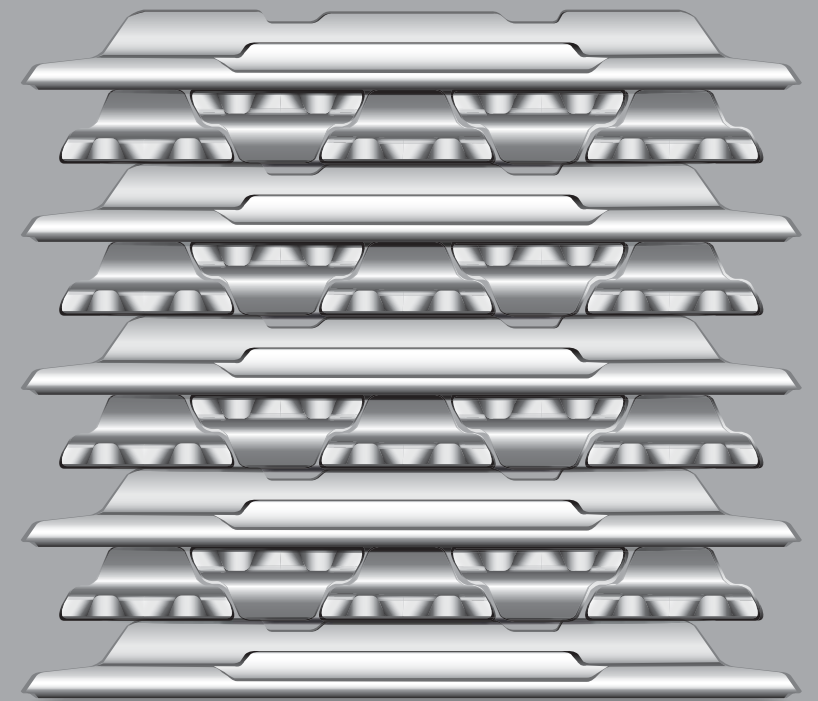


# PRESS METAL BERHAD

ANNUAL REPORT 2009

PRESS METAL BERHAD 153208 W

ANNUAL REPORT 2009



**ALUMINIUM**  
Metal of the Future



PRESS METAL



At Press Metal, we continuously strive to advance, excel and to overcome new heights, burning with winning ambition and willingness to push the limits to explore and to discover the endless possibilities of the future.



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## Press Metal Berhad at a Glance

Press Metal Berhad is a Malaysian-based aluminium company with extensive global presence. From our modest beginnings as a private owned local aluminium extrusion company in 1986, Press Metal has come a long way to becoming a globally integrated aluminium player today - with a 150,000 tonne smelting capacity and 170,000 tonne extrusion capacity.

### MALAYSIA

Press Metal is the leading aluminium extruder in Malaysia with a 40,000 tonne capacity, complete with in-house tool and dies shop – offering customers quick turnaround services. Additionally, our plant is also equipped with modern surface finishing facilities that provide an extensive range of surface finishes – anodize, powder coat or bright dip.

### CHINA

Our subsidiary in Foshan China, Press Metal International Ltd., is one of the biggest exporters of aluminium product in China, with the production capacity of 100,000 tonne per annum.

The Group, via its subsidiary in Hubei has also built an extrusion plant to further expand our capacity and to simultaneously ride on the China economy boom. The initial extrusion capacity for this new plant is 30,000 tonne and had commenced operation with 2 production lines in April 2008.

The extrusion operations will also complement our smelter in Hubei which has a production capacity of 90,000 tonne. The smelter is energy self-sufficient as our Hubei subsidiary owned and operates a 180 megawatt coal-fired power plant.





# Press Metal Berhad at a Glance

*cont'd*



## GLOBAL NETWORK

With more than 10 years of history under our belt, Press Metal's overseas operations have firmly carved a niche in the global market and continue to expand. From our initial operational base established in the United Kingdom and Australia, our distribution centres have now extended to include Canada, the North America and the Middle East. Thanks to such solid local presence, we have been able to build strong relationship with our customers and cater for their needs and requirements with various solutions instantly.

## NEW SMELTER

Backed by our experience and expertise of the past 20 years, Press Metal has built a new smelter in Mukah, Sarawak – the first ever aluminium-smelting plant in Malaysia with technology provided from Aluminium Corporation of China Limited (CHALCO), the top aluminium company in China and the fourth largest aluminium player in the world. Press Metal has successfully secured 600 megawatt of electricity supply for an initial phase of 100,000 tonne of smelting capacity, the commercial production of which had commenced in November 2009 at 50,000 tonne capacity per annum. The total capacity is targeted to reach 300,000 tonnes per annum upon completion of subsequent developments.





# CHAIRMAN'S STATEMENT

**Dato' Megat Abdul Rahman Bin Megat Ahmad**  
Chairman



**On behalf of the Board of Directors  
of Press Metal Berhad (Press Metal),  
I am pleased to present to you  
the Annual Report and  
Audited Financial Statements  
of Press Metal and its Group  
for the financial year ended 31 December 2009.**

## FINANCIAL PERFORMANCE

The world's economy is said to have seen some recovery signs during the later part of 2009, with the benefits of the stimulus packages introduced by various governments. The recovery, however, was in a rather slow and uncertain pace as the spiralling effects of the sub-prime financial crisis are still affecting each individual economy.

Metal prices were weak during the first half of 2009 with the aluminium price hitting its new low in February 2009 to USD1,279 per ton, from the peak of USD3,380 per ton in July 2008, as quoted in the London Metal Exchange (LME). Although the improvement of market sentiment has contributed towards the gradual recovery of aluminium price since June 2009, it is still far off from the peak.

For the financial year 2009, the Group recorded revenue of RM1.13 billion, a slight decline compared to that of RM1.16 billion in year 2008. The lower revenue is mainly due to lower aluminium price, the effect of which had however, been mitigated by the commissioning of our aluminium smelting plant in Mukah, Sarawak (Mukah Smelting Plant), during the last quarter of the year.

Despite lower revenue, the Group registered a higher pre-tax profit of RM40.12 million in the year 2009, as opposed to RM34.75 million in 2008. The cost control measures undertaken at the beginning of the year and the contribution from the Mukah Smelting Plant were the main contributing factors.

# Chairman's Statement

cont'd



## CORPORATE DEVELOPMENT & PROSPECT

Since the financial crisis, a lot more attention has been drawn to China due to its progressive economic growth and development. Similarly, the Group's operations in China had been driving our global business involvements. The Group will continue to enhance its marketing efforts to establish its footing in the domestic China markets, while penetrating the global markets with its strategic marketing implementation.

Closer to home, our Mukah Smelting Plant received its maiden shipment of alumina, the main material for aluminium smelting, in June 2009. The commercial production has started in November 2009, with the initial capacity of 50,000 tons per annum. The Group is continuing with the Mukah Smelting Plant Development, targeting to reach higher capacity of 100,000 tons per annum by the end of this year.

## DIVIDENDS

An interim dividend of 0.75 sen per ordinary share less tax amounting to RM2,051,769 was declared and paid during the year. The Board is pleased to propose a final tax-exempt dividend of 1 sen per ordinary share, amounting to approximately RM3,653,878 in respect of the year ended 31 December 2009, which is subject to shareholders' approval at the forthcoming Annual General Meeting.

## APPRECIATION & ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to take this opportunity to express our gratitude and appreciation to all our shareholders, customers, business associates, suppliers, the financiers, the government agencies, regulatory authorities, the management as well as members of staff, for their invaluable support to our Group.

Specifically, I would like to congratulate the team at Mukah for the successful commissioning of the first smelting plant in Malaysia. Syabas !

**DATO' MEGAT ABDUL RAHMAN BIN MEGAT AHMAD**  
Chairman

May 2010







## GROUP CEO'S REVIEW OF OPERATIONS

Dato' Koon Poh Keong  
Group Chief Executive Officer

### 2009 - LOOKING BACK

**2009 was a year of reference on how the world economy staring at a great depression but with concerted efforts by all the major economies pumping billion and billion of dollars into each respective economy that such a dreaded fate was averted.**

Now, various economic indicators have shown signs of improvement, albeit being subjected to uncertainties. There are increasing number of countries registered positive growth of gross domestic product (GDP) for the last couple of quarters, along with a notable recovery in international trade and global industrial production.

As inventories rebuilding took place and consumption improved, all commodities prices also have recovered from their low and ended the year on a high note with copper recovering more than 100% from its trough. In particular, aluminium price hit its low in February 2009 to USD1,279 per ton, from the peak of USD3,380 per ton in July 2008, and ended the year at USD2,245 per ton as quoted in the London Metal Exchange (LME).



# Group CEO's Review of Operations

cont'd



## THE GROUP'S PERFORMANCE IN 2009

Overall, the performance for 2009 was commendable given the depressive sentiment in the beginning of the year. The stimulus pumped into various economies have helped stabilised the price decline and restored some confidence which desperately needed by the consumers.

China, in particular with its vast size and quick pace of implementation has very much provided the boost to the market. With our two major operations in China, our business was also one of the beneficiaries.

By the end of our financial year 2009, we managed to record a revenue of RM1.13 billion, a slight decline of 2% as compared to the previous financial year of RM1.16 billion. However, with the cost control measures undertaken and strategic marketing implemented, profit before tax improved by 15%, from RM34.7 million to RM40.1 million.

The completion and commercialization of our aluminium smelter in Sarawak has also contributed to the positive result for the year. The timing cannot be better as the smelter was completed in third quarter which coincide with the much improved metal price and the recovery on consumption.

## 2010 - LOOKING FORWARD

What a difference a year it has been.

The beginning of 2009 was all gloom and doom but this year all are looking forward to a better year. Many economies have registered positive growth due to the effect of the fiscal stimulus provided by all major governments of both developed and developing countries and the restocking of inventories.

It is expected that major developing countries, especially China and India will continue to outpace advanced economies' performance. Many analysts commented that this recovery is very much led by Asia whereby the financial systems of most Asian economies were not nearly as leveraged as their western counterparts and banks in this region were able to ramp up lending again.

Manufacturing output growth remained positive as producers continued to benefit from both inventory rebuilding and a further improvement in global trade flows.

As aluminium is a versatile material being used in many sectors of the economy, namely construction, automotive, engineering, household items and packaging, the consumption will increase as the economy resumed its growth. We will continue to take advantage of our expansions in China, to benefit from the high growth and increased economy activities in China.

Further, Press Metal is determined to continue its vertical integration with the expansion of its smelting capacity. We are looking forward to the completion of the second half of the Phase 1 development of our Mukah Smelting Plant and increase our annual capacity to 100,000 tons.

Thereafter, we will continue to develop Phase 2 of the project, targeting to increase our annual capacity to 300,000 tons. This expansion strategy is in cognizance of the economy growth in this region. With the continuous support of the State and Federal government, we should be able to achieve this objective and put Malaysia at the forefront as a leading primary aluminium producer in Asia besides China.

## APPRECIATION

I would like to take this opportunity to express my gratitude and appreciation to our customers, financiers, business associates and government agencies and regulatory authorities, for the continuous support over the years. On behalf of the Management team, I would like to thank our Board of Directors for their guidance and wisdom. To our employees, thank you for your dedication, hard work and contributions throughout the year.

**DATO' KOON POH KEONG**

Group Chief Executive Officer

May 2010





## Event Highlights 2009



Press Metal's first alumina shipment was successfully docked at the Bintulu Port in June 2009. This was the maiden voyage of alumina for the Port and was discharged by Press Metal's own hopper and grabbing cum bagging facilities, the first-ever kind of operation in Malaysia.

Press Metal's aluminium smelting plant in Mukah, Sarawak has successfully commenced its commercial production in November 2009. The plant, being the first in Malaysia, is running at its initial capacity of 50,000 tons per annum. The plant is expected to bring significant impact on the local communities in terms of creating more job opportunities and services which will eventually boost the economy of the State.



Press Metal participated in various recruitment drives throughout Sarawak during year 2009. Employment opportunities at our aluminium smelting plant had helped to retain the local talents and provided them opportunities to equip themselves with new skills and technology.

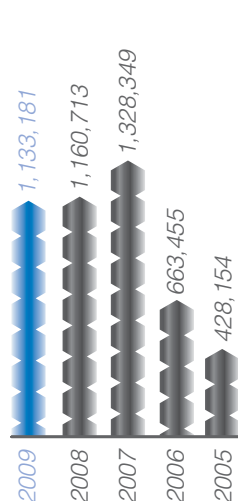
Press Metal's subsidiary in Hubei, China, completed the Desulfurization and Fume Treatment System ("System") for #1 boiler of its power plant. The System had been successfully commissioned and had passed the inspection and evaluation conducted by the environmental department in March 2009. This is the third desulfurization and fume treatment system installed and run at the plant. The provincial authorities also complemented the Group's continuous efforts in environment protection.



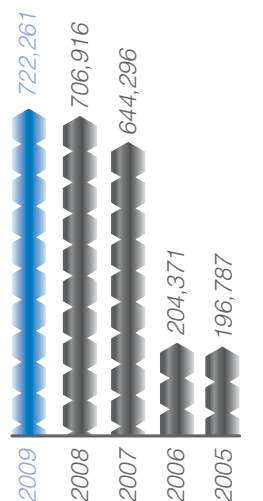
Press Metal participated in the International Energy Week (IEW 09) held in Kuching, in November 2009. Over 6,000 industry experts, delegates, trade suppliers and buyers worldwide congregated at this international event.

Press Metal, being the first aluminium smelting operator in Malaysia, had attracted the interest of the guests of honour and various participating delegates. Our Group CEO was invited as one of the panel members for the Roundtable Discussion to share with the delegates the commitment of Press Metal to the development of the Sarawak Corridor of Renewable Energy (SCORE).

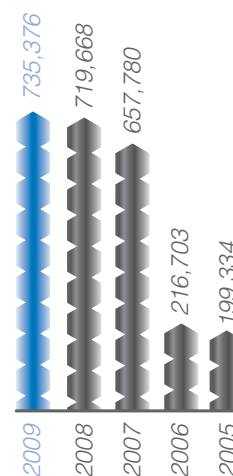
# Group Financial Highlights



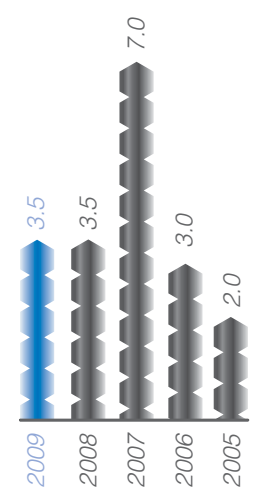
» Turnover (RM'000)



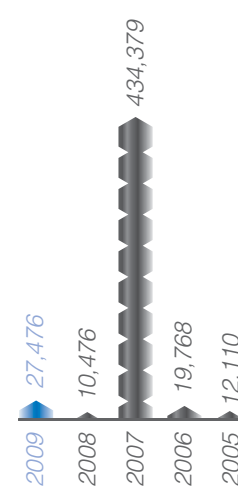
» Net Tangible Assets (RM'000)



» Shareholders' Funds (RM'000)



» Dividends Per Share (%)



» Profit Attributable to Shareholders (RM'000)

	2009 RM'000	2008 RM'000	Restated 2007 RM'000	2006 RM'000	2005 RM'000
TURNOVER	1,133,181	1,160,713	1,328,349	663,455	428,154
PROFIT BEFORE TAXATION	40,125	34,745	444,116	27,791	12,453
PROFIT AFTER TAXATION	28,695	8,537	441,766	21,615	12,872
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	27,476	10,476	434,379	19,768	12,110
SHAREHOLDERS' FUNDS	735,376	719,668	657,780	216,703	199,334
NET TANGIBLE ASSETS	722,261	706,916	644,296	204,371	196,787
NET EARNINGS PER SHARE (SEN)	8	2	121	6	5
GROSS DIVIDEND (%)	3.5	3.5	7.0	3.0	2.0



## Group Structure

### PRESS METAL BERHAD

PRESS METAL UK LIMITED 100%

PRESS METAL ALUMINIUM (AUSTRALIA) PTY. LTD. 70%

PRESS METAL (HK) LIMITED 100%

└─ PRESS METAL INTERNATIONAL LIMITED 100%

PMB MARKETING SDN. BHD. 100%

└─ PMB MARKETING (H.K.) LIMITED 100%

ANGKASA JASA SDN. BHD. 100%

BI-PMB WASTE MANAGEMENT SDN. BHD. 100%

PMB RECYCLING MANAGEMENT SDN. BHD. 100%

PMS MARKETING SDN. BHD.

(f.k.a.PMB-Envirex Environmental Engineering Sdn. Bhd.) 100%

WESAMA SDN. BHD. 100%

└─ ACE EXTRUSION SDN. BHD. 100%

PMB DEVELOPMENT SDN. BHD. 100%

└─ PMB SPECTRUM SDN. BHD. 60%

PRESS METAL SARAWAK SDN. BHD. 80%

HUBEI PRESS METAL HUASHENG ALUMINIUM & ELECTRIC CO. LTD. 90%

└─ PMH ALUMINIUM EXTRUSION CO. LTD. 100%



# Corporate Information



## BOARD OF DIRECTORS

Dato' Megat Abdul Rahman Bin Megat Ahmad  
Independent Non-Executive Chairman

Koon Poh Ming  
Executive Vice Chairman

Dato' Koon Poh Keong  
Group Chief Executive Officer

Koon Poh Tat  
Executive Director

Koon Poh Weng  
Executive Director

Koon Poh Kong  
Executive Director

Kuan Shin @ Kuan Nyong Hin  
Non-Independent Non-Executive Director

Tuan Haji Mohamad Faiz Bin Abdul Hamid  
Independent Non-Executive Director

Loo Lean Hock  
Independent Non-Executive Director

Tan Heng Kui  
Independent Non-Executive Director

## COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)  
Wong Wan Theen (MAICSA 7039045)

## SHARES AND WARRANTS REGISTRAR

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

## REGISTERED OFFICE

Lot 6.05, Level 6  
KPMG Tower, 8 First Avenue  
Bandar Utama, 47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7720 1188  
Fax : 03-7720 1111

## CORPORATE OFFICE

Lot 6464, Batu 5 3/4  
Jalan Kapar, Sementa  
42100 Klang  
Selangor Darul Ehsan  
Tel : 03-3291 3188  
Fax : 03-3291 3637  
Website : [www.pressmetal.com](http://www.pressmetal.com)

## PRINCIPAL BANKERS

CIMB Bank Berhad  
Kuwait Finance House (Malaysia) Berhad  
Malayan Banking Berhad  
RHB Bank Berhad  
RHB Islamic Bank Berhad  
Standard Chartered Bank Malaysia Berhad

## AUDITORS

KPMG  
(Chartered Accountants)  
Level 10, KPMG Tower  
8 First Avenue  
Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad



## Profile of Directors

**Dato' Megat Abdul Rahman Bin Megat Ahmad, DSDK**  
Independent Non-Executive Chairman  
Malaysian, 70 years of age

Dato' Megat Abdul Rahman was appointed to the Board on 25 May 1995 and elected Chairman on the same day. He is also the Chairman of the Remuneration and Nomination Committees and attended all four Board Meetings held during the financial year.

Dato' Megat Abdul Rahman graduated with a Bachelor of Commerce degree from University of Melbourne, Australia. He is a fellow of the Institute of Chartered Accountants in Australia, a member and past president of the Malaysian Institute of Certified Public Accountants, as well as a member of the Malaysian Institute of Accountants. He had served as Executive Director in Kumpulan Guthrie Berhad from 1983-1994, and was a Partner/Managing partner of KPMG, Desa, Megat & Co from 1973 to 1983. Currently, he is also a director of Boustead Holdings Berhad, UAC Berhad, Mardec Berhad, BH Insurance (M) Berhad and Yayasan Tenaga Nasional and also serves as member on the Boards of University Kebangsaan Malaysia and Hospital Universiti Kebangsaan Malaysia.

Dato' Megat Abdul Rahman has no conflict of interest with the Group, and has no family relationship with any other director and/or substantial shareholder of the Group. He maintains a clean record with regard to convictions for offences.



**Koon Poh Ming**  
Executive Vice Chairman  
Malaysian, 53 years of age

Mr. Koon Poh Ming has been a director of the Company since its incorporation on 13 May 1986. He is also a member of the Remuneration Committee and attended three out of four Board Meetings held during the financial year.

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

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

He is the brother to Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Weng, Koon Poh Tat and Kuan Shin @ Kuan Nyong Hin. He maintains a clean record with regard to convictions for offences.



## Profile of Directors

cont'd



### Dato' Koon Poh Keong

Group Chief Executive Officer  
Malaysian, 49 years of age

Dato' Koon Poh Keong is one of the founding members of the Company and has been the Group Chief Executive Officer since the Company's listing on Bursa Malaysia Securities Berhad in 1993. He attended all four Board meetings held during the financial year.

Dato' Koon Poh Keong graduated with a Bachelor of Science degree in Electrical Engineering from The University of Oklahoma, United States of America, in 1986. He has more than 20 years of experience in the aluminium industry. Currently, he is also the Executive Chairman of PMB Technology Berhad.

He is the brother to Koon Poh Ming, Koon Poh Kong, Koon Poh Weng, Koon Poh Tat and Kuan Shin @ Kuan Nyong Hin. He maintains a clean record with regard to convictions for offences.



### Koon Poh Tat

Executive Director  
Malaysian, 50 years of age

Mr. Koon Poh Tat has been appointed the Executive Director of the Company since 7 June 1999 and has attended all four Board meetings held during the financial year.

Mr. Koon Poh Tat is a co-founder of Press Metal Berhad and has been actively involved in the company operations including forming up new business outlets both domestic and overseas to enlarge the company networking and market share. His hard work and dedication has led the Company to be the pioneer in the aluminium industry. Currently, he is also an Executive Director of PMB Technology Berhad.

He is the brother to Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Weng and Kuan Shin @ Kuan Nyong Hin. He maintains a clean record with regard to convictions for offences.



### Koon Poh Weng

Executive Director  
Malaysian, 55 years of age

Mr. Koon Poh Weng has been appointed the Executive Director of the Company since 13 May 1986 and has attended all four Board meetings held during the financial year.

Being a key founder of the Company, Mr. Koon Poh Weng continually strives on the changing and creative ideas to meet today's complex and advanced technical skills to all aspects of aluminium and glazing industry.

Mr. Koon Poh Weng has also widely involved himself in the management of major projects both locally and overseas. He has been responsible for the design, engineering and development of cost-effective, innovative and versatile system solutions and in producing satisfactory results on large variety of projects ranging from commercial buildings, government complexes to prominent hotels. He is also an Executive Director of PMB Technology Berhad and also Managing Director of Angkasa Jasa Sdn. Bhd., a company within the Group involved in contracting and fabrication of aluminium and glazing works, as well as stainless steel products.



He is the brother to Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Tat and Kuan Shin @ Kuan Nyong Hin. He maintains a clean record with regard to convictions for offences.



## Profile of Directors

cont'd



**Koon Poh Kong**

Executive Director  
Malaysian, 57 years of age

Mr. Koon Poh Kong was appointed the Executive Director of the Company on 13 May 1986. He attended three out of four Board Meetings held during the financial year.

As a key founder of the company, his experiences include the management of major projects throughout the country. He has been responsible for all aspects of the management and for producing satisfactory results on large variety of projects ranging from schools, government complexes to prominent hotels. Currently, he is the Executive Director of Angkasa Jasa Sdn. Bhd., a company within the Group involved in contracting and fabrication of aluminium and stainless steel products.

He is the brother to Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Weng, Koon Poh Tat and Kuan Shin @ Kuan Nyong Hin. He maintains a clean record with regard to convictions for offences.

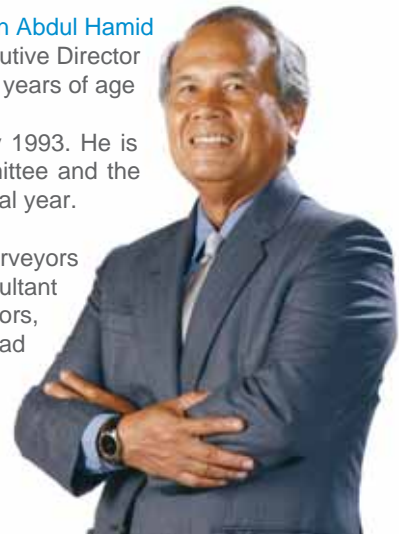
**Tuan Haji Mohamad Faiz Bin Abdul Hamid**

Independent Non-Executive Director  
Malaysian, 70 years of age

Tuan Haji Mohamad Faiz was appointed as a director of the Company on 7 May 1993. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. He attended all four Board Meetings held during the financial year.

Tuan Haji Mohamad Faiz is a Fellow of the Royal Institution of Chartered Surveyors England and the Institution of Surveyors Malaysia since 1981. He was a consultant quantity surveyor since 1968 and was the past President of the Institution of Surveyors, Malaysia. Currently, he is also an Independent Director of PMB Technology Berhad and an Alternate Director in Malayan United Industries Berhad.

He has no conflict of interest with the Group and has no family relationship with any director and/ or substantial shareholder of the Group. He maintains a clean record with regard to convictions for offences.



**Kuan Shin @ Kuan Nyong Hin**

Non-Independent Non-Executive Director  
Malaysian, 69 years of age

Mr. Kuan Shin @ Kuan Nyong Hin has been a director of the Company since 28 June 1986. He attended all four Board Meetings held during the financial year.

He has started his career in the non-ferrous metal product industry in the early 1960's and was the Non-Executive Chairman of Chin Foh Berhad.

He is the brother to Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Weng and Koon Poh Tat. He maintains a clean record with regard to convictions for offences.



## Profile of Directors

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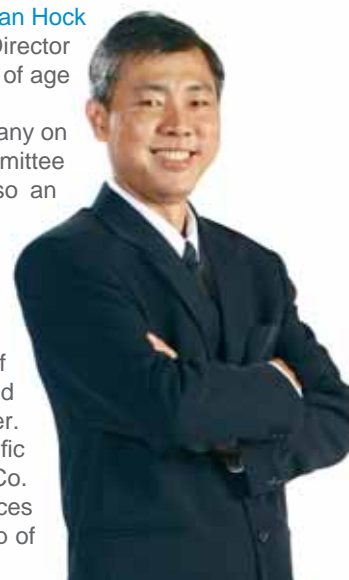


### Loo Lean Hock

Independent Non-Executive Director  
Malaysian, 50 years of age

Mr. Loo Lean Hock was appointed as Independent Non-Executive Director of the Company on 14 September 2001. He is a member of the Audit Committee and the Nomination Committee and has attended all four Board meetings held during the financial year. He is also an Independent Non-Executive Director of PMB Technology Berhad.

Mr. Loo is a Chartered Accountant of the Malaysian Institute of Accountants, a practising member of Malaysian Institute of Certified Public Accountants, an associate member of Chartered Tax Institute of Malaysia, CPA Australia and Malaysian Institute of Management. He obtained his Master of Business Administration from University of Bath, United Kingdom in 1992. He started his professional career in Coopers & Lybrand from 1980 to 1990. He joined Press Metal Berhad in 1990 as the Financial Controller. Thereafter, he joined The Crown Princess Kuala Lumpur (a hotel division of Asia Pacific Land Berhad) as the Financial Controller. He set up his own auditing firm, L.H. Loo & Co. in July 1993 as the sole practitioner. He is also a Director of LH Loo Taxation Services Sdn. Bhd. and Executive Director of STX Precision Corporation Sdn. Bhd. and its group of companies.



He has no conflict of interest with the Group and has no family relationship with any director and/ or substantial shareholder of the Group. He maintains a clean record with regard to convictions for offences.

### Tan Heng Kui

Independent Non-Executive Director  
Malaysian, 53 years of age

Mr. Tan Heng Kui has been a director of the Company since 26 December 2001. He is also a member of the Audit Committee. He attended all four Board meetings held in the financial year.

Mr. Tan obtained his Bachelor of Science Honours in Civil Engineering from The University of Wales, United Kingdom. He was a Vice President for The Institution of Engineers, Malaysia from 2000 to 2004, and was a member of the Professional Practice Committee, Board of Engineers Malaysia. He set up his own consulting firm, Perunding Pertama Consulting Engineers in 1988. He is also the Executive Director of Kumpulan IKRAM (Sabah) Sdn. Bhd. since 1997.

He has no conflict of interest with the Group and has no family relationship with any director and/ or substantial shareholder of the Group. He maintains a clean record with regard to convictions for offences.





# Corporate Social Responsibilities Statement

At Press Metal, the sense of duty to give back to the society has always been a conscientious commitment we have kept close to our hearts. Such is the principle of Press Metal, as we firmly believe that it was these integral values that helped us grow from a single press producer to become a leading integrated aluminium specialist in Asia. As such, we are always mindful of our responsibilities towards our employees, the stakeholders, the community, as well as the environment as we build up our corporate values and ensure sustainable growth in tandem with society.

## WITH OUR EMPLOYEES & WORKPLACE

At Press Metal, our employees are our vital assets. We believe in nurturing the personal growth of our employees, as they are the wheels that drive Press Metal. In keeping with good employment practices, we strive to create a stable and healthy working environment that promotes mutual respect, productivity and diversity. By regularly conducting high-performance trainings for our employees, we ensure that they maximize their potential and deliver exceptional value to our customers.

To boost morale and teamwork, we also reward our employees with activities and awards accordingly. Amongst the activities held are :

- Sports tournaments
- Team building & Motivational camps
- Best Performance Award
- Best Housekeeping Award
- Employees outings
- Various festive celebrations

Press Metal also emphasizes in maintaining a safe and healthy working environment for our employees. Having successfully secured the OHSAS 18001 award for our occupational safety and health management system in 2001, our smelting plant in Hubei, China has also successfully passed the similar authentication under GB/T28001. We also conduct frequent occupational and safety awareness programmes to educate better awareness, and continuously improve on equipment safety measures.



# Corporate Social Responsibilities Statement

cont'd



## WITH OUR COMMUNITIES & SOCIETY

As a global company built on local relationships, we believe that responsible corporate citizen is essential to the vitality of our communities. We encourage volunteer activities and actively create opportunities for interaction with the local communities, emphasizing on continuity to establish our roots firmly with them.

Press Metal has been supporting and will continue to contribute to a broad array of charities, with a primary focus directed in aiding the underprivileged. Besides regular donations, we also encourage our employees to pay annual visits together with their own families to old folks home or orphanages, to promote better kinship and social awareness.

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



## WITH OUR MARKET PLACE

Throughout the years, Press Metal has built a reputation as a manufacturer of quality products. Not only we are the first aluminium extruder in Malaysia to be awarded the internationally recognized MS ISO 9001:2000 in 1993, but both our extrusion and smelting plants in Foshan and Hubei, China have also been accredited with ISO 9001:2000 respectively. Quality remains the main emphasis in all our production and management systems, and stringent control system is carried out right from the initial raw material stage until the final stage before the products are delivered – such is our commitment to providing only the best to our customers.





# Corporate Social Responsibilities Statement

cont'd



## WITH OUR GLOBAL ENVIRONMENT

It is our aim to seek to maintain harmony with nature. We constantly monitor the environmental impact of every facet in our operations and apply cost-efficient means of reducing the use of natural resources.

In 1998, Press Metal was awarded with the ISO 14001 certification for our environmental management system, now similarly awarded to our smelting plant in Hubei, China. We were the first company in Malaysia to acquire the Swedish technology to use aluminium sludge (S204), a scheduled waste from anodizing and wastewater treatment plants, for the manufacturing of Polyaluminium Chloride (PAC), a water treatment chemical. We also operate a Common Waste Water Treatment Plant that provides treatment for a wide range of electroplating waste at a lower cost.

Today, our campaign continues. While the path to eco-preservation may be long and arduous, we will remain steadfast to our commitment to Mother Nature – simply because we believe in investing in a greener future.



# Corporate Governance Statement



The Board of Directors (“the Board”) of Press Metal Berhad (“the Company”) is committed to exercise good corporate governance by supporting and applying the prescriptions of the principles and best practices set out in Parts 1 and 2 respectively of the Malaysian Code on Corporate Governance (the “Code”). In addition, the Board follows global developments of internationally recognised best governance practices, and though complying in many respects already, continually reviews the Company and its subsidiaries’ (“the Group”) corporate governance processes and makes adjustments as may be appropriate. The key intent is to adopt the substance behind good governance and not merely the form, with the aim of ensuring Board’s effectiveness in enhancing shareholders’ value. The Board is pleased to provide the following statement on how the Group has applied the principles and best practices set out in Parts 1 and 2 of the Code.

## DIRECTORS

### The Board

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

### The Role and Functions

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

### Board Meetings

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year ended 31 December 2009, the Board met on four (4) occasions, where it deliberated upon and considered a variety of matters including the financial results, major investments, strategic decisions, the business plan and direction of the Group.

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

Details of Directors’ attendance at Board Meetings held during the financial year ended 31 December 2009 are as follows:

Name of Directors	Number of Meetings	
	Held	Attended
Dato’ Megat Abdul Rahman Bin Megat Ahmad <i>Independent Non-Executive Chairman</i>	4	4
Koon Poh Ming <i>Executive Vice Chairman</i>	4	3
Dato’ Koon Poh Keong <i>Group Chief Executive Officer</i>	4	4
Koon Poh Weng <i>Executive Director</i>	4	4
Koon Poh Kong <i>Executive Director</i>	4	3
Koon Poh Tat <i>Executive Director</i>	4	4



# Corporate Governance Statement

cont'd

Name Of Directors	Number of Meetings	
	Held	Attended
Kuan Shin @ Kuan Nyong Hin <i>Non-Independent Non-Executive Director</i>	4	4
Tuan Haji Mohamad Faiz Bin Abdul Hamid <i>Independent Non-Executive Director</i>	4	4
Loo Lean Hock <i>Independent Non-Executive Director</i>	4	4
Tan Heng Kui <i>Independent Non-Executive Director</i>	4	4

## Board Committees

The Board delegates certain responsibilities to the Board Committees, as follows:

Board Committee	Key Functions
Audit Committee	Explained on pages 26 to 30 of this Annual Report
Executive Committee	Oversees all pertinent operational issues
Remuneration Committee	Explained on pages 22 and 23 of this Annual Report
Nomination Committee	Explained on page 21 and 22 of this Annual Report

All committees have written terms of reference and operating procedures and the Board receives reports of their proceedings and deliberations. The Chairman of the various committees will report to the Board on the outcome of the Committee meetings and such reports are incorporated in the Minutes of the Board meetings. These committees are formed in order to enhance business and operational efficiency as well as efficacy.

## Board Balance

As at the date of this Statement, the Board consists of an Independent Non-Executive Chairman, an Executive Vice Chairman, a Group Chief Executive Officer, three (3) Executive Directors, three (3) Independent Non-Executive Directors and a Non-Independent Non-Executive Director. A brief profile of each Director is presented on pages 12 to 15 of this Annual Report.

There is also balance in the Board with the presence of Independent Non-Executive Directors possessing the calibre necessary to assist in Board decisions. Although all the Directors have equal responsibility of the Company's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined, and taking account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts businesses.

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

There is a clear division of responsibilities at the head of the Group to ensure a balance of authority and power. The Board is led by Dato' Megat Abdul Rahman bin Megat Ahmad, an Independent Non-Executive Chairman and the executive management of the Group is led by Dato' Koon Poh Keong, the Group Chief Executive Officer.

The roles of the Chairman and the Group Chief Executive Officer are clearly defined in their individual position descriptions. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board's decisions. The Group Chief Executive

# Corporate Governance Statement

cont'd



Officer is responsible for the day-to-day management of the business as well as the implementation of Board's policies and decisions. Tuan Haji Mohamad Faiz bin Abdul Hamid is the Senior Independent Non-Executive Director designated to clarify matters or enquiries that may be raised by shareholders or investors.

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

## Supply of Information

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

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

Every Director has also unhindered access to the advice and services of the Company Secretary. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board while the terms of appointment permit their removal and appointment only by the Board as a whole.

The Audit Committee and Executive Committee play a pivotal role in channeling pertinent operational and assurance related issues to the Board. Both of the Committees function as a filter to ensure that only pertinent matters are tabled at the Board level. There is also a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity, for Directors to obtain independent professional advice at the Company's expense.

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

## APPOINTMENTS TO THE BOARD

### Nomination Committee

The Nomination Committee comprised the following members during the financial year ended 31 December 2009:

Name of Director	Membership	Directorship
Dato' Megat Abdul Rahman Bin Megat Ahmad	Chairman	<i>Independent Non-Executive Director</i>
Tuan Haji Mohamad Faiz Bin Abdul Hamid	Member	<i>Independent Non-Executive Director</i>
Loo Lean Hock	Member	<i>Independent Non-Executive Director</i>

The Nomination Committee consists entirely of Independent Non-Executive Directors. The Nomination Committee is empowered by the Board and its terms of reference to bring to the Board recommendations as to the appointment of new Directors. The Nomination Committee reviews the required mix of skills, experience and other qualities of the director, including core competencies. The Nomination Committee also systematically assesses the effectiveness of the Board, and the contribution and performance of each individual Director on an annual basis.

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

The Nomination Committee held one (1) meeting during the financial year ended 31 December 2009 and all the members registered full attendance.



# Corporate Governance Statement

cont'd

## Appointment Process

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

The Board appoints its members through a formal and transparent selection process, which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

## Directors' Training

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

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

- New Framework for Listings and Equity Fund-Raising & Corporate Governance
- The National Accountants Guide Conference 2009
- National Tax Conference 2009
- Argus Asian Petroleum Coke 2010 Conference

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

## Re-Election

The Articles of Association of the Company provide that all Directors shall retire at least once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election. A retiring Director is eligible for re-election. This provides an opportunity for shareholders to renew their mandates. The re-election of each Director is voted on separately.

## Remuneration Committee

### *The Level and Make-up of Remuneration*

The Remuneration Committee comprised two (2) Independent Non-Executive Directors and one (1) Executive Director with Dato' Megat Abdul Rahman bin Megat Ahmad as the Chairman. The Committee is responsible for recommending the remuneration framework for Directors as well as the remuneration packages of Executive Directors to the Board. None of the Executive Directors participated in any way in determining their individual remuneration.

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

### *(i) The members of the Remuneration Committee are as follows:-*

#### **Independent Non-Executive Directors**

Dato' Megat Abdul Rahman Bin Megat Ahmad (Chairman)  
Tuan Haji Mohamad Faiz Bin Abdul Hamid



# Corporate Governance Statement

cont'd



## Executive Director

Koon Poh Ming

The Remuneration Committee held one (1) meeting during financial year ended 31 December 2009 and all the members registered full attendance.

## (ii) Remuneration Package

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company who served during the financial year ended 31 December 2009 are as follow:

Category	Fees (RM'000)	Salaries (RM'000)
Executive Directors	-	1,852
Non-Executive Directors	181	-

The Directors are paid annual fees and attendance allowance of RM 500 each of every meeting that they attend.

The number of Directors of the Company who served during the financial year ended 31 December 2009 and whose income from the Group are as follows:

	Executive	Non-Executive
RM50,000 and below	-	4
RM50,001 – RM100,000	-	1
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	2	-
RM450,001 – RM500,000	2	-
Total	5	5

The Company does not disclose each Director's remuneration separately as required by the Code as the Board is of the view that the disclosure of the remuneration bands of the Company's Directors is sufficient.

## RELATIONSHIP WITH SHAREHOLDERS

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete picture as possible of the Company's performance and position.

The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both private and institutional shareholders on all issues relevant to the Company at the AGM. It has been the Company's practice to send the Notice of the AGM and related papers to shareholders at least twenty-one (21) days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the AGM. The Chairman of the Board also addresses the shareholders on the review of the Group's operations for the financial year and outlines the prospects of the Group for the subsequent financial years. Additionally, a press conference is held immediately after the AGM where the Chairman advises the press of the resolutions passed, and answers questions on the Group. The Group Chief Executive Officer and the Executive Directors are also present at the press conference.



# Corporate Governance Statement

cont'd

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

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

### Directors' Responsibility Statement in Respect of the Preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Company and of the Group as at the end of the accounting period and of their results and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved Financial Reporting Standard (FRS) in Malaysia and the provisions of the Companies Act, 1965 have been applied.

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

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

### Statement on Internal Control

The Statement on Internal Control furnished on pages 31 and 32 of the Annual Report provides an overview on the state of internal controls within the Group.

### Relationship With the Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on pages 26 to 28 of the Annual Report.

A summary of the activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out in the Audit Committee Report on pages 26 to 30 of the Annual Report.

The Company has complied throughout the financial year with all the best practices of corporate governance set out in the Code, except for Principles BIII – Disclosures on remuneration of Directors.

# Corporate Governance Statement

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## Material Contracts

There were no material contracts of the Company and its subsidiaries involving directors and substantial shareholders during the financial year ended 31 December 2009.

## Utilisation of Proceeds

There were no utilisation of proceeds as the Company did not undertake any corporate exercises during the financial year.

## Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

## Share Buy-backs

During the financial year, the Company did not undertake any share buy-back exercise.

## Options, Warrants or Convertible Securities

During the financial year, 815,700 warrants B (2005-2010) were converted into Ordinary Shares of RM 0.50 each.

## Employees' Share Option Scheme ("ESOS")

There was no option offered to and exercised by non-executive directors pursuant to the Company's ESOS in the financial year ended 31 December 2009.

## Depository Receipt Programme

During the financial year, the Group did not sponsor any depository receipt programme.

## Non-Audit Fees

During the financial year, the Company engaged the External Auditors for non-audit activities in the following area:

- Reviewed of the Director's Statement on Internal Control for year 2009 amounting to RM10,000.

## Variation in results

There was no variation in results of 10% or more from the profits announced in the last quarter of the financial year ended 31 December 2009.

## Profit Guarantee

There were no profit guarantees issued during the financial year.

## Revaluation Policy

The Group did not adopt any revaluation policy on the landed properties in respect of the financial year.

## Recurrent Related Party Transactions ("RRPTs") of Revenue Nature

The RRPTs of the Group have been entered into in the normal course of business. Further detail of the aggregate value of transactions conducted is disclosed in Note 28 to the financial statements on pages 102 to 104 of the Annual Report.

Please refer to section 2.2 of the circular to shareholders dated 31 May 2010 on the name of the related parties and the company's relationship with the related parties.



# Audit Committee Report

## MEMBER OF THE AUDIT COMMITTEE

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors.

The members of the Audit Committee are as follow:-

**Tuan Haji Mohamad Faiz Bin Abdul Hamid (Chairman)**

*Independent Non-Executive Director*

**Loo Lean Hock**

*Independent Non-Executive Director; Member of the Malaysian Institute of Accountants*

**Tan Heng Kui**

*Independent Non-Executive Director*

## ATTENDANCE OF MEETINGS

The details of attendance of each member at the Audit Committee meetings held during 2009 are as follow:-

Name of Audit Committee Members	Number of Audit Committee Meetings	
	Held	Attended
Tuan Haji Mohamad Faiz Bin Abdul Hamid	4	4
Loo Lean Hock	4	4
Tan Heng Kui	4	4

## TERMS AND REFERENCE

### i. Composition of the Audit Committee

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

- a) The audit committee must be composed of no fewer than 3 members;
- b) All members of the audit committee must be non-executive directors;
- c) A majority of the audit committee must be independent directors;
- d) All members of the audit committee should be financially literate and at least one member of the audit committee:-
  - i) must be a member of the Malaysian Institute of Accountants; or
  - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
    - he must have passed the examinations specified in Part 1 of the 1<sup>st</sup> Schedule of the Accountants Act, 1967;
    - he must be a member of one of the associations of accountants specified in Part II of the 1<sup>st</sup> Schedule of the Accountants Act, 1967;
  - iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad and/or other relevant authorities from time to time.



# Audit Committee Report

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- e) No alternate Director of the Board shall be appointed as a member of the Committee.

The members of the Audit Committee shall elect a chairman from among their member who shall be an Independent Director. In the event of any vacancy in the Audit Committee resulting in the non-compliance of items (a) to (d) above, the vacancy must be filled within 3 months of that event.

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

## ii. Objectives

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

In addition, the Audit Committee shall:-

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

## iii. Functions

The functions of the Audit Committee are as follow:-

- (a) To review the following and report the same to the Board of Directors:-
  - i) with the external auditors, the audit plan;
  - ii) with the external auditors, his evaluation of the system of internal controls;
  - iii) with the external auditor, his audit report;
  - iv) the assistance given by the Company's employees to the external auditors; and
  - v) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (b) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal and the letter of resignation from the external auditors if applicable;
- (c) To discuss with the external auditors before the audit commences, the nature and scope of the audit and to ensure co-ordination where more than one audit firm are involved;
- (d) To review the quarterly and year-end financial statements of the company, focusing particularly on:-
  - Any changes in accounting policies and practices;
  - Significant adjustments arising from the audit;
  - The going concern assumption;
  - Compliance with the accounting standards and other legal requirements;
- (e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- (f) To review the external auditors' management letter and the management's response;



# Audit Committee Report

cont'd

(g) To do the following, in relation to the internal audit function:-

- Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- Review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- Review any appraisal or assessment of the performance of members of the internal audit function;
- Approve any appointment or termination of senior staff members of the internal audit function; and
- Take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(h) To consider the major findings of internal investigations and the management's response;

(i) To ensure the internal audit function is independent of the activities it audits and the head of internal audit reports directly to the audit committee. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company.

(j) To consider other areas as defined by the Board or as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authority from time to time.

## RIGHTS OF THE AUDIT COMMITTEE

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

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

The Chairman of the audit committee should engage on a continuous basis with senior management, such as the Chairman, the Chief Executive Officer, the Finance Director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

## MEETINGS

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

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

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

# Audit Committee Report

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The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other Directors and employees attend any particular audit committee meeting specific to the relevant meeting.

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

There were four (4) Audit Committee meetings held during the financial year ended 31 December 2009.

The activities of the Audit Committee during the financial year were summarised as below:-

- (i) Reviewed the unaudited quarterly results/announcements of the Group and made recommendations to the Board of Directors for approval prior to the release of the results to Bursa Malaysia Securities Berhad;
- (ii) Reviewed with the External Auditors:
  - (a) Scope of work and annual audit plan;
  - (b) The audited financial statements of the Group and the Company prior to submission to the Board for consideration and approval; and
  - (c) Problems and reservation arising from the interim and final audits.
- (iii) Reviewed findings in the internal audit reports which were tabled during the year, the audit recommendations made as well as the management response's to these recommendations and the implementation of agreed action plan;
- (iv) Reviewed and approved the Internal Audit's Annual Audit Plan for year 2010 to ensure adequate scope and comprehensive coverage over the activities of the Company and Group;
- (v) Reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group, including any transactions, procedure or course of conduct that raises questions of management integrity;
- (vi) Considered and recommended to the Board on the appointment and annual re-appointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit;
- (vii) Met with the external auditors twice during the financial year without the presence of any executive Board members and employees of the Group;

## INTERNAL AUDIT FUNCTION

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

The Company has outsourced its internal audit function to an independent external audit firm to discharge its duties and responsibilities more effectively. A summary of the activities of the internal audit function is as follows:

- Performed operational audits on business units of the Group to ascertain the adequacy of the internal control systems and to make recommendations for improvement where weaknesses exist.
- Prepared the annual audit plan for deliberation by the Audit Committee;
- Issued audit reports which identified recommendations for improvements on quarterly basis.
- Performed follow-up reviews to ensure that prompt actions on the audit recommendations were taken by Management.



## Audit Committee Report

*cont'd*

The Internal Auditors were present at all Audit Committee meetings to present their Internal Audit reports to the Audit Committee.

The total cost incurred for the outsourced internal audit function of the Group for the financial year ended 31 December 2009 was RM51,420.

### **STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME ("ESOS") BY THE COMMITTEE**

The Audit Committee has verified that the options granted were made in accordance with the By-Laws of the ESOS.

### **TRAINING**

During the year, the Audit Committee members have attended conferences, seminars and training programmes on the following:

- New Framework for Listings and Equity Fund-Raisings & Corporate Governance
- The National Accountants Guide Conference 2009
- National Tax Conference 2009
- Argus Asian Petroleum Coke 2010



# Statement on Internal Control



## INTRODUCTION

In accordance with Paragraph 15.27(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Board of Directors of public listed companies are required to include in their annual report a 'statement about the state of internal control of the listed issuer as a group. The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the group's assets. Set out below is the Board's Internal Control Statement, which has been prepared in accordance with the "Statement on Internal Control: Guidance to Directors of Public Listed Companies" (the "Guidance").

## BOARD RESPONSIBILITY

The Board is committed to maintaining both a sound system of internal control and the proper management of risks throughout the operations of the Group in order to safeguard shareholders' investment and assets of the Group. The Board acknowledges that it is ultimately responsible for the Group's system of internal control which includes the establishment of an appropriate control environment and framework, including financial, operational and compliance controls and risk management, as well as reviewing its adequacy and integrity on an ongoing basis. It should be noted, however, that due to the inherent limitations in any system, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

## INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT FRAMEWORK

The Audit Committee has engaged the services of external consultants to assess the adequacy and effectiveness of the internal control system. The same external consultants have also been appointed to assist in the development of a risk management framework and the risk management framework was completed in 2005. The Audit Committee is kept informed of the audit process, from the annual audit plan up to the audit findings and reporting. The details on the Internal Audit function are further explained on page 29 and 30 of this Annual Report. The Management is responsible for ensuring that corrective actions are taken within the required time frame on reported weaknesses.

During the financial year, the external consultants function performed operational audits on the following Group entities:-

- 1) Press Metal Berhad ("PMB")
- 2) Angkasa Jasa Sdn. Bhd. ("AJSB")

The audit was mainly focused on the revenue cycles of PMB and the operations of AJSB.



# Statement on Internal Control

cont'd

## OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- A management structure with job descriptions and defined lines of responsibilities are in place for all business operating units;
- The Company and four of its subsidiaries, including the three subsidiaries operating in the People's Republic of China have the following accreditation for their operational processes:-

Press Metal Berhad	<ul style="list-style-type: none"> <li>• ISO 14001 on Environmental Management System</li> <li>• MS ISO 9001:2000 on Quality Management System</li> <li>• OHSAS 18001:1999 on Occupational Health &amp; Safety Management System</li> </ul>
ACE Extrusion Sdn. Bhd.	<ul style="list-style-type: none"> <li>• MS ISO 9001:2000 on Quality Management System</li> </ul>
Press Metal International Limited	<ul style="list-style-type: none"> <li>• MS ISO 9001:2000 on Quality Management System</li> </ul>
Hubei Press Metal Huasheng Aluminium-Electric Co., Ltd.	<ul style="list-style-type: none"> <li>• ISO 14001 on Environmental Management System</li> <li>• MS ISO 9001:2000 on Quality Management System</li> <li>• OHSAS 18001:1999 on Occupational Health &amp; Safety Management System</li> </ul>
PMH Aluminium Extrusion Co., Ltd.	<ul style="list-style-type: none"> <li>• MS ISO 9001:2000 on Quality Management System</li> </ul>

- Review of all proposals for material capital and investment acquisitions by the Management prior to the review and approval by the Board of Directors;
- Regular information provided to Management, covering financial performance as well as key performance indicators, such as cash flow performance, product sales analysis and operating cost analysis. These performance reports are benchmarked against budget;
- Quarterly monitoring of results and financial position by the Board;
- Regular visits to business operating units by key members of the Board and the Management team;
- Quarterly review of Group related party transactions by the Audit Committee.

## WEAKNESSES

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



## Financial Statements

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## Directors' Report

for the year ended 31 December 2009

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2009.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in manufacturing and marketing of aluminium products, 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.

### RESULTS

	Group RM'000	Company RM'000
Profit attributable to:		
Equity holders of the Company	27,476	28,852
Minority interest	1,219	-
	<u>28,695</u>	<u>28,852</u>

### RESERVES AND PROVISIONS

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

### DIVIDENDS

Since the end of the previous financial year, the Company paid:

- i) a final ordinary dividend of 1 sen per ordinary share less tax at 25% totalling RM2,734,291 (0.75 sen net per ordinary share) in respect of the year ended 31 December 2008 on 22 July 2009; and
- ii) an interim ordinary dividend of 0.75 sen per ordinary share less tax at 25% totalling RM2,051,769 (0.56 sen net per ordinary share) in respect of the year ended 31 December 2009 on 13 October 2009.

The final tax exempt ordinary dividend recommended by the Directors in respect of the year ended 31 December 2009 is 1 sen per ordinary share totalling approximately RM3,653,878.

### DIRECTORS OF THE COMPANY

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

Dato' Megat Abdul Rahman Bin Megat Ahmad  
Dato' Koon Poh Keong  
Koon Poh Kong  
Koon Poh Ming  
Koon Poh Tat  
Koon Poh Weng  
Kuan Shin @ Kuan Nyong Hin  
Tuan Haji Mohamad Faiz Bin Abdul Hamid  
Loo Lean Hock  
Tan Heng Kui



# Directors' Report

for the year ended 31 December 2009  
cont'd



## DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares, warrants and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at 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 of RM0.50 each			
	At 1.1.2009	Bought	Sold	At 31.12.2009
Interest in the Company				
Dato' Megat Abdul Rahman Bin Megat Ahmad				
- own	17,219,410	-	2,242,600	14,976,810
- spouse	375,000	-	25,000	350,000
Dato' Koon Poh Keong				
- own	55,510,579	200,000	-	55,710,579
- spouse	9,767,400	-	-	9,767,400
Koon Poh Kong				
- own	9,125,995	-	-	9,125,995
- spouse	17,000	-	-	17,000
Koon Poh Ming	26,971,739	-	-	26,971,739
Koon Poh Tat				
- own	8,310,000	50,000	-	8,360,000
- spouse	332,935	-	-	332,935
Koon Poh Weng				
- own	10,100,040	-	-	10,100,040
- spouse	477,000	-	-	477,000
- child	5,000	-	-	5,000
Kuan Shin @ Kuan Nyong Hin				
- own	597,805	-	-	597,805
- spouse	1,235,000	-	380,00	855,000
- children	1,900,000	-	50,000	1,850,000
Tuan Haji Mohamad Faiz Bin Abdul Hamid	118,665	-	-	118,665
Tan Heng Kui	60,000	-	-	60,000
Deemed interest in the Company				
Kuan Shin @ Kuan Nyong Hin*				
- own	5,790,610	-	-	5,790,610
Dato' Megat Abdul Rahman Bin Megat Ahmad#	-	500,000	-	500,000

\* Deemed interested by virtue of the Director's interest in Doitbest Holdings Sdn. Bhd..

# Deemed interested by virtue of the Director's interest in JOEM Sdn. Bhd..



# Directors' Report

for the year ended 31 December 2009  
*cont'd*

## DIRECTORS' INTERESTS *cont'd*

By virtue of their interests in the ordinary shares of the Company, all the Directors of the Company except for Loo Lean Hock, are deemed interested in the shares of the subsidiaries during the financial year to the extent that Press Metal Berhad has an interest.

Loo Lean Hock did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

	Number of warrant 'B' of RM0.50 each			
	At 1.1.2009	Bought	Sold	At 31.12.2009
Interest in the warrants of the Company				
Dato' Megat Abdul Rahman Bin Megat Ahmad	2,630,682	-	344,800	2,285,882
Dato' Koon Poh Keong				
- own	6,563,600	2,000,000	-	8,563,600
- spouse	9,736,527	-	-	9,736,527
Koon Poh Kong				
- own	1,585,199	-	-	1,585,199
- spouse	17,800	-	-	17,800
Koon Poh Ming	4,097,274	500,000	-	4,597,274
Koon Poh Tat				
- own	1,446,000	-	-	1,446,000
- spouse	66,587	-	-	66,587
Koon Poh Weng				
- own	1,780,008	-	-	1,780,008
- spouse	95,400	-	-	95,400
- child	1,000	-	-	1,000
Kuan Shin @ Kuan Nyong Hin	561	-	-	561
Tuan Haji Mohamad Faiz Bin Abdul Hamid	23,733	-	-	23,733
Tan Heng Kui	9,000	-	-	9,000
Deemed interest in the warrant of the Company				
Kuan Shin @ Kuan Nyong Hin <sup>##</sup>	22	-	-	22

<sup>##</sup> Deemed interested by virtue of the Director's interest in Doitbest Holdings Sdn. Bhd..

# Directors' Report

for the year ended 31 December 2009  
cont'd



## DIRECTORS' INTERESTS cont'd

	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2009	Granted	Exercised	At 31.12.2009
Dato' Koon Poh Keong	1,750,000	-	-	1,750,000
Koon Poh Ming	1,750,000	-	-	1,750,000
Koon Poh Weng	1,300,000	-	-	1,300,000
Koon Poh Kong	1,300,000	-	-	1,300,000
Koon Poh Tat	1,300,000	-	-	1,300,000
Dato' Megat Abdul Rahman Bin Megat Ahmad	150,000	-	-	150,000
Tuan Haji Mohamad Faiz Bin Abdul Hamid	50,000	-	-	50,000
Kuan Shin @ Kuan Nyong Hin	50,000	-	-	50,000
Loo Lean Hock	50,000	-	-	50,000
Tan Heng Kui	50,000	-	-	50,000

## REMUNERATION COMMITTEE MEMBERSHIP

The members of the Remuneration Committee are as follows:

Dato Megat Abdul Rahman Bin Megat Ahmad  
Tuan Haji Mohamad Faiz Bin Abdul Hamid  
Koon Poh Ming

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of the Employee's Share Option Scheme.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 815,700 new ordinary shares of RM0.50 each arising from the conversion of warrants.

The new ordinary shares issued during the financial year shall rank pari-passu in all respects with the existing ordinary shares of the Company.

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



## Directors' Report

for the year ended 31 December 2009  
*cont'd*

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of warrants and options pursuant to the New ESOS.

Warrants 'B' are in registered form and constituted by a deed poll. The registered holders are entitled to subscribe for one (1) new ordinary share of RM0.50 in the Company at a price of RM0.50 per ordinary share for every warrant held. The conversion ratio is subject to the aforesaid deed poll and can be exercised at any time during the five-year subscription period expiring on 29 September 2010.

The movement of warrant 'B' during the financial year is as follows:-

Number of warrant over ordinary shares of RM0.50 each			
At 1.1.2009	Granted	Exercised	At 31.12.2009
63,980,005	-	815,700	63,164,305

On 26 June 2007, the Group established a new Employees' Share Option Scheme ("New ESOS") subsequent to the expiry of the previous Employees' Share Option Scheme ("Former ESOS") on 5 June 2007. Details of the New ESOS are set out in Note 30 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of persons to whom options have been granted during the financial year and details of their holdings as required by Section 169(11) of the Companies Act, 1965. This information has been separately filed with the Companies Commission of Malaysia.

### OTHER STATUTORY INFORMATION

Before the balance sheets and income 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) all current assets have been stated at the lower of cost and net realisable value.

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 Group and in the Company financial statements 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 2009  
*cont'd*



## 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, except for those disclosed in Note 18, the results of the operations of the Group and of the Company for the financial year ended 31 December 2009 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.

## SUBSEQUENT EVENT

The Company had on 28 January 2010 entered into 3 deeds with Chen Gang and Press Metal (HK) Limited, an 80% owned subsidiary of the Company, to acquire a total of 4,000,000 shares of HK\$1.00 each, representing the remaining 20% of the issued and paid-up share capital of Press Metal (HK) Limited, for a total consideration of RMB 20,000,000.

## AUDITORS

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

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

**DATO' KOON POH KEONG**

**KOON POH TAT**

Petaling Jaya, Selangor

28 April 2010



## Balance Sheets

at 31 December 2009

		Group		Company	
	Note	2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Property, plant and equipment	3	1,259,094	1,113,231	121,195	130,825
Intangible asset	4	13,115	12,752	-	-
Prepaid lease payments	5	98,582	90,410	-	-
Investment properties	6	5,510	5,606	-	-
Investments in subsidiaries	7	-	-	217,484	220,043
Investment in associate	8	26,289	24,859	11,812	11,812
Other investments	9	4,313	2,358	750	-
Deferred tax assets	10	3,919	2,294	-	-
Receivables, deposits and prepayments	11	-	-	22,469	30,008
<b>Total non-current assets</b>		1,410,822	1,251,510	373,710	392,688
Receivables, deposits and prepayments	11	721,999	529,565	680,294	555,246
Inventories	12	262,576	254,340	29,096	46,326
Current tax assets		25	33	-	-
Cash and cash equivalents	13	71,266	97,598	16,915	29,268
<b>Total current assets</b>		1,055,866	881,536	726,305	630,840
<b>Total assets</b>		2,466,688	2,133,046	1,100,015	1,023,528
<b>Equity</b>					
Share capital		182,694	182,286	182,694	182,286
Reserves		44,288	51,678	6,675	5,662
Retained earnings		508,394	485,704	173,468	149,402
<b>Total equity attributable to equity holders of the Company</b>		735,376	719,668	362,837	337,350
<b>Minority interest</b>		87,761	90,317	-	-
<b>Total equity</b>	14	823,137	809,985	362,837	337,350
<b>Liabilities</b>					
Payables and accruals	15	-	-	60,475	49,943
Loans and borrowings	16	519,089	371,582	103,560	131,234
Deferred tax liabilities	10	110,305	104,698	21,780	17,475
<b>Total non-current liabilities</b>		629,394	476,280	185,815	198,652

## Balance Sheets

at 31 December 2009

cont'd



	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Payables and accruals	15	263,194	226,175	155,138	98,639
Loans and borrowings	16	746,421	613,360	395,040	383,202
Current tax liabilities		4,542	7,246	1,185	5,685
<b>Total current liabilities</b>		1,014,157	846,781	551,363	487,526
<b>Total liabilities</b>		1,643,551	1,323,061	737,178	686,178
<b>Total equity and liabilities</b>		2,466,688	2,133,046	1,100,015	1,023,528

The notes on pages 48 to 107 are an integral part of these financial statements.



# Income Statements

for the year ended 31 December 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	17	1,133,181	1,160,713	556,737	825,913
Cost of goods sold		(961,981)	(947,230)	(489,581)	(732,070)
<b>Gross profit</b>		171,200	213,483	67,156	93,843
Other income		27,696	3,105	23,424	74,291
Distribution expenses		(31,244)	(36,031)	(2,302)	(4,335)
Administrative expenses		(66,447)	(69,538)	(10,358)	(11,381)
Other expenses		(26,141)	(37,437)	(21,344)	(32,819)
<b>Results from operating activities</b>		75,064	73,582	56,576	119,599
Interest income		58	1,008	-	47
Finance costs		(36,427)	(41,971)	(18,519)	(23,270)
<b>Operating profit</b>	18	38,695	32,619	38,057	96,376
Share of profit after tax and minority interest of equity accounted associate		1,430	2,126	-	-
<b>Profit before tax</b>		40,125	34,745	38,057	96,376
Tax expense	20	(11,430)	(26,208)	(9,205)	(7,701)
<b>Profit for the year</b>		28,695	8,537	28,852	88,675
<b>Attributable to:</b>					
Equity holders of the Company		27,476	10,476	28,852	88,675
Minority interest		1,219	(1,939)	-	-
<b>Profit for the year</b>		28,695	8,537	28,852	88,675
Basic earnings per ordinary share (sen)	21	7.53	2.87		
Diluted earnings per ordinary share (sen)	21	-	-		

The notes on pages 48 to 107 are an integral part of these financial statements.

# Statements of Changes in Equity

for the year ended 31 December 2009



Group	Note	← Attributable to equity holders of the Company →							
		← Non-distributable →				Distributable			
		Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<b>At 1 January 2008</b>		182,265	1,183	(11,232)	2,918	482,646	657,780	85,218	742,998
Foreign exchange translation differences		-	-	57,248	-	-	57,248	-	57,248
Profit for the year		-	-	-	-	10,476	10,476	(1,939)	8,537
Share options exercised	14	21	41	-	-	-	62	-	62
Share-based payments	30	-	-	-	1,520	-	1,520	-	1,520
Dividends to shareholders									
- interim	22	-	-	-	-	(2,023)	(2,023)	-	(2,023)
- final	22	-	-	-	-	(5,395)	(5,395)	-	(5,395)
Dividends to minority interest of a subsidiary		-	-	-	-	-	-	(8,181)	(8,181)
Additional shares acquired by minority interest	7	-	-	-	-	-	-	15,219	15,219
<b>At 31 December 2008/ 1 January 2009</b>		182,286	1,224	46,016	4,438	485,704	719,668	90,317	809,985
Foreign exchange translation differences		-	-	(8,403)	-	-	(8,403)	-	(8,403)
Profit for the year		-	-	-	-	27,476	27,476	1,219	28,695
Conversion of warrants	14	408	-	-	-	-	408	-	408
Share-based payments	30	-	-	-	1,013	-	1,013	-	1,013
Dividends to shareholders									
- interim	22	-	-	-	-	(2,052)	(2,052)	-	(2,052)
- final	22	-	-	-	-	(2,734)	(2,734)	-	(2,734)
Disposal of subsidiary	29	-	-	-	-	-	-	(3,775)	(3,775)
<b>At 31 December 2009</b>		182,694	1,224	37,613	5,451	508,394	735,376	87,761	823,137

The notes on pages 48 to 107 are an integral part of these financial statements.



## Statements of Changes in Equity

for the year ended 31 December 2009

cont'd

Company	Note	Non-distributable			Distributable	
		Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2008</b>		182,265	1,183	2,918	68,145	254,511
Profit for the year		-	-	-	88,675	88,675
Share options exercised	14	21	41	-	-	62
Share-based payments	30	-	-	1,520	-	1,520
Dividends to shareholders						
- interim	22	-	-	-	(2,023)	(2,023)
- final	22	-	-	-	(5,395)	(5,395)
<b>At 31 December 2008/ 1 January 2009</b>		182,286	1,224	4,438	149,402	337,350
Profit for the year		-	-	-	28,852	28,852
Conversion of warrants	14	408	-	-	-	408
Share-based payments	30	-	-	1,013	-	1,013
Dividends to shareholders						
- interim	22	-	-	-	(2,052)	(2,052)
- final	22	-	-	-	(2,734)	(2,734)
<b>At 31 December 2009</b>		182,694	1,224	5,451	173,468	362,837

The notes on pages 48 to 107 are an integral part of these financial statements.



# Cash Flow Statements

for the year ended 31 December 2009



		Group		Company	
	Note	2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		40,125	34,745	38,057	96,376
Adjustments for:					
Amortisation of prepaid lease payments	5	877	438	-	-
Impairment loss on intangible asset	4	550	-	-	-
Depreciation of property, plant and equipment	3	81,048	60,992	14,691	14,034
Depreciation of investment properties	6	96	103	-	-
Property, plant & equipment written off	3	5	-	-	-
Dividend income		(362)	-	(362)	(73,593)
Finance costs		36,427	41,971	18,519	23,270
Interest income		(58)	(1,008)	-	(47)
Disposal of subsidiary	29	875	-	(1,652)	-
(Gain)/ Loss on disposal of property, plant and equipment		(921)	(542)	39	14
Share-based payments	30	1,013	1,520	1,013	1,520
Share of profit after tax and minority interest of equity accounted associate		(1,430)	(2,126)	-	-
Unrealised foreign exchange (gain)/ loss		(19,781)	7,860	(19,781)	7,860
Operating profit before changes in working capital		138,464	143,953	50,524	69,434
Changes in working capital:					
Inventories		(8,236)	(4,812)	17,230	(6,479)
Payables and accruals		47,314	23,088	(12,774)	(155,807)
Receivables, deposits and prepayments		(117,243)	(143,708)	57,934	(6,376)
Cash generated from/(used in) operations		60,299	18,521	112,914	(99,228)
Taxes paid		(9,699)	(6,313)	(9,400)	(5,628)
Net cash from/(used in) operating activities		50,600	12,208	103,514	(104,856)



# Cash Flow Statements

for the year ended 31 December 2009

cont'd

		Group		Company	
	Note	2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
<b>Cash flows from investing activities</b>					
Acquisition of investment property	6	-	(735)	-	-
Acquisition of other investments	9	(182)	(129)	-	-
Acquisition of property, plant and equipment	(ii)	(304,494)	(383,735)	(4,479)	(18,361)
Disposal of subsidiary, net of cash disposed	29	1,028	-	3,452	-
Dividend received from associate		362	318	362	318
Dividend received from subsidiaries		-	-	-	73,275
Increase in investment in subsidiaries		-	-	-	-
Increase in minority interest in subsidiary		-	15,219	-	-
Interest received		58	1,008	-	47
Addition of prepaid lease payments	5	(10,899)	(9,533)	-	-
Proceeds from disposal of					
- other investments		-	171	-	-
- property, plant and equipment		2,128	3,054	243	1,528
<b>Net cash (used in)/generated from investing activities</b>		(311,999)	(374,362)	(422)	56,807
<b>Cash flows from financing activities</b>					
Decrease/(Increase) in deposits pledged		3,124	(2,894)	-	-
Dividends paid to minority interest of a subsidiary		-	(8,181)	-	-
Dividends paid to shareholders of the Company		(4,786)	(7,418)	(4,786)	(7,418)
Drawdown of term loans		230,000	356,828	-	79,093
Increase in amount due from subsidiaries		-	-	(155,662)	(174,846)
Increase in amount due to subsidiaries		-	-	79,814	57,225
Increase/(Decrease) in bankers' acceptances/ bills payable		66,846	86,295	(11,478)	120,649
Increase in revolving credit		80,392	13,743	-	15,000
Interest paid		(36,427)	(41,971)	(18,519)	(23,270)
Proceeds from issuance of shares under the Employees' Share Option Scheme		-	62	-	62
Proceeds from issuance of shares via warrant conversion		408	-	408	-
Repayment of term loans		(98,703)	(45,283)	(8,493)	(410)
Repayment of hire purchase liabilities		(3,110)	(2,281)	(479)	(449)
<b>Net cash generated from/(used in) financing activities</b>		237,744	348,900	(119,195)	65,636



# Cash Flow Statements

for the year ended 31 December 2009

cont'd

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Net (decrease)/increase in cash and cash equivalents		(23,655)	(13,254)	(16,103)	17,587
Effect of exchange rate fluctuations		(766)	(4,841)	-	-
Cash and cash equivalents at 1 January	(i)	88,652	106,747	25,993	8,406
<b>Cash and cash equivalents at 31 December</b>	<b>(i)</b>	<b>64,231</b>	<b>88,652</b>	<b>9,890</b>	<b>25,993</b>

(i) *Cash and cash equivalents*

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks	13	6,642	7,667	363	734
Cash and bank balances	13	64,624	89,931	16,552	28,534
Bank overdrafts	16	(7,025)	(5,812)	(7,025)	(3,275)
		64,241	91,786	9,890	25,993
Less: Deposits pledged		(10)	(3,134)	-	-
		64,231	88,652	9,890	25,993

(ii) *Acquisition of plant, property and equipment*

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM311,744,000 (2008 - RM384,961,000) and RM5,343,000 (2008 - RM18,711,000) respectively, of which RM7,250,000 (2008 - RM1,226,000) and RM864,000 (2008 - RM350,000) respectively, were acquired by means of hire purchase arrangements.

The notes on pages 48 to 107 are an integral part of these financial statements.



# Notes to the Financial Statements

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

## PRINCIPAL PLACE OF BUSINESS

Lot 6464 Batu 5 ¾  
Jalan Kapar, Sementa  
42100 Klang  
Selangor Darul Ehsan  
Malaysia

## REGISTERED OFFICE

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

The consolidated financial statements of the Company as at and for the year ended 31 December 2009 comprise the Company and its subsidiaries and the Group's interest in associate (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 December 2009 do not include other entities.

The Company is principally engaged in manufacturing and marketing of aluminium products whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements.

The financial statements were approved by the Board of Directors on 28 April 2010.

## 1. BASIS OF PREPARATION

### (a) Statement of Compliance

The financial statements have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

The Group and Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and Company:

#### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2009***

- FRS 8, *Operating Segments*

#### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010***

- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements* (revised)
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* and FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*

# Notes to the Financial Statements

cont'd



## 1. BASIS OF PREPARATION cont'd

### (a) Statement of Compliance cont'd

#### **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010 cont'd**

- Amendments to FRS 132, *Financial Instruments: Presentation* and FRS 101, *Presentation of Financial Statements*
  - *Puttable Financial Instruments and Obligations Arising on Liquidation*
  - *Separation of Compound Instruments*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*, FRS 7, *Financial Instruments: Disclosures* and IC Interpretation 9, *Reassessment of Embedded Derivatives*
  - *Reclassification of Financial Assets*
  - *Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*
  - *Collective Assessment of Impairment for Banking Institutions*
- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 11, FRS 2 – *Group and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

#### **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010**

- Amendments to FRS 132, *Financial Instruments: Presentation* – *Classification of Rights Issues*

#### **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010**

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

#### **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011**

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* – *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures* – *Improving Disclosures about Financial Instruments*

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

- from the annual period beginning 1 January 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, except for:
  - FRS 4, *Insurance Contracts*
  - IC Interpretation 11, FRS 2 – *Group and Treasury Share Transactions*
  - IC Interpretation 13, *Customer Loyalty Programmes*
  - IC Interpretation 14, FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

which are not applicable to the Group and the Company; and



# Notes to the Financial Statements

cont'd

## 1. BASIS OF PREPARATION *cont'd*

### (a) Statement of Compliance *cont'd*

- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011, except for:
  - IC Interpretation 12, *Service Concession Agreements*
  - IC Interpretation 15, *Agreements for the Construction of Real Estate*
  - IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
  - IC Interpretation 17, *Distribution of Non-cash Assets to Owners*which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), *Accounting Policies, Changes in Accounting Estimates and Errors*, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSS.

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

#### (i) **FRS 8, Operating Segments**

FRS 8 replaces FRS 114<sup>2004</sup>, *Segment Reporting* and requires the identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group and the Company in order to allocate resources to the segment and to assess its performance. Currently, the Group and the Company presents segment information in respect of its business and geographical segments (see Note 23). Under FRS 8, the Group will present segment information based on internal management report.

#### (ii) **FRS 117, Leases**

The amendments clarify that the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. This change in accounting policy will result in reclassification of certain lease of land from prepaid lease payments to property, plant and equipment.

### (b) Basis of Measurement

The financial statements have been prepared on the historical cost basis.

### (c) Functional and Presentation Currency

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

### (d) Use of Estimates and Judgements

The preparation of financial statements 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.



# Notes to the Financial Statements

cont'd



## 1. BASIS OF PREPARATION *cont'd*

### (d) Use of Estimates and Judgements *cont'd*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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 or disclosed in the financial statements other than those disclosed in the following notes:

- Note 4 – measurement of the recoverable amounts of cash-generating units
- Note 6 – fair value of investment property
- Note 30 – fair value of share options
- Note 24 – fair value of financial liabilities

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of Consolidation

#### (i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is held for sale.

#### (ii) Associates

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

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale.



# Notes to the Financial Statements

cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

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

#### (iii) *Minority interest*

Minority interest at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity holders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

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

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

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (b) Foreign Currency

#### (i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

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

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments, are translated to RM at exchange rates at the balance sheet date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of operations in functional currencies other than RM, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal of operations, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

#### (iii) *Net investment in foreign operations*

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations, are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. Deferred exchange differences are released to the consolidated income statement upon disposal of the investment.

# Notes to the Financial Statements

cont'd



## 2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### (c) Property, Plant and Equipment

#### (i) *Recognition and measurement*

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements.

#### (ii) *Reclassification to investment property*

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete.

#### (iii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

#### (iv) *Depreciation*

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



# Notes to the Financial Statements

cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

### (c) Property, Plant and Equipment cont'd

#### (iv) Depreciation cont'd

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

Buildings	50 years
Renovation	10 years
Plant and machinery	5-25 years
Office equipment	10 years
Motor vehicles	5-10 years
Furniture and fittings	10 years
Moulds and dies	6 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

#### (v) Change in estimates

Estimates in respect of the useful lives of certain items of plant and equipment were revised in 2008 (see Note 3).

### (d) Leased Assets

#### Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments, except for leasehold land classified as investment property.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

### (e) Intangible Assets

#### (i) Goodwill

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

For acquisitions prior to 1 January 2006, goodwill represented the excess of the cost of acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

# Notes to the Financial Statements

cont'd



## 2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### (e) Intangible Assets *cont'd*

#### (ii) *Amortisation*

Goodwill is tested for impairment annually and whenever there is an indication that they may be impaired.

### (f) Investments in Equity Securities

Investments in equity securities are recognised initially at purchase price plus attributable transaction costs.

Subsequent to initial recognition, investments in non-current equity securities other than investments in subsidiaries and associates, are stated at cost less allowance for diminution in value.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investments in subsidiaries and associate, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

All investments in equity securities are accounted for using trade date accounting. Trade date accounting refers to:

- a) the recognition of an asset on the day it is transacted by the entity, and
- b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is transacted.

### (g) Investment Property

#### (i) *Investment property carried at cost*

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land (other than leasehold land) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(c).

Depreciation is charged to the income statements on a straight-line basis over the estimated useful life of 50 years for buildings. Freehold land is not depreciated.

#### (ii) *Determination of fair value*

For the purpose of disclosure, the Directors estimate the fair values of the Group's investment properties without involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.



# Notes to the Financial Statements

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### (g) Investment Property *cont'd*

#### (ii) Determination of fair value *cont'd*

For disclosure purpose, the Directors adopted the comparison method in arriving at the market value. The comparison method entails critical analyses of recent evidences of values of comparable properties in the neighbourhood and making adjustment for differences such as differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Significant assumptions in arriving at the fair value of investment properties are disclosed in note 6.

### (h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (i) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

### (j) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

### (k) Impairment of Assets

The carrying amounts of assets except for inventories, deferred tax assets and other financial assets other than investments in subsidiaries and associate are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated usually at each reporting date.



# Notes to the Financial Statements

cont'd



## 2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### (k) Impairment of Assets *cont'd*

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised.

### (l) Equity Instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

#### (i) Issue expenses

Incremental costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

#### (ii) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity and is not re-valued for subsequent changes in the fair value or market price of shares. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

### (m) Loans and Borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.



# Notes to the Financial Statements

cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

### (n) Employee Benefits

#### (i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to statutory pension funds is charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

#### (ii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options.

The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee share options is measured using a Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

### (o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### (p) Contingent Liabilities

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

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

### (q) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

# Notes to the Financial Statements

cont'd



## 2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### (r) Revenue Recognition

#### (i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

#### (ii) Services

Revenue from services rendered is recognised in the income statements in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed.

#### (iii) Rental income

Rental income from investment property is recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

#### (iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

### (s) Interest Income and Borrowing Costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

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

### (t) Tax Expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.



# Notes to the Financial Statements

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### (t) Tax Expense *cont'd*

Deferred tax liability is recognised for all taxable temporary differences.

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

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in the income statement as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

### (u) Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

### (v) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

# Notes to the Financial Statements

cont'd



## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land	Buildings and renovation	Plant and machinery	Office equipment	Motor vehicles	Furniture and fittings	Moulds and dies	Asset under construction	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cost</b>										
At 1 January 2008	5,910	218,404	503,200	16,962	16,133	3,661	87,255	61,997	913,522	
Additions	-	3,771	76,072	3,540	3,775	663	23,681	273,459	384,961	
Disposals	-	-	(1,265)	(44)	(1,169)	(19)	(1,042)	-	(3,539)	
Write off	-	-	-	(245)	-	-	-	-	(245)	
Transfer from asset under construction	-	-	18,454	46,635	-	-	-	(65,089)	-	
Effect of movements in exchange rates	-	-	17,696	41,766	1,091	401	(121)	2,358	7,507	70,698
At 31 December 2008/1 January 2009	5,910	258,325	666,408	21,304	19,140	4,184	112,252	277,874	1,365,397	
Additions	-	1,070	128,926	4,993	8,895	1,775	22,648	143,437	311,744	
Disposals	-	-	(1,247)	(22)	(1,649)	(60)	-	-	(2,978)	
Write off	-	-	-	(2)	-	(4)	-	-	(6)	
Transfer from asset under construction	-	-	77,683	48,025	-	-	-	(125,708)	-	
Reclassification	-	-	-	-	-	-	-	(75,659)	(75,659)	
Disposal of subsidiary	-	-	(372)	(203)	(1,135)	(51)	(17)	-	(1,778)	
Effect of movements in exchange rates	-	(1,828)	(6,169)	88	255	(49)	(589)	(911)	(9,203)	
At 31 December 2009	5,910	335,250	835,571	26,158	25,506	5,795	134,294	219,033	1,587,517	



# Notes to the Financial Statements

cont'd

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

Group	Note	Freehold land 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	Asset under construction RM'000	Total RM'000
<b>Accumulated depreciation</b>										
At 1 January 2008		-	12,089	105,259	9,506	5,997	1,398	49,999	-	184,248
Depreciation for the year		-	9,209	31,379	1,751	2,113	186	16,354	-	60,992
Disposals		-	-	(316)	-	(711)	-	-	-	(1,027)
Write off		-	-	-	(245)	-	-	-	-	(245)
Effect of movements in exchange rates		-	1,119	6,148	(34)	(19)	(50)	1,034	-	8,198
At 31 December 2008/ 1 January 2009		-	22,417	142,470	10,978	7,380	1,534	67,387	-	252,166
Depreciation for the year		-	10,911	39,387	2,313	2,700	283	25,454	-	81,048
Disposals		-	-	(513)	(19)	(1,189)	(50)	-	-	(1,771)
Write off		-	-	-	(1)	-	-	-	-	(1)
Disposal of subsidiary		-	-	(131)	(118)	(649)	(18)	(15)	-	(931)
Effect of movements in exchange rates		-	(403)	(1,245)	115	84	21	(660)	-	(2,088)
At 31 December 2009		-	32,925	179,968	13,268	8,326	1,770	92,166	-	328,423
<b>Carrying amounts</b>										
At 1 January 2008		5,910	206,315	397,941	7,456	10,136	2,263	37,256	61,997	729,274
At 31 December 2008/ 1 January 2009		5,910	235,908	523,938	10,326	11,760	2,650	44,865	277,874	1,113,231
At 31 December 2009		5,910	302,325	655,603	12,890	17,180	4,025	42,128	219,033	1,259,094



# Notes to the Financial Statements

cont'd



## 3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company	Freehold land RM'000	Buildings RM'000	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	Total RM'000
<b>Cost</b>									
At 1 January 2008	5,910	31,472	-	125,933	9,912	4,348	849	59,398	237,822
Additions	-	-	2,123	3,025	121	438	-	13,004	18,711
Disposals	-	-	-	(574)	-	(172)	-	(1,042)	(1,788)
At 31 December 2008/1 January 2009	5,910	31,472	2,123	128,384	10,033	4,614	849	71,360	254,745
Additions	-	-	285	1,152	14	148	-	3,744	5,343
Disposals	-	-	-	(384)	-	(112)	-	-	(496)
At 31 December 2009	5,910	31,472	2,408	129,152	10,047	4,650	849	75,104	259,592
<b>Accumulated depreciation</b>									
At 1 January 2008	-	3,872	-	55,896	6,623	2,229	432	41,080	110,132
Depreciation for the year	-	607	212	6,672	627	327	26	5,563	14,034
Disposals	-	-	-	(73)	-	(173)	-	-	(246)
At 31 December 2008/1 January 2009	-	4,479	212	62,495	7,250	2,383	458	46,643	123,920
Depreciation for the year	-	553	241	6,728	590	351	21	6,207	14,691
Disposals	-	-	-	(102)	-	(112)	-	-	(214)
At 31 December 2009	-	5,032	453	69,121	7,840	2,622	479	52,850	138,397
<b>Carrying amounts</b>									
At 1 January 2008	5,910	27,600	-	70,037	3,289	2,119	417	18,318	127,690
At 31 December 2008/1 January 2009	5,910	26,993	1,911	65,889	2,783	2,231	391	24,717	130,825
At 31 December 2009	5,910	26,440	1,955	60,031	2,207	2,028	370	22,254	121,195



# Notes to the Financial Statements

cont'd

## 3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

### 3.1 Security

Certain property, plant and equipment of the Group with carrying amounts of RM19,290,000 (2008 - RM12,688,000) have been pledged as security for loan facilities as set out in Note 16 to the financial statements.

### 3.2 Borrowing costs

Included in property, plant and equipment under construction of the Group is interest capitalised at a rate of 4.6% per annum (2008 - 5.6%) of RM24,249,000 (2008 - RM10,737,000) until the asset is ready for its intended use.

### 3.3 Assets under hire purchase plans

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Carrying amounts:</b>				
Plant and machinery	7,717	3,783	845	619
Motor vehicles	2,486	2,555	811	1,660
	10,203	6,338	1,656	2,279

### 3.4 Change in estimates

During the year ended 31 December 2008, the Group conducted an operational efficiency review of its plants in China, which resulted in changes in the expected useful lives of certain items of property, plant and equipment.

The useful lives of the smelting plant and power plant which management previously estimated the useful lives to be 10 years, have been revised to 15 years and 20 years, respectively.

The Directors were of the view that the revised estimated useful lives reflect more accurately the wear and tear of the assets, having considered the physical condition and the maintenance program of the assets. The Directors have also considered the useful lives of similar assets in the industry and believe that the revised useful lives were more aligned to the industry.

The effect of these changes on depreciation expense, recognised in cost of sales, in current and future periods is as follows:

	2008	2009	2010	2011	2012	2013 and later
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(Decrease)/Increase in depreciation expense	(24,992)	(25,794)	(25,794)	(25,794)	(25,794)	128,166

# Notes to the Financial Statements

cont'd



## 4. INTANGIBLE ASSET

Group	Goodwill RM'000
<b>Cost</b>	
At 1 January 2008	13,484
Effect of movements in exchange rate	(732)
At 31 December 2008/1 January 2009	12,752
Effect of movements in exchange rate	913
Impairment losses	(550)
At 31 December 2009	13,115

### Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the business units acquired, at which the goodwill is monitored for internal management purposes. The recoverable amounts of the business units were based on value in use and were determined by the management.

The goodwill is allocated to subsidiaries in the manufacturing and trading segments.

The value in use was determined by assessing the budgets of the business units and was based on the following key assumptions:

- The budgets were arrived at based on actual operating results.
- The principal activities of the business units will not change significantly.
- The business environment or industry in which the business units operate in will not change significantly.
- Discounted based on weighted average cost of capital

The values assigned to the assumptions represent management's assessment of future trends in the business units' principal activities and are based on internal sources.



# Notes to the Financial Statements

cont'd

## 5. PREPAID LEASE PAYMENTS

Group	Note	*Leasehold land unexpired period more than 50 years RM'000
<b>Cost</b>		
At 1 January 2008		74,230
Additions		9,533
Effect of movements in exchange rate		7,806
At 31 December 2008/1 January 2009		91,569
Additions		10,899
Effect of movements in exchange rate		(1,861)
At 31 December 2009		100,607
<b>Amortisation</b>		
At 1 January 2008		666
Amortisation for the year		438
Effect of movements in exchange rate		55
At 31 December 2008/1 January 2009		1,159
Amortisation for the year		877
Effect of movements in exchange rate		(11)
At 31 December 2009		2,025
<b>Carrying amounts</b>		
At 1 January 2008		73,564
At 31 December 2008/1 January 2009		90,410
At 31 December 2009		98,582

\* The titles to the leasehold land at carrying amount of RM55,535,000 (2008 – RM56,254,000) are still in the process of being registered in the subsidiary's name. The subsidiary has submitted the relevant documents to the authorities for the transfer of legal titles to the subsidiary, and is awaiting the process and formalities of the transfers to be completed.

# Notes to the Financial Statements

cont'd



## 6. INVESTMENT PROPERTIES

	Group	
	2009	2008
	RM'000	RM'000
<b>Cost</b>		
At 1 January	6,298	5,563
Additions	-	735
At 31 December	6,298	6,298
<b>Accumulated depreciation</b>		
At 1 January	692	589
Depreciation for the year	96	103
At 31 December	788	692
<b>Carrying amounts</b>		
At 31 December	5,510	5,606
<b>Fair value*</b>		
At 31 December	6,279	6,279

\* The Directors estimated the fair value of the investment properties by using the comparison method, which entails the analyses of recent evidences of comparable properties in the neighbourhood.

	Group	
	2009	2008
	RM'000	RM'000
<b>Included in the above are:</b>		
Freehold land	812	812
Buildings	4,698	4,794
	5,510	5,606

Investment properties comprise a number of commercial properties that are leased to third parties. No contingent rents are charged.

The following are recognised in the income statement in respect of investment properties:

	Group	
	2009	2008
	RM'000	RM'000
Rental income	323	315
Direct operating expenses	(158)	(152)



# Notes to the Financial Statements

cont'd

## 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	219,924	222,483
Less: Impairment losses	(2,440)	(2,440)
	<u>217,484</u>	<u>220,043</u>

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2009	2008
Angkasa Jasa Sdn. Bhd.	Malaysia	Contracting and fabrication of aluminium and stainless steel products	100%	100%
PMB Development Sdn. Bhd.	Malaysia	Property development and building and contracting of construction work	100%	100%
and its subsidiary, PMB Spectrum Sdn. Bhd.	Malaysia	Development projects	60%	60%
PMB Recycling Management Sdn. Bhd.	Malaysia	Recycling of waste, operation maintenance, construction of waste recycling projects and trading of waste treatment and recycling equipment	100%	100%
Wesama Sdn. Bhd.	Malaysia	Provision of general drafting services and construction project management	100%	100%
and its subsidiary, ACE Extrusion Sdn. Bhd.	Malaysia	Manufacturing and trading of aluminium products	100%	100%
PMB Marketing Sdn. Bhd.	Malaysia	Investment holding	100%	100%
and its subsidiary, PMB Marketing (H.K.) Limited*	Hong Kong	Trading of garments and accessories	100%	100%
Press Metal UK Limited*	United Kingdom	Marketing of aluminum products	100%	100%

# Notes to the Financial Statements

cont'd



## 7. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2009	2008
BI-PMB Waste Management Sdn. Bhd.	Malaysia	Provision of a common waste water treatment plant to treat toxic waste	100%	100%
PMS Marketing Sdn Bhd**	Malaysia	Trading of aluminium product	100%	100%
Press Metal Aluminium (Australia) Pty. Ltd*	Australia	Marketing, retailing and trading of aluminium related materials	70%	70%
Press Metal Hong Kong Limited*	Hong Kong	Investment holding	80%	80%
and its subsidiary, Press Metal International Limited*	China	Manufacturing and trading of aluminium products	80%	80%
Hubei Press Metal Huasheng Aluminium-Electric Co., Ltd.*	China	Manufacturing and trading of aluminium products	90%	90%
and its subsidiary, PMH Aluminium Extrusion Co., Ltd.*	China	Manufacturing and trading of aluminium products	100%	100%
Press Metal Sarawak Sdn. Bhd.	Malaysia	Manufacturing and trading of aluminium products	80%	80%
K3 Metal Service Centre Sdn. Bhd.*	Malaysia	Trading in general hardware and related products	-	51%
and its subsidiary K3 Metal Trading (JB) Sdn. Bhd.*	Malaysia	Trading in general hardware and related products	-	100%

\* Audited by other firms of accountants

\*\* Formerly known as PMB-Envirex Environmental Engineering Sdn. Bhd..





# Notes to the Financial Statements

cont'd

## 7. INVESTMENTS IN SUBSIDIARIES *cont'd*

### 7.1 Disposal of subsidiaries in 2009

- (i) **K3 Metal Service Centre Sdn. Bhd. ("K3")**  
**K3 Metal Trading (JB) Malaysia Sdn. Bhd. ("K3JB")**

On 9 June 2009, the Company has disposed of 180,000 ordinary shares of RM1.00 each in K3 Metal Service Centre Sdn. Bhd., representing 36% of the issued and paid up share capital of K3 for a cash consideration of RM3,451,821. As a result, K3 had ceased to be a subsidiary of the Group.

The financial effects of the disposal of subsidiary is disclosed in Note 29.

### 7.2 Change of name and principal activity

- (i) **PMS Marketing Sdn. Bhd. ("PMSM")**

PMB-Envirex Engineering Environmental Sdn. Bhd. has on 7 August 2009 changed its name to PMS Marketing Sdn. Bhd..

### 7.3 Acquisition of subsidiaries/change in shareholdings in 2008

- (i) **PMH Aluminium Extrusion Co., Ltd. ("PMHAE")**

On 5 May 2008, the Group incorporated a new subsidiary, PMHAE, domiciled in the Republic of China, with an issued and fully paid-up capital of RM22,515,000 (RMB50,000,000). PMHAE is 90% owned by Hubei Press Metal Huasheng Aluminium-Electric Co., Ltd.. The principal activity of PMHAE is the manufacturing and trading of aluminium products.

The net profit and net assets contributed by PMHAE from 5 May 2008 up to the year ended 31 December 2008 are insignificant in relation to the consolidated net profit and net assets of the Group for 2008.

- (ii) **Press Metal International Ltd. ("PMI")**

In 2008, PMI increased its paid-up capital by the issuance of 57,819,000 new ordinary shares of RMB1 each. Press Metal Hong Kong Limited subscribed for its share of 46,225,200 new ordinary shares for a total cash consideration of RM30,555,655 (HKD66,909,523).

The effective ownership interest of the Group in PMI remains unchanged.

- (iii) **PMB Envirex Environmental Engineering Sdn. Bhd. ("PMBEE")**

In February 2008, the Company acquired the remaining 45% equity interest in PMBEE for RM45,000 in cash. Consequently, PMBEE became a wholly owned subsidiary of the Company.

# Notes to the Financial Statements

cont'd



## 8. INVESTMENT IN ASSOCIATE

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
At cost:				
Quoted shares in Malaysia	11,812	11,812	11,812	11,812
Share of post-acquisition reserves	14,477	13,047	-	-
	26,289	24,859	11,812	11,812
Market value:				
Quoted shares in Malaysia	9,535	8,805	9,535	8,805

Summary financial information of the associate which is incorporated in Malaysia:

Group and Company	Effective ownership interest	Revenues	Profit	Total assets	Total liabilities
	%	(100%)	(100%)	(100%)	(100%)
		RM'000	RM'000	RM'000	RM'000
<b>2009</b>					
PMB Technology Berhad	27.72	212,719	5,159	213,395	119,787
<b>2008</b>					
PMB Technology Berhad	27.72	321,617	9,355	243,974	143,342

## 9. OTHER INVESTMENTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
At cost:				
Unquoted foreign shares, at cost				
1 January	2,358	2,140	-	-
Additions	182	129	-	-
Disposal	-	(171)	-	-
Effect of movement in exchange rate	(30)	260	-	-
At 31 December	2,510	2,358	-	-
Unquoted shares in Malaysia, at cost	1,803	-	750	-
	4,313	2,358	750	-



# Notes to the Financial Statements

cont'd

## 10. DEFERRED TAX ASSETS AND LIABILITIES

### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property, plant and equipment	-	-	(112,035)	(107,110)	(112,035)	(107,110)
Provisions	565	416	-	-	565	416
Tax loss carry-forwards	3,984	1,534	-	-	3,984	1,534
Unutilised reinvestment allowances	-	823	-	-	-	823
Unabsorbed capital allowances	5,811	-	-	-	5,811	-
Other items	-	1,965	(4,711)	(32)	(4,711)	1,933
Tax assets/(liabilities)	10,360	4,738	(116,746)	(107,142)	(106,386)	(102,404)
Set off	(6,441)	(2,444)	6,441	2,444	-	-
Net tax assets/(liabilities)	3,919	2,294	(110,305)	(104,698)	(106,386)	(102,404)

Deferred tax assets and liabilities are attributable to the following:

Company	Assets		Liabilities		Net	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property, plant and equipment	-	-	(17,069)	(19,440)	(17,069)	(19,440)
Other items	-	-	(4,711)	1,965	(4,711)	1,965
Net tax liabilities	-	-	(21,780)	(17,475)	(21,780)	(17,475)

# Notes to the Financial Statements

cont'd



## 10. DEFERRED TAX ASSETS AND LIABILITIES *cont'd*

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2009	2008
	RM'000	RM'000
Taxable temporary differences	(4,142)	(4,382)
Tax loss carry-forwards	5,741	3,411
Unabsorbed capital allowances	7,881	7,419
Unutilised reinvestment allowances	3,949	10,614
	13,429	17,062

The 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 profit will be available against which the Group can utilise the benefits there from.

### Movement in temporary differences during the year

	At 1.1.2008	Recognised in income statement (Note 20)	Effect of movement in exchange rate	At 31.12.2008	Recognised in income statement (Note 20)	Effect of movements in exchange rate	At 31.12.2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>							
Property, plant and equipment	(79,413)	(19,285)	(8,412)	(107,110)	(5,369)	445	(112,034)
Provisions	382	34	-	416	149	-	565
Tax loss carry forwards	1,162	372	-	1,534	2,450	-	3,984
Unutilised reinvestment allowances	160	663	-	823	(823)	-	-
Unabsorbed capital allowances	-	-	-	-	5,811	-	5,811
Other items	2,259	(326)	-	1,933	(6,645)	-	(4,712)
	(75,450)	(18,542)	(8,412)	(102,404)	(4,427)	445	(106,386)



# Notes to the Financial Statements

cont'd

## 10. DEFERRED TAX ASSETS AND LIABILITIES *cont'd*

Company	At 1.1.2008 RM'000	Recognised in income statement (Note 20) RM'000	Effect of movement in exchange rate RM'000	At 31.12.2008 RM'000	Recognised in income statement (Note 20) RM'000	Effect of movements in exchange rate RM'000	At 31.12.2009 RM'000
Property, plant and equipment	(18,183)	(1,257)	-	(19,440)	2,371	-	(17,069)
Other items	2,239	(274)	-	1,965	(6,676)	-	(4,711)
	(15,944)	(1,531)	-	(17,475)	(4,305)	-	(21,780)

## 11. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Current</b>					
<b>Trade</b>					
Trade receivables		247,242	281,551	43,510	77,406
Less: Allowance for doubtful debts		(14,936)	(8,094)	(10,218)	(5,218)
		232,306	273,457	33,292	72,188
Amounts due from subsidiaries	11.1	-	-	159,116	153,031
Amount due from associate	11.1	6,878	28,117	6,493	27,596
		239,184	301,574	198,901	252,815
<b>Non-trade</b>					
Amounts due from subsidiaries	11.1	-	-	462,905	284,686
Other receivables		21,214	15,771	328	507
Deposits	11.2	423,459	157,075	17,193	15,757
Prepayments		36,492	55,145	967	1,481
Amount due from associate	11.1	1,650	-	-	-
		482,815	227,991	481,393	302,431
		721,999	529,565	680,294	555,246
<b>Non-current</b>					
<b>Non-trade</b>					
Amount due from subsidiary	11.1	-	-	22,469	30,008
	11.3	721,999	529,565	702,763	585,254

# Notes to the Financial Statements

cont'd



## 11. RECEIVABLES, DEPOSITS AND PREPAYMENTS *cont'd*

### 11.1 Intra-group balances

The trade balances due from subsidiaries and associate are subject to normal trade terms.

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

The current non-trade amount due from associate is unsecured, interest free and repayable on demand.

The non-current non-trade amount due from subsidiary is unsecured, bears interest of 6.5% (2008 - 6.5%) per annum and repayable in 2012.

### 11.2 Deposits

Included in deposits of the Group are:-

- (i) deposits paid to contractors in relation to the construction of a plant in China amounting to RM Nil (2008 - RM4,894,000).
- (ii) deposits paid to contractors in relation to the construction of a smelting plant in Mukah, Sarawak amounting to RM402,687,000 (2008 - RM133,165,000).

### 11.3 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities are as follows:

		Group		Company	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Functional currency	Foreign currency				
RM	AUD	-	-	36,481	30,067
RM	GBP	-	-	101,863	103,585
RM	HKD	-	-	-	123,442
RM	RMB	-	-	-	41,799
RM	SGD	3,995	5,892	3,995	5,198
RM	USD	630	12,722	629	23,638
RM	EUR	-	-	316	-
RMB	USD	107,588	76,610	-	-
RMB	EUR	-	667	-	-
RMB	SGD	1,285	59	-	-



# Notes to the Financial Statements

cont'd

## 12. INVENTORIES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
At cost:				
Raw materials	105,751	111,497	18,584	37,295
Work-in-progress	32,178	21,012	1,977	1,742
Finished goods	89,858	95,713	4,954	4,025
Consumable parts	647	720	251	322
Inventory-in-transit	34,142	25,398	3,330	2,942
	262,576	254,340	29,096	46,326

## 13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks	6,642	7,667	363	734
Cash and bank balances	64,624	89,931	16,552	28,534
	71,266	97,598	16,915	29,268

Included in the Group's deposits placed with licensed banks is RM10,000 (2008 - RM3,134,000) pledged for bank facilities granted to a subsidiary.

Cash and cash equivalents that are not in the functional currencies of the Group entities are as follows:

		Group		Company	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
<b>Functional currency</b>	<b>Foreign currency</b>				
RM	AUD	33	385	33	385
RM	EUR	1	12	1	12
RM	GBP	438	194	438	194
RM	RMB	-	5	-	5
RM	SGD	2,069	1,932	1,665	1,804
RM	USD	7,924	3,306	7,924	3,306
RMB	HKD	10	-	-	-
RMB	SGD	-	8,803	-	-



# Notes to the Financial Statements

cont'd



## 14. SHARE CAPITAL AND RESERVES

### 14.1 Share capital

	Group		Company	
	Amount	Number of shares	Amount	Number of shares
	2009	2009	2008	2008
	RM'000	'000	RM'000	'000
Ordinary shares of RM0.50 each:				
Authorised	500,000	1,000,000	500,000	1,000,000
Issued and fully paid				
On issue at 1 January	182,286	364,571	182,265	364,530
Issue of shares under the Employees' Share Option Scheme	-	-	21	41
Exercise of warrants	408	816	-	-
On issue at 31 December	182,694	365,387	182,286	364,571

### 14.2 Translation reserve

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

### 14.3 Share premium

	Group and Company	
	2009	2008
	RM'000	RM'000
At 1 January	1,224	1,183
Arising from share issued		
- pursuant to the exercise of share options	-	41
At 31 December	1,224	1,224

### 14.4 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

### 14.5 Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has Section 108 tax credit to frank all of its distributable reserves at 31 December 2009 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.



# Notes to the Financial Statements

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## 15. PAYABLES AND ACCRUALS

		Group		Company	
	Note	2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
<b>Trade</b>					
Trade payables		102,620	101,280	22,031	34,224
Amounts due to subsidiaries	15.1	-	-	95,836	36,743
Amount due to associate	15.1	12,001	10,045	2,815	1,948
		114,621	111,325	120,682	72,915
<b>Current</b>					
<b>Non-trade</b>					
Amounts due to subsidiaries	15.1	-	-	28,507	19,185
Amount due to associate	15.1	2,895	4,901	-	-
Other payables	15.2	116,098	94,812	2,235	3,119
Accrued expenses		29,580	15,137	3,714	3,420
		148,573	114,850	34,456	25,724
	15.3	263,194	226,175	155,138	98,639
<b>Non-current</b>					
<b>Non-trade</b>					
Amount due to a subsidiary	15.1	-	-	60,475	49,943

### 15.1 Intra-group balances

The trade balances due to subsidiaries and associate are subject to normal trade terms.

The non-trade balances due to subsidiaries and associate are unsecured, interest free and repayable on demand, except for an amount due to a subsidiary which is not expected to be repaid within the next twelve months.

### 15.2 Other payables

Included in other payables of the Group are:-

- amounts due to Directors of RM520 (2008 - RM164,223). These amounts are unsecured, interest free and repayable on demand.
- the remaining 30% of the purchase consideration for the acquisition of a subsidiary, Hubei Press Metal Huasheng Aluminium-Electric Co., Ltd. amounting to RM54,205,000 (2008 - RM54,907,000).
- an amount payable to contractors of RM Nil (2008 - RM19,274,000) in relation to the construction of a plant in China.
- an amount payable to contractors of RM11,743,000 (2008 - RM1,523,815) in relation to the construction of an aluminium smelting plant in Mukah, Sarawak.

# Notes to the Financial Statements

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## 15. PAYABLES AND ACCRUALS *cont'd*

### 15.3 Analysis of foreign currency exposure for significant payables

Significant payables that are not in the functional currencies of the Group entities are as follows:

		Group		Company	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Functional currency	Foreign currency				
RM	RMB	-	-	60,475	49,943
RM	SGD	11	11	11	11
RM	USD	15,452	4,162	79,674	72,498
RMB	USD	647	1,312	-	-
RMB	SGD	-	178	-	-

## 16. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's and the Company's interest-bearing loans and borrowings. For more information about the Group's and the Company's exposure to interest rate and foreign currency risk, see Note 24.

		Group		Company	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
<b>Non-current</b>					
Term loans (unsecured)		126,430	165,580	102,724	130,681
Term loans (secured)		387,353	203,467	-	-
Hire purchase liabilities		5,306	2,535	836	553
		519,089	371,582	103,560	131,234
<b>Current</b>					
Term loans (unsecured)		128,585	99,020	27,483	8,019
Term loans (secured)		46,437	92,761	-	-
Bankers' acceptances/ Bills payable (unsecured)		425,168	353,597	315,044	326,522
Bankers' acceptances/ Bills payable (secured)		-	4,725	-	-
Revolving credit (unsecured)		132,523	52,088	45,000	45,000
Revolving credit (secured)		3,430	3,473	-	-
Bank overdrafts (unsecured)		7,025	5,627	7,025	3,275
Bank overdrafts (secured)		-	185	-	-
Hire purchase liabilities		3,253	1,884	488	386
		746,421	613,360	395,040	383,202
		1,265,510	984,942	498,600	514,436



# Notes to the Financial Statements

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## 16. LOANS AND BORROWINGS *cont'd*

### 16.1 Bills payable, bankers' acceptances, bank overdrafts and revolving credit

#### *Secured*

- (i) Revolving credit amounting to RM3,430,000 (2008 - RM3,473,000) is secured by an irrevocable Standby Letter of Credit issued by a bank and bear interest at 1.5% (2008 - 1.5%) per annum above the lender's base lending rate and payable within 1 year.
- (ii) The bank overdrafts of the Group are secured by corporate guarantees from the Company and registered first debenture over the fixed and floating assets of a subsidiary, and bear interest at 1.5% (2008 - 1.5%) per annum above the bank's base lending rate and payable within 1 year.

### 16.2 Term loans

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Loan 1 (unsecured)	54,824	62,415	54,824	62,415
Loan 2 (unsecured)	51,397	52,013	51,397	52,013
Loan 3 (unsecured)	23,985	24,272	23,986	24,272
<i>Loans of subsidiaries</i>				
- Loan 4 (secured)	370	389	-	-
- Loan 5 (secured)	3,419	7,224	-	-
- Loan 6 (secured)	-	64,720	-	-
- Loan 7 (secured)	-	23,895	-	-
- Loan 8 (secured)	430,000	200,000	-	-
- Loan 9 (unsecured)	20,557	27,741	-	-
- Loan 10 (unsecured)	13,562	17,616	-	-
- Loan 11 (unsecured)	-	35,080	-	-
- Loan 12 (unsecured)	-	31,580	-	-
- Loan 13 (unsecured)	-	7,975	-	-
- Loan 14 (unsecured)	-	5,908	-	-
- Loan 15 (unsecured)	25,096	-	-	-
- Loan 16 (unsecured)	65,595	-	-	-
	688,805	560,828	130,207	138,700

# Notes to the Financial Statements

cont'd



## 16. LOANS AND BORROWINGS *cont'd*

### 16.2 Term loans *cont'd*

Term loan	Description	Security	Interest rate
1	Denominated in US Dollar (USD18 million), is repayable by 36 instalments of USD500,000 each; the first to commence on the 25th month following the first drawdown in August 2007.	Negative pledge.	1.5% per annum above the lender's Cost of Funds.
2	Denominated in US Dollar (USD15 million), is repayable by 48 equal monthly instalments of USD312,500 each, starting on 13th month from the date of first drawdown of the facility in October 2008.	Negative pledge.	1.5% per annum above the lender's Cost of Funds.
3	Denominated in US Dollar (USD7 million), is repayable by 11 quarterly instalments of USD584,000 each and a final instalment of USD576,000; the first to commence on the 27th month from the first drawdown in February 2008.	Negative pledge and backed by a corporate guarantee of Press Metal International Ltd. for USD 7 million.	1.5% per annum above the lender's Cost of Funds.
4	Denominated in Ringgit Malaysia, is repayable by 180 monthly instalments commencing May 2008.	Secured over a building of a subsidiary with a carrying amount of RM991,000(2008 – RM1,016,000) and backed by a corporate guarantee from the Company.	4.18% per annum for the first 12 instalments, 6.75% per annum for the subsequent 12 instalments and at 1% above the base lending rate for the remaining period.
5	Denominated in GBP, is repayable in quarterly instalments by September 2010 of £205,882 each.	Secured by debenture over the inventories and receivables of a subsidiary and backed by a corporate guarantee from the Company.	1.75% per annum above the lender's base lending rate.
6	Denominated in RMB (RMB127.3 million), is repayable 14 days before the expiry date of the respective Standby Letter's of Credit ("SBLC") issued by a bank in Malaysia.	Secured by SBLC issued by a bank for USD20 million.	6.06% per annum of the People's Bank of China's lending rate.
7	Denominated in RMB (RMB32 million and RMB15 million), repayable with monthly interest and principal from 28 February 2008 to 13 February 2009 and from 28 April 2008 to 28 April 2009, respectively.	Secured by SBLC issued by a bank for USD5 million.	5% per annum above the People's Bank of China's lending rate.



# Notes to the Financial Statements

cont'd

## 16. LOANS AND BORROWINGS *cont'd*

### 16.2 Term loans *cont'd*

Term loan	Description	Security	Interest rate
8	Denominated in Ringgit Malaysia, is repayable by 24 quarterly instalments, the first to commence on the 13th month following the first drawdown in October 2008.	Secured over a leasehold land of a subsidiary with a carrying amount of RM18,299,000 (2008 – RM7,639,000), pledge of deposits placed with a licensed bank backed by a corporate guarantee from the Company.	1.75% per annum above the lenders' Islamic Cost of Fund.
9	Denominated in USD (USD10 million), is repayable by 20 equal monthly instalments of USD500,000 each; the first commenced on the 25th month following the first drawdown in January 2006.	Backed by a corporate guarantee from the Company.	1% per annum above the lender's Cost of Fund.
10	Denominated in RMB (RMB34.65 million), is repayable by 20 equal monthly instalments of RMB1,732,500 each; the first to commence on the 25th month from the first drawdown in March 2007.	Backed by a corporate guarantee from the Company.	1.5% per annum above applicable People's Bank of China lending rate.
11	Denominated in RMB (RMB69 million), is reviewed annually and repayable on demand at the sole discretion of the bank.	Backed by a corporate guarantee from the Company.	0.75% per annum above the applicable People's Bank of China lending rate.
12	Denominated in USD (USD9 million), is repayable within 180 days from the drawdown date.	Backed by a corporate guarantee from the Company.	1.25% per annum above the lender's Cost of Funds.
13	Denominated in USD (USD2.2 million), is repayable on demand at the sole discretion of the bank.	Export credit.	Fixed rate of 7.175% per annum.
14	Denominated in RMB (RMB11.62 million), is repayable on demand at the sole discretion of the bank.	Export credit.	Fixed rate of 6.21% per annum.
15	Denominated in RMB (RMB50 million), is to be fully repaid by September 2010.	Backed by a corporate guarantee from the Company.	5.31% per annum.
16	Denominated in RMB (RMB130 million), is to be fully repaid by within 12 months.	Backed by a corporate guarantee from the Company.	6.50% per annum.

# Notes to the Financial Statements

cont'd



## 16. LOANS AND BORROWINGS *cont'd*

### 16.3 Hire purchase liabilities

The hire purchase liabilities are subject to flat interest rates ranging from 2.28% to 9.03% (2008 - 2.28% to 9.03%) per annum.

Hire purchase liabilities are payable as follows:

	Payments 2009 RM'000	Interest 2009 RM'000	Principal 2009 RM'000	Payments 2008 RM'000	Interest 2008 RM'000	Principal 2008 RM'000
<b>Group</b>						
Less than one year	3,704	451	3,253	2,174	290	1,884
Between one and five years	5,995	689	5,306	2,924	389	2,535
	9,699	1,140	8,559	5,098	679	4,419
<b>Company</b>						
Less than one year	552	64	488	438	52	386
Between one and five years	951	115	836	645	92	553
	1,503	179	1,324	1,083	144	939

### 16.4 Terms and debts repayment schedule

	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
<b>Group</b>						
<b>2009</b>						
Term loans (unsecured)	2010 - 2014	255,015	128,585	49,818	76,612	-
Term loans (secured)	2010 - 2022	433,790	46,437	86,020	301,098	235
Bankers' acceptances/Bills payable (unsecured)	2010	425,168	425,168	-	-	-
Revolving credit (unsecured)	2010	132,523	132,523	-	-	-
Revolving credit (secured)	2010	3,430	3,430	-	-	-
Bank overdrafts (secured)	2010	7,025	7,025	-	-	-
Hire purchase liabilities	2010 - 2013	8,559	3,253	2,647	2,653	6
		1,265,510	746,421	138,485	380,363	241





# Notes to the Financial Statements

cont'd

## 16. LOANS AND BORROWINGS *cont'd*

### 16.4 Terms and debts repayment schedule *cont'd*

	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
<b>Group</b>						
<b>2008</b>						
Term loans (unsecured)	2009 - 2014	264,600	99,020	50,052	115,528	-
Term loans (secured)	2009 - 2022	296,228	92,761	23,115	120,091	60,261
Bankers' acceptances/Bills payable (unsecured)	2009	353,597	353,597	-	-	-
Bankers' acceptances/Bills payable (secured)	2009	4,725	4,725	-	-	-
Revolving credit (unsecured)	2009	52,088	52,088	-	-	-
Revolving credit (secured)	2009	3,473	3,473	-	-	-
Bank overdrafts (unsecured)	2009	5,627	5,627	-	-	-
Bank overdrafts (secured)	2009	185	185	-	-	-
Hire purchase liabilities	2009 - 2013	4,419	1,884	1,356	1,179	-
		984,942	613,360	74,523	236,798	60,261
<b>Company</b>						
<b>2009</b>						
Term loans (unsecured)	2012 - 2014	130,207	27,483	39,405	63,319	-
Bankers' acceptances/Bills payable (unsecured)	2009	315,044	315,044	-	-	-
Revolving credit (unsecured)	2009	45,000	45,000	-	-	-
Bank overdrafts (secured)	2009	7,025	7,025	-	-	-
Hire purchase liabilities	2009 - 2013	1,324	488	468	362	6
		498,600	395,040	39,873	63,681	6
<b>2008</b>						
Term loans (unsecured)	2012 - 2014	138,700	8,019	39,594	91,087	-
Bankers' acceptances/Bills payable (unsecured)	2009	326,522	326,522	-	-	-
Revolving credit (unsecured)	2009	45,000	45,000	-	-	-
Bank overdrafts (unsecured)	2009	3,275	3,275	-	-	-
Hire purchase liabilities	2009 - 2013	939	386	212	341	-
		514,436	383,202	39,806	91,428	-

# Notes to the Financial Statements

cont'd



## 16. LOANS AND BORROWINGS *cont'd*

### 16.5 Significant covenants

In connection with the significant term loan facilities of a subsidiary, Press Metal Sarawak Sdn. Bhd., the subsidiary and the Group have agreed on the following significant covenants with the lenders:

- i) Project Debt-to-Equity ratio of the subsidiary to be maintained below the ratio of 70:30 at all times; equity is defined to include all subordinated debts and shareholders advances;
- ii) Minimum Finance Service Cover Ratio ("FSCR") of 1.25 times, where FSCR equal to the subsidiary's net operating cash flows for the year plus opening cash balance divided by total facility payment due for the current year;
- iii) no material change in the business plan of the subsidiary and Press Metal Berhad Group; and
- iv) the Company shall maintain its shareholdings in the subsidiary more than or equivalent to 80% throughout the tenure of the facility.

### 16.6 Analysis of foreign currency exposure for significant loans and borrowings

Significant loans and borrowings outstanding at year end that are not in the functional currencies of the Group entities are as follows:

		Group		Company	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Functional currency	Foreign currency				
RM	USD	130,207	142,179	130,207	142,179
RM	GBP	37,315	8,510	37,315	8,510
RMB	USD	97,067	39,545	-	-
HKD	USD	20,557	27,741	-	-

## 17. REVENUE

		Group		Company	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Sale of goods		1,037,308	1,076,759	556,737	825,913
Contracting and fabrication		94,896	82,245	-	-
Rendering of services		977	1,709	-	-
		1,133,181	1,160,713	556,737	825,913



# Notes to the Financial Statements

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## 18. OPERATING PROFIT

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Operating profit is arrived at after charging:</b>				
Allowance for doubtful debts	7,454	999	5,000	-
Amortisation of prepaid lease payments	877	438	-	-
Auditors' remuneration:				
- Auditors of the holding company	248	162	110	60
- Affiliates of KPMG	-	437	-	-
- Other auditors				
- prior years	637	-	-	-
- current year	361	191	-	-
Bad debts written off	-	2,984	-	673
Depreciation of property, plant and equipment	81,048	60,992	14,691	14,034
Depreciation of investment property	96	103	-	-
Goodwill impairment	550	-	-	-
Finance costs:				
- Bank overdrafts	349	488	306	367
- Term loans	7,483	21,288	3,718	5,205
- Other borrowings	28,595	20,195	14,495	17,698
Inventories written off	-	76	-	-
Loss on disposal of property, plant and equipment	-	-	39	14
Property, plant and equipment written off	5	-	-	-
Personnel expenses (including key management personnel)				
- Contributions to Employee Provident Fund	3,736	2,926	1,057	1,143
- Wages, salaries and others	43,550	63,655	13,529	17,410
Unrealised foreign exchange loss	-	7,860	-	7,860
Realised foreign exchange loss	11,792	32,331	11,766	17,299
Rental of equipment and machinery	6,102	1,273	218	300
Rental of premises	2,872	2,355	249	340
Share-based payments	1,013	1,520	1,013	1,520

# Notes to the Financial Statements

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## 18. OPERATING PROFIT *cont'd*

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>and after crediting:</b>				
Bad debts recovered	612	2,201	-	-
Dividend income				
- associate	362	-	362	318
- subsidiary	-	-	-	73,275
Gain on disposal of property, plant and equipment	921	542	-	-
Gain on disposal of shares	1,652	-	1,652	-
Unrealised foreign exchange gain	19,781	-	19,781	-
Income from rental of premises	323	315	-	-
Interest income	58	1,008	-	47
Reversal of allowance for doubtful debts	-	51	-	167
Reversal of accrual for pension costs	-	11,503	-	-

## 19. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Directors:</b>				
Fees	241	309	181	175
Remuneration	2,456	7,400	992	1,974
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	32	64	-	-
Total short-term employee benefits	2,729	7,773	1,173	2,149
Post employment benefits	277	262	-	-
Other long term benefits	34	38	-	-
Share-based payments	1,013	629	1,013	629
	4,053	8,702	2,186	2,778

Key management personnel comprise Directors of the Group entities, who have authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.



# Notes to the Financial Statements

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## 20. TAX EXPENSE

### Recognised in the income statement

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Tax expense	11,430	26,208	9,205	7,701
Share of tax equity accounted operation	454	530	-	-
Total tax expense	11,884	26,738	9,205	7,701
<b>Current tax expense</b>				
Malaysian - current year	5,916	6,813	5,180	6,083
- prior year	(285)	65	(280)	87
Overseas - current year	1,379	799	-	-
- prior year	(7)	(11)	-	-
	7,003	7,666	4,900	6,170
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	6,223	17,456	6,190	628
(Over)/Under provision in prior year	(1,796)	1,708	(1,885)	1,602
Effect of changes in tax rate*	-	(622)	-	(699)
	4,427	18,542	4,305	1,531
Total tax expense	11,884	26,738	9,205	7,701
Share of tax of equity accounted associate	454	530	-	-
<b>Reconciliation of tax expense</b>				
Profit for the year	28,695	8,537	28,852	88,675
Total tax expense	11,884	26,738	9,205	7,701
Profit excluding tax	40,579	35,275	38,057	96,376

# Notes to the Financial Statements

cont'd



## 20. TAX EXPENSE *cont'd*

### Recognised in the income statement *cont'd*

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Tax at Malaysian tax rate of 25% (2008 - 26%)	10,145	9,172	9,514	25,058
Effect of lower tax rate for certain subsidiaries in Malaysia*	-	(74)	-	-
Effect of changes in tax rate**	-	(622)	-	(699)
Effect of tax rates in foreign jurisdictions	39	17	-	-
Difference in effective tax rate of equity accounted associate	147	(282)	-	-
Non-deductible expenses	7,240	4,765	3,473	3,218
Non-taxable income***	(908)	(902)	(908)	(19,134)
Tax incentives	(858)	(2,744)	(709)	(2,431)
Recognition of deferred tax assets previously not recognised	(48)	(1,578)	-	-
Changes in recognised temporary differences	(1,394)	299	-	-
Effect of change in estimation of useful lives of certain items of property, plant and equipment	-	16,832	-	-
Other items	(391)	147	-	-
	13,972	25,030	11,370	6,012
(Over)/under provided in prior year	(2,088)	1,708	(2,165)	1,689
Tax expense	11,884	26,738	9,205	7,701

\* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

With effect from year of assessment 2009, the preferential rate entitlement is no longer applicable to companies with more than 50% of its paid up ordinary share being directly or indirectly owned by a holding company which has a paid up capital exceeding RM2.5 million in respect of ordinary shares.

\*\* The corporate tax rate is 25% for year of assessment 2009 and subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.

\*\*\* In 2008, non-taxable income comprised:-

- (i) dividend income received from a subsidiary in the People's Republic of China.
- (ii) the income derived from the subsidiaries operating in the People's Republic of China is tax exempt for a period of 2 years from the date of commencement. 50% tax deduction is granted for the subsequent 3 years. The subsidiaries started the tax holiday in 2008.
- (iii) negative goodwill of approximately RM337 million arising from the acquisition of Hubei Press Metal Huasheng Aluminium and Electric Co., Ltd. in 2007 (2008 – NIL).



# Notes to the Financial Statements

cont'd

## 21. EARNINGS PER ORDINARY SHARE

### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the year ended 31 December 2009 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2009	2008
	RM'000	RM'000
Profit for the year attributable to ordinary shareholders	27,476	10,476

Weighted average number of ordinary shares:

	Group	
	2009	2008
	'000	'000
Issued ordinary shares at 1 January	364,550	364,530
Effect of options exercised under ESOS during the year	-	20
Effect of warrants exercised during the year	197	-
Weighted average number of ordinary shares at 31 December	364,747	364,550

	Group	
	2009	2008
	Sen	Sen
Basic earnings per ordinary share	7.53	2.87

### Diluted earnings per ordinary share

The diluted earnings per ordinary share are not shown as the effect of the share options is anti-dilutive.

## 22. DIVIDENDS

Dividends recognised by the Company are:

	Sen (net of tax)	Total amount RM'000	Date of payment
<b>2009</b>			
Interim 2009 ordinary	0.56	2,052	13 October 2009
Final 2008 ordinary	0.75	2,734	22 July 2009
<b>2008</b>			
Interim 2008 ordinary	0.555	2,023	7 October 2008
Final 2007 ordinary	1.480	5,395	1 July 2008



# Notes to the Financial Statements

*cont'd*



## 22. DIVIDENDS *cont'd*

After the balance sheet date, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share	Total amount RM'000
Final 2009 tax exempt dividend	1	3,654

## 23. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly interest bearing liabilities, interest-earning asset and related revenue and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property and prepaid lease payments (leasehold land).

### Business segments

The Group comprises the following main business segments:

- Manufacturing and trading
- Contracting and fabrication
- Property development
- Recycling and waste treatment

### Geographical segments

The manufacturing and trading, contracting and fabrication segments are managed on a worldwide basis, but operates in three principal geographical areas, Singapore, Hong Kong and China for the Asia region, Australia for the Asia Pacific region and United Kingdom for the Europe region.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.



# Notes to the Financial Statements

cont'd

## 23. SEGMENT REPORTING cont'd

	Manufacturing and trading		Contracting and fabrication		Property development		Recycling and waste treatment		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	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>Business segments</b>												
Total revenue	1,037,308	1,076,759	94,896	82,245	-	-	977	1,709	-	-	1,133,181	1,160,713
Inter-segment revenue	811,990	1,391,636	21,314	22,588	-	-	-	231	(833,304)	(1,414,455)	-	-
<b>Total segment revenue</b>	<b>1,849,298</b>	<b>2,468,395</b>	<b>116,210</b>	<b>104,833</b>	<b>-</b>	<b>-</b>	<b>977</b>	<b>1,940</b>	<b>(833,304)</b>	<b>(1,414,455)</b>	<b>1,133,181</b>	<b>1,160,713</b>
Segment result	86,149	136,632	2,636	3,596	(1,869)	(894)	(510)	147	(11,342)	(65,899)	75,064	73,582
Share of profit after tax of equity accounted associate											1,430	2,126
Interest income											58	1,008
Finance costs											(36,427)	(41,971)
Tax expense											(11,430)	(26,208)
<b>Profit for the year</b>											<b>28,695</b>	<b>8,537</b>
<b>Segment assets</b>	<b>3,687,425</b>	<b>3,052,361</b>	<b>84,936</b>	<b>76,471</b>	<b>11,148</b>	<b>11,683</b>	<b>8,011</b>	<b>8,887</b>	<b>(1,361,706)</b>	<b>(1,051,209)</b>	<b>2,429,814</b>	<b>2,098,193</b>
Investment in associate											26,288	24,859
Unallocated assets											10,586	9,994
											<b>2,466,688</b>	<b>2,133,046</b>
<b>Segment liabilities</b>	<b>1,299,728</b>	<b>963,779</b>	<b>56,458</b>	<b>48,557</b>	<b>8,100</b>	<b>7,952</b>	<b>5,838</b>	<b>5,292</b>	<b>(1,106,930)</b>	<b>(799,405)</b>	<b>263,194</b>	<b>226,175</b>
Unallocated liabilities											1,380,357	1,096,886
											<b>1,643,551</b>	<b>1,323,061</b>

# Notes to the Financial Statements

cont'd



## 23. SEGMENT REPORTING cont'd

	Manufacturing and trading		Construction and fabrication		Property development		Recycling and waste treatment		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Capital expenditure												
- Property, plant and equipment	310,501	384,458	1,243	503	-	-	-	-	-	-	311,744	384,961
- Investment property	-	-	-	735	-	-	-	-	-	-	-	735
- Prepaid lease payments	10,899	9,533	-	-	-	-	-	-	-	-	10,899	9,533
	321,400	393,991	1,243	1,238	-	-	-	-	-	-	322,643	395,229
Depreciation and amortisation												
- Property, plant and equipment	79,516	59,463	790	716	96	98	646	715	-	-	81,048	60,992
- Investment property	-	-	89	96	-	-	7	7	-	-	96	103
- Prepaid lease payments	855	416	18	18	4	4	-	-	-	-	877	438
	80,371	59,879	897	830	100	102	653	722	-	-	82,021	61,533



# Notes to the Financial Statements

cont'd

## 23. SEGMENT REPORTING cont'd

	Malaysia		Asia region		Europe region		Asia Pacific region		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	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>Geographical segments</b>												
Revenue from external customers	395,231	615,356	483,820	252,780	186,763	215,100	67,367	77,477	-	-	1,133,181	1,160,713
Segment assets	2,239,060	1,552,015	1,414,288	1,454,005	96,728	102,511	41,445	40,871	(1,361,708)	(1,051,209)	2,429,813	2,098,193
Unallocated assets											10,586	9,994
Investment in associate											26,289	24,859
											2,466,688	2,133,046
<b>Capital expenditure</b>												
- Property, plant and equipment	253,956	257,984	57,628	126,076	83	311	77	590	-	-	311,744	384,961
- Investment property	-	735	-	-	-	-	-	-	-	-	-	735
- Prepaid lease payments	10,899	-	-	9,533	-	-	-	-	-	-	10,899	9,533
	264,855	258,719	57,628	135,609	83	311	77	590	-	-	322,643	395,229

# Notes to the Financial Statements

*cont'd*



## 24. FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

The main risks arising from the Group's normal course of business are credit, liquidity, interest rate, foreign currency and price fluctuation risks. The Group's policies for managing each of these risks are summarised below:

#### Credit risk

The Group's exposure to credit risk arises through its trade receivables. Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through review of trade receivables ageing. Credit evaluations are performed on all new customers.

As at 31 December 2009, there were no significant concentrations of credit risk whereas as at 31 December 2008, there was a concentration of credit risk on two trade debtors which represents 49% of the Company's total trade receivables. The maximum exposure to credit risk is represented by the carrying amount of the trade receivables presented in the balance sheet.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

#### Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### Interest rate risk

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



# Notes to the Financial Statements

cont'd

## 24. FINANCIAL INSTRUMENTS *cont'd*

### Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date and the periods in which mature, or if earlier, reprice.

Group 2009	Note	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 -4 years RM'000	4 -5 years RM'000	More than 5 years RM'000
<b>Fixed rate instruments</b>									
<b>Financial assets</b>									
Deposits placed with licensed banks	13	1.22	6,642	6,642	-	-	-	-	-
<b>Financial liabilities</b>									
Hire purchase liabilities	16	6.01	8,559	3,253	2,647	2,023	537	93	6
Term loans	16	5.31	90,691	90,691	-	-	-	-	-
			99,250	93,944	2,647	2,023	537	93	6
<b>Floating rate instruments</b>									
<b>Financial liabilities</b>									
Term loans	16	4.07	598,114	598,114	-	-	-	-	-
Bankers' acceptances/ Bills payable	16	3.69	425,168	425,168	-	-	-	-	-
Revolving credit	16	3.60	135,953	135,953	-	-	-	-	-
Bank overdrafts	16	4.36	7,025	7,025	-	-	-	-	-
			1,166,260	1,166,260	-	-	-	-	-

# Notes to the Financial Statements

cont'd



## 24. FINANCIAL INSTRUMENTS *cont'd*

### Effective interest rates and repricing analysis *cont'd*

Group 2008	Note	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
<b>Fixed rate instruments</b>									
<b>Financial assets</b>									
Deposits placed with licensed banks	13	2.90	7,667	7,667	-	-	-	-	-
<b>Financial liabilities</b>									
Hire purchase liabilities	16	6.82	4,419	1,884	1,356	624	367	188	-
Term loans	16	6.76	13,883	13,883	-	-	-	-	-
			18,302	15,767	1,356	624	367	188	-
<b>Floating rate instruments</b>									
<b>Financial liabilities</b>									
Term loans	16	5.42	546,945	546,945	-	-	-	-	-
Bankers' acceptances/ Bills payable	16	4.79	358,322	358,322	-	-	-	-	-
Revolving credit	16	5.16	55,561	55,561	-	-	-	-	-
Bank overdrafts	16	7.30	5,812	5,812	-	-	-	-	-
			966,640	966,640	-	-	-	-	-





# Notes to the Financial Statements

cont'd

## 24. FINANCIAL INSTRUMENTS *cont'd*

### Effective interest rates and repricing analysis *cont'd*

Company 2009	Note	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
<b>Fixed rate instruments</b>									
<b>Financial assets</b>									
Deposits placed with licensed bank	13	2.00	363	363	-	-	-	-	-
<b>Financial liabilities</b>									
Hire purchase liabilities	16	6.55	1,324	488	468	289	44	29	6
<b>Floating rate instruments</b>									
<b>Financial liabilities</b>									
Term loans	16	3.26	130,207	130,207	-	-	-	-	-
Bankers' acceptances/ Bills payable	16	3.34	315,044	315,044	-	-	-	-	-
Revolving credit	16	5.00	45,000	45,000	-	-	-	-	-
Bank overdrafts	16	4.36	7,025	7,025	-	-	-	-	-
			497,276	497,276	-	-	-	-	-

# Notes to the Financial Statements

cont'd



## 24. FINANCIAL INSTRUMENTS *cont'd*

### Effective interest rates and repricing analysis *cont'd*

Company 2008	Note	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
<b>Fixed rate instruments</b>									
<b>Financial assets</b>									
Deposits placed with licensed bank	13	3.05	734	734	-	-	-	-	-
<b>Financial liabilities</b>									
Hire purchase liabilities	16	6.07	939	386	212	192	104	45	-
<b>Floating rate instruments</b>									
<b>Financial liabilities</b>									
Term loans	16	4.87	138,700	138,700	-	-	-	-	-
Bankers' acceptances/ Bills payable	16	4.12	326,522	326,522	-	-	-	-	-
Revolving credit	16	5.18	45,000	45,000	-	-	-	-	-
Bank overdrafts	16	7.30	3,275	3,275	-	-	-	-	-
			513,497	513,497	-	-	-	-	-

### Foreign currency risk

The Group's exposure to foreign currency risk on sales and purchases and borrowings that are denominated in currencies other than the functional currencies of Group entities. The currencies giving rise to this risk are primarily Pounds Sterling (GBP), U.S. Dollars (USD), Australian Dollars (AUD), Singapore Dollars (SGD) and Renminbi (RMB). The Group actively monitors its exposure to foreign currency risk and purchases forward currency contracts to mitigate the risk when the need arises.

The Group is also exposed to foreign currency risk in respect of Group entities investments in foreign subsidiaries. The Group does not hedge this exposure by having foreign currency borrowings but keeps this policy under review and will take the necessary action to minimise the exposure of the risk.

### Price fluctuation risk

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



# Notes to the Financial Statements

cont'd

## 24. FINANCIAL INSTRUMENTS *cont'd*

### Fair values

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

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

The carrying amounts of 96% (2008 – 96%) and 100% (2008 – 100%) of the Group's and Company's term loan respectively approximate their fair values are subject to variable interest rates which approximate the current market interest rates for similar facilities at balance sheet date.

It was not practicable to estimate the fair value of the Group's investment in foreign unquoted shares due to the lack of comparable quoted market price and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial liabilities together with the carrying amounts shown in the balance sheet, are as follows:

	2009		2008	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Group</b>				
<b>Financial liabilities</b>				
Hire purchase liabilities	8,559	8,306	4,419	4,241
<b>Company</b>				
<b>Financial liabilities</b>				
Hire purchase liabilities	1,324	1,618	939	888

### Unrecognised financial instruments

The valuation of financial instruments not recognised in the balance sheet reflects their current market rates at the balance sheet date.

The carrying amount and fair value of financial instruments not recognised in the balance sheet are as follows:

	2009		2008	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Group and Company</b>				
Forward exchange contracts:				
Liabilities denominated in:				
AUD	-	25	-	-
GBP	-	38	-	-
SGD	-	(11)	-	-

# Notes to the Financial Statements

cont'd



## 24. FINANCIAL INSTRUMENTS *cont'd*

### Unrecognised financial instruments *cont'd*

The nominal value of derivative is as follow:

	2009 RM'000	2008 RM'000
Forward exchange contracts in:		
AUD	7,064	-
GBP	1,664	-
SGD	976	-

### Estimation of fair values

The following summarises the methods used in determining the fair values of financial instruments reflected in the table:

For hire purchase liabilities, fair value is determined using estimated future cash flows discounted using market related rate for a similar instrument at the balance sheet date.

Forward exchange contracts are either marked to market using listed market prices or by discounting the contractual forward price and deducting the current spot rate.

## 25. CAPITAL COMMITMENT

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Property, plant and equipment</b>				
Contracted but not provided for	69,228	251,909	-	-

The capital commitment mainly relates to the construction of the aluminium smelting plant of a subsidiary in Mukah, Sarawak amounting to RM67,860,000 (2008 - RM231,000,000), and the expansion of a subsidiary's plant in China amounting to RM788,000 (2008 - RM21,909,000).

## 26. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2009 RM'000	2008 RM'000
Guarantees given to financial institutions for facilities granted to subsidiaries	495,604	264,640
Guarantee given to supplier for purchase by subsidiary	-	2,549
	495,604	267,189



# Notes to the Financial Statements

cont'd

## 27. OPERATING LEASES

### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2009 RM'000	2008 RM'000
Less than one year	2,913	2,534
Between one and five years	4,820	7,072
Leases as lessor	7,733	9,606

## 28. RELATED PARTIES

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

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

The Group has a related party relationship with its subsidiaries (see Note 7), associate (see Note 8), and companies in which shareholders have interest as stated below.

### Other related party relationship

- (i) CF Aluminium Sdn. Bhd. ("CFA"), a company in which Kuan Shin @ Kuan Nyong Hin has interest.
- (ii) Chin Foh Trading Sdn. Bhd. ("CFT"), a company in which Kuan Shin @ Kuan Nyong Hin has interest.

# Notes to the Financial Statements

cont'd



## 28. RELATED PARTIES *cont'd*

### Other related party relationship *cont'd*

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows:

Group 2009	Transactions amount for the year ended 31 December RM'000	Gross balance outstanding at 31 December RM'000	Net balance outstanding at 31 December RM'000	Allowance for doubtful receivables at 31 December RM'000	Bad or doubtful receivables recognised for the year end 31 December RM'000
<b>Trade</b>					
<b>Sales</b>					
CFA	-	604	-	(604)	-
CFT	-	10,423	-	(10,423)	5,000
Associates	86,601	6,878	6,878	-	-
 Purchases					
CFA	-	-	-	-	-
CFT	-	(7,706)	-	-	-
Associates	(39,748)	(12,001)	(12,001)	-	-
 Non-trade					
Director					
- rental expense for factory	(360)	-	-	-	-
 <b>2008</b>					
<b>Trade</b>					
<b>Sales</b>					
CFA	-	604	-	(604)	-
CFT	-	10,423	7,706	(2,717)	-
Associates	110,957	28,117	28,117	-	-
 Purchases					
CFT	-	(7,706)	(7,706)	-	-
Associates	13,356	(10,045)	(10,045)	-	-
 Non-trade					
Director					
- rental expense for factory	(360)	-	-	-	-



# Notes to the Financial Statements

cont'd

## 28. RELATED PARTIES *cont'd*

	Transactions amount for the year ended 31 December	
	2009 RM'000	2008 RM'000
<b>Company</b>		
<b>Subsidiaries</b>		
Dividend income	-	73,275
Sales	245,658	407,692
Purchase	(250,953)	(348,814)
<b>Associates</b>		
Dividend income	362	318
Sales	86,601	110,366
Purchase	(39,748)	(9,886)

Allowance for doubtful debts of RM5,000,000 (2008: RM Nil) has been provided for in relation to debts outstanding from Chin Foh Group for the year ended 31 December 2009.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are not more favourable to the related parties than those arranged with independent third parties.

The outstanding balances arising from the above transactions have been disclosed in Note 11 and 15 to the financial statements.

## 29. DISPOSAL OF SUBSIDIARY

### K3 Metal Service Centre Sdn. Bhd. ("K3")

On 9 June 2009, the Company has disposed of 180,000 ordinary shares of RM1.00 each in K3 Metal Service Centre Sdn. Bhd., representing 36% of the issued and paid up share capital of K3 for a cash consideration of RM3,451,821.

Disposal of K3 had the following effect on the Group's operating results, assets and liabilities as at the date of disposal.



# Notes to the Financial Statements

cont'd



## 29. DISPOSAL OF SUBSIDIARY *cont'd*

### Income statement

The disposal did not have a significant impact to the results of the Group.

	At date of disposal RM'000
<b>Balance sheet</b>	
Non-current assets - Property, plant and equipment	847
Current assets	22,607
Current liabilities	(10,294)
Non-current liabilities	(3,321)
Net assets	9,839
Minority interest	(3,775)
Goodwill previously credited to income statement	(1,684)
Proceeds from disposal	(3,452)
Interest in subsidiary retained as other investment	(1,803)
Loss on disposal	(875)
	<b>RM'000</b>
<b>Cash flow</b>	
Proceeds from disposal	3,452
Less: Cash and cash equivalent of subsidiaries disposed	(2,424)
Group net cash inflow on disposal	1,028

## 30. EMPLOYEE BENEFITS

### Share-based payments

#### (a) New Employees' Share Option Scheme ("New ESOS")

At an extraordinary general meeting held on 26 June 2007, the Company's shareholders approved the establishment of a New ESOS of not more than 10% of the issued share capital of the Company to eligible Directors and Employees of the Group, subsequent to the expiry of the Former ESOS on 5 June 2007.

The salient features of the New ESOS are as follows:

- (i) any eligible person of the Group shall be eligible to participate in the New ESOS, if at the date of offer, the employee:-
  - (a) has attained the age of eighteen (18) years; and
  - (b) is a Malaysian and employed by any company within the Group (other than a company which is dormant).



# Notes to the Financial Statements

cont'd

## 30. EMPLOYEE BENEFITS *cont'd*

### Share-based payments *cont'd*

#### (a) New Employees' Share Option Scheme ("New ESOS") *cont'd*

- (ii) the option price shall be based on the weighted average market price of the Company's ordinary shares for the five (5) market days preceding the date of offer, with a discount of not more than ten per cent (10%), if deemed appropriate (subject to such adjustments in accordance with rules, terms and conditions of the New ESOS), or the par value of the Company's ordinary shares, whichever is higher.
- (iii) the New ESOS shall be in force for a period of five (5) years from the date of offer and may be extended to a duration of ten (10) years or such longer duration as permitted by the relevant authorities.
- (iv) the options granted may be exercised according to the following scale based on the discretion of the ESOS committee:

Number of options granted	Percentage of options exercisable				
	Year 1	Year 2	Year 3	Year 4	Year 5
17,891,754	20%	20%	20%	20%	20%

Options exercisable in a particular year but not exercised could be carried forward to the subsequent years subject to the time limit of the New ESOS.

The number and weighted average exercise prices of share options are as follows:

#### 2009

##### Group and Company

Date option granted	Date of expiry	Exercise price RM	At 1.1.2009 '000	Granted '000	Lapsed/ Forfeited '000	Exercised '000	At 31.12.2009 '000	Exercisable as at 31.12.2009 '000
26.6.2008	12.1.2012	1.50	17,823	-	-	-	17,823	8,941
Weighted average exercise price (RM)			1.50	-	-	-	1.50	1.50

#### 2008

##### Group and Company

Date option granted	Date of expiry	Exercise price RM	At 1.1.2008 '000	Granted '000	Lapsed/ Forfeited '000	Exercised '000	At 31.12.2008 '000	Exercisable as at 31.12.2008 '000
26.6.2008	12.1.2012	1.50	17,864	-	-	(41)	17,823	5,298
Weighted average exercise price (RM)			1.50	-	-	1.50	1.50	1.50

# Notes to the Financial Statements

cont'd



## 30. EMPLOYEE BENEFITS *cont'd*

### Share-based payments *cont'd*

#### (a) New Employees' Share Option Scheme ("New ESOS") *cont'd*

The fair value of services received in return of share options granted is based on the fair value of share options granted, measured using the Black Scholes model, with the following inputs:

Fair value of share options and assumptions	Group and Company	
	2009	2008
Fair value at grant date	RM0.2832	RM0.4247
Share price at grant date	RM1.14	RM1.24
Exercise price	RM1.50	RM1.50
Expected volatility (weighted average volatility)	49.65%	51.54%
Weighted average option life	3 years	4 years
Expected dividend yield	2.94%	2.18%
Risk-free interest rate (based on Malaysian government bonds)	3.21%	4.30%

#### Employee expenses

	Group and Company	
	2009	2008
	RM'000	RM'000
Expense recognised as share-based payments	1,013	1,520

## 31. SUBSEQUENT EVENT

The Company had on 28 January 2010 entered into 3 deeds with Chen Gang and Press Metal (HK) Limited, an 80% owned subsidiary of the Company, to acquire a total of 4,000,000 shares of HK\$1.00 each, representing the remaining 20% of the issued and paid-up share capital of Press Metal (HK) Limited, for a total consideration of RMB 20,000,000.



## Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 40 to 107 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the year then ended.

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

**DATO' KOON POH KEONG**

**KOON POH TAT**

Petaling Jaya, Selangor

28 April 2010

## Statutory Declaration

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

I, Loo Tai Choong, the officer primarily responsible for the financial management of Press Metal Berhad, do solemnly and sincerely declare that the financial statements set out on pages 40 to 107 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 28 April 2010

**LOO TAI CHOONG**

Before me:

Commissioner for Oaths  
Kuala Lumpur

# Independent Auditors' Report

to the members of Press Metal Berhad  
(Company No. 153208 W)  
(Incorporated in Malaysia)



## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Press Metal Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 107.

### Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the year then ended.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.



# Independent Auditors' Report

to the members of Press Metal Berhad

(Company No. 153208 W)

(Incorporated in Malaysia)

*cont'd*

## OTHER MATTERS

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

### KPMG

Firm Number: AF 0758

Chartered Accountants

Petaling Jaya, Selangor

28 April 2010

### MUHAMMAD AZMAN BIN CHE ANI

Approval Number: 2922/04/12(J)

Chartered Accountant



## List of Properties

held by the Group as at 31 December 2009

Proprietor	Location	Description / Age (Year)	Existing Use	Tenure	Area (Square feet)	Net Book Value 31/12/2009 RM'000
Press Metal Berhad	Lot 6464, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	Freehold land and building 16 years	Factory cum office	Freehold	217,000	10,497
Press Metal Berhad	Lot 6486, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	Freehold land and building 16 years	Factory cum office	Freehold	417,348	20,187
Press Metal Sarawak Sdn. Bhd.	Lot 211 & 212, Block 293, Mukah Land District	Leasehold Land and building 2 years	Factory cum office	Leasehold for 99 years	44,913,337	280,934
Press Metal Berhad	PTD 48324, Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Double Storey Factory 15 years	Office cum warehouse	Freehold	8,288	411
Press Metal Berhad	HS (D) 85897, PTD 48325 Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Double Storey Shoup house 7 years	Office cum warehouse	Freehold	6,893	830
BI-PMB Waste Management Sdn. Bhd.	Lot 73797, Mukim Klang, Daerah Klang, Selangor Darul Ehsan	1 1/2 Storey Shop house 3 years	Tenanted	Freehold	6,631	326
Angkasa Jasa Sdn. Bhd.	Pt 7649, Cheras Jaya, Mukim Cheras, Daerah Ulu Langat, Selangor Darul Ehsan	Leasehold land and building 21 years	Factory cum office	Leasehold for 99 years expiring 14 May 2088	44,584	3,691
Angkasa Jasa Sdn. Bhd.	Pantai Plaza, APH 20 Menara Atlas, Kuala Lumpur	Commercial Office suite 10 years	Tenanted	Freehold	5,339	2,738
Angkasa Jasa Sdn. Bhd.	Pantai Plaza, Tower 5 Suite no. 1002 Kuala Lumpur	Commercial Office suite 11 years	Vacant	Freehold	1,392	936
Angkasa Jasa Sdn. Bhd.	Lot 73803, Mukim Klang, Selangor Darul Ehsan	Factory Land and building 4 years	Tenanted	Freehold	6,628	679
Press Metal International Limited	Area C, Sanshui IndustrialPark, Sanshui District, Foshan City, Guangdong Province, China	Leasehold land and building 4 years	Factory cum office buildings	Leasehold for 50 years	5,092,976	68,540





## Analysis of Shareholdings

as at 26 April 2010

Authorised Share Capital : RM500,000,000  
 Issued and Paid-Up Share Capital : RM183,120,488  
 Class of Shares : Ordinary Shares of RM0.50 each  
 Voting Rights : One vote per share

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
Less than 100	25	0.58	1,014	0.00
100 to 1,000	397	9.20	357,178	0.10
1,001 to 10,000	2,521	58.40	13,364,700	3.65
10,001 to 100,000	1,140	26.40	32,984,550	9.01
100,001 to less than 5% of issued shares	234	5.42	319,533,534	87.24
<b>Total</b>	<b>4,317</b>	<b>100.00</b>	<b>366,240,976</b>	<b>100.00</b>

### DIRECTORS' SHAREHOLDINGS

as at 26 April 2010

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Dato' Megat Abdul Rahman Bin Megat Ahmad	14,976,810	4.09	810,000 <sup>^^</sup>	0.23
Koon Poh Ming	24,971,739	6.82	1,000,000 <sup>*</sup>	0.27
Dato' Koon Poh Keong	55,710,579	15.21	9,767,400 <sup>#</sup>	2.67
Kuan Shin @ Kuan Nyong Hin	597,805	0.16	8,024,610 <sup>@</sup>	2.19
Tuan Haji Mohamad Faiz Bin Abdul Hamid	118,665	0.03	0	0.00
Koon Poh Weng	10,100,040	2.76	482,000 <sup>^</sup>	0.13
Koon Poh Kong	9,125,995	2.49	17,000 <sup>+</sup>	0.00
Koon Poh Tat	8,360,000	2.28	332,935 <sup>**</sup>	0.09
Loo Lean Hock	0	0.00	0	0.00
Tan Heng Kui	60,000	0.02	0	0.00

<sup>^^</sup> Deemed interested in the shares by virtue of his interest in JOEM Sdn Bhd and shares held by his spouse, Datin Johariah Binti Abdullah Khalid

<sup>\*</sup> Deemed interested in the shares held by his spouse, Ong Soo Fan

<sup>#</sup> Deemed interested in the shares held by his spouse, Datin Khoo Ee Pheng

<sup>@</sup> Deemed interested in the shares by virtue of his interest in Doitbest Holdings Sdn Bhd and shares held by his children Kuan Pek Hooi, Kuan Pek Cheng and Kuan Pek Woon and spouse, Tan Kim Hiok

<sup>^</sup> Deemed interested in the shares held by his spouse, Chan Poh Choo and daughter, Koon Sim Ee

<sup>+</sup> Deemed interested in the shares held by his spouse, Lee Sook Ching

<sup>\*\*</sup> Deemed interested in the shares held by his spouse, Chan Hean Heoh

# Analysis of Shareholdings

as at 26 April 2010

cont'd



## SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 26 April 2010

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Dato' Koon Poh Keong	55,710,579	15.21	9,767,400 #	2.67
Koon Poh Ming	24,971,739	6.82	1,000,000 *	0.27
Dato' Tan Ting Wong	18,391,600	5.02	2,000,000 ^	0.55
Datin Khoo Ee Pheng	9,767,400	2.67	55,710,579 @	15.21
Ong Soo Fan	1,000,000	0.27	24,971,739 +	6.82

# Deemed interested in the shares held by his spouse, Datin Khoo Ee Pheng

\* Deemed interested in the shares held by his spouse, Ong Soo Fan

^ Deemed interested in the shares by virtue of his interest in EOM System Sdn. Bhd.

@ Deemed interested in the shares held by her spouse, Dato' Koon Poh Keong

+ Deemed interested in the shares held by her spouse, Koon Poh Ming



## Thirty Largest Shareholders

as at 26 April 2010

	Name of Shareholders	No. of Shares	% of Issued Capital
1	M.I.T Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Poh Ming</i>	15,927,649	4.35
2	Dato' Megat Abdul Rahman Bin Megat Ahmad	14,976,810	4.09
3	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Loh Kwi Yong</i>	12,173,150	3.32
4	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	11,983,100	3.27
5	M.I.T Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	11,848,453	3.24
6	Tan Lam Kiew	9,969,095	2.72
7	M.I.T Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Datin Khoo Ee Pheng</i>	9,767,400	2.67
8	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	9,000,000	2.46
9	Ong Sow Mei	8,977,855	2.45
10	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Poh Weng</i>	8,900,040	2.43
11	ECML Nominees (Asing) Sdn. Bhd. <i>United Forest Limited</i>	8,875,500	2.42
12	Kwan Yun Hong @ Kuan Onn Hing	7,802,000	2.13
13	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	7,500,000	2.05
14	Tan Mew Lan	7,489,560	2.05
15	Koon Poh Ming	7,444,590	2.03
16	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	6,000,000	1.64
17	Chan Poh Leng	5,699,900	1.56
18	Dato' Tan Ting Wong	5,500,000	1.50
19	Doibest Holdings Sdn. Bhd.	5,355,610	1.46
20	M.I.T Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Yun Hong @ Koon Pow Shyang</i>	5,306,500	1.45
21	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account for Koon Poh Kong</i>	5,170,398	1.41
22	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Yun Hong @ Koon Pow Shyang</i>	4,946,950	1.35
23	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Poh Tat</i>	4,892,000	1.34
24	Dato' Tan Ting Wong	4,738,100	1.29

## Thirty Largest Shareholders

as at 26 April 2010

cont'd



	Name of Shareholders	No. of Shares	% of Issued Capital
25	Ong Sow Yong	4,229,800	1.15
26	ECML Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	3,734,926	1.02
27	HLG Nominee (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	3,590,000	0.98
28	Chan Yat Wai	3,374,400	0.92
29	ECML Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato Tan Ting Wong</i>	3,200,000	0.87
30	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Pui Lan</i>	2,873,000	0.79
	<b>Total</b>	<b>221,246,786</b>	<b>60.41</b>



# Analysis of Warrantholdings

as at 26 April 2010

Total Warrants Issued : 62,311,154

Size of Holdings	No. of Warrantholders/ Depositors	% of Warrantholders/ Depositors	No. of Warrants Held	% of Issued Warrants
Less than 100	24	2.82	1,083	0.00
100 to 1,000	117	13.75	101,810	0.16
1,001 to 10,000	463	54.41	2,000,700	3.21
10,001 to 100,000	200	23.50	7,089,951	11.38
100,001 to less than 5% of issued warrants	43	5.05	25,430,509	40.81
5% and above of issued warrants	4	0.47	27,687,101	44.44
<b>Total</b>	<b>851</b>	<b>100.00</b>	<b>62,311,154</b>	<b>100.00</b>

## DIRECTORS' WARRANTHOLDINGS

as at 26 April 2010

Name	Direct		Indirect	
	No. of Warrants Held	% of Issued Warrants	No. of Warrants Held	% of Issued Warrants
Dato' Megat Abdul Rahman Bin Megat Ahmad	151,882	0.24	0	0.00
Koon Poh Ming	4,597,274	7.38	0	0.00
Dato' Koon Poh Keong	14,263,600	22.89	9,736,527 #	15.63
Kuan Shin @ Kuan Nyong Hin	561	0.00	22 @	0.00
Tuan Haji Mohamad Faiz Bin Abdul Hamid	23,733	0.04	0	0.00
Koon Poh Weng	1,780,008	2.86	96,400 ^	0.15
Koon Poh Kong	1,585,199	2.54	17,800 +	0.03
Koon Poh Tat	1,446,000	2.32	66,587 **	0.11
Loo Lean Hock	0	0.00	0	0.00
Tan Heng Kui	9,000	0.01	0	0.00

# Deemed interested in the warrants held by his spouse, Datin Khoo Ee Pheng

@ Deemed interested in the warrants by virtue of his interest in Doitbest Holdings Sdn. Bhd.

^ Deemed interested in the warrants held by his spouse, Chan Poh Choo and daughter, Koon Sim Ee

+ Deemed interested in the warrants held by his spouse, Lee Sook Ching

\*\* Deemed interested in the warrants held by his spouse, Chan Hean Heoh

## Thirty Largest Warrantholders

as at 26 April 2010



	Name of Shareholders	No. of Warrants	% of Issued Warrants
1	M.I.T Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Datin Khoo Ee Pheng</i>	9,736,527	15.63
2	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	7,700,000	12.36
3	M.I.T Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	6,154,000	9.88
4	Koon Poh Ming	4,096,574	6.57
5	M.I.T Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Yun Hong @ Koon Pow Shyang</i>	2,795,500	4.49
6	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Loh Kwi Yong</i>	2,669,400	4.28
7	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Loo Seow Hwai</i>	2,297,000	3.69
8	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Yun Hong @ Koon Pow Shyang</i>	2,163,150	3.47
9	Koon Poh Weng	1,780,008	2.86
10	Ong Sow Wei	1,650,371	2.65
11	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account for Koon Poh Kong</i>	1,585,199	2.54
12	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Poh Tat</i>	1,446,000	2.32
13	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Loh Kwi Yong</i>	1,317,400	2.11
14	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Pui Lan</i>	910,000	1.46
15	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tie Ming Chung</i>	568,000	0.91
16	M.I.T Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Poh Ming</i>	500,700	0.80
17	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Koon Poh Keong</i>	409,600	0.66
18	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Pui Lan</i>	340,700	0.55
19	Exodus Holdings Sdn. Bhd.	337,700	0.54
20	Chan Poh Leng	335,700	0.54
21	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koon Yun Hong @ Koon Pow Shyang</i>	284,800	0.46
22	Ng Tea Hoo @ Hwang Chow Herk	269,000	0.43
23	Koon Fho Yin	247,000	0.40



## Thirty Largest Warrantholders

as at 26 April 2010

cont'd

	Name of Shareholders	No. of Warrants	% of Issued Warrants
24	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Oo Siew Chin	244,400	0.39
25	Anthony Kuan Chee Kee	227,800	0.37
26	OSK Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ang Wing Fah	220,600	0.35
27	Tan Yu Wei	175,599	0.28
28	Chey Poi See	168,000	0.27
29	Tan Chun Booy	156,000	0.25
30	Dato' Megat Abdul Rahman Bin Megat Ahmad	151,882	0.24
	<b>Total</b>	<b>50,938,610</b>	<b>81.75</b>

# Notice of Annual General Meeting



**NOTICE IS HEREBY GIVEN THAT** the Twenty-Fourth Annual General Meeting of Press Metal Berhad will be held at Balai Tunku Abdul Rahman, Commonwealth House, No. 4 Jalan Birah, Damansara Heights, 50490 Kuala Lumpur on Tuesday, 22 June 2010 at 10.30 a.m.

## AGENDA

### As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon.
2. To declare a final tax exempt dividend of 2% for the financial year ended 31 December 2009. **Resolution 1**
3. To approve the payment of Directors' Fees for the financial year ended 31 December 2009. **Resolution 2**
4. To re-elect the following Directors retiring pursuant to Article 92 of the Articles of Association of the Company:
  - (i) Dato' Koon Poh Keong **Resolution 3**
  - (ii) Koon Poh Ming **Resolution 4**
  - (iii) Koon Poh Kong **Resolution 5**
5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

"That pursuant to Section 129(6) of the Companies Act, 1965, Dato' Megat Abdul Rahman Bin Megat Ahmad be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company."

**Resolution 6**
6. **To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:**

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

**Resolution 7**
7. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 8**

### As Special Business

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

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

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

**Resolution 9**





## Notice of Annual General Meeting

cont'd

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

"THAT, the mandate granted by the shareholders of the Company at the Annual General Meeting held on 18 June 2009 pursuant to paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, authorising the Company and its subsidiaries ("PMB Group") to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.3 (i) of the Circular to Shareholders dated 31 May 2010 ("Circular") with the related parties mentioned therein which are necessary for the PMB Group's day-to-day operations, be and is hereby renewed.

THAT approval be and is hereby given for the PMB Group to enter into recurrent related party transactions of a revenue or trading nature set out in Section 2.3 (ii) of the Circular, which are necessary for the PMB's Group day-to-day operations.

THAT the PMB Group be and is hereby authorised to enter into the Proposed Shareholders' Mandate provided that:

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

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

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

whichever is earlier.

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

**Resolution 10**

# Notice of Annual General Meeting

cont'd



## NOTICE OF DIVIDEND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Twenty-Fourth Annual General Meeting, a final tax exempt dividend of 2% for the financial year ended 31 December 2009 will be paid to shareholders on 23 July 2010. The entitlement date for the said dividend shall be 24 June 2010.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 24 June 2010 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

**TAI YIT CHAN** (MAICSA 7009143)  
**WONG WAN THEEN** (MAICSA 7039045)  
Secretaries

Selangor Darul Ehsan  
31 May 2010

## NOTES:

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149 (1) (b) of the Companies Act, 1965 shall not apply.*
2. *Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.*
5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*

## EXPLANATORY NOTES ON SPECIAL BUSINESS

### Resolution 9

#### - Resolution pursuant to Section 132D of the Companies Act, 1965

*The Company had, during its Twenty-Third Annual General Meeting held on 18 June 2009, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act"). The Company did not issue any shares pursuant to this mandate obtained.*

*The Ordinary Resolution 9 proposed under item 8 of the Agenda is a renewal of the general mandate for issuance of shares by the*



## Notice of Annual General Meeting

cont'd

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

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

### **Resolution 10**

**- Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Press Metal Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

*For further information on Resolution 10, please refer to the Circular to Shareholders dated 31 May 2010 accompanying the Annual Report of the Company for the financial year ended 31 December 2009.*

# FORM OF PROXY

## PRESS METAL BERHAD

(Company No. 153208-W)  
(Incorporated in Malaysia)

CDS account no. of authorised nominee

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

or failing him/her, \*the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to be held at Balai Tunku Abdul Rahman, Commonwealth House, No. 4 Jalan Birah, Damansara Heights, 50490 Kuala Lumpur on Tuesday, 22 June 2010 at 10.30am and at each and every adjournment thereof.

\* Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

My/our proxy is to vote as indicated below.

RESOLUTIONS		FOR	AGAINST
1. Declaration of a final tax exempt dividend of 2%	Resolution 1		
2. Approval of Directors' Fees	Resolution 2		
3. Re-election of Dato' Koon Poh Keong as Director	Resolution 3		
4. Re-election of Koon Poh Ming as Director	Resolution 4		
5. Re-election of Koon Poh Kong as Director	Resolution 5		
6. Re-appointment of Dato' Megat Abdul Rahman Bin Megat Ahmad as Director	Resolution 6		
7. Re-appointment of Tuan Haji Mohamad Faiz bin Abdul Hamid as Director	Resolution 7		
8. Re-appointment of Messrs KPMG as Auditors of the Company	Resolution 8		
9. Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares	Resolution 9		
10. Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Resolution 10		

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

Signature/Common Seal

Number of shares held:

Date:

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

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

### NOTES :

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149 (1) (b) of the Companies Act, 1965 shall not apply.
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- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

*Fold This Flap For Sealing*

*Then Fold Here*

*Affix  
Stamp*

The Company Secretary  
**PRESS METAL BERHAD**  
(Company No. 153208-W)  
Lot 6.05, Level 6, KPMG Tower  
8 First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

*1st Fold Here*

# PRESS METAL GROUP DIRECTORY

## PRESS METAL BERHAD

(Company No. 153208-W)

Lot 6464, Batu 5 ¼, Jalan Kapar, Sementa, 42100 Klang, Selangor Darul Ehsan, Malaysia

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Website : [www.pressmetal.com](http://www.pressmetal.com)

## ACE EXTRUSION SDN. BHD.

(Company No. 483049-P)

Lot 6463, Batu 5 ¼, Jalan Kapar,

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Selangor Darul Ehsan, Malaysia

Tel : +603 3290 6308

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Website : [www.aceextrusion.com.my](http://www.aceextrusion.com.my)

Email : [enquiry@aceextrusion.com.my](mailto:enquiry@aceextrusion.com.my)

## ANGKASA JASA SDN. BHD.

(Company No. 110854-M)

27, Jalan 3A, Kawasan MIEL Balakong,

Taman Cheras Jaya, 42200 Cheras,

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Fax : +603 9075 2139

Website : [www.angkasajasa.com](http://www.angkasajasa.com)

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## PMB MARKETING SDN. BHD.

(Company No. 185222-W)

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Fax : +603 8961 9830

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## PMB RECYCLING MANAGEMENT SDN. BHD.

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## WESAMA SDN. BHD.

(Company No. 196057 W)

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## PMB DEVELOPMENT SDN. BHD.

(Company No. 198730-T)

**PMB SPECTRUM SDN. BHD.**

(Company No. 400200-U)

**BI-PMB WASTE MANAGEMENT SDN. BHD.**

(Company No. 204292-D)

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## PRESS METAL SARAWAK SDN. BHD.

(Company No. 767704-M)

**PMS MARKETING SDN. BHD.**

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(ACN 085 370 010)

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