk	<b>(826,384)</b>	66,571
Commodity price risk	<b>331,367</b>	574,847
Amount reclassified to profit or loss:		
Foreign currency risk	<b>193,067</b>	112,946
Commodity price risk	<b>(212,332)</b>	309,581
Share of losses of hedging reserve of an equity-accounted associate	<b>(3,607)</b>	-
Tax on movements on reserve during the year (Note 11)	<b>64,007</b>	(54,720)
<b>Balance at 31 December</b>	<b>(286,721)</b>	<b>167,161</b>
<b>Hedging reserve attributable to:</b>		
Owners of the Company	<b>(259,261)</b>	121,052
Non-controlling interests	<b>(27,460)</b>	46,109
<b>Balance at 31 December</b>	<b>(286,721)</b>	<b>167,161</b>
<b>Company</b>		
<b>Balance at 1 January</b>	<b>11,481</b>	<b>11,314</b>
<b>Cash flow hedge</b>		
Net hedging (loss)/gain:		
Foreign currency risk	<b>(84,314)</b>	220
Tax on movements on reserve during the year (Note 11)	<b>20,235</b>	(53)
<b>Balance at 31 December</b>	<b>(52,598)</b>	<b>11,481</b>

## 28.7.4 Material accounting policy information

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

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.8 Fair value information

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

The table below analyses other financial instruments at fair value.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>2023</b>										
<b>Financial assets</b>										
Unquoted shares	-	-	1,803	1,803	-	-	-	-	1,803	1,803
Derivatives	-	226,408	-	226,408	-	-	-	-	226,408	226,408
	-	226,408	1,803	228,211	-	-	-	-	228,211	228,211
<b>Financial liabilities</b>										
Derivatives	-	(439,283)	-	(439,283)	-	-	-	-	(439,283)	(439,283)
IMTN	-	-	-	-	-	-	(2,815,006)	(2,815,006)	(2,815,006)	(2,800,000)
Bank loans	-	-	-	-	-	-	(1,386,884)	(1,386,884)	(1,386,884)	(1,386,884)
	-	(439,283)	-	(439,283)	-	-	(4,201,890)	(4,201,890)	(4,641,173)	(4,626,167)
<b>2022</b>										
<b>Financial assets</b>										
Unquoted shares	-	-	1,803	1,803	-	-	-	-	1,803	1,803
Derivatives	-	515,507	-	515,507	-	-	-	-	515,507	515,507
	-	515,507	1,803	517,310	-	-	-	-	517,310	517,310
<b>Financial liabilities</b>										
Derivatives	-	(214,957)	-	(214,957)	-	-	-	-	(214,957)	(214,957)
IMTN	-	-	-	-	-	-	(2,222,997)	(2,222,997)	(2,222,997)	(2,300,000)
Bank loans	-	-	-	-	-	-	(1,730,310)	(1,730,310)	(1,730,310)	(1,730,310)
	-	(214,957)	-	(214,957)	-	-	(3,953,307)	(3,953,307)	(4,168,264)	(4,245,267)

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.8 Fair value information (cont'd)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>2023</b>										
<b>Financial assets</b>										
Loans to a subsidiary	-	-	-	-	-	-	1,459,776	1,459,776	1,459,776	1,459,776
Derivatives	-	2,036	-	2,036	-	-	-	-	2,036	2,036
	-	2,036	-	2,036	-	-	1,459,776	1,459,776	1,461,812	1,461,812
<b>Financial liabilities</b>										
Derivatives	-	(71,245)	-	(71,245)	-	-	-	-	(71,245)	(71,245)
IMTN	-	-	-	-	-	-	(2,815,006)	(2,815,006)	(2,815,006)	(2,800,000)
Bank loans	-	-	-	-	-	-	(839,567)	(839,567)	(839,567)	(839,567)
	-	(71,245)	-	(71,245)	-	-	(3,654,573)	(3,654,573)	(3,725,818)	(3,710,812)
<b>2022</b>										
<b>Financial assets</b>										
Loans to a subsidiary	-	-	-	-	-	-	1,444,545	1,444,545	1,444,545	1,444,545
Amounts due from subsidiaries	-	-	-	-	-	-	88	88	88	88
Derivatives	-	18,664	-	18,664	-	-	-	-	18,664	18,664
	-	18,664	-	18,664	-	-	1,444,633	1,444,633	1,463,297	1,463,297
<b>Financial liabilities</b>										
Derivatives	-	(8,722)	-	(8,722)	-	-	-	-	(8,722)	(8,722)
IMTN	-	-	-	-	-	-	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)
Bank loans	-	-	-	-	-	-	(1,229,412)	(1,229,412)	(1,229,412)	(1,229,412)
	-	(8,722)	-	(8,722)	-	-	(3,529,412)	(3,529,412)	(3,538,134)	(3,538,134)

## Notes to the Financial Statements

**28. FINANCIAL INSTRUMENTS (CONT'D)****28.8 Fair value information (cont'd)****Level 2 fair value***Derivatives*

The fair value of derivatives is determined by reference to statements provided by the respective financial institutions with which these contracts were entered into.

*Transfers between Level 1 and Level 2 fair values*

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either direction).

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

For financial instruments not carried at fair value, the Group has applied discounted cash flows valuation technique using a rate based on the current market rate of borrowings of the respective Group entities at the reporting date in the determination of fair values within Level 3. The Group's treasury team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

**29. CAPITAL MANAGEMENT**

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

The debt-to-equity ratios at 31 December 2023 and 31 December 2022 were as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Loans and borrowings	16	4,398,786	4,854,170
Lease liabilities		229,067	239,143
Less: Cash and bank balances	14	(1,228,008)	(604,002)
Net debt		3,399,845	4,489,311
Total equity		8,396,253	8,005,350
Debt-to-equity ratio		0.40	0.56

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

The Group has not breached any of the loan covenants disclosed in Note 16.



## Notes to the Financial Statements

**30. CAPITAL AND OTHER COMMITMENTS**

	Group	
	2023 RM'000	2022 RM'000
<b>Capital expenditure commitments</b>		
<b>Property, plant and equipment</b>		
Contracted but not provided for	<b>143,500</b>	180,685

**31. RELATED PARTIES****Identity of related parties**

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

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

The Group has related party relationship with its significant investors, subsidiaries, associates and key management personnel. In the context of these financial statements, associates also include the subsidiaries of the associates.

**Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Notes 12 and 18.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>A. Subsidiaries</b>				
Dividend income	-	-	<b>(692,400)</b>	(543,600)
Management fee income	-	-	<b>(37,078)</b>	(29,046)
Interest income on loans	-	-	<b>(103,598)</b>	(106,078)
Short-term lease payments	-	-	<b>659</b>	659

## Notes to the Financial Statements

**31. RELATED PARTIES (CONT'D)****Significant related party transactions (cont'd)**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>B. Associates</b>				
Dividend received	(51,250)	(4,688)	(43,470)	(2,148)
Interest income on ICULS	(1,765)	(1,765)	(1,765)	(1,765)
Lease payments	19	114	-	-
Sale of goods	(33,760)	(31,909)	-	-
Purchase of goods	2,342,419	1,901,563	-	-
<b>C. Directors</b>				
Fees	1,007	839	1,007	839
Remuneration	12,628	11,932	11,460	9,434
Total short-term employee benefits	13,635	12,771	12,467	10,273
Short-term lease payments	-	210	-	-
	13,635	12,981	12,467	10,273

**32. BUSINESS COMBINATIONS****2022****32.1 Acquisition of subsidiary**

In March 2022, the Group, via its 88.3%-owned subsidiary (2022: 92.4%), Press Metal International Limited, completed the acquisition of entire equity interest in Foshan Baiwen New Energy Co., Ltd. ("FBNE") for a total cash consideration of RMB6,779,000 (equivalent to approximately RM4,500,000).

The following summarised the major classes of consideration transferred, and the recognised amounts of assets and liabilities assumed at the acquisition date:

	Group 2022 RM'000
<b>Fair value of consideration transferred</b>	
Cash and cash equivalents	4,500

## Notes to the Financial Statements

**32. BUSINESS COMBINATIONS (CONT'D)****2022 (cont'd)****32.1 Acquisition of subsidiary (cont'd)**

	Note	Group 2022 RM'000
<b>Identifiable assets acquired and liabilities assumed</b>		
Property, plant and equipment	3	6,487
Trade and other receivables		11
Current tax assets		1,574
Cash and cash equivalents		56
Loans and borrowings		(6,708)
Trade and other payables		(607)
<b>Total identifiable net assets</b>		<b>813</b>
<b>Net cash outflow arising from acquisition of subsidiaries</b>		
Purchase consideration settled in cash and cash equivalents		(4,500)
Cash and cash equivalents acquired		56
		<b>(4,444)</b>
<b>Goodwill</b>		
Goodwill was recognised as a result of the acquisition as follows:		
Total consideration transferred		4,500
Fair value of identifiable net assets		(813)
<b>Goodwill</b>		<b>3,687</b>

The goodwill is attributable mainly to the skills and technical talent of FBNE. None of the goodwill recognised was expected to be deductible for income tax purposes.

**Acquisition-related costs**

The Group incurred acquisition-related costs of RM24,000 related to external legal fees. The legal fees had been included in administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

**2023****32.2 Partial disposal of interest in a subsidiary**

In December 2023, the Group, via its wholly-owned subsidiary, Press Metal (HK) Limited disposed of 4.1% equity interest in a subsidiary, Press Metal International Limited ("PMI") to third parties for a total cash consideration of RMB41,345,000 (equivalent to approximately RM27,019,000), decreasing its ownership in PMI and its direct subsidiaries ("collectively known as PMI subgroup") from 92.4% to 88.3%. The carrying amount of PMI subgroup's net assets in the Group's financial statements on the date of disposal was RM796,634,000.

The Group recognised an increase in non-controlling interests of RM32,662,000 and a decrease in retained earnings of RM5,643,000.

## Notes to the Financial Statements

**33. INTEREST IN JOINT OPERATION**

The Group has a 50% (2022: 50%) ownership interest in a joint operation, Japan Alumina Associates (Australia) Pty. Ltd. ("JAA") with Sojitz Corporation. JAA's principal place of business is in Australia. JAA markets the share of alumina produced through its participation in a bauxite mine and an alumina refinery and is strategic for the Group in ensuring its long-term access to raw material which reduces its exposure and reliance on third party suppliers. The Group and Sojitz Corporation have equal board representatives in JAA and all relevant decisions require unanimous votes from the shareholders. Based on the shareholders' agreement, the Group and Sojitz Corporation are entitled to the outputs produced by JAA in proportion to their respective shareholdings in JAA. In view that the Group has rights to the assets, and obligations for the liabilities relating to JAA, therefore the investment in JAA is accounted for as a joint operation.

**34. SIGNIFICANT EVENTS****34.1 Issuance of Islamic Medium-Term Notes**

In August 2019, the Company made a lodgement with the Securities Commission Malaysia for the establishment of Islamic Medium-Term Notes of RM5.0 billion in nominal value based on the Shariah Principle of Wakalah Bi Al-Istithmar ("Sukuk Programme"), for a tenure of up to thirty (30) years.

In September 2023, the Company made its fourth issuance of the Sukuk Programme for an aggregate nominal value of RM500 million with tenures of 5 years and 7 years.

The Group utilised the proceeds from the issuance for general corporate purposes including capital expenditure, working capital requirements, investments and refinancing of existing borrowings.

**34.2 Subscription of additional equity interest in PT Bintan Alumina Indonesia ("PT BAI")**

In November 2019, the Company entered into a share subscription agreement ("SSA") and a shareholders' agreement ("SHA") with several third parties, for the proposed subscription of 25% equity interest in PT BAI for a total cash consideration of USD80,232,000 (equivalent to approximately RM332,376,000). The transaction was completed in February 2020.

PT BAI is principally involved in the production of non-ferrous metals and is currently constructing an alumina refinery plant together with the necessary facilities in Galang Batang, Indonesia.

As at 31 December 2023, the investment in PT BAI had increased to RM1,229,397,000 following additional investments made by the Company during the financial year, which were in equal proportions with the remaining investors.

**35. SUBSEQUENT EVENT****35.1 Acquisition of subsidiary**

Subsequent to the reporting period, in January 2024, Press Metal Berhad ("PMB"), a wholly-owned subsidiary of the Company, completed the acquisition of the entire equity interest in Everpress Aluminium Industries Sdn. Bhd. ("Everpress Group") from a third party for a total cash consideration of RM5,000,000. The effects of the acquisition are not material to be disclosed.

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 212 to 305 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

**Tan Sri Dato' Koon Poh Keong**

Director

Petaling Jaya, Selangor

Date: 22 April 2024

**Koon Poh Ming**

Director

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Loo Tai Choong**, the officer primarily responsible for the financial management of Press Metal Aluminium Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 212 to 305 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Loo Tai Choong, NRIC: 681119-08-5045, at Kuala Lumpur in the Federal Territory on 22 April 2024.

**Loo Tai Choong**

Before me:

**Rajeev Saigal A/L Ramlabaya Saigal W 681**

Commissioner for Oaths

Kuala Lumpur

# INDEPENDENT AUDITORS' REPORT

To the members of Press Metal Aluminium Holdings Berhad

(Registration No. 201601027232 (1198171-H))

(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Press Metal Aluminium Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 212 to 305.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Hedge accounting

Refer to Note 28.7 – Financial instruments – Hedging activities.

#### The key audit matter

The Group and the Company are exposed to transactional foreign currency risk to the extent that there is a mismatch between the currency in which sales are denominated and the respective functional currencies of the Group entities. The Group is also exposed to commodity price risk due to fluctuations in aluminium prices.

Derivative financial instruments are used to manage and hedge foreign currency risk and commodity price risk. The Group entities then applied hedge accounting to hedge its cash flows arising from highly probable forecast sale transactions.

We focused on this area because applying hedge accounting is a complex and judgemental area, particularly in assessing the appropriateness of the designation of the hedge relationship and documentation, the effectiveness of the hedge and the probability of forecast transactions. The complexity of the application of hedge accounting and the number of hedge contracts the Group entered into required us to involve senior members and spend considerable time and effort to audit this area.

## Independent Auditors' Report

To the members of Press Metal Aluminium Holdings Berhad

(Registration No. 201601027232 (1198171-H))

(Incorporated in Malaysia)

### KEY AUDIT MATTERS (CONT'D)

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We evaluated whether the Group's designations of the loans and borrowings, forward exchange contracts, cross currency swaps and commodity swaps form valid hedging relationships with the forecast sale transactions and loan repayments;
- We assessed whether there are formal designations and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge at the inception;
- We determined whether the hedging relationship met the criteria of the accounting standards;
- We evaluated the probability of the forecast sale transactions by assessing the historical accuracy of management's forecasts, checking to secured sales contracts and verifying sales transacted subsequent to the end of the financial year; and
- We involved our financial risk management specialists in assessing the cash flow changes to hedged items and hedging instruments, and the hedge effectiveness.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Independent Auditors' Report

To the members of Press Metal Aluminium Holdings Berhad  
(Registration No. 201601027232 (1198171-H))  
(Incorporated in Malaysia)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Independent Auditors' Report

To the members of Press Metal Aluminium Holdings Berhad

(Registration No. 201601027232 (1198171-H))

(Incorporated in Malaysia)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in note 7 to the financial statements.

#### Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya, Selangor

Date: 22 April 2024

#### Ong Beng Seng

Approval Number: 02981/05/2024 J

Chartered Accountant

## LIST OF PROPERTIES

Held by the Group as at 31 December 2023

Proprietor	Location	Description/ Age (Year)	Existing Use	Tenure	Area (Square feet)	Net Book Value as at 31/12/2023 RM'000
Press Metal Bintulu Sdn Bhd	Lot 36, Block 1 Samalaju Industrial Park Kemena Land District 97000 Samalaju, Sarawak	Leasehold land and buildings 13 years	Factory cum office	Leasehold for 60 years expiring 10 July 2071	20,946,570	1,443,125
Press Metal Sarawak Sdn Bhd	Lot 211 & 212, Block 293 Mukah Land District, KM38 Jalan Mukah - Balingian 96400 Mukah, Sarawak	Leasehold land and buildings 16 years	Factory cum office	Leasehold for 99 years expiring 6 April 2107	44,913,337	334,451
Press Metal International Limited	Area C Sanshui Industrial Park Sanshui District Foshan City Guangdong Province China	Leasehold land and building 18 Years	Factory cum office	Leasehold for 48 & 50 years expiring 12 July 2055 & 30 December 2056	5,092,976	222,941
Press Metal Berhad	Lot 6486, Mukim Kapar Daerah Klang Selangor	Freehold land and building 30 years	Factory cum office	Freehold	417,348	29,564
PMB Aluminium Sdn Bhd	PT1653 & PT1656 Mukim Setul Daerah Seremban Negeri Sembilan	Leasehold land and buildings 33 years	Factory cum office	Leasehold for 99 years expiring 17 January 2090	473,612	15,627
Press Metal Berhad	Lot 6464, Mukim Kapar Daerah Klang Selangor	Freehold land and building 30 years	Factory cum office	Freehold	217,000	15,372
Press Metal Berhad	Suite 59, 60, 61 & 62 Setia Avenue No. 2, Jalan Setia Prima S U13/S Setia Alam, Seksyen U13 40170 Shah Alam, Selangor	Commercial office suite	Office	Freehold	37,912	13,276
Press Metal Aluminium (Australia) Pty Ltd	32, Southeast Boulevard Pakenham Victoria Australia	Freehold land and building 4 years	Warehouse	Freehold	32,000	12,462
Press Metal Bintulu Sdn Bhd	Lot 412 & 413, Block 1 Samalaju Industrial Park Kemena Land District 97000 Samalaju, Sarawak	Leasehold land 2 years	Staff accommodation	Leasehold for 60 years expiring 18 May 2082	3,143,923	10,224
Press Metal UK Limited	Beldray Road Mount Pleasant, Bilston West Midlands WV14 7NH	Freehold land and buildings 18 years	Warehouse	Freehold	74,418	8,246

## ANALYSIS OF SHAREHOLDINGS

as at 4 April 2024

Total Number of Issued Shares	:	8,239,617,778 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	180	1.89	4,912	0.00
100 to 1,000	2,203	23.16	1,528,543	0.02
1,001 to 10,000	3,693	38.82	15,962,234	0.19
10,001 to 100,000	2,081	21.88	73,465,256	0.89
100,001 to less than 5% of issued shares	1,353	14.23	6,322,983,518	76.74
5% and above of issued shares	2	0.02	1,825,673,315	22.16
<b>Total</b>	<b>9,512</b>	<b>100.00</b>	<b>8,239,617,778</b>	<b>100.00</b>

### DIRECTORS' SHAREHOLDINGS

(as per Register of Directors' Shareholdings as at 4 April 2024)

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)	100,000	0.00	0	0.00
Koon Poh Ming	512,864,516	6.22	130,920,000 <sup>(1)</sup>	1.59
Tan Sri Dato' Koon Poh Keong	225,535,022	2.74	2,807,837,822 <sup>(2)</sup>	34.08
Dato' Koon Poh Tat	223,378,760	2.71	8,528,604 <sup>(3)</sup>	0.10
Koon Poh Weng	420,975,136	5.11	49,321,920 <sup>(4)</sup>	0.60
Koon Poh Kong	105,501,372	1.28	66,060,240 <sup>(5)</sup>	0.80
Noor Alina Binti Mohamad Faiz	0	0.00	0	0.00
Lim Hun Soon @ David Lim	0	0.00	0	0.00
Susan Yuen Su Min	2,000	0.00	0	0.00
Chong Kin Leong	0	0.00	0	0.00
John Koon Tzer Lim (Alternate Director to Koon Poh Ming)	0	0.00	0	0.00

<sup>(1)</sup> Deemed interested in the shares held by his spouse, Ong Soo Fan in the Company and by virtue of his direct interest in 7G Holdings Pte. Ltd. pursuant to Section 8 of the Companies Act 2016 ("the Act").

<sup>(2)</sup> Deemed interested in the shares held by his spouse, Puan Sri Datin Khoo Ee Pheng in the Company and deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd., by virtue of Paul Koon Pte. Ltd.'s 100% direct equity interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn. Bhd., which in turn holds shares in the Company pursuant to Section 8 of the Act.

<sup>(3)</sup> Deemed interested in the shares held by his spouse, Datin Chan Hean Heoh in the Company.

<sup>(4)</sup> Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee in the Company.

<sup>(5)</sup> Deemed interested in the shares held by his spouse, Lee Sook Ching and his children, Koon Hoi Chun and Koon Xin Hui in the Company and by virtue of his direct interest in TK Capital Investment Ltd. pursuant to Section 8 of the Act.

## Analysis of Shareholdings

as at 4 April 2024

### SUBSTANTIAL SHAREHOLDERS

(as per Register of Substantial Shareholders as at 4 April 2024)

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Tan Sri Dato' Koon Poh Keong	225,535,022	2.74	2,807,837,822 <sup>(1)</sup>	34.08
Koon Poh Ming	512,864,516	6.22	130,920,000 <sup>(2)</sup>	1.59
Koon Poh Weng	420,975,136	5.11	49,321,920 <sup>(3)</sup>	0.60
Alpha Milestone Sdn. Bhd.	2,785,676,677	33.81	0	0.00
Ong Soo Fan	90,920,000	1.10	552,864,516 <sup>(4)</sup>	6.71
Chan Poo Choo	49,212,160	0.60	421,084,896 <sup>(5)</sup>	5.11
KPK Holdings (L) Ltd.	0	0.00	2,785,676,677 <sup>(6)</sup>	33.81
Paul Koon Pte. Ltd.	0	0.00	2,785,676,677 <sup>(7)</sup>	33.81
Paul Koon Foundation	0	0.00	2,785,676,677 <sup>(8)</sup>	33.81

<sup>(1)</sup> Deemed interested in the shares held by his spouse, Puan Sri Datin Khoo Ee Pheng in the Company and deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd., by virtue of Paul Koon Pte. Ltd.'s 100% direct equity interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn. Bhd., which in turn holds shares in the Company pursuant to Section 8 of the Act.

<sup>(2)</sup> Deemed interested in the shares held by his spouse, Ong Soo Fan in the Company and by virtue of his direct interest in 7G Holdings Pte. Ltd. pursuant to Section 8 of the Act.

<sup>(3)</sup> Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee in the Company.

<sup>(4)</sup> Deemed interested in the shares held by her spouse, Koon Poh Ming in the Company and by virtue of her interest in 7G Holdings Pte. Ltd. pursuant to Section 8 of the Act.

<sup>(5)</sup> Deemed interested in the shares held by her spouse, Koon Poh Weng and her daughter, Koon Sim Ee in the Company.

<sup>(6)</sup> Deemed interested by virtue of its 100% direct equity interest in Alpha Milestone Sdn. Bhd. pursuant to Section 8 of the Act.

<sup>(7)</sup> Deemed interested in the Company by virtue of being the holding company of KPK Holdings (L) Ltd., which in turn owns shares in Alpha Milestone Sdn. Bhd. pursuant to Section 8 of the Act.

<sup>(8)</sup> Paul Koon Foundation, being the holding entity of Paul Koon Pte. Ltd., is deemed interested in the Company by virtue of Paul Koon Pte. Ltd.'s 100% direct equity interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn. Bhd. pursuant to Section 8 of the Act.

## Analysis of Shareholdings

as at 4 April 2024

### LIST OF THIRTY LARGEST SHAREHOLDERS

as at 4 April 2024

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1	ALPHA MILESTONE SDN BHD	1,245,673,315	15.12
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>UBS AG Singapore for Alpha Milestone Sdn Bhd</i>	580,000,000	7.04
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB for Koon Poh Weng</i>	398,485,136	4.84
4	KOON POH MING	353,385,108	4.29
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Bank of Singapore Limited for Alpha Milestone Sdn Bhd</i>	250,000,000	3.03
6	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	202,637,700	2.46
7	HSBC NOMINEES (TEMPATAN) SDN BHD <i>JPMCB NA for Alpha Milestone Sdn Bhd</i>	200,000,000	2.43
8	HSBC NOMINEES (TEMPATAN) SDN BHD <i>MSIP for Alpha Milestone Sdn Bhd</i>	200,000,000	2.43
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Employees Provident Fund Board</i>	164,291,550	1.99
10	ALPHA MILESTONE SDN BHD	150,003,362	1.82
11	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBHK for Glencore International Investment Limited</i>	123,590,000	1.50
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>UBS AG Singapore for Tan Sri Dato' Koon Poh Keong</i>	120,000,000	1.46
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Bank of Singapore Limited for Tan Sri Dato' Koon Poh Keong</i>	100,000,000	1.21
14	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HBAP for Alpha Milestone Sdn Bhd</i>	100,000,000	1.21
15	KOON POH MING	83,379,408	1.01
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Employees Provident Fund Board</i>	79,594,575	0.96
17	CARTABAN NOMINEES (ASING) SDN BHD <i>Exempt AN for State Street Bank &amp; Trust Company</i>	78,928,800	0.96
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Dato' Koon Poh Tat</i>	70,180,160	0.85
19	TAN MEW LAN	63,331,312	0.77
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Exempt AN for AIA Bhd</i>	61,378,200	0.74
21	ONG SOO FAN	60,040,000	0.73
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB for Alpha Milestone Sdn Bhd</i>	60,000,000	0.73
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB for Dato' Koon Poh Tat</i>	56,011,400	0.68
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>UBS AG Singapore for Koon Poh Kong</i>	55,000,000	0.67
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>Maybank Trustees Berhad for Public Ittikal Fund</i>	55,000,000	0.67

## Analysis of Shareholdings

as at 4 April 2024

### LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

as at 4 April 2024

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
26	KOON PUI LING	54,959,900	0.67
27	PEGGY NG SEANG PHENG	51,840,000	0.63
28	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	48,444,588	0.59
29	CHAN POH CHOO	48,212,160	0.58
30	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	48,088,640	0.58
	<b>Total</b>	<b>5,162,455,314</b>	<b>62.65</b>

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Eighth Annual General Meeting (“8<sup>th</sup> AGM”) of Press Metal Aluminium Holdings Berhad (“PMAH” or “the Company”) will be held at State Room 2, Ground Floor, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur on **Thursday, 27 June 2024 at 10:30 a.m.** for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

### AGENDA

#### As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. *[Please refer to Explanatory Note 1]*
2. To approve the payment of Directors’ fees to the Non-Executive Directors for an amount of up to RM1,186,000.00 for the financial year ending 31 December 2024 (2023: RM1,100,000.00). **Ordinary Resolution 1**  
*[Please refer to Explanatory Note 2]*
3. To approve the payment of Directors’ benefits (other than Directors’ fees) to the Non-Executive Directors for an amount of up to RM196,000.00 from 27 June 2024 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 2**  
*[Please refer to Explanatory Note 2]*
4. To re-elect the following Directors who retire by rotation in accordance with Clause 95 of the Constitution of the Company and being eligible, have offered themselves for re-election:
  - (i) Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)
  - (ii) Ms. Susan Yuen Su Min
  - (iii) Pn. Noor Alina Binti Mohamad Faiz**Ordinary Resolution 3**  
**Ordinary Resolution 4**  
**Ordinary Resolution 5**  
*[Please refer to Explanatory Note 3]*
5. To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

#### As Special Business

To consider and if thought fit, to pass the following resolutions with or without modifications:

6. **Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 (“the Act”) and the Constitution of the Company for the Directors to Allot and Issue Shares** **Ordinary Resolution 7**  
*[Please refer to Explanatory Note 4]*

“**THAT** pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby authorised and empowered to allot and issue shares in the capital of the Company (“New Shares”) from time to time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of such New Shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory authorities being obtained for such allotment and issuance (“Proposed General Mandate”).

**THAT** such approval on the Proposed General Mandate shall continue to be in force until:

  - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
  - (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
  - (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

## Notice of Annual General Meeting

**THAT** the Directors of the Company be and are hereby also authorised and empowered to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities and to obtain the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

**THAT** in connection with the above, pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company, the shareholders do hereby waive their statutory pre-emptive rights to be offered New Shares in proportion of their holdings ranking equally to the existing issued shares in the Company arising from any issuance of New Shares of the Company pursuant to Sections 75 and 76 of the Act.

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

7. **Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPT”) and Proposed New Shareholders’ Mandate for Additional RRPT (“Proposed Shareholders’ Mandate for RRPT”)**

**Ordinary Resolution 8**

*[Please refer to Explanatory Note 5]*

“**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“PMAH Group”) to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4 of Part A of the Circular/ Statement to Shareholders dated 30 April 2024 which are necessary for the PMAH Group’s day-to-day operations subject to the following:

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

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

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM at which the Proposed Shareholders’ Mandate for RRPT is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) [but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.



## Notice of Annual General Meeting

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

8. **Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase its own Ordinary Shares ("Proposed Renewal of Share Buy-Back Authority")**

**Ordinary Resolution 9**

*[Please refer to Explanatory Note 6]*

**"THAT** subject to the Companies Act 2016 ("the Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to the fullest extent permitted by law, to purchase such number of issued ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:

- (a) the maximum aggregate number of issued ordinary shares in the Company which may be purchased ("Purchased Shares") and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities at any point in time of the said purchase(s); and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

**THAT** the authority conferred by this resolution will commence immediately upon passing of this resolution and shall continue to be in force until:

- (a) The conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed Renewal of Share Buy-Back Authority is approved, at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own ordinary shares before the aforesaid expiry date and, in any event, in accordance with the MMLR of Bursa Securities and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

## Notice of Annual General Meeting

**THAT** upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the Purchased Shares in their absolute discretion in the following manner as may be permitted by the Act, MMLR of Bursa Securities, applicable laws, rules, regulations, orders, guidelines and/or requirements of any relevant authorities for the time being in force:

- (a) To cancel all or part of the Purchased Shares;
- (b) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (c) To distribute all or part of the treasury shares as share dividends to the shareholders of the Company;
- (d) To resell all or part of the treasury shares;
- (e) To transfer all or part of the treasury shares for the purposes of or under an employees' shares scheme established by the Company and/or its subsidiaries (if any); and
- (f) To transfer all or part of the treasury shares as purchase consideration.

**AND THAT** the Directors of the Company be authorised to take all such steps as are necessary [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the purchase by the Company of its own ordinary shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may deem fit and expedient in the best interests of the Company.”

- 9. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

**TAI YIT CHAN** (MAICSA 7009143) (SSM PC No. 202008001023)  
**TAN AI NING** (MAICSA 7015852) (SSM PC No. 202008000067)  
Company Secretaries

Selangor Darul Ehsan  
Date: 30 April 2024

## Notice of Annual General Meeting

### NOTES:

1. For the purpose of determining who shall be entitled to attend and vote at the Eighth Annual General Meeting (“8<sup>th</sup> AGM”), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at **20 June 2024** (General Meeting Record of Depositors). Only a member whose name appears in this Record of Depositors shall be eligible to attend and vote at the 8<sup>th</sup> AGM or appoint proxy(ies) to attend and vote on his/her behalf.
2. A member entitled to attend and vote at the 8<sup>th</sup> AGM is entitled to appoint more than one (1) proxy or an attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy in the instrument appointing the proxies. A proxy appointed to attend and vote at the 8<sup>th</sup> AGM shall have the same rights as the member to attend and vote at the 8<sup>th</sup> AGM.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or via electronic submission. If the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised and shall be in any form (including electronic) that the Directors prescribe or accept.
5. The appointment of proxy(ies) for the 8<sup>th</sup> AGM may be made in a hard copy form or by electronic means and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 8<sup>th</sup> AGM or adjourned 8<sup>th</sup> AGM at which the person named in the instrument proposes to vote. Proxy form(s) must be deposited or submitted in the following manner not later than **10:30 a.m. on Tuesday, 25 June 2024**:
  - (i) In hard copy form

Deposit the duly executed proxy form with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd’s (“Tricor”) office of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, Tricor’s Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (hereinafter referred to as “Tricor’s Office”); or
  - (ii) By electronic means via TIIH Online

Submit the proxy form electronically with the Share Registrar of the Company via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Details for the 8<sup>th</sup> AGM on the procedures for electronic submission of proxy form via TIIH Online website.
6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
7. Corporate shareholder(s) who has appointed authorised representative(s) **MUST** deposit the **Original** or **Duly Certified** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor’s Office **not later than 10:30 a.m. on Tuesday, 25 June 2024** to attend and vote at the 8<sup>th</sup> AGM.

Attorney(s) appointed by Power of Attorney **MUST** deposit the **Original** Power of Attorney with the Share Registrar of the Company at Tricor’s Office **not later than 10:30 a.m. on Tuesday, 25 June 2024** to attend and vote at the 8<sup>th</sup> AGM.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 8<sup>th</sup> AGM of the Company shall be put to vote by way of poll. Poll administrator and independent scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.

## Notice of Annual General Meeting

### EXPLANATORY NOTES

#### 1. Agenda Item 1 – Audited Financial Statements for the financial year ended 31 December 2023

Agenda item 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“the Act”) does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

#### 2. Ordinary Resolutions 1 and 2 – Payment of Directors’ Fees and Benefits to Non-Executive Directors

Section 230(1) of the Act provides amongst others, that the Directors’ fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders’ approval shall be sought at this Eighth Annual General Meeting (“8<sup>th</sup> AGM”) on the Directors’ remuneration in two (2) separate resolutions as below:

- Ordinary Resolution 1 on payment of Directors’ fees to the Non-Executive Directors for the financial year ending 31 December 2024.
- Ordinary Resolution 2 on payment of Directors’ benefits to the Non-Executive Directors for the period from 27 June 2024 until the conclusion of the next AGM of the Company.

#### **Directors’ Fees**

To ensure that the current remuneration for the members of the Board and Board Committees of the Company remains competitive and appropriate to attract, retain and motivate individuals with strong credentials and high calibre to serve on the Board of the Company, an external consultant was engaged in 2021 to undertake the benchmarking analysis and recommended the appropriate remuneration taking into account the demands, complexities and performance of the Company.

The proposed remuneration review was comprehensively deliberated by the Remuneration Committee. The Board approved the Remuneration Committee’s recommendation for the proposed increase of 10% in Directors’ fees of the Non-Executive Directors for the financial year ending 31 December 2024. There are no changes to the Directors’ fees payable to the Non-Executive Directors as member of the Board Committees for the financial year ending 31 December 2024 and the aforesaid rates shall remain until the next review in 2025.

#### **Directors’ Benefits (other than Directors’ Fees)**

The Board approved the Remuneration Committee’s recommendation to standardise the proposed Directors’ benefits payable to the Non-Executive Directors of the Company, i.e., meeting allowance of RM2,000 per Director per meeting for the financial year ending 31 December 2024. The fee structure of the meeting allowance for the preceding financial year is summarised in the table below for reference:

Meeting allowance	Non-Executive Chairman (RM per director per meeting)	Non-Executive Director (RM per director per meeting)
Board of Directors	1,500	1,200
Audit Committee	1,200	1,000
Risk Management Committee	1,200	1,000
Nomination and Corporate Governance Committee	1,000	800
Remuneration Committee	1,000	800

The proposed Directors’ benefits payable comprises only meeting allowance. The total estimated amount of Directors’ benefits payable is calculated based on the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolutions 1 and 2 concerning remuneration to the Non-Executive Directors at the 8<sup>th</sup> AGM.

In the event that the proposed Non-Executive Directors’ fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders’ approval at the 9<sup>th</sup> AGM of the Company for the additional Directors’ fees and benefits payable to meet the shortfall.

## Notice of Annual General Meeting

### 3. Ordinary Resolutions 3 to 5 – Re-election of Directors

The profile of the Directors who are standing for re-election as per item 4 of the Agenda are set out in the Profile of Our Board of Directors section of the Integrated Annual Report 2023.

The Nomination and Corporate Governance Committee (“NCGC”) has considered the performance and contribution of each of the retiring Directors seeking for re-election. In addition, the NCGC had also conducted an assessment on the fitness and propriety of the retiring Directors, including the review of their fit and proper declarations and results of their background checks in accordance with the Directors’ Fit and Proper Policy. The Board had also through the NCGC, carried out assessment on the independence of the retiring Directors and is satisfied that they met the criteria of independence as prescribed in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The said retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election. Based on the recommendation of the NCGC, the Board is satisfied with the performance and contributions of the retiring Directors and supports their re-election based on the following justifications:

(a) Ordinary Resolution 3 – Re-election of Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) as Independent Non-Executive Chairman

Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) has vast experience in the financial services industry. Having held leading positions in both foreign and local institutions, she has been contributing valuable insights to the Board and actively making independent assessment of information, to provide independent view and demonstrate objectivity in reviewing and challenging Management’s proposals at meetings. As Chairman of the Board, she has been managing the interface between the Board and Management by encouraging active participation and allowing dissenting views to be freely expressed during the Board meeting. She exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Chairman of the Company.

(b) Ordinary Resolution 4 – Re-election of Ms. Susan Yuen Su Min as Independent Non-Executive Director

Ms. Susan Yuen Su Min has over 30 years of working experience in the banking industry and has served several renowned banking establishments. As an Independent Director, she has been contributing valuable insights to the Board and actively making independent assessment of the information, reports or statements, having regard to her knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing, as well as constructively challenge Management’s proposals at meetings. She exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

(c) Ordinary Resolution 5 – Re-election of Pn. Noor Alina Binti Mohamad Faiz as Independent Non-Executive Director

Pn. Noor Alina Binti Mohamad Faiz is a lawyer by profession and has been appointed to the Board before the Company’s assumption of its listing status. As an Independent Director, she has been contributing valuable insights to the Board and actively making independent assessment of the information, reports or statements, having regard to her knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing, as well as constructively challenge Management’s proposals at meetings. She exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

## Notice of Annual General Meeting

**4. Ordinary Resolution 7 – Proposed Renewal of Authority under Sections 75 and 76 of the Act and the Constitution of the Company for the Directors to Allot and Issue Shares**

The Company had, during its Seventh AGM held on 14 June 2023, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. As of the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 7 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act and empowering the Directors of the Company to issue and allot shares in the Company from time to time, provided that the aggregate number of such shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed General Mandate").

The Proposed General Mandate, if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/or acquisition(s), without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

By approving the issuance and allotment of shares pursuant to Sections 75 and 76 of the Act and the Constitution of the Company, the shareholders, having agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company which will result in a dilution to their shareholding percentage in the Company, allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the Proposed General Mandate.

If there should be a decision to issue new shares after the Proposed General Mandate is obtained, the Company will make an announcement in respect thereof.

**5. Ordinary Resolution 8 – Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") and Proposed New Shareholders' Mandate for Additional RRPT ("Proposed Shareholders' Mandate for RRPT")**

Ordinary Resolution 8 proposed under item 7 of the Agenda, if passed, will allow PMAH Group to enter into the RRPT under the Proposed Shareholders' Mandate for RRPT pursuant to the provisions of the MMLR of Bursa Securities without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur. This will reduce substantially the expenses associated with the convening of general meetings on ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining PMAH Group's corporate objectives and business opportunities. The Proposed Shareholders' Mandate for RRPT is subject to renewal on an annual basis.

For further information on Ordinary Resolution 8, please refer to Part A of the Circular/Statement to Shareholders dated 30 April 2024.

**6. Ordinary Resolution 9 – Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase its own Ordinary Shares**

The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of shares of up to ten per centum (10%) of the total number of issued shares of the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company is required by law to be held.

For further information on Ordinary Resolution 9, please refer to Part B of the Circular/Statement to Shareholders dated 30 April 2024.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad]

## 1. Details of individuals who are standing for election (excluding directors standing for re-election) as Directors

There are no individuals who are standing for election as Directors at the Eighth Annual General Meeting ("8<sup>th</sup> AGM") of the Company.

## 2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue securities pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 4 of this Notice.

### Personal data privacy:

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

## GLOSSARY

Abbreviation	Full Term
3R	Reduce, Reuse and Recycle
3Re	Retention, Reward and Recognition
4R	Reduce, Reuse, Recycle, Recover
8D	8-Discipline
AAPG	Audit and Assurance Practice Guide
ABAC	Anti-Bribery and Anti-Corruption Policy
AC	Audit Committee
AI	Artificial Intelligence
AIFR	All Injury Frequency Rate
APQP	Advanced Product Quality Planning
ASI	Aluminium Stewardship Initiative
BAP	Biodiversity Action Plan
BCP	Business Continuity Plan
BCX	Bursa Carbon Exchange
BI	Bloomberg Intelligence
BMCC	British Malaysian Chamber of Commerce
BMP	Biodiversity Management Plan
Board	Board of Director
BTMHG	Baker Tilly Monteiro Heng Governance Sdn. Bhd.
CAHRAs	Conflict-Affected and High-Risk Areas
CAPA	Corrective Action and Preventive Action
CCU	Carbon Capture and Utilisation
CGOS	Corporate Governance Overview Statement
CLH	Collaborative Learning Hub
CO <sub>2</sub> e	Carbon Dioxide Equivalent
CoC	Code of Conduct
CoE	Code of Ethics
CPR	Communication and Public Relations
CSD	Corporate Sustainability Development
CSR	Corporate Social Responsibility
DDG	Due Diligence Guidance
DOE	Department of Environment
DSWGs	Division Sustainability Working Groups
EBITDA	Earning Before Interest Tax Depreciation Amortization
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EmpRP	Employee Referral Program
EnMP	Energy Management Policy
ERM	Enterprise Risk Management
ERP	Emergency Response Plan
ERTH	E-Waste Recycling Through Heroes
ERTs	Emergency Response Teams



## Glossary

Abbreviation	Full Term
ESG	Environment, Social and Governance
ESPW	Equipment Spare Part Warehouse
ETS	Emissions Trading System
EU	European Union
EV	Electric Vehicle
FC	Financial Capital
FMM	Federation of Malaysian Manufacturers
FYE	Financial Year Ended
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GT	Grant Thornton Malaysia PLT
HC	Human Capital
HF	Hydrogen Fluoride
HIARODC	Hazard Identification Assessment of Risks and Opportunity and Determination of Control
HR	Human Resources
IAI	International Aluminium Institute
IAR	Integrated Annual Report
IC	Intellectual Capital
InvC	Investment Committee
ICAEW	Institute of Chartered Accountants in England & Wales
ICP	Internal Carbon Price
IDP	Integrated Design Project
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPCC AR6	Intergovernmental Panel on Climate Change Sixth Assessment Report
IPO	Initial Public Offering
iPRO	Improvement Project
IS	Information System
ISO 14001	ISO 14001:2015 Environmental Management System
ISO 31000	ISO 31000:2018 Risk Management Guidelines
ISO 45001	ISO 45001:2018 Occupational Health and Safety Management
ISO 9001	ISO 9001:2015 Quality Management System
IT	Information Technology
JAA	Japan Alumina Associates
LCA	Life Cycle Assessment
LME	London Metal Exchange
LTIFR	Lost-Time Injury Frequency Rate
MC	Manufactured Capital
MCCG	Malaysian Code on Corporate Governance
MES	Manufacturing Execution System
MFRS	Malaysian Financial Reporting Standards

Abbreviation	Full Term
MIA	Malaysia Institute of Accountants
MICPA	Malaysia Institute of Certified Public Accountants
MMBtu	Million Metric British Thermal Units
MMLR	Main Market Listing Requirements
NC	Natural Capital
NCGC	Nomination and Corporate Governance Committee
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OHC	Overhead Crane
OHS	Occupational Health and Safety
OSHA 1994	Occupational Safety and Health Act 1994
PATAMI	Profit After Tax and Minority Interest
PCF	Product Carbon Footprint
PDCA	Plan-Do-Check-Act
PDPA	Personal Data Protection Act 2010
PMAH	Press Metal Aluminium Holdings Berhad
PMAR	Press Metal Aluminium Rods Sdn Bhd
PMB	Press Metal Berhad
PMBA	PMB Aluminium Sdn Bhd
PMBtu	Press Metal Bintulu Sdn Bhd
PMI	Press Metal International Limited
PMIT	Press Metal International Technology Ltd
PMS	Press Metal Sarawak Sdn Bhd
PPE	Personal Protective Equipment
PS v3	Performance Standard Version 3
PTW	Permit To Work
R&D	Research and Development
RC	Remuneration Committee
RMC	Risk Management Committee
RMD	Risk Management Department
RMT	Risk Management Team
RPTs	Related Party Transactions
RRPT	Recurrent Related Party Transactions
SASB	Sustainability Accounting Standards Board
SC	Sustainability Committee
SCoC	Supplier Code of Conduct
SIA	Social Impact Assessment
SiPro	Strategic Improvement Project
SMS	Social Management System
SOCISO	Social Security Organisation
SOIP	Sarawak Operations Improvement Programme
SOP	Standard of Procedures

## Glossary

Abbreviation	Full Term
SOx	Sulphur Oxides
SPL	Spent Pot Lining
SR	Sustainability Report
SRC	Social and Relationship Capital
SSAQ	Supplier Self-Assessment Questionnaire
SSP	Shared Socioeconomic Pathways
SWG	Sustainability Working Group
SWRC	Sports Welfare Recreational & Culture
TCFD	Task Force on Climate-Related Financial Disclosures
TISAX	Trusted Information Security Assessment Exchange
TOR	Terms of Reference
TPM	Total Particulate Matter
UK	United Kingdom
UM	Universiti Malaya
UNSDGs	United Nations' Sustainable Development Goals
UNGC	United Nations Global Compact
US	United States
VAPs	Value Added Products
VOCs	Volatile Organic Compounds
VRF	Value Reporting Foundation
VSOP	Video Standard Operating Procedures
WWTP	Wastewater Treatment Plant
XJTU	Xi'an Jiaotong University

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

(Incorporated in Malaysia)

<b>CDS Account No.</b>	
<b>No. of Shares Held</b>	

**PROXY FORM**I/We ..... NRIC/Passport/Company No. ....  
(Full name in block letters)of .....  
(Full address)

Contact No.: ..... Email Address: .....

being a member/members of **PRESS METAL ALUMINIUM HOLDINGS BERHAD**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	<b>Proportion of Shareholdings</b>	
		No. of Shares	%
Email Address	Contact No.		
Address			

\*and / or

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	<b>Proportion of Shareholdings</b>	
		No. of Shares	%
Email Address	Contact No.		
Address			

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Eighth Annual General Meeting ("8<sup>th</sup> AGM") of the Company to be held at State Room 2, Ground Floor, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur on **Thursday, 27 June 2024 at 10:30 a.m.** or at any adjournment thereof in the manner as indicated below:-

No.	Resolutions		For	Against
1	To approve the payment of Directors' fees to the Non-Executive Directors for an amount of up to RM1,186,000.00 for the financial year ending 31 December 2024 (2023: RM1,100,000.00).	Ordinary Resolution 1		
2	To approve the payment of Directors' benefits (other than Directors' fees) to the Non-Executive Directors for an amount of up to RM196,000.00 from 27 June 2024 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 2		
3	Re-election of Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) as Director.	Ordinary Resolution 3		
4	Re-election of Ms. Susan Yuen Su Min as Director.	Ordinary Resolution 4		
5	Re-election of Ph. Noor Alina Binti Mohamad Faiz as Director.	Ordinary Resolution 5		
6	Re-appointment of Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6		
7	Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 and the Constitution of the Company for the Directors to Allot and Issue Shares.	Ordinary Resolution 7		
8	Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") and Proposed New Shareholders' Mandate for Additional RRPT.	Ordinary Resolution 8		
9	Proposed Renewal of Shareholders' Mandate for the Authority to the Company to purchase its own Ordinary Shares.	Ordinary Resolution 9		

(Please indicate with an "X" in the spaces provided whether you wish your vote to be cast for or against the Ordinary Resolutions. In the absence of specific directions, your proxy(ies) will vote or abstain from voting at his/her discretion.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature of Shareholder(s)/Common Seal\* *Strikeout whichever is not applicable*

**NOTES:**

1. For the purpose of determining who shall be entitled to attend and vote at the Eighth Annual General Meeting ("8<sup>th</sup> AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at **20 June 2024** (General Meeting Record of Depositors). Only a member whose name appears in this Record of Depositors shall be eligible to attend and vote at the 8<sup>th</sup> AGM or appoint proxy(ies) to attend and vote on his/her behalf.
2. A member entitled to attend and vote at the 8<sup>th</sup> AGM is entitled to appoint more than one (1) proxy or an attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy in the instrument appointing the proxies. A proxy appointed to attend and vote at the 8<sup>th</sup> AGM shall have the same rights as the member to attend and vote at the 8<sup>th</sup> AGM.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or via electronic submission. If the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised and shall be in any form (including electronic) that the Directors prescribe or accept.
5. The appointment of proxy(ies) for the 8<sup>th</sup> AGM may be made in a hard copy form or by electronic means and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 8<sup>th</sup> AGM or adjourned 8<sup>th</sup> AGM at which the person named in the instrument proposes to vote. Proxy form(s) must be deposited or submitted in the following manner not later than **10:30 a.m. on Tuesday, 25 June 2024:**
  - (a) In hard copy form  
Deposit the duly executed proxy form with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") office of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (hereinafter referred to as "Tricor's Office"); or
  - (b) By electronic means via TIIH Online  
Submit the proxy form electronically with the Share Registrar of the Company via TIIH Online website at <https://tjih.online>. Kindly refer to the Administrative Details for the 8<sup>th</sup> AGM on the procedures for electronic submission of proxy form via TIIH Online website.

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STAMP

The Share Registrar  
**PRESS METAL ALUMINIUM HOLDINGS BERHAD**  
Registration No. 201601027232 (1198171-H)  
**c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**  
Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur  
Malaysia

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6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
7. Corporate shareholder(s) who has appointed authorised representative(s) **MUST** deposit the **Original** or **Duly Certified** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor's Office **not later than 10:30 a.m. on Tuesday, 25 June 2024** to attend and vote at the 8<sup>th</sup> AGM. Attorney(s) appointed by Power of Attorney **MUST** deposit the **Original** Power of Attorney with the Share Registrar of the Company at Tricor's Office **not later than 10:30 a.m. on Tuesday, 25 June 2024** to attend and vote at the 8<sup>th</sup> AGM.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 8<sup>th</sup> AGM of the Company shall be put to vote by way of poll. Poll administrator and independent scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 8<sup>th</sup> AGM dated 30 April 2024.





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