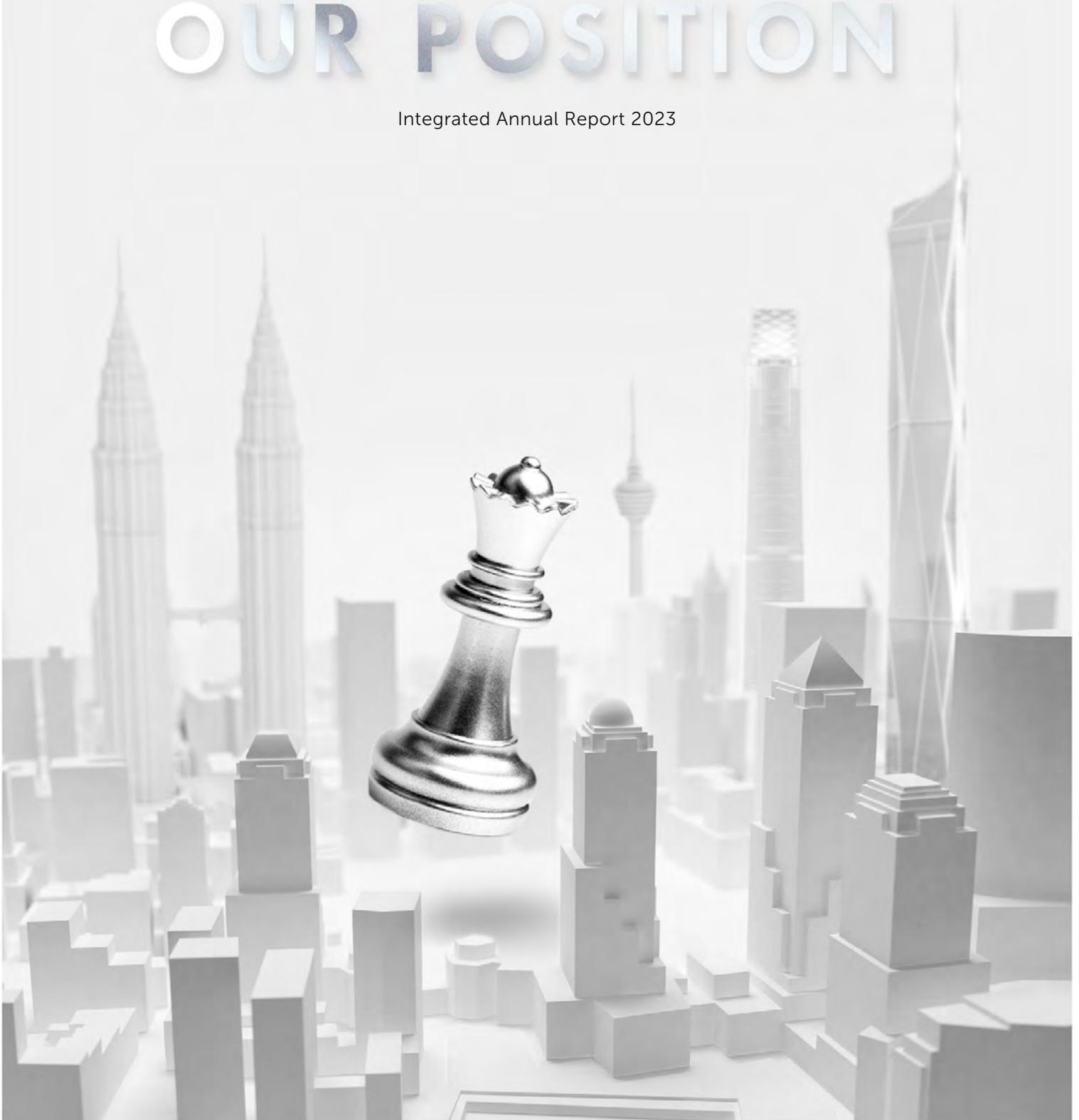




# FORTIFYING OUR POSITION

Integrated Annual Report 2023





# FORTIFYING OUR POSITION

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

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## ABOUT THIS REPORT

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

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

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

### SCOPE AND BOUNDARIES

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

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

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

### MATERIALITY

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

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

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

### REPORTING PHILOSOPHY AND FRAMEWORK

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

#### IAR 2023

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

#### Sustainability Report 2023 (“SR 2023”)

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

#### Corporate Governance Report 2023 (“CG Report 2023”)

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

#### Financial Statements for FYE2023

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

### FORWARD-LOOKING STATEMENTS

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

### ASSURANCE

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

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

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

### BOARD RESPONSIBILITY STATEMENT

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

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

### REPORTING SUITE

Scan the QR code or visit our website at [www.pressmetal.com](http://www.pressmetal.com) to read our IAR 2023.



### FEEDBACK AND CONTACT POINT

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

### NAVIGATION ICONS

#### Our 6 Capitals

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

#### Our Material Matters

##### Sustainability Theme 1: Upholding Good Governance and Economic Resilience

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

##### Sustainability Theme 2: Caring for the Planet

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

##### Sustainability Theme 3: Empowering Our People and Enriching Our Communities

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

#### Our Stakeholders

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

## WHO WE ARE

### OUR STORY

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

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

### OUR VISION

To provide products and solutions for a sustainable future

### OUR MISSION

- B** **Business**
- E** **Environment**
- S** **Society**
- T** **Talent**

Establish partnerships and deliver incremental value to stakeholders

Mindfully consume and source natural resources to deliver our aluminium products

Enrich the communities we operate in

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

### OUR CORPORATE VALUES

#### Business Acumen

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

#### Global Outlook

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

#### Social Responsibilities

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

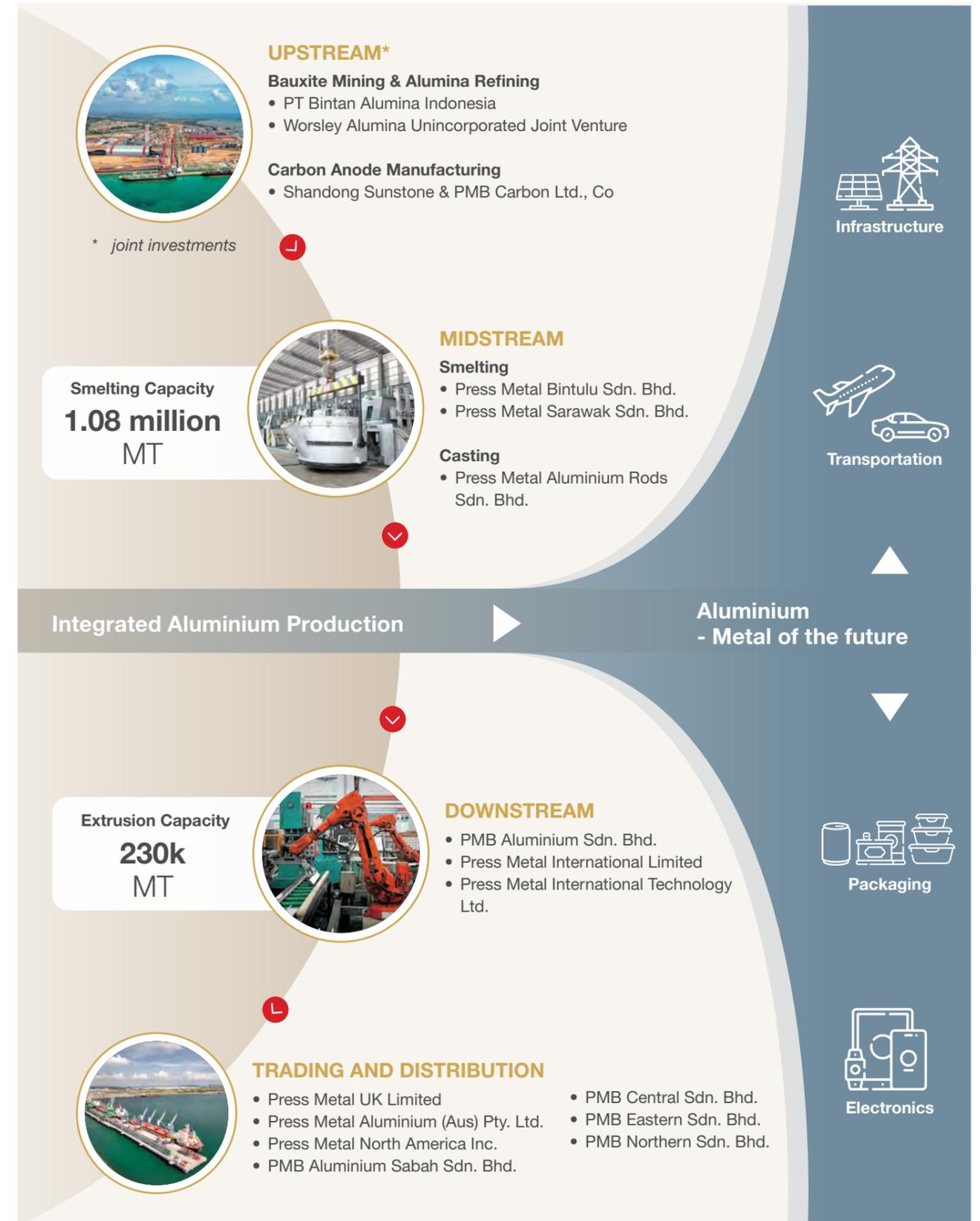
#### Quality Excellence

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

#### Focused Teamwork

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

## OUR INTEGRATED VALUE CHAIN



## OUR KEY STRENGTHS

## Our Key Strengths

### INTEGRATED ALUMINIUM OPERATIONS



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



Smelting Capacity  
**1.08 million MT**



Extrusion Capacity  
**230k MT**

### RESPONSIBLE ALUMINIUM PRODUCTION



- Our smelting facilities meet the GHG emissions intensity benchmark set by the Aluminium Stewardship Initiative (“ASI”), maintaining our levels well below the threshold of 11 tonnes CO<sub>2</sub>e per tonnes of aluminium produced.
- In recognition of our dedication to sustainable aluminium manufacturing, our smelting facilities in Sarawak, Press Metal Bintulu Sdn. Bhd. (“PMBtu”) and Press Metal Sarawak Sdn. Bhd. (“PMS”), and our extrusion facility in China, Press Metal International Limited (“PMI”), have received the Performance Standard certifications from ASI.
- As a low-carbon aluminium producer, we position ourselves as the preferred supplier, gaining a competitive edge in trending industries that are actively seeking sustainable materials for their products. These include global mega sectors such as automotive, renewable energy and construction.



Received  
**Performance Standard certification**

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

### SUSTAINABILITY-DRIVEN APPROACH



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



Inclusion as a constituent of the  
**FTSE4Good Bursa Malaysia Index**



**4-star rating**  
since our debut in June 2022

### RENEWABLE & RELIABLE POWER SOURCE



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



Our smelting operations derive a significant portion of  
**electricity from hydro sources**

### KEY HIGHLIGHTS IN 2023

### Key Highlights in 2023



Revenue  
**RM13,805 million**



PATAMI  
**RM1,215 million**



Earnings per Share  
**14.75 sen**



Dividends  
**RM577 million**



Total Equity  
**RM8,396 million**



Gearing Ratio  
**0.4 times**



FTSE4Good

FTSE4Good Bursa Malaysia Index  
Press Metal Aluminium Holdings Berhad  
**Top 25%** by ESG Ratings amongst PLCs in FBM EMAS

2023 Rating: ★★★★★

MSCI



MSCI ESG Rating  
Press Metal Aluminium Holdings Berhad

2023 Rating: **A**

## AWARDS AND ACCOLADES

### PRESS METAL ALUMINIUM HOLDINGS BERHAD



#### Global ESG Monitor

- Ranked as the regional No.1 for ESG transparency



#### Talentbank Graduates' Choice Award 2023

- Champion in the Manufacturing (Metal)



#### The Edge ESG Awards 2023

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



#### The Edge Billion Ringgit Club 2023

##### Super Big Cap Companies: Above RM40 Billion Market Capitalisation

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

##### Industrial Products & Services Category

- Highest Growth in Profit After Tax Over Three Years



#### Cambridge IFA 3G Awards

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



#### BMCC Business Excellence Awards 2023

- Outstanding ESG Award (First Runner-Up)

### PRESS METAL BINTULU SDN. BHD.

#### World Green & Sustainability Summit 2023

- World Sustainability Leadership Award

### PRESS METAL INTERNATIONAL LIMITED

#### Guangdong's Manufacturing Top 500

## ASSOCIATIONS AND MEMBERSHIPS

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

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

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



#### Aluminium Stewardship Initiative

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



#### United Nations Global Compact

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



#### British Malaysian Chamber of Commerce

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

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

#### MALAYSIA

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

#### CHINA

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

## CHAIRMAN'S STATEMENT

## Chairman's Statement



### MOVING AHEAD WITH RESILIENCE

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



**Datuk Yvonne Chia**  
Independent Non-Executive Chairman

### DEAR VALUED STAKEHOLDERS

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

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

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

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

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

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

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

### OUR FIVE CORE VALUES

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

### CONTINUING MACROECONOMIC UNCERTAINTY

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

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

### FINANCIAL FORTITUDE IN CHALLENGING TIMES

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

## Chairman's Statement

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

**A YEAR OF ADDED VALUE AND SUSTAINABILITY PROGRESSION**

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

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

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

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

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

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

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



Over

**RM6.3 million**

in contributions to local community programmes



Approximately

**7,700**

volunteer hours by our employees in community engagements

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

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

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

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

## Chairman's Statement

**A CAUTIOUSLY OPTIMISTIC OUTLOOK FOR 2024**

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

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

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

**ACKNOWLEDGEMENT**

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

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

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

**DATUK YVONNE CHIA***Independent Non-Executive Chairman*

April 2024

## MANAGEMENT DISCUSSION AND ANALYSIS BY GROUP CEO

## Management Discussion and Analysis by Group CEO

### POSITIONED FOR LONG-TERM GROWTH

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

SMELTING SEGMENT

1.08 million  
MT  
per annum

EXTRUSION SEGMENT

230k  
MT  
per annum

Tan Sri Dato’ Koon Poh Keong  
Group CEO

### FOREWORD

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

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

### OVERVIEW OF PRESS METAL

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

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

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

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

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

### MARKET UPDATES

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

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



In December 2023, aluminium prices surged to

**USD2,335**  
per tonne

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

## Management Discussion and Analysis by Group CEO

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

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

### STRATEGIC FOCUS AREAS

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

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

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

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

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

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

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

### UPDATES ON OPERATIONAL ACTIVITIES

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

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

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

## Management Discussion and Analysis by Group CEO

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

### REVIEW OF FINANCIAL PERFORMANCE

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

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

#### Revenue

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

#### Costs

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

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

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

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

#### Profitability

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

#### Dividends

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

## Management Discussion and Analysis by Group CEO

### Borrowings and Gearing

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



PATAMI

# RM1.2 billion

in FYE2023



Total dividends paid as a percentage of PATAMI

# 47%

### RISK FACTORS AND RISK MANAGEMENT

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

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

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

### ESG PRIORITIES

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

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

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

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

### TRENDS AND OUTLOOK

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

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

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

## Management Discussion and Analysis by Group CEO

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

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



### APPRECIATION

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

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

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

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

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

**TAN SRI DATO' KOON POH KEONG**

Group CEO

April 2024

## THE MARKET WE OPERATE IN

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

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

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

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

### Aluminium Demand and Price Fluctuations

#### Global Megatrend

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

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

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

#### Impact on Business Operations

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

#### Outlook for 2024

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

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

Consequently, we anticipate a gradual increase in aluminium prices in the coming years, while maintaining a cautiously optimistic outlook until the world economy shows clear signs of sustained recovery. This is substantiated by research from Bloomberg Intelligence, which expects aluminium demand to grow by 3% and 2% in 2024 and 2025, respectively<sup>1</sup>.

## The Market We Operate In

### Supply Chain

#### Global Megatrend

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

With China's relaxation of its COVID-19 restrictions, S&P Global Market Intelligence remarked that conditions have largely returned to normal. However, the agency also stated that uncertainties remain for government policy and physical risk. The ongoing conflict in Ukraine, in particular, may continue to create supply chain challenges in the near future due to sanctions against the current Russian administration and new European Union ("EU") regulations on exports<sup>2</sup>.

#### Impact on Business Operations

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

#### Outlook for 2024

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

In Indonesia, for instance, the government announced a ban on bauxite exports beginning of 2023, aimed at shoring up the country's domestic refineries<sup>3</sup>. As Indonesia represents 6% of global bauxite production, the ban impacted alumina refineries in other countries that source bauxite from them. From our standpoint, such protectionist actions create a stronger case for securing a portion of our alumina inputs, which we are doing via our upstream investment in PT Bintan Alumina Indonesia.

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

## The Market We Operate In

### Transition to a Low-Carbon Economy

#### Global Megatrend

In line with the worldwide push to limit global warming to 1.5°C above pre-industrial levels, national and global policies are increasingly emphasising the need to decarbonise heavy industries and transition from fossil fuels to renewable energy sources. This opens new growth opportunities for the aluminium industry, which plays an important role in the renewable energy sector, and it is expected that global demand for aluminium will increase by 80% (or 80 million tonnes) between 2020 and 2050 in line with the global energy transition<sup>5</sup>.

Specifically, the increase in global EV production, which is expected to drive aluminium demand to 31.7 million tonnes by 2030<sup>4</sup>, as aluminium, due to its lightweight properties, forms a crucial input in EV components such as battery casings, chassis, body structures and heat management systems.

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

However, as the aluminium industry positions itself to capitalise on these growth opportunities, it will also have to contend with the emissions it generates. Illustrating this, the industry currently emits over 1.1 billion tonnes of CO<sub>2</sub> equivalent annually,<sup>5,6</sup> and approximately 60% of global primary aluminium smelting in 2022 relies on non-renewable energy sources, with China's supply (which accounts for 60% of global output) primarily powered by coal energy sources. In response to this challenge, China is taking strong steps including:<sup>7,8,9</sup>

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

At the global level, industry players are collaborating with governmental bodies, suppliers and customers to drive collective climate actions. For example, the Aluminium for Climate Initiative is promoting the transition to renewable energy sources and carbon capture, utilisation and storage technologies, decarbonising direct emissions from the processing of aluminium and increasing the collection and recovery of post-consumer scrap<sup>10</sup>.

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

#### Impact on Business Operations

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

#### Outlook for 2024

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

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

### Geopolitical Tensions

#### Global Megatrend

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

In February 2023, the USA imposed a 200% tariff on aluminium and aluminium derivatives from Russia, leading to an aluminium shortage in western countries<sup>11</sup>. Meanwhile, China imported a total of 1.54 million tonnes of primary aluminium in 2023, a 130% increase on the previous year<sup>12</sup>, using these imports to meet rising demand from the solar and automotive sectors.

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

#### Impact on Business Operations

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

#### Outlook for 2024

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

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

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## ENGAGING WITH OUR STAKEHOLDERS

## Engaging with Our Stakeholders

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

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

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

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

## Engaging with Our Stakeholders

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

## MATERIAL MATTERS AT OUR CORE

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

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

### STEP 1: REVIEW EXISTING MATERIAL MATTERS

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

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

### STEP 2: ASSESS IMPORTANCE TO BUSINESS AND STAKEHOLDERS

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

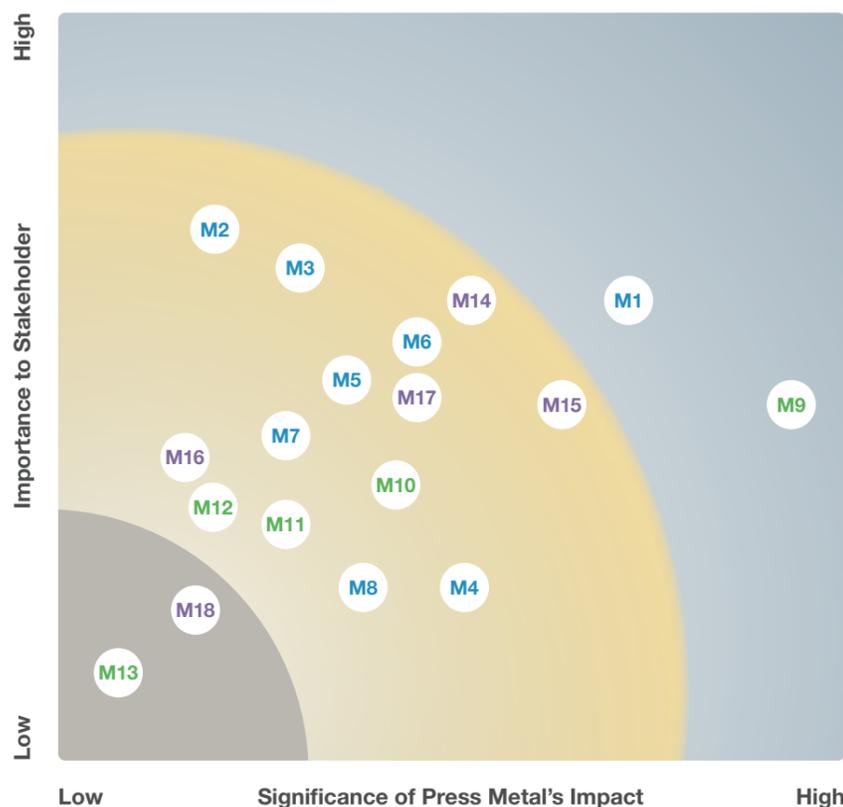
Through these steps, we reviewed the importance of each material matter to our business and our stakeholders. This enabled us to develop our Materiality Matrix for FYE2023, which rates each matter on a three (3) level scale: high, medium and low.

### STEP 3: REVIEW AND VALIDATION

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

## Material Matters at Our Core

### MATERIALITY MATRIX



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

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

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

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

HIGH PRIORITY	
M9	Climate Change
M1	Economic Performance
MEDIUM PRIORITY	
M15	Human Rights
M14	Occupational Health and Safety
M6	Sustainable Manufacturing
M17	Talent and Labour Management
M3	Regulatory Compliance
M5	Product Quality and Customer Satisfaction
M4	Responsible Sourcing
M10	Waste
M2	Business Ethics and Corporate Governance
M8	Customer Data Privacy & Information Technology
M7	Risk Management
M11	Material Stewardship
M12	Water and Effluents
M16	Diversity and Inclusivity
LOW PRIORITY	
M18	Community Management
M13	Biodiversity

## MANAGING OUR RISKS AND OPPORTUNITIES EFFECTIVELY

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

ENVIRONMENT	
<p><b>Climate Change and Sustainability Risks</b></p> <p>Climate change presents environmental and business risks including weather pattern shifts, increased occurrences of flood, biodiversity loss, and supply chain disruptions. At Press Metal, sustainability is a priority, and we diligently evaluate these risks. As climate-related risks intensify, stakeholders emphasise the importance of reducing our carbon footprint to safeguard ecosystems and communities. The introduction of regulations like the National Energy Transition Roadmap brings added uncertainty to ESG standards and societal dynamics.</p>	<p><b>Link to Capitals</b></p> <p>FC MC HC IC SRC</p>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Exploring and leveraging on innovative products, services and business models that may aid businesses, communities and ecosystems in adapting to the effects of climate change, improving our operational efficiency and driving cost savings.</li> <li>• Fostering collaboration in multi-stakeholder initiatives with regulators, industry peers and non-governmental organisations with the intention of promoting effective action on climate change adaptation.</li> <li>• Enhancing our reputation through environmentally-conscious measures.</li> </ul>	<p><b>Link to Material Matter</b></p> <p>M9 M10 M11 M12 M13</p>
GOVERNANCE/ REPUTATIONAL	
<p><b>Corporate Governance and Ethical Practices Risks</b></p> <p>Businesses are subject to various legal and compliance risks including bribery, corruption and violations of human rights or employment laws. Failure to adhere to applicable legal requirements or regulatory standards, often due to inadequate monitoring or ineffective contract management, can lead to fines or license revocation.</p> <p>Therefore, Press Metal emphasises on the implementation of sound governance practices and continued compliance to regulatory requirements or standard such as Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, MCCG 2021 and Bursa Malaysia's MMLR. It is imperative to have robust board oversight, implement effective internal controls and foster a culture of transparency and accountability throughout the organisation.</p>	<p><b>Link to Capitals</b></p> <p>FC HC SRC</p>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Cultivating integrity, accountability and transparency by cascading comprehensive corporate governance practices across our organisation.</li> <li>• Safeguarding our credibility and reputation by maintaining robust and sound management systems.</li> </ul>	<p><b>Link to Material Matter</b></p> <p>M2 M3 M4 M7</p>

## Managing Our Risks and Opportunities Effectively



### HUMAN CAPITAL

#### Talent Acquisition and Retention Capabilities Risks

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

#### Opportunities

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

#### Link to Capitals



#### Link to Material Matter



### HEALTH AND SAFETY

#### Health and Safety at the Workplace Risks

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

#### Opportunities

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

#### Link to Capitals



#### Link to Material Matter



## Managing Our Risks and Opportunities Effectively



### REGULATORY/ SOCIAL

#### Modern Slavery Risks

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

#### Opportunities

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

#### Link to Capitals



#### Link to Material Matter



### TECHNOLOGY

#### Information Security Risks

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

#### Opportunities

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

#### Link to Capitals



#### Link to Material Matter



### MARKET

#### Supply Chain Security Risks

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

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

#### Opportunities

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

#### Link to Capitals



#### Link to Material Matter



## Managing Our Risks and Opportunities Effectively



### FINANCIAL

#### Economic and Financial Risks

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

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

#### Opportunities

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

#### Link to Capitals



#### Link to Material Matter



### OPERATIONAL

#### Product Quality and Manufacturing Efficiency Risks

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

#### Opportunities

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

#### Link to Capitals



#### Link to Material Matter



## FUELLING GROWTH THROUGH OUR STRATEGIC PRIORITY AREAS

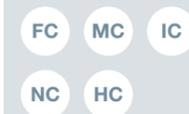
At Press Metal, our strategic priorities serve as the cornerstone of our organisational strategy, guiding our efforts and fostering alignment across all levels. These strategic priorities reinforce our commitment to excellence and provides clear framework for performance measurement, via our short, medium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



### OPERATIONAL GHG EMISSION EFFICIENCY

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

#### Impacted Capitals



#### Aims

- Reducing our GHG emissions intensity (for Scope 1 and Scope 2) to achieve our emissions reduction targets.
- Monitoring and reducing our Scope 3 GHG emissions through tracking and mitigating GHG emissions from raw materials, transportation, manufacturing and other relevant activities.

#### Going Forward

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



### SUPPLY CHAIN CONTINUITY

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

#### Impacted Capitals



#### Aims

- Implementing long-term agreements to secure access to key raw materials.
- Sustaining relationships with suppliers who consistently received good ratings evaluated based on factors including on-time delivery, quality, packaging, services and pricing.
- Maintaining a pool of suppliers that adhere to good sustainability practices, using a scoring system to assess factors related to ESG aspects.

#### Going Forward

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

## Fuelling Growth through Our Strategic Priority Areas



### BUSINESS RESILIENCY

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

Impacted Capitals	Aims
<div style="display: flex; flex-wrap: wrap; gap: 5px;"> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">FC</div> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">MC</div> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">IC</div> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">NC</div> </div>	<ul style="list-style-type: none"> <li>Increasing the contribution of VAPs and streamlining our business through business integration and enhanced extrusion performance.</li> <li>Scaling up our overall production capabilities by increasing our aggregated production capacity.</li> <li>Continuously improving our operational efficiencies through process optimisation and technology adoption.</li> <li>Ensuring sufficient liquidity (i.e., cash and available credit facilities) to meet core funding needs, including growth requirements.</li> </ul>

**Going Forward**

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



### STRATEGIC PARTNERSHIP

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

Impacted Capitals	Aims
<div style="display: flex; flex-wrap: wrap; gap: 5px;"> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">FC</div> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">MC</div> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">SRC</div> </div>	<ul style="list-style-type: none"> <li>Ensuring continuity of raw material supplies by increasing the number of strategic upstream business partners.</li> <li>Ensuring continuity in our business transactions and enhancing financial resiliency by broadening our market reach through new partnerships.</li> </ul>

**Going Forward**

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

## Fuelling Growth through Our Strategic Priority Areas



### HUMAN CAPITAL ENHANCEMENT

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

Impacted Capitals	Aims
<div style="display: flex; flex-wrap: wrap; gap: 5px;"> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">FC</div> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">HC</div> </div>	<ul style="list-style-type: none"> <li>Maintaining zero (0) fatalities workplace through rigorous safety measures and trainings.</li> <li>Implementing stringent safety protocols to safeguard our employees' well-being.</li> <li>Enhancing our retention strategies and professional development programmes to reduce our turnover rate.</li> <li>Enhancing our professional growth of employees by increasing average training hours.</li> <li>Improving overall employee well-being such as health benefits, work-life balance and mental health support.</li> <li>Assessing the impact of our training programmes by monitoring improvements in employee skills, competencies and performance.</li> </ul>

**Going Forward**

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



### POSITIVE SOCIETAL IMPACT

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

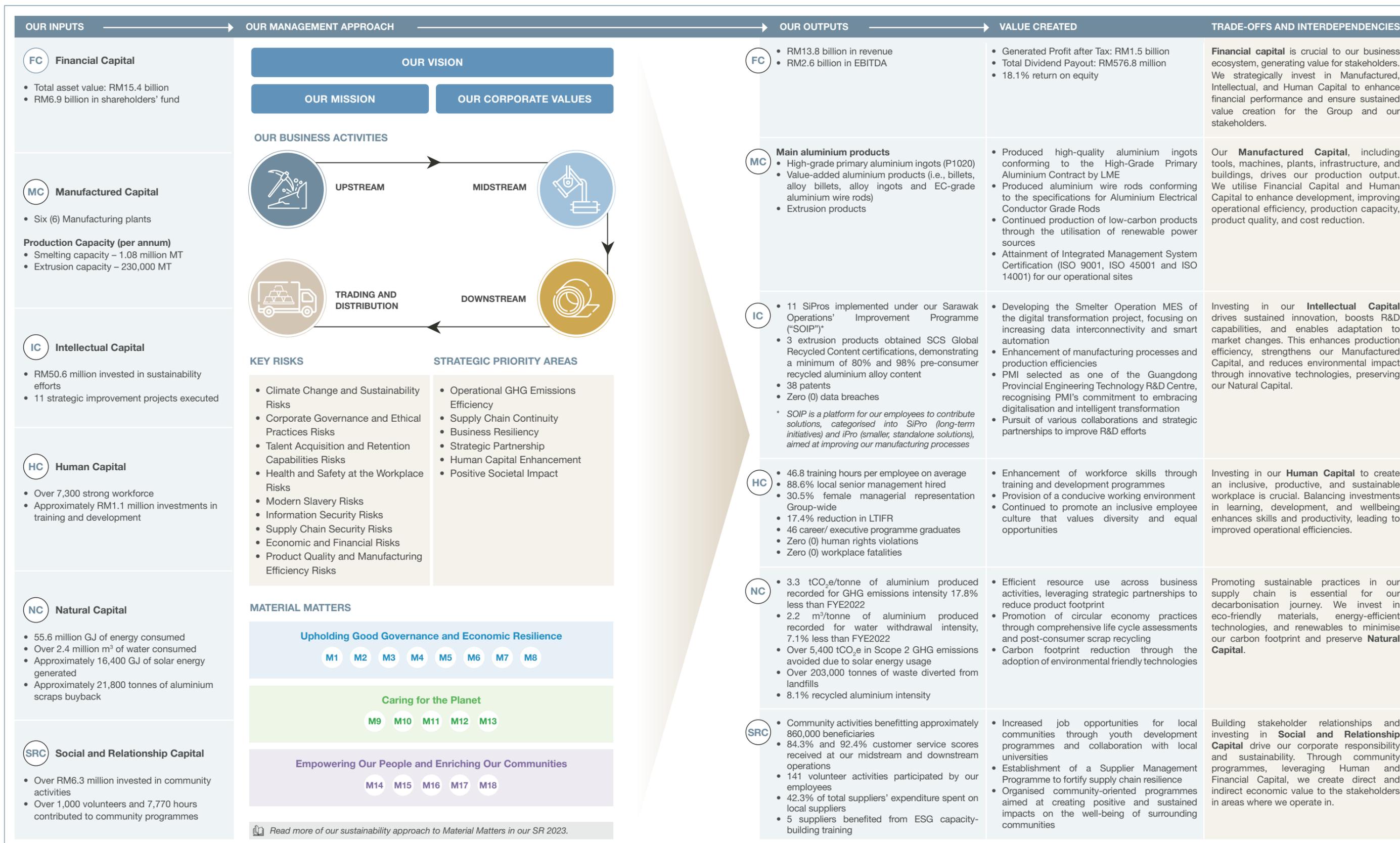
Impacted Capitals	Aims
<div style="display: flex; flex-wrap: wrap; gap: 5px;"> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">FC</div> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">SRC</div> <div style="border: 1px solid gray; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 2px;">HC</div> </div>	<ul style="list-style-type: none"> <li>Increasing our contributions to the local community to address their needs and improve their livelihood.</li> <li>Increasing the proportion of expenditure allocated to local suppliers subject to the availability and quality of products and their services.</li> </ul>

**Going Forward**

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

# OUR VALUE CREATION MODEL

# Our Value Creation Model



## CORPORATE INFORMATION

## Corporate Information

### BOARD OF DIRECTORS

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

**Tan Sri Dato' Koon Poh Keong**  
Group Chief Executive Officer

**Koon Poh Weng**  
Executive Director

**Noor Alina Binti Mohamad Faiz**  
Independent Non-Executive Director

**Susan Yuen Su Min**  
Independent Non-Executive Director

**John Koon Tzer Lim**  
Alternate Director to Koon Poh Ming

**Koon Poh Ming**  
Executive Vice Chairman

**Dato' Koon Poh Tat**  
Executive Director

**Koon Poh Kong**  
Executive Director

**Lim Hun Soon @ David Lim**  
Independent Non-Executive Director

**Chong Kin Leong**  
Independent Non-Executive Director

### CORPORATE OFFICE

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

### REGISTERED OFFICE

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

### PRINCIPAL BANKERS

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

### AUDITORS

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

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

### COMPANY SECRETARIES

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

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

### SHARE REGISTRAR

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

### AUDIT COMMITTEE

**Chairman**  
Lim Hun Soon @ David Lim

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

### REMUNERATION COMMITTEE

**Chairman**  
Noor Alina Binti Mohamad Faiz

**Member**  
Lim Hun Soon @ David Lim  
Susan Yuen Su Min

### NOMINATION & CORPORATE GOVERNANCE COMMITTEE

**Chairman**  
Susan Yuen Su Min

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

### RISK MANAGEMENT COMMITTEE

**Chairman**  
Chong Kin Leong

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

## PROFILE OF OUR BOARD OF DIRECTORS



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

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

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

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

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

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

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

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

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



**Koon Poh Ming**  
Executive Vice Chairman

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

Board Meeting Attendance Board Committee  
**6/6** **RMC**

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

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

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

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

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



**Tan Sri Dato' Koon Poh Keong**  
Group Chief Executive Officer

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

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

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

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

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

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

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



**Dato' Koon Poh Tat**  
Executive Director

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

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

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

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

He is currently the Executive Director of PMB Technology Berhad.

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

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

### Board Committees

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

## Profile of Our Board of Directors



**Koon Poh Weng**  
Executive Director

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

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

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

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

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

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

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

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



**Koon Poh Kong**  
Executive Director

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

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

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

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

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

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

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



**Lim Hun Soon @ David Lim**  
Independent Non-Executive Director

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

Board Meeting Attendance Board Committee

**6/6** **AC** **NCGC**  
**RMC** **RC**

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

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

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

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

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

## Profile of Our Board of Directors

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

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

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

## Profile of Our Board of Directors



**Noor Alina Binti Mohamad Faiz**  
Independent Non-Executive Director

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

Board Meeting Attendance

6/6

Board Committee

RC NCGC  
AC

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

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

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

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



**Susan Yuen Su Min**  
Independent Non-Executive Director

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

Board Meeting Attendance

6/6

Board Committee

NCGC AC  
RMC RC

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

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

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

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

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



**Chong Kin Leong**  
Independent Non-Executive Director

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

Board Meeting Attendance

6/6

Board Committee

RMC AC  
NCGC

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

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

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

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

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



**John Koon Tzer Lim**  
Alternate Director to Koon Poh Ming

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

Board Meeting Attendance

2/2

Board Committee

NIL

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

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

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

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

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

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

## Profile of Our Board of Directors

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

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



**Choa Wei Keong**  
Deputy Chief Executive Officer

Nationality: **Singaporean**  
Gender: **Male**  
Age: **52**

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

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



**Ooi Beng Guan**  
Deputy Chief Executive Officer

Nationality: **Malaysian**  
Gender: **Male**  
Age: **57**

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

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



**David Tan Hung Hoe**  
Chief Corporate Officer

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

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

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



**Loo Tai Choong**  
Chief Financial Officer

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

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

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



**Lim Heng Kam**  
Chief Operating Officer  
(Extrusion Business Unit)

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

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

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

### Note:

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

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



### AUSTRALIA



**Paul Ingram**  
Managing Director  
Press Metal Aluminium (Australia)  
Pty. Ltd.

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

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

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



### UNITED KINGDOM



**Andrew Clarke**  
Operations Director  
Press Metal UK Limited

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

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

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



### NORTH AMERICA



**Keith Burlingame**  
Director  
Press Metal North America Inc.

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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



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

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

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

### CORPORATE GOVERNANCE APPROACH

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

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

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

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

## Corporate Governance Overview Statement

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

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

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. Board Responsibilities

##### Board Roles and Responsibilities

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

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

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

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

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

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

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

## Corporate Governance Overview Statement

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

#### I. Board Responsibilities (cont'd)

##### Board Roles and Responsibilities (cont'd)

###### Board Committees

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

###### Management Committees

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

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

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

During FYE2023, the Board adopted the following new policies:

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

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

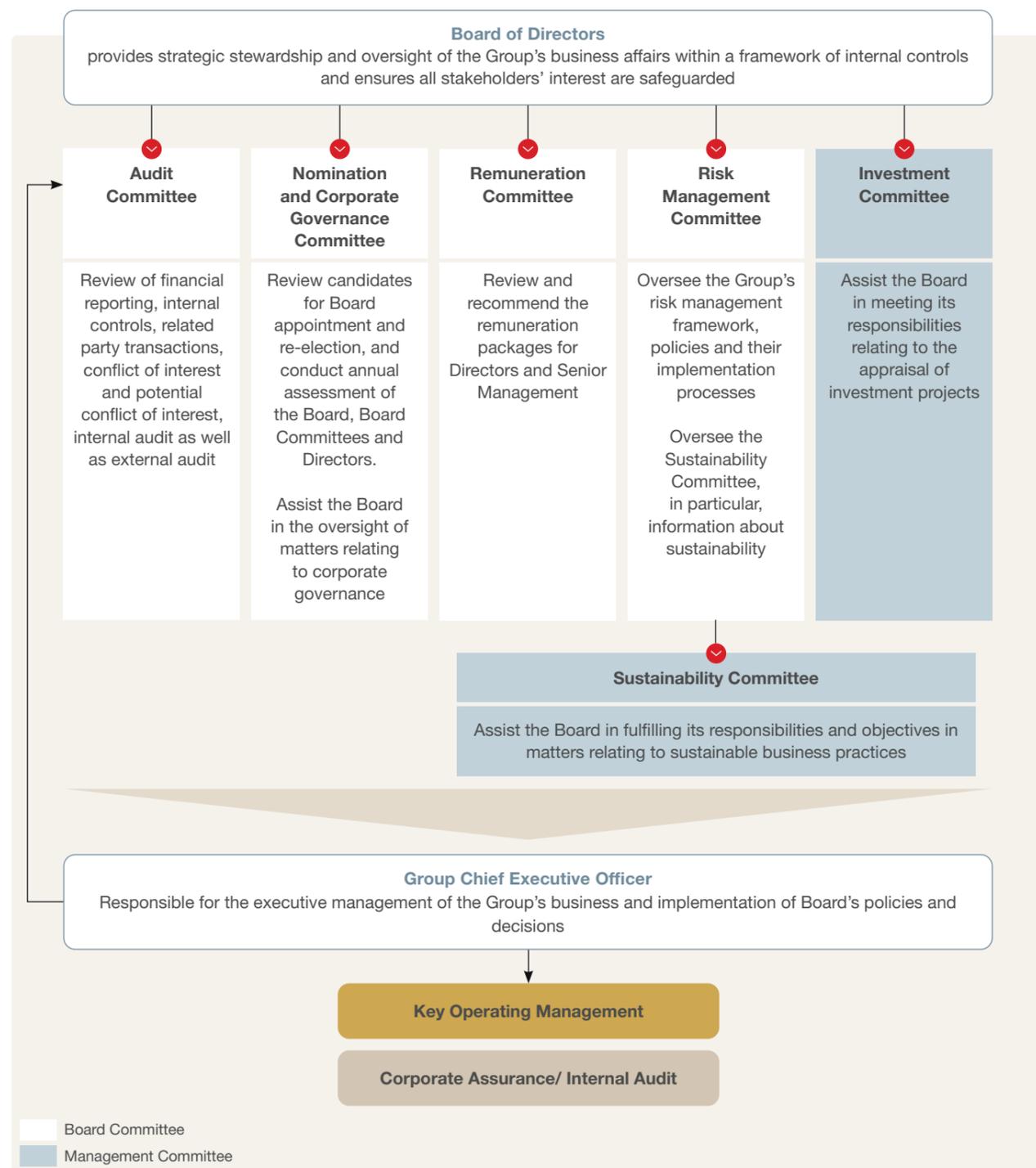
## Corporate Governance Overview Statement

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

#### I. Board Responsibilities (cont'd)

##### Board Roles and Responsibilities (cont'd)

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



## Corporate Governance Overview Statement

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

#### I. Board Responsibilities (cont'd)

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

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

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

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

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

##### Company Secretary

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

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

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

##### Board and Board Committee Meetings

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

## Corporate Governance Overview Statement

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

## I. Board Responsibilities (cont'd)

## Board and Board Committee Meetings (cont'd)

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

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

Chairman Member

Note:

<sup>(1)</sup> Appointed as Alternate Director on 15 June 2023.

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

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

## Supply of and Access to Information

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

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

## Corporate Governance Overview Statement

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

## I. Board Responsibilities (cont'd)

## Supply of and Access to Information (cont'd)

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

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

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

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

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

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

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

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

## Governance of Sustainability

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

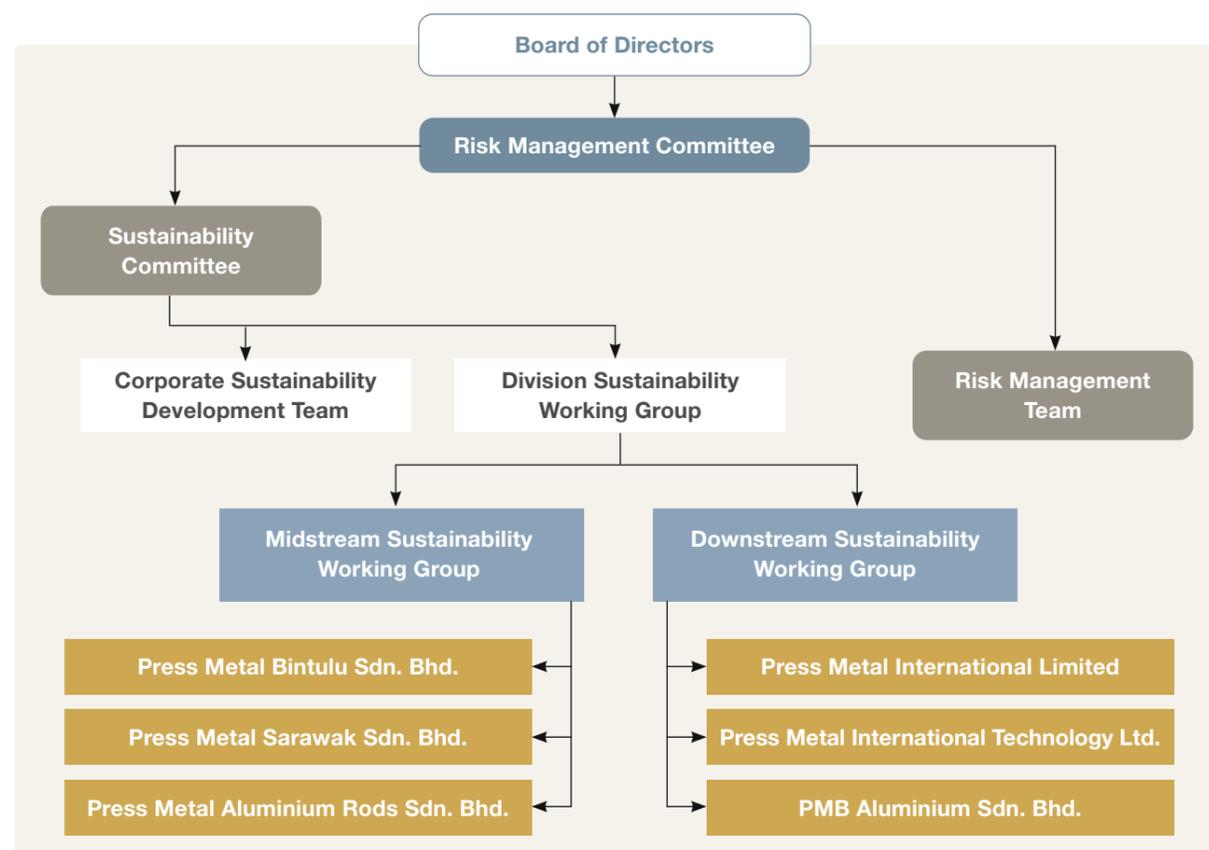
Corporate Governance Overview Statement

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

I. Board Responsibilities (cont'd)

Governance of Sustainability (cont'd)

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



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

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

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

Corporate Governance Overview Statement

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

I. Board Responsibilities (cont'd)

Governance of Sustainability (cont'd)

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

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

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

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

II. Board Composition

Board Size, Composition and Diversity

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

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

Corporate Governance Overview Statement

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

II. Board Composition (cont'd)

Board Size, Composition and Diversity (cont'd)

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

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

5 Executive Directors (50%)  
5 Independent Non-Executive Directors (50%)

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

Less than 3 years (2)  
Between 3 years to 6 years (2)  
More than 6 years and up to 9 years (1)

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

(70%) Male  
(30%) Female

Age	Nationality
50 to 59 years old (1)	Malaysian (10)
60 to 69 years old (7)	
70 years old and above (2)	

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

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

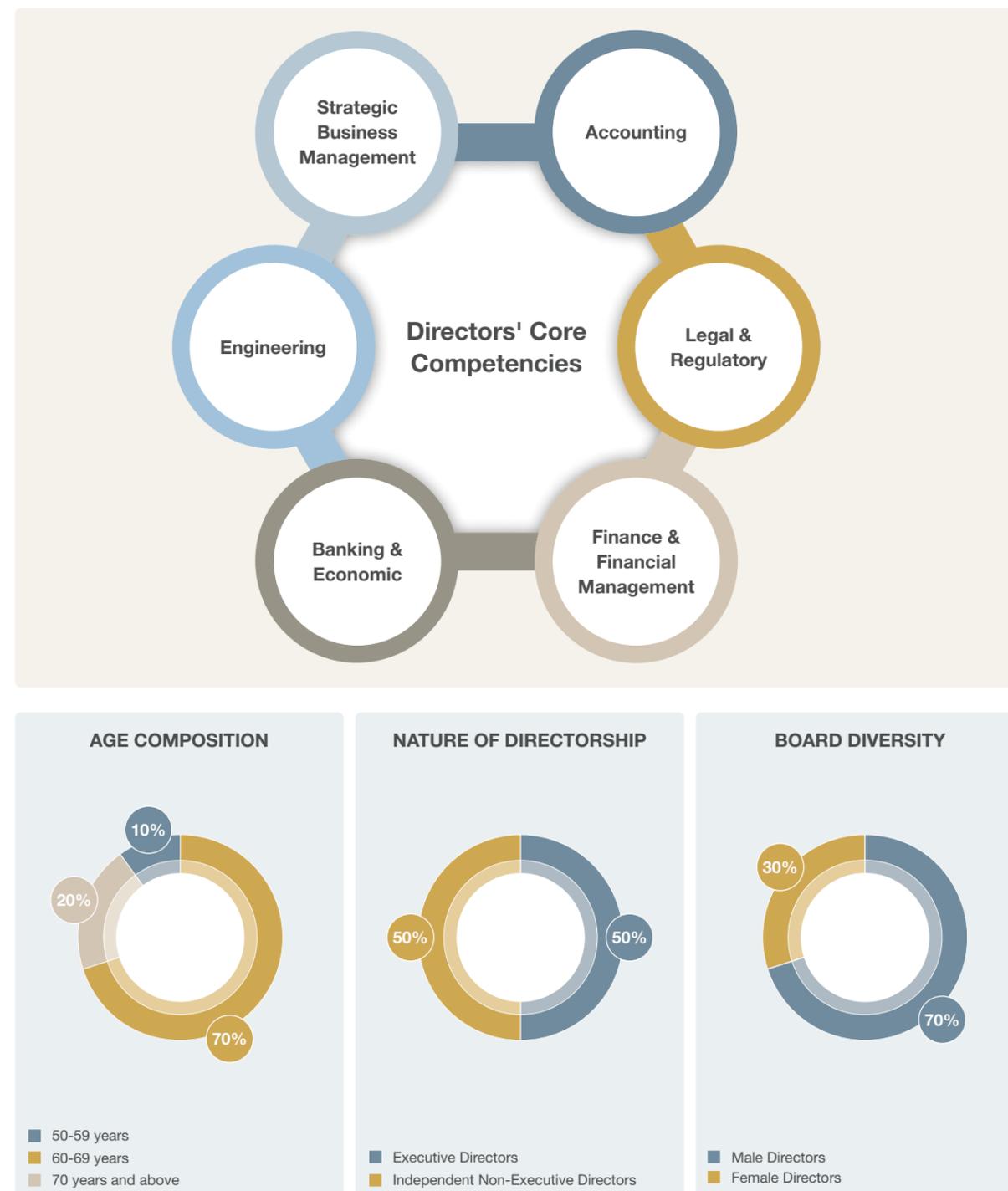
Corporate Governance Overview Statement

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

II. Board Composition (cont'd)

Board Size, Composition and Diversity (cont'd)

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



## Corporate Governance Overview Statement

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

## II. Board Composition (cont'd)

## Independent Non-Executive Directors

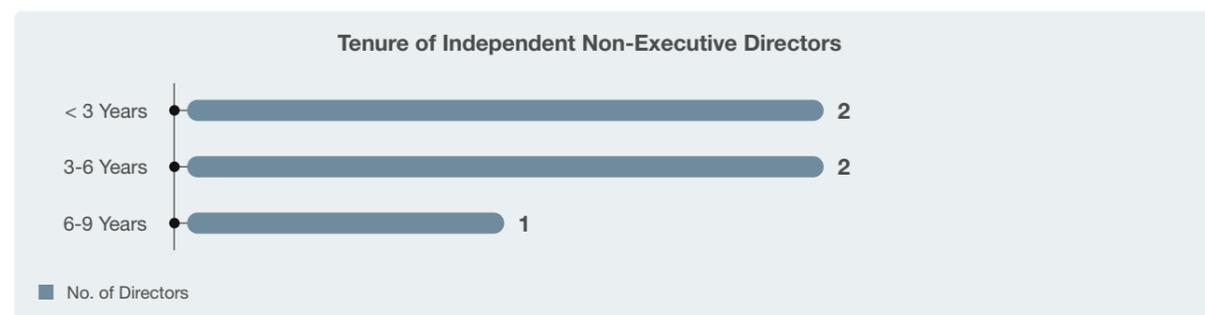
The Board recognises the importance of independence and objectivity in the decision-making process. The Independent Non-Executive Directors are independent from management and are free from any business or other relationship with the Company which could interfere with the exercise of their independent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

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

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

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

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



## Nomination and Corporate Governance Committee

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

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

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

## Corporate Governance Overview Statement

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

## II. Board Composition (cont'd)

## Nomination and Corporate Governance Committee (cont'd)

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

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

## Board Appointment

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

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

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

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

## Corporate Governance Overview Statement

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

#### II. Board Composition (cont'd)

##### Board Appointment (cont'd)

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

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

The Directors' Fit and Proper Policy is available on the Company's website at [www.pressmetal.com](http://www.pressmetal.com).

##### Annual Assessment of the Board and Board Committees

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

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

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

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

## Corporate Governance Overview Statement

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

#### II. Board Composition (cont'd)

##### Annual Assessment of Independent Directors

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

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

##### Re-election of Retiring Directors

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

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

##### Induction, Site Visit and Professional Training

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

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

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

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

## Corporate Governance Overview Statement

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

## II. Board Composition (cont'd)

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

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

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

## Corporate Governance Overview Statement

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

## II. Board Composition (cont'd)

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

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

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

## Corporate Governance Overview Statement

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

## II. Board Composition (cont'd)

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

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

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

## Corporate Governance Overview Statement

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

## II. Board Composition (cont'd)

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

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

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

## III. Remuneration

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

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

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

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

## Corporate Governance Overview Statement

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

#### III. Remuneration (cont'd)

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

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

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

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

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

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. Audit Committee

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

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

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

#### I. Audit Committee (cont'd)

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

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

#### Assessment of Suitability, Objectivity and Independence of External Auditors

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

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

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

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

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

#### Internal Audit Function

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

## Corporate Governance Overview Statement

## Corporate Governance Overview Statement

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

#### I. Audit Committee (cont'd)

##### Internal Audit Function (cont'd)

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

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

#### II. Risk Management and Internal Control Framework

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

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

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

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

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

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

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

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

## Corporate Governance Overview Statement

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

#### I. Communications with Stakeholders

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

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

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

#### II. Conduct of General Meetings

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

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

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

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

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

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

## Corporate Governance Overview Statement

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

#### II. Conduct of General Meetings (cont'd)

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

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

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

#### FOCUS AREAS ON CORPORATE GOVERNANCE

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

## DIRECTORS' RESPONSIBILITY STATEMENT

### IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

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

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

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

## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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

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

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

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

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

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

### 2. AUDIT AND NON-AUDIT FEES

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

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

### 3. MATERIAL CONTRACTS

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

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

The details for the Recurrent Related Party Transactions of a Revenue or Trading Nature transacted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2023 are stated in Sections 2.3 and 2.4 of the Circular to Shareholders dated 30 April 2024 and Note 31 of the Financial Statements.

## AUDIT COMMITTEE REPORT

## Audit Committee Report

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

### COMPOSITION

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

The current composition of the AC is as follows:

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

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

### MEETINGS

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

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

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

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

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

### TERM OF OFFICE AND PERFORMANCE

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

### TERMS OF REFERENCE

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

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

### SUMMARY OF THE ACTIVITIES OF AC

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

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

#### (1) Financial Reporting

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

The review focused primarily on:

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

## Audit Committee Report

## Audit Committee Report

**SUMMARY OF THE ACTIVITIES OF AC (CONT'D)****(2) External Audit**

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

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

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

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

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

**SUMMARY OF THE ACTIVITIES OF AC (CONT'D)****(3) Internal Audit (both in-house and outsourced) (cont'd)**

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

**(4) Related Party Transactions**

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

**(5) Corporate Governance and Regulatory Compliance**

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

**INTERNAL AUDIT FUNCTION**

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

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

## Audit Committee Report

## INTERNAL AUDIT FUNCTION (CONT'D)

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

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

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

## INTERNAL AUDIT FUNCTION (CONT'D)

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

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

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

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

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

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

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

## Audit Committee Report

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Statement on Risk Management and Internal Control

### INTRODUCTION

In accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”), the Board of Directors of public listed companies are required to include in their annual report a statement about the state of risk management and internal control of the listed issuer as a group. The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders’ investments and the group’s assets. Set out below is the Board’s Statement on Risk Management and Internal Control, which has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”).

### BOARD RESPONSIBILITY

The Board is committed to maintaining both a sound system of risk management and internal control and the proper management of risks throughout the operations of the Group. The Board acknowledges that it is ultimately responsible for the Group’s system of internal control including the establishment of an appropriate control environment and framework, which encompass financial, operational and compliance controls, and risk management.

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

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

### INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT FRAMEWORK

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

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

#### Risk Management Committee

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

The specific duties of the RMC are as follows:

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

### INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT FRAMEWORK (CONT’D)

#### Risk Management Committee (cont’d)

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

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

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

#### Risk Management Department

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

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

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

#### Audit Committee

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

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

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

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

## Statement on Risk Management and Internal Control

### WEAKNESSES

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

### OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

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

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

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

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

## Statement on Risk Management and Internal Control

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

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

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

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

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

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

## SECTION 5 DELIVERING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

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## ABOUT THIS SUSTAINABILITY REPORT

We are pleased to present the eighth annual Sustainability Report (“SR 2023”) of Press Metal Aluminium Holdings Berhad (“PMAH” or the “Company”) and its subsidiaries (collectively referred to as “Press Metal” or the “Group”). This SR 2023 conveys our commitment to sustainability as well as our accomplishments for the reporting period from 1 January 2023 to 31 December 2023 (“FYE2023”), unless otherwise stated.

For a broader understanding of Press Metal’s operations and performance, kindly read this SR 2023 in conjunction with other relevant information contained within this Integrated Annual Report (e.g., Chairman’s Statement, Management Discussion and Analysis by Group CEO, Corporate Governance Overview Statement, Corporate Governance Report, Audit Committee Report and Statement on Risk Management and Internal Control).

### SCOPE AND BOUNDARY

This SR 2023 discloses the sustainability journey and performance of our midstream (smelting and casting) and downstream (extrusion) manufacturing facilities in Malaysia and China that we have direct operational control over, as well as our corporate headquarters in Selangor, Malaysia, for selected performance indicators (i.e., anti-bribery and anti-corruption, training and employee new hires and employee turnover, parental leave, workforce diversity and corporate social responsibilities (“CSR” matters). Accordingly, this SR 2023 excludes joint investments (i.e., upstream entities<sup>1</sup>).

#### MIDSTREAM

- Press Metal Bintulu Sdn Bhd (“PMBtu”), Malaysia
- Press Metal Sarawak Sdn Bhd (“PMS”), Malaysia
- Press Metal Aluminium Rods Sdn Bhd (“PMAR”), Malaysia

#### DOWNSTREAM

- PMB Aluminium Sdn Bhd (“PMBA”), Malaysia
- Press Metal International Limited (“PMI”), China
- Press Metal International Technology Ltd (“PMIT”), China

<sup>1</sup> Our upstream entities include Worsley Alumina Unincorporated Joint Venture, PT Bintan Alumina Indonesia, and Shandong Sunstone & PMB Carbon Ltd., Co.

### FRAMEWORKS, STANDARDS AND GUIDES

This SR 2023 has been prepared in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”) relating to the enhanced sustainability reporting framework, and supplemented with an array of frameworks, standards and guides based on their relevance and applicability, including:

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

### ASSURANCE

To uphold the consistent accuracy and reliability of our report, we have enlisted an independent third party, Grant Thornton Malaysia PLT, to provide external assurance (details at pages 187-190) on our SR 2023. This limited assurance specifically pertains to selected sustainability performance data and data collection processes related to environmental management and occupational health and safety, which includes the following five (5) indicators:

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

In addition, in FYE2023, Press Metal also undertook a thorough internal reviews to enhance the data collection methodologies by identifying any reporting gaps and inconsistencies, and ensure that the information and data reported is reliable and credible.

### FEEDBACK

We aim to continuously improve our sustainability and reporting efforts and welcome any feedback related to the contents of this SR 2023. You may email your feedback, enquiries or comments to [corpcomm@pressmetal.com](mailto:corpcomm@pressmetal.com).

## OVERVIEW OF OUR SUSTAINABILITY APPROACH

Driven by our vision to providing products for a sustainable future, Press Metal aims to be the BEST by responsibly managing our resources, enriching our local communities and workforce and ensuring strong governance. This approach, which balances ESG aspects across our operations, underscores our dedication to creating lasting value for all stakeholders and advancing the welfare of the people and the planet.



In line with our efforts to maximise positive impact across the ESG spectrum, our Sustainability Policy details a holistic, Group-wide approach to sustainability which we strive to integrate into every aspect of our operations. The Sustainability Policy is guided by our commitments across three (3) pillars and is supported by our Environmental Policy and Environmental Mission Statement, which delineate our strategy for tackling climate change and mitigating the environmental impact of our operations.



For more information on our Sustainability Policy and our entire suite of policies, visit <https://www.pressmetal.com/investor-relations/corporate-governance.php>

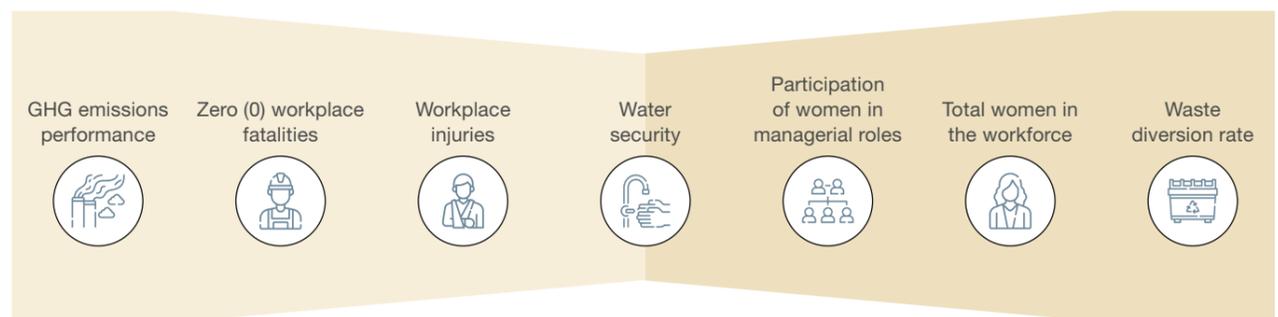
### EFFECTIVE BOARD OVERSIGHT

Our Board sets corporate governance standards and policies for the Company while the Group CEO manages executive functions at the Group-level, implementing approved strategies, governance standards, policies and procedures. By instituting transparent policies and ethical principles, we aim to cultivate greater trust, confidence and loyalty amongst our stakeholders.

Read more on our corporate governance practices in the Corporate Governance Overview Statement of this IAR 2023.

### MEASURED THROUGH CRITICAL MONITORING

Press Metal sets sustainability targets that go beyond financial metrics and encompass operational, safety, environmental, social, and governance factors.



### REFLECTED IN ESG-LINKED REMUNERATION

Our ESG-Linked Executive Incentive Remuneration Framework ("ESG Remuneration Framework") aligns the remuneration of selected Senior Management personnel with our sustainability targets.

## KEY ESG HIGHLIGHTS 2023

ENVIRONMENT	SOCIAL	GOVERNANCE
<b>17.8%</b> reduction in Scope 1 and 2 GHG emissions intensity from 2022	<b>30.5%</b> women in managerial roles	<b>FTSE4GOOD</b> inclusion with 4 star-rating
<b>13.5 MW</b> total solar sourcing	<b>17.4%</b> improvement in LTIFR from 2022	MSCI rating upgraded to <b>"A"</b>
Approximately <b>5,400 MT</b> CO <sub>2</sub> e/ year avoided from solar usage	<b>46.8 hours</b> of training per employee	<b>3</b> ASI Performance Standard Certification
<b>7.1%</b> reduction in water withdrawal intensity from 2022	Over <b>RM6.3 million</b> in contributions to the community	<b>42.3%</b> of procurement spent on local suppliers
<b>3.4%</b> reduction in total water consumption from 2022	Benefitting approximately <b>860,000</b> direct and indirect beneficiaries	<b>0</b> complaints on data breaches
<b>93.2%</b> waste diversion rate	Approximately <b>7,700</b> volunteer hours by our employee	<b>1</b> non-compliance incidents pertaining to spillages and leakages
<b>4,880</b> tree saplings planted	<b>88.1%</b> customer satisfaction score	<b>0</b> whistleblowing instances, including human rights violations
Approximately <b>21,700 MT</b> total aluminium scrap purchased	<b>80.2%</b> employee satisfaction rate	Approximately <b>RM50.6 million</b> spent on sustainability initiatives

## MESSAGE FROM GROUP CEO

## Message from Group CEO

### DEAR ESTEEMED STAKEHOLDERS,

We continued to make meaningful progress in our sustainability journey throughout FYE2023, aligning our actions with the heightened expectations of our valued customers, shareholders and stakeholders. As the leading integrated aluminium producer in Southeast Asia, we recognise and embrace our responsibility to pioneer sustainable practices within the aluminium sector and future-proof the resilience of the industry.

Through consistent refinement of our strategies, processes and practices, we are steadily improving our performance across the ESG spectrum, ensuring that we maintain the right balance between delivering shareholder returns and driving responsible growth. More than this, we are inculcating a Group-wide culture of sustainability, strategically allocating resources to integrate our business objectives with sustainable development goals and foster collective action across our organisation.

Our efforts have yielded notable sustainability milestones, underscoring our progress towards long-term objectives. However, we recognise that our journey is ongoing, and the imperative to sustain momentum remains paramount. In this eighth edition of our annual Sustainability Report (“SR”), covering FYE2023, we are pleased to highlight the various strategies implemented and initiatives we have undertaken to address pertinent challenges within our organisation, society and the environment, driven by our steadfast commitment to creating enduring value for all stakeholders.

### DRIVING ENVIRONMENTAL EXCELLENCE

Cognisant of escalating concerns and expectations surrounding corporate environmental responsibility and climate change action, we remain committed to reducing our environmental footprint through every feasible means available. Our wide-ranging initiatives encompass the optimising of manufacturing processes, the advancement of energy efficiency, the reduction of GHG emissions, the preservation of water resources and advocacy for circular economy principles.

Collectively, these efforts have culminated in a notable decrease in our Scope 1 and 2 GHG emissions intensity, which fell by 17.8% compared to FYE2022, alongside significant improvement in our recycling endeavours, with 93.2% of all waste diverted from landfills during the year under review. To ensure the credibility of our achievements and bolster transparency and accountability, we have obtained external assurance for our energy and GHG performance, aligning with the ISAE 3000 and ISAE 3410 standards, respectively.

Our environmental accomplishments have not gone unnoticed. We were honoured to receive two (2) prestigious gold awards during The Edge ESG Awards 2023, while our subsidiaries were recognised for their sustainable manufacturing processes, with PMI securing the ASI Performance Standard V2 (2017) certificate, and PMBtu and PMS attaining the ASI Performance Standard V3 (2022) certification.

### CREATING AN ENABLING WORK ENVIRONMENT

We deeply acknowledge the pivotal role played by our dedicated employees in propelling our business and sustainability objectives forward. Thus, great emphasis is placed on developing a nurturing and supportive work environment. Rooted in principles of respect and inclusivity, we actively foster a workplace ethos that celebrates diversity, upholds freedom of expression and champions female empowerment at all levels. These expectations and commitments were made clear within established policies such as our Human Rights Policy, Diversity Policy and Code of Conduct (“CoC”).

In the year under review, we are proud to have achieved a notable uptick of 3.8% point in female participation in managerial roles, with women now comprising 30.5% of our workforce. We have simultaneously amplified our focus on safety, demonstrated through ongoing initiatives to improve our LTIFR and work-related fatality data performance. These efforts are subjected to rigorous assurance based on ISAE 3000 standards, ensuring our alignment with top safety guidelines.

### ALIGNING WITH BEST PRACTICES IN GOVERNANCE

In our pursuit of upholding industry-leading standards, we have taken decisive steps to align our management and governance practices with top global benchmarks. Our ERM framework adheres to ISO 31000:2018 risk management guidelines, enabling us to effectively identify ESG risks and opportunities and seamlessly integrate them into our strategies and processes.

Likewise, our reporting practices adhere to global regulatory requirements and internationally recognised frameworks and standards, as described in the About This Report section of this SR 2023.



### MOVING FORWARD

As we stand on the threshold of a transformative industry landscape, we remain dedicated to proactively monitoring and benchmarking our ESG performance. Through agility, adaptability and innovation, we are poised to effectively navigate regulatory and technological shifts, ensuring the resilience of our operations. With our global presence expanding, the significance of our sustainability efforts is transcending mere compliance. Leveraging our size and scale, our advocacy for sustainability sets an exemplary standard for the aluminium sector, safeguarding its stability and longevity.

In closing, I extend my sincere gratitude to the entire Press Metal team for their steadfast dedication and relentless commitment in advancing our sustainability agenda throughout FYE2023. Your efforts have been instrumental in propelling the Group towards a more sustainable future.

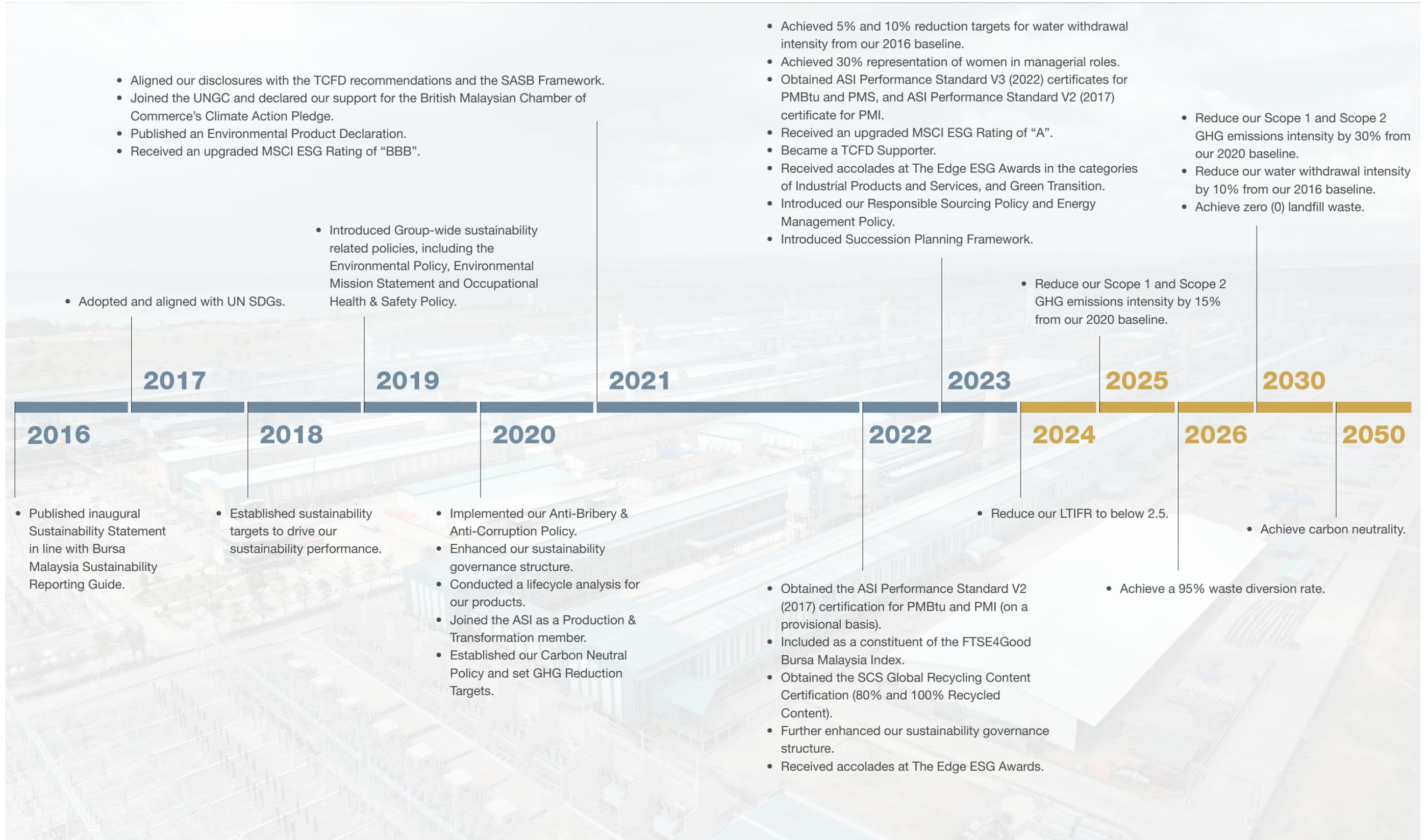
I would also like to thank our esteemed stakeholders for their continuous support and collaboration. Let us continue working in tandem to seize the opportunities before us and turn our vision for a sustainable future into reality.

### TAN SRI DATO' KOON POH KEONG

Group CEO

# SUSTAINABILITY ASPIRATION

# Sustainability Aspiration



## OUR APPROACH TO SUSTAINABILITY

We have established a robust and systematic approach to sustainability that encourages communications and involvement at all levels of the Group, incentivises progress made against sustainability objectives and unites our people at the backdrop of a common vision of our sustainable future. At its core, our approach strives to integrate sustainability at the heart of our business, driving cohesive and purposeful action that maximises positive outcomes.

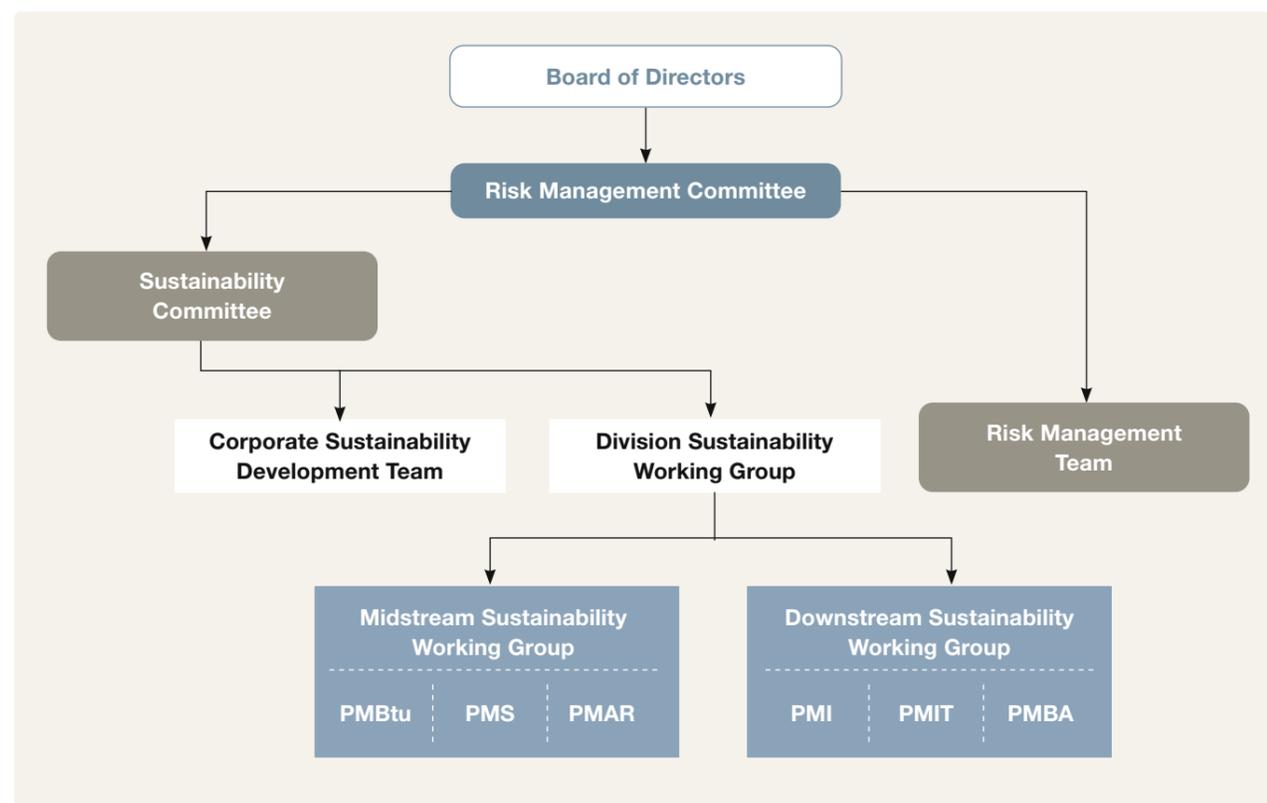
### SUSTAINABILITY GOVERNANCE STRUCTURE

Our sustainability governance, which is led by the Board of Directors (“Board”), has been refined to enhance efficiency, entrusting the oversight of sustainability risks and opportunities, including those related to climate change and human rights, to the Board’s Risk Management Committee (“RMC”).

Chaired by an Independent Non-Executive Director and comprising the Executive Vice Chairman and two (2) Independent Non-Executive Director, the RMC integrates ESG considerations into risk management framework and provides quarterly updates to the Board. The RMC is supported in its work by the Risk Management Team (“RMT”), which is responsible for developing and identifying risk management policies, as well as reporting on risk profiles.

The Sustainability Committee (“SC”), led by the Group CEO, takes the lead in formulating comprehensive sustainability strategies, policies and approaches. The SC also reviews our sustainability-related performance and reports to both the Board and the RMC on a quarterly basis.

Bolstering the SC’s efforts are the Corporate Sustainability Development (“CSD”) Team and various Sustainability Working Groups (“SWG”). As subject matter specialists for the SWG, the CSD Team, comprising personnel from corporate headquarters furnishes monthly sustainability performance reports to the Group CEO. Our SWGs play a pivotal role in implementing, monitoring and reporting each entity’s sustainability performance. They also propose targets to the CSD Team, which are duly considered in the process of developing our overall sustainability strategic objectives.

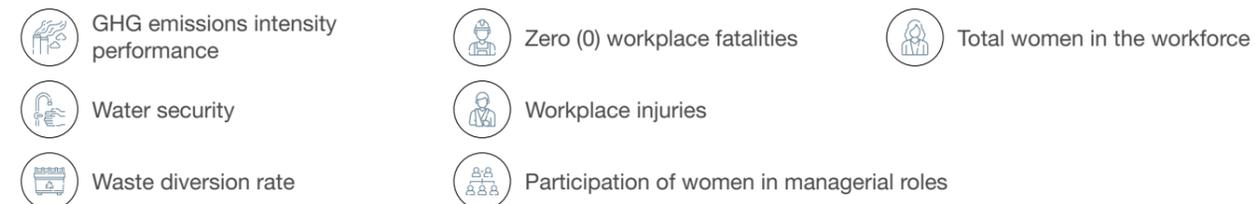


## Our Approach to Sustainability

### LINKING ESG TO REMUNERATION

Our ESG Remuneration Framework aligns the interests of management and business objective, making sustainability performance essential to achieve measurable progress and contributing to a sustainable future.

ESG Remuneration Framework covers seven (7) performance metrics as indicated below:



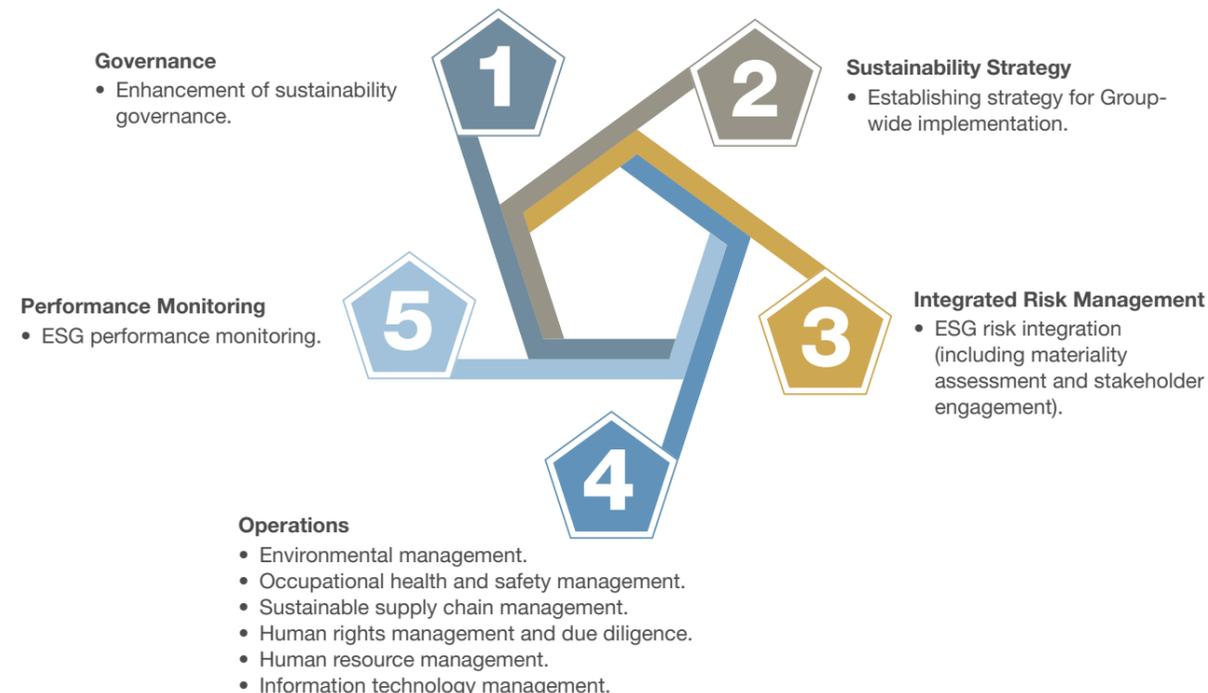
In line with the framework, remuneration policies and procedures of the specific senior management, key operating management and management team are integrated with the ESG performance metrics, which are measured through a combination of the balanced scorecard and modifier approaches. Notably, the compensation of the Group CEO, as a member of the designated Senior Management, is directly influenced by the framework.

Moving forward, we plan to extend this remuneration structure to include employees, taking into account the variability in their compensation and the level of accountability associated with their roles.

### SUSTAINABILITY ROADMAP

Sustainability lies at the heart of our core values, underpinning our commitment to long-term profitability and the well-being of both people and planet. Our approach encompasses minimising environmental impact, fostering strong relationships with stakeholders, mitigating operational effects, enhancing resource efficiency and exploring new market opportunities. With ambitious and measurable goals set for 2030 and 2050, we are dedicated to driving progress in climate action, environmental stewardship and social responsibility.

Our Sustainability Roadmap was developed following a comprehensive evaluation of our current practices that delineates strategic steps and plans to realise these objectives. As illustrated below, the roadmap spans across five (5) key focus areas.



## SUSTAINABILITY ACHIEVEMENTS

## Sustainability Achievements

### Upholding Good Governance and Economic Resilience

#### Achievements

- Approval of the Conflict of Interest Policy by the Board.
- Reviewed the CoC, Code of Ethics (“CoE”), Related Party Transaction Policy and Terms of Reference of the Audit Committee (“AC”) to ensure alignment with the Conflict of Interest Policy.
- Assessed 71.4% of our operations for corruption-related risks.
- Attained a 98.3% participation rate for our employees that have received training on ABAC matters.
- Zero (0) confirmed incidents of corruption and action taken.
- Zero (0) whistleblowing reports or complaints received.
- Implemented 11 Strategic Improvement Projects (“SiPro”) and 130 Improvement Projects (“iPros”).
- Developing the Manufacturing Execution System (“MES”) in smelter.
- Embarked on four (4) digitalisation-related SiPros within PMBtu to improve manufacturing processes.
- Attained ISO 9001:2015 certification for all manufacturing facilities (100%).
- Achieved customer satisfaction rates of 84.3% for our midstream operations and 92.4% for our downstream operations.
- Updated our Risk Management Policy to enhance risk management practices and set clear standards for the risk management function.
- Launched the Vendor Data Management Project to consolidate vendor information and streamline our procurement practices.
- Received written affirmations of adherence to our Supplier Code of Conduct (“SCoC”) from 1,267 suppliers.
- Reported zero (0) instances of data or cybersecurity breaches.

#### UN SDGs



### Caring for the Planet

#### Achievements

- All manufacturing facilities (100%) are ISO 14001:2015 certified.
- Conducted climate scenario analysis with reference to the IPCC Representative Concentration Pathway 8.5/ 4.3°C and 2.6/ 1.8°C scenarios.
- Reduced 9.4% in total direct and indirect GHG emissions (Scope 1, 2 and 3) as compared to FYE2022.
- Expanded our renewable energy capacity by investing RM2.6 million to install a 162.3kW car park rooftop and 1,104.3kW rooftop solar panel in PMI.
- Increased dross recovery efforts by introducing additional two (2) dross stirrers.
- Conducted more than 14,400 hours of climate-related training with a total investment of approximately RM97,000.
- Purchased two (2) units of electric cars and converted 27 units of diesel forklifts to electric forklifts.
- Delivered approximately 30,000 tonnes of spent pot lining (“SPL”) for co-processing to be alternative raw material.
- Achieved a 29.7% reduction in our water withdrawal intensity against the 2016 baseline.
- Recorded zero (0) incidents of non-compliance with effluent discharge regulations.

#### UN SDGs



### Caring for the Planet

#### Achievements (cont'd)

- Invested approximately RM357,000 in biodiversity management programme and contributed to the planting of 4,880 trees in total.
- Obtained the ISO 50001:2018 Energy Management Systems certifications for PMI, PMBtu and PMS.
- Recorded an increase of 0.6% point in recycled aluminium intensity as compared to FYE2022.
- Obtained SCS Recycled Content Certification for our Aluminium Alloy Billet 6R01.

### Empowering Our People and Enriching Our Communities

#### Achievements

- All manufacturing facilities (100%) are ISO 45001:2018 certified.
- Attained a reduction in LTIFR from 3.3 in FYE2022 to 2.7 in FYE2023.
- More than 65,200 participants recorded, represented the cumulative count across multiple health and safety training sessions.
- Engaged an independent third-party consultant to conduct a Social Impact Assessment (“SIA”) on our smelting facilities.
- Recorded zero (0) substantiated complaints concerning human rights violation.
- Contributed over RM6.3 million towards CSR events, benefitting approximately 860,000 direct and indirect beneficiaries.
- Conducted upskilling programmes for female employees in areas such as forklift operation techniques, safety protocols, load handling and equipment maintenance to empower them for career advancement.
- Employed four (4) disabled employees.
- Launched Press Metal E-Learning, a web-based platform that employees can use to access training materials and programmes conveniently.
- Recorded an average of 46.8 training hours per employee.
- Achieved an overall rating of 80.2% from our employee engagement survey, with over 6,800 employees responded.
- Recorded return to work rates of 99.6% for male employees and 83.3% for female employees after paternal leave.
- Recorded women in managerial roles at 30.5%.

#### UN SDGs



## SUSTAINABILITY TARGETS VS PERFORMANCE

### Climate Change

Targets	Target Year
Reduction of GHG emissions intensity (Scope 1 and Scope 2) by 15% from the 2020 baseline.	2025
Reduction of GHG emissions intensity (Scope 1 and Scope 2) by 30% from the 2020 baseline.	2030
Achieve carbon neutrality.	2050

#### Performance in 2023

- Reduced our Scope 1 and Scope 2 GHG emissions intensity by 12.2% from our 2020 baseline, reaching 3.3 tCO<sub>2</sub>e/tAl.

#### Strategic Plan

- Transition to renewable energy at our smelters.
- Enhance operational efficiency through technological advancements.
- Promote circular economy principles.
- Promote Supplier Management Programme to drive responsible practices across our supply chain.
- Invest in our project and internal capacity enhancement initiatives.

### Occupational Health and Safety

Targets	Target Year
Maintain zero (0) workplace fatalities.	Ongoing
Reduce our LTIFR to below 2.5.	2024

#### Performance in 2023

- Recorded zero (0) workplace fatalities.
- 17.4% decrease in LTIFR compared to FYE2022, reaching 2.7.

#### Strategic Plan

- Drive the digitalisation of our EHS processes.
- Implement a three (3)-goal strategic plan for Sarawak operations (i.e., Go Safe, Go Green and Go Clean).

### Diversity and Inclusion

Targets	Target Year
Increase participation of women in managerial roles to 30%.	Ongoing
Increase total female workforce to 20%.	Ongoing

#### Performance in 2023

- Recorded a 3.8% point increase of women in managerial roles from FYE2022, reaching 30.5%.
- Women comprise 13.3% of our total workforce.

#### Strategic Plan

- Revise and expand social indicators beyond gender diversity by including employee turnover rate, employee training hours, contributions to local communities and employee satisfaction rate.

### Water

Targets	Target Year
Reduce our water withdrawal intensity by 5% from the 2016 baseline.	2023
Reduce our water withdrawal intensity by 10% from the 2016 baseline.	2030

#### Performance in 2023

- Successfully met our 2030 target, reducing our water withdrawal intensity by 29.7% compared to the 2016 baseline, reaching 2.2 m<sup>3</sup>/tonne of aluminium.

#### Strategic Plan

- Actively monitor our water withdrawal and consumption.
- Enhance our rainwater harvesting systems at PMBtu, PMS and PMAR.

### Waste

Targets	Target Year
Achieve a 95% waste diversion rate.	2026
Achieve zero (0) landfill waste.	2030

#### Performance in 2023

- Increased our waste diversion rate by 3.0% point from FYE2022, reaching 93.2%.

#### Strategic Plan

- Embark on circular economy strategy planning.
- Study alternative methods for SPL management.

## UPHOLDING GOOD GOVERNANCE AND ECONOMIC RESILIENCE

### M1 ECONOMIC PERFORMANCE

GRI 3-3, GRI 201-1, GRI 201-2, GRI 201-4, GRI 207-1, GRI 207-2

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Economic performance is not merely a measure of financial success; it reflects business resilience, adaptability and sustainability in the face of evolving challenges.

Malaysia's gross domestic product grew by around 4% in 2023, driven by strong domestic consumption, inbound tourism recovery and sustained wage and employment growth. However, elevated trade tensions and other macroeconomic factors posed challenges to economic growth.

Understanding this nexus, set against the backdrop of a dynamic global economy where factors like domestic consumption, inflation trends and industry outlooks interplay with climate-related risks and regulatory developments, is paramount. By ensuring that our strategic priorities and risk mitigation plans are geared towards securing long-term financial resilience and sustainability, we equip ourselves to withstand external challenges and uncertainties while also preserving investor confidence.

### OUR APPROACH

Our approach to economic performance centres on maintaining our financial strength while committing to sustainability and responsible growth. To this end, we vigilantly monitor market dynamics, supply and demand trends, pricing shifts and technological advancements to anticipate and adapt to these external influences. We practice prudent financial management to maintain our robust balance sheet and healthy cash flow, thereby enabling long-term financial resilience.

Operational efficiency is another fundamental aspect of our approach, achieved through streamlined manufacturing, efficient supply chain management and judicious financial decision-making. Our Board meticulously deliberates on our economic performance quarterly, and through this rigorous monitoring framework, our economic goals are aligned with our strategic priorities, promoting accountability throughout the organisation.

Continuous improvement is also integral to our operations as we strive to enhance efficiency and cost-effectiveness while evaluating investments that align with our strategic objectives.

#### Ensuring Ethical Tax Governance

In FYE2022, we established a comprehensive Tax Policy, outlining clear guidelines for our tax practices to ensure accurate and compliant reporting in accordance with relevant laws and regulations. Oversight from the Board with support from the AC ensures strict adherence to this policy, reflecting our commitment to ethical and transparent tax governance.

Recognising the importance of tax contributions to public finances and national development programmes across our jurisdictions, we conduct our tax affairs with integrity and refrain from engaging in tax structures lacking commercial substance or utilising offshore secrecy jurisdictions for tax avoidance purposes. Additionally, all our tax payments are aligned with revenue generated within the respective jurisdictions, in compliance with applicable laws.

Meanwhile, risks associated with tax matters are managed diligently, with professional advice sought from competent local third-party advisors when necessary to address uncertainties in tax law interpretation.

## Upholding Good Governance and Economic Resilience

To underscore our commitment to ethical conduct in all aspects of our operations, we provide stakeholders with a whistle-blowing platform to report any concerns related to tax misconduct or illegal activities in good faith.

 Read more of our economic, market and operations updates in the Management Discussion and Analysis by Group CEO section of this IAR 2023.

### HOW WE PERFORMED IN 2023

	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)
Economic Value Generated	11,128,485	15,932,209	<b>14,100,888</b>
Economic Value Distributed			
Operating Costs	9,057,311	13,239,470	<b>11,693,419</b>
Contribution to Capital Providers	784,547	1,094,503	<b>1,124,878</b>
Employee Wages and Benefits	451,803	492,717	<b>512,785</b>
Contribution to the Government	57,739	120,090	<b>66,740</b>
Community Investment	5,750	6,204	<b>6,360</b>
Value Retained	771,335	979,225	<b>696,706</b>

 Read more on our economic performance in the Management Discussion and Analysis by Group CEO section of this IAR 2023.

 Read more on our financial performance and tax contributions for FYE2023 in the Financial Statements section of this IAR 2023.

 Read more on our community investments in the Community Management section of this IAR 2023.

### GOING FORWARD

We anticipate resilient aluminium demand, supported by favourable inflation and interest rates that will drive business growth. The outlook for the aluminium sector is promising, with increased capital investments in green sectors and a shift towards low-carbon content aluminium and the relocation of manufacturing facilities in the ASEAN region. Nevertheless, we will remain vigilant, monitoring the business landscape and adeptly managing financial risks to navigate economic downturns and challenges.

We are also committed to developing a forward-thinking business strategy, introducing circular economy practices and resource efficiency innovations while diversifying our revenue streams through strategic partnerships. Adopting a holistic approach to business growth and sustainability, we aim to create enduring value for all stakeholders and make positive contributions to broader societal and environmental goals.

## Upholding Good Governance and Economic Resilience



### BUSINESS ETHICS AND CORPORATE GOVERNANCE

GRI 2-15, GRI 2-16, GRI 2-25, GRI 2-26, GRI 3-3, GRI 205-1, GRI 205-2, GRI 205-3, GRI 415-1

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Business ethics and corporate governance play a pivotal role in guiding us to operate with integrity and responsibility. Upholding our governance principles, robust policies and ethical standards transparently fosters trust, confidence and loyalty among our stakeholders, allowing us to nurture enduring relationships with them and cultivate a positive reputation. Furthermore, adhering to these principles reduces the likelihood of encountering legal or financial penalties, reputational harm or other adverse consequences, thereby safeguarding our credibility and integrity.

### OUR APPROACH

#### Instituting Ethical Governance Practices and Policies

Our Board sets our corporate governance standards and policies, as outlined in the Board Charter, and is supported by the Group CEO, who oversees the implementation of the policies at the Group level. Similarly, the implementation of these policies at the entity level is executed by the respective appointed management representatives, enabling alignment of our overarching principles across our operations.

Our policies – which include our CoC, CoE, Whistle-Blowing Policy and ABAC Policy – are designed to promote sound business practices and to guide our corporate governance towards ethical conduct and compliance with relevant laws and regulations. Additionally, established policies and procedures aim to advocate integrity, professionalism and sound corporate governance across every facet of our operations.

In addition to the above-mentioned policies, the following have also been established as well:

Audit & Tax Policy	Diversity Policy	Succession Planning Policy
Sustainability Policy	Corporate Disclosure Policy	Directors' & Key Senior Management Remuneration Policy
Directors' Assessment Policy	Responsible Sourcing Policy	ESG Remuneration Framework

All of our policies are publicly accessible at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

#### Code of Conduct and Code of Ethics

Our CoC and CoE delineate the standards and principles of ethical behaviour expected from our directors, management and employees when executing their responsibilities or addressing ethical dilemmas.

The CoC fosters a corporate culture centred on accountability, integrity, fairness, high performance and non-discrimination while the CoE offers guidance in identifying and resolving ethical concerns and creates channels for reporting unethical behaviour. Both codes include conflict-of-interest provisions that set expectations for directors, management or employees to perform their duties conscientiously, honestly and in the best interests of the Group.

During induction sessions, all employees receive briefings on the CoC and CoE, and they are subsequently prompted through our e-learning platform to attend refresher courses, ensuring continuous understanding and adherence to our ethical guidelines and principles.

## Upholding Good Governance and Economic Resilience

### Whistle-Blowing Policy

Our Whistle-Blowing Policy establishes a formal, anonymous and confidential channel for internal and external stakeholders to report in good faith of any misconduct or illegal acts, such as violations of the CoC and CoE, corruption, bribery and threats to health and safety. Whistle-blowers can also report allegations or suspected improper activities that contravene our standards of integrity and fairness within the business environment, as well as incidents related to human rights violations and malpractice.

Whistle-blowing reports can be made via three (3) channels:

- 1 **Verbally to the Chairman of the AC, followed by submission of our Whistle-Blower Form;**
- 2 **Emailing a completed Whistle-Blower Form to [whistleblowing@pressmetal.com](mailto:whistleblowing@pressmetal.com); or**
- 3 **Sending a completed Whistle-Blower Form to the Chairman of the AC via mail.**

Upon submission of the Whistle-Blower Form, a thorough investigation will be conducted by an assigned investigator, typically chosen from our competent internal auditors, unless specified otherwise by the AC Chairman. The investigator's impartiality and independence are essential for upholding fairness, credibility and legal standards throughout the investigative process. Furthermore, the AC updates the Board annually on whistle-blowing matters.

Stakeholders who use these whistle-blowing channels can report without fear of retribution, as the policy protects against retaliation, threats or intimidation as per Malaysia's Whistleblowers Protection Act 2010. In addition, we review the Whistle-Blowing Policy every five (5) years to ensure its relevance and alignment with changing regulatory standards.

### Anti-Bribery & Anti-Corruption Policy

We maintain a zero-tolerance stance against bribery and corruption. Our stance is written in our ABAC Policy which also defines potential activities which constitute bribery and corruption, such as commissions, unofficial payments, gifts, political contributions, gratifications and charity. In addition, our ABAC Policy stipulates the requirements for risk assessments, training programmes and effective reporting mechanisms to manage potential bribery or corruption risks.

The AC assists the Board in overseeing the implementation of and compliance to the ABAC Policy, by establishing robust oversight on financial reporting, internal and external audit processes, related party transactions, conflicts of interest and risk management matters. To that end, our Board regularly reviews and updates the ABAC Policy and accompanying procedures to align with regulatory requirements, including Section 17A(1) of the Malaysia Anti-Corruption Commission (Amendment) Act 2018.

Supported by an in-house Internal Audit Department, the AC receives assurance regarding the adequacy and integrity of our risk, governance and internal control systems through the risk-based audit approach outlined in our annual audit plan, covering major subsidiaries of the Group. This internal audit function assists AC in oversight of ethical standards and regulatory requirements. At the entity level, the implementation of the ABAC Policy falls under the responsibility of the respective Human Resource ("HR") departments.

All personnel, from directors to employees, are reminded about the ABAC Policy through various channels, such as corporate website, induction programmes, training sessions and briefings. While directors, management and employees are to adhere to the principles outlined in the ABAC Policy, all personnel are required to sign a declaration of compliance to declare their commitment to upholding the policy.

### Enhancing Anti-Corruption Measures Within Our Supply Chain

To ensure robust internal control of adherence, we have established a multi-level approval process. Financial transactions, for example, undergo a three (3)-tier approval involving the performer, checker and approver. This approach serves as a check-and-balance system, ensuring integrity and transparency in all commercial decisions and providing us with the ability to promptly identify and address potential corruption risks.

We are dedicated to fortifying our internal controls and procedures through promoting the identification and monitoring of corruption risks within our supply chain. Supporting this, our ABAC Policy extends to third-party providers as outlined in the SCoC, and adherence to the policy is expected across all suppliers, consultants, contractors and service providers.

## Upholding Good Governance and Economic Resilience

### Sponsorship, Donations and Political Contributions

As an apolitical publicly listed company, we maintain a stance of impartiality and refrain from endorsing or favouring any particular political party's agenda. Nonetheless, we actively support Malaysian government initiatives aimed at driving progress and innovation, such as the Fourth Industrial Revolution transformation and the National Economic Recovery Plan. By aligning with these initiatives, we contribute to the broader national goals of economic growth, technological advancement and sustainable development.

Any proposals for donations or sponsorships, such as those for humanitarian causes, healthcare, education and community development, should not influence any business decisions or serve as compensation for improper payments or bribery. Approval by two (2) Executive Directors is required for all sponsorships and donations, regardless of the amount, and contributions must be accurately recorded in our financial records, comply with applicable laws and be capable of public disclosure.

### Mergers and Acquisitions Policy

Our Mergers and Acquisitions Policy provides clear protocols and guidelines for engaging potential investee companies. To ensure that our partnerships are founded on shared values and objectives, our assessment includes adherence to relevant laws and regulations as well as assessment of financial and non-financial risks such as bribery, corruption and other financial offences.

Furthermore, potential investee companies must undergo due diligence, which includes a self-assessment questionnaires on ESG that assesses their sustainability maturity, along with background checks, document verification processes and bribery risk assessments.

Where necessary, contractual clauses are included to permit termination of contracts with business partners in instances such as bribery or corruption is identified and not mitigated.

### Closure, Decommissioning & Divestment Plan

Our Closure, Decommissioning and Divestment Plan serves as a framework for the decommissioning of redundant facilities and infrastructure. Aligned with our commitment to responsible business practices, the plan provides guidelines for restoration to usable land, and also outlines procedures for communicating with government agencies and local communities during the closure or decommissioning process.

Our closure and decommissioning policies apply to operations where we hold a controlling position, while our divestment policies do not apply to investments where we lack management control or decision-making authority.

### Rotation of Audit Firm and Audit Partner

We have adopted a Statutory Auditors and Statutory Audit and Non-Audit Services Framework ("Statutory Auditor Framework") which stipulates:

1. Regular rotation of the lead audit partners and consideration of the necessity of a regular rotation of the audit firm; and
2. Conduct of AC to assess the performance, suitability and independence of our external auditors.

We have also established a requirement for the lead partner and quality control partner to rotate every seven (7) years and observe a cooling-off period of five (5) years, aligning with current professional standards set by the Malaysian Institute of Accountants.

### OUR VALUE CREATION

We have proactively taken measures to ensure adherence to the latest amendments announced by Bursa Malaysia to the MMLR. These revisions, designed to uphold the ongoing suitability of the MMLR, aim to improve various aspects of the MMLR to tackle market concerns and maintain clarity, relevance and compliance with current standards.

In August 2023, our Board deliberated and approved the Conflict of Interest Policy to address these new requirements. This policy applies to all directors, key senior management and key operating management of the Group, addressing circumstances that constitute or give rise to conflicts of interest, such as being an interested party in a proposed project or contract. In instances where a conflict of interest arises, it is now mandatory to promptly disclose the nature and extent of the conflict.

## Upholding Good Governance and Economic Resilience

The Board also reviewed relevant policies, including the CoC, CoE, Related Party Transaction Policy and Terms of Reference of the AC to ensure alignment with the Conflict of Interest Policy as well as current regulatory frameworks and ethical standards.

In tandem with this, our Internal Audit Department has outlined the requirements and practices relating to ABAC conformance, ensuring standardisation across the Group. Awareness sessions, webinars and training programmes have been conducted for all employees to underscore the importance of adhering to the ABAC Policy. These efforts aim to reinforce the culture of integrity, ethical conduct and widespread compliance throughout the organisation.

### HOW WE PERFORMED IN 2023

	2022	2023
Percentage of operations assessed for corruption-related risks	57.1%	71.4%
Percentage of employees that have received training on ABAC	79.3%	98.3%
i. Senior Management	68.8%	70.9%
ii. Management	77.0%	73.1%
iii. Executive	63.7%	97.5%
iv. Non-Executive	81.5%	99.5%
Total number of ABAC training sessions conducted for business partners	0	5
Number of confirmed instances of bribery or corruption	0	0
Number of whistleblowing reports or complaints received	0	0

Notes:  
 1. Data collection only commenced in 2022.  
 2. The table above represented the aggregated data from all manufacturing facilities (PMBtu, PMS, PMAR, PMBA, PMI and PMIT) and our corporate headquarters (PMAH).

In FYE2023, we did not receive any whistle-blowing reports and had zero (0) incidents of corruption, underscoring our commitment to a zero-tolerance approach pertaining to bribery and corruption. Additionally, we did not dismiss any employees or terminate contracts with any business partners in FYE2023 due to unethical behaviour.

We maintain our commitment to assessing corruption-related risks within our operations, with 71.4% of our operations evaluated in FYE2023. This marks a 14.3% point increase compared to FYE2022.



98.3%

of employees have received training on ABAC

### GOING FORWARD

We are committed to conducting business operations and internal practices with the best applicable standards of integrity, transparency and fairness. In doing so, we strive to foster a business environment characterised by sound corporate governance principles, in line with the requirements outlined in the MCCG 2021.

Moving forward, we are committed to enhance our ethical business practices and increase awareness through training including e-learning platforms. Additionally, we will embed compliance into our business practices and adhere to all pertinent laws and regulations by implementing robust internal controls and closely monitoring our business processes and internal functions, thereby upholding high standards of integrity and transparency.

## Upholding Good Governance and Economic Resilience

### M3 REGULATORY COMPLIANCE

GRI 2-27, GRI 3-3

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Ensuring compliance with pertinent laws and regulations is crucial to safeguarding our business and maintaining responsible operations. In doing so, we not only avoid legal issues and financial penalties but also safeguard our reputation while proactively addressing potential risks. Ultimately, our commitment to compliance ensures our long-term sustainability.

### OUR APPROACH

#### Establishing Compliance Management

We abide by the international laws and regulations governing our business operations. The key laws and regulations that we abide by in our areas of operation include, but are not limited to:

#### Malaysia

- Capital Markets and Services Act 2007
- Companies Act 2016
- Employment Act 1955
- Environmental Quality Act 1974
- Factories and Machinery Act 1967
- MMLR of Bursa Malaysia
- Occupational Safety and Health Act 1994 (“OSHA 1994”)

#### China

- Civil Code of the People’s Republic of China
- Environmental Protection Law of the People’s Republic of China
- Labour Law of the People’s Republic of China
- Law of the People’s Republic of China on Work Safety

Additionally, we adopt MCCG 2021 and Bursa Malaysia’s Sustainability Reporting Guide 2022 (3<sup>rd</sup> edition) as well as implement frameworks such as TCFD to address climate-related risks and opportunities effectively.

The Group maintains dedicated legal administrators at respective entities that serve as the central point of access for legal requirements and continuously monitor and update legal-related developments into legal and compliance registers. They are also responsible for disseminating pertinent legal information to respective departments in various forms such as memos and electronic information hubs for further incorporation into policies, operational processes or standard operating procedures (“SOPs”). Subsequently, scheduled training sessions will be arranged to disseminate the compliance standards expected of our employees, with potential action taken against non-compliant personnel.

To fortify our adherence, we conduct internal compliance evaluations through site inspections and internal audits, as well as externally through ISO audits. This vigilant approach helps us mitigate non-compliance risks and associated legal penalties.

Read more on our corporate policies in the Business Ethics and Corporate Governance section of this SR 2023.

## Upholding Good Governance and Economic Resilience

### Certifying Our Operational Sites

Each of our manufacturing facilities has achieved various management system certifications, showcasing our dedication to quality, health and safety as well as environmental management.

<b>ISO 9001:2015</b> Quality Management Systems	✓ PMBtu ✓ PMS ✓ PMAR ✓ PMBA ✓ PMI ✓ PMIT	<b>ISO 45001:2018</b> Occupational Health and Safety Management Systems	✓ PMBtu ✓ PMS ✓ PMAR ✓ PMBA ✓ PMI ✓ PMIT
<b>ISO 14001:2015</b> Environmental Management Systems	✓ PMBtu ✓ PMS ✓ PMAR ✓ PMBA ✓ PMI ✓ PMIT	<b>ISO 50001:2018</b> Energy Management Systems	✓ PMBtu ✓ PMS ✓ PMI
<b>IATF 16949:2016</b> Automotive Quality Management Systems	✓ PMI ✓ PMIT		

### OUR VALUE CREATION

We regularly conduct training sessions for all employees, covering company policies, legal requirements and industry-specific regulations. These sessions are designed to equip our workforce with the knowledge and skills necessary for their role and responsibilities in maintaining compliance, cultivating a culture of accountability and integrity throughout the organisation.

By proactively identifying and addressing compliance gaps, we are able to mitigate risks, reduce costs and streamline processes. As part of our value creation strategy, we also prioritise transparency and accountability in our compliance efforts through transparent reporting and disclosure practices.

### HOW WE PERFORMED IN 2023

In FYE2023, we encountered six (6) instances of non-compliance with hazardous waste-handling processes and one (1) oil spillage.

Recognising the gravity of these issues and in line with our commitment to environmental sustainability, we have proactively implemented corrective actions and heightened mitigation measures to prevent any future instances of non-compliance.

*Read more on how we manage and mitigate incidences in the Waste Management section of this SR 2023.*

### GOING FORWARD

Our commitment to regulatory compliance remains steadfast. We recognise that regulatory landscapes are constantly evolving, presenting new challenges and opportunities for businesses. As such, we are dedicated to maintaining proactive vigilance and continual monitoring of regulatory developments across all relevant jurisdictions and industries. By staying abreast of changes, we can anticipate potential impacts on our operations and swiftly implement necessary adjustments to our policies, procedures, and internal controls. Through the integration of compliance considerations into our strategic planning and decision-making processes, we aim to mitigate risks, enhance transparency, and foster long-term trust and confidence among our stakeholders.

## Upholding Good Governance and Economic Resilience

### M4 RESPONSIBLE SOURCING

GRI 3-3, GRI 204-1, GRI 308-1, GRI 308-2, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

As the largest integrated aluminium producer in Southeast Asia, we recognise our crucial role in advocating for responsible procurement practices and bolstering a sustainable value chain. This entails making deliberate, ethical choices when sourcing goods and services and partnering with local procurement entities to drive ongoing economic prosperity. By embracing ethical sourcing practices, we contribute to the greater good by promoting fair labour practices, environmental conservation, and community development.

Embracing responsible and sustainable supply chain management also opens doors to new opportunities, fosters innovation through supplier collaboration and ensures enduring success in dynamic and conscious markets.

### OUR APPROACH

#### Establishing Responsible Sourcing Standard

We are committed to ensuring responsible and sustainable practices throughout our value chain, from sourcing raw materials to delivering finished products to customers. Our procurement practices, which reflect our sustainability standards and expectations, are cascaded to our suppliers, contractors, service providers and consultants (collectively referred to as “suppliers”) as we believe that sustainability is a combined effort and shared responsibility.

Our Responsible Sourcing Policy outlines our commitments and standards for essential areas when dealing with suppliers, such as business practices, legal compliance, human rights, working conditions and environmental responsibilities. In tandem with this, clear expectations of the standards for all our suppliers in supporting and respecting labour and human rights, including the right to freedom of association and collective bargaining, freedom from forced, compulsory or child labour, fair and equal treatment, reasonable working hours and a safe and healthy work environment, have been set out in the SCoC. The SCoC is available in two (2) languages i.e., English and Chinese, with the English version uploaded at our corporate website: <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

To uphold our responsible sourcing standards and expectations, we prefer engaging business partnerships and suppliers that are committed to continuously improving their manufacturing processes and activities, giving priority to those with robust ESG practices.

In addition to the aforementioned efforts, we periodically organise both internal and external training sessions for our procurement teams, with a specific focus on sustainable supply chain management. This keeps them well-informed and aligned with our commitment to promoting responsible and ethical procurement practices.

#### Managing Our Suppliers Holistically

We have instituted a Supplier Management Programme to advance the ethical conduct, sustainability and transparency across our supply chain.



## Upholding Good Governance and Economic Resilience

In alignment with the Organisation for Economic Cooperation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“DDG for CAHRAs”), our programme comprises a meticulous five (5) steps protocol that focuses on identifying and managing risks associated with CAHRAs, further enhanced to incorporating ESG criteria.

Within Supplier Management Programme, we define our suppliers into three (3) groups – mineral-related, non-mineral related and service providers – each of which are to varying degrees of scrutiny and assessment based on potential ESG risks and impacts inherent in their operations.

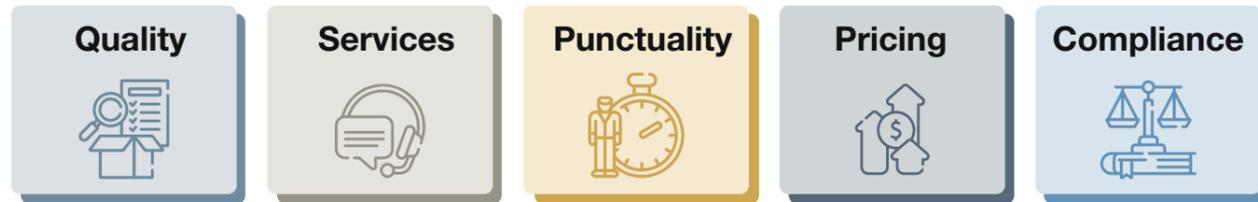
The evaluation process begins with the administration of a self-assessment questionnaire covering diverse ESG facets such as human rights, labour standards, environmental management and anti-corruption measures. Following this, appointed auditors will conduct a desktop review to assess the risk level of each facet. Based on their assessment, the appointed auditors will recommend to the designated Senior Management in deciding whether to approve the supplier or should the supplier undergo further audit, either through an in-depth due diligence procedure or an on-site audit. Suppliers shall fully assist and render their full cooperation whenever due diligence is required, as stipulated in the Responsible Sourcing Policy.

Where gaps are identified, we collaborate with the concerned suppliers to develop time-bound action plans, which will be monitored by us. During the period, we provide ongoing support, in tandem with our commitment towards collaborative and responsive supplier ecosystem.

For underperforming suppliers that are unable to meet the agreeable action plans, we adhere to the OECD’s DDG for CAHRAs and the ASI Performance Standard Guidance. In such cases, we may either:

- Continue trading with the supplier while implementing measurable risk mitigation efforts;
- Temporarily suspend trade while actively pursuing ongoing risk mitigation measures; or
- Disengage with the supplier if attempts at mitigation fail or if risk mitigation is deemed infeasible or unacceptable.

In addition to the responsible sourcing assessment, all new and existing suppliers undergo annual assessments based on five (5) key criteria:



### OUR VALUE CREATION

#### Enhancing Supply Chain Traceability

We enhanced our supply chain traceability by meticulously tracking material origins, supplier sourcing practices and conversion processes through our Supplier Self-Assessment Questionnaire (“SSAQ”). This initiative promotes transparency and fosters ethical and sustainable procurement practices, strengthening our ability to identify and mitigate potential procurement risks.

In addition, we launched the Vendor Data Management Project in FYE2023 – a digitalised and centralised platform that consolidates vendor information – to streamline supplier selection and facilitate efficient comparison of procurement quotations and product offerings, in driving greater supplier traceability.

#### Supporting Local Suppliers

We are committed to strengthening the local economies in our operational areas by actively seeking partnerships with local suppliers whenever feasible. This not only creates job opportunities within our local communities but also stimulates economic growth. Furthermore, engaging with local partners enables shorter lead times, facilitates communication, empowers local skills and enhances supply chain flexibility.

## Upholding Good Governance and Economic Resilience

#### Conducting Supplier Training and Assessment

We provide training to our suppliers on responsible sourcing practices and governance policies, including ABAC Policy and Responsible Sourcing Policy, to promote awareness of our business practices and expectations of responsible procurement within our supply chain.

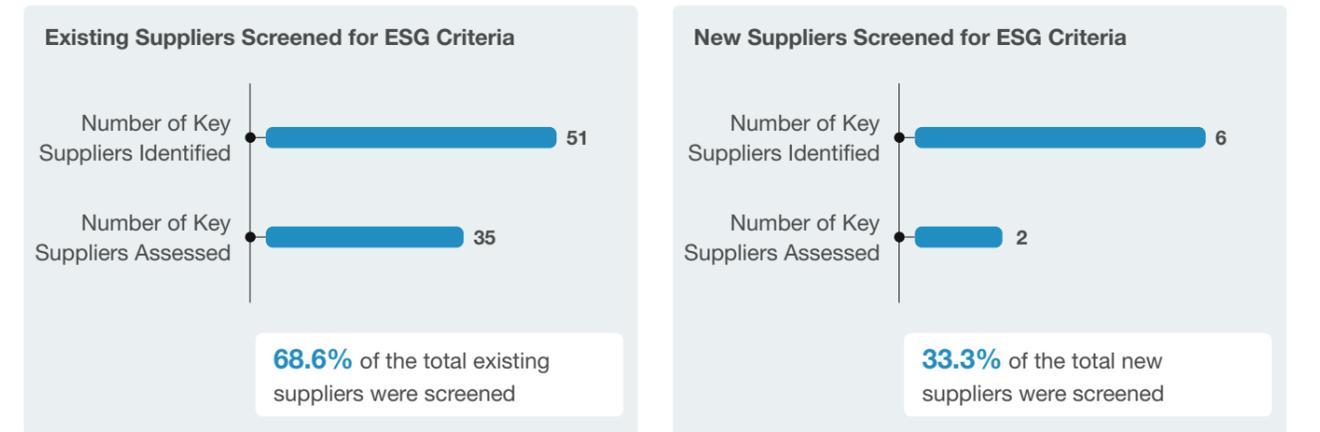
In our evaluation of suppliers and their business practices, we not only gain valuable insights into their conduct of business but create the opportunity to learn and share responsible sourcing practices. This approach fosters a culture of sustainability and responsibility, by cascading positive impacts to our immediate suppliers and to their end of suppliers, creating a sustainable value chain. After the assessment, an audit report detailing the supplier’s performance will be shared, to facilitate constructive dialogues for improvements.

#### HOW WE PERFORMED IN 2023

##### Supplier Assessment Update

In FYE2021, Press Metal launched the Supplier Management Programme, focusing on assessing our suppliers’ ESG performance in a phased approach. Our current assessment targets material suppliers, particularly mineral-related suppliers, and suppliers with procurement value exceeding RM5 million. Information covering the supplier’s environmental and social performance, including Scope 1, 2 and 3 GHG emissions and health and safety metrics will be requested.

In FYE2023, a total of 37 new and existing suppliers have undergone the ESG assessment. Additionally, as of FYE2023, 1,267 suppliers have submitted written affirmations in adherence to our SCoC.



Notes:

1. Aggregated data from our midstream facilities (PMBtu, PMS and PMAR).
2. Covered mineral-related suppliers and suppliers with transaction value more than RM5 million.

Notes:

1. Aggregated data from our midstream facilities (PMBtu, PMS and PMAR).
2. Covered only mineral-related suppliers.

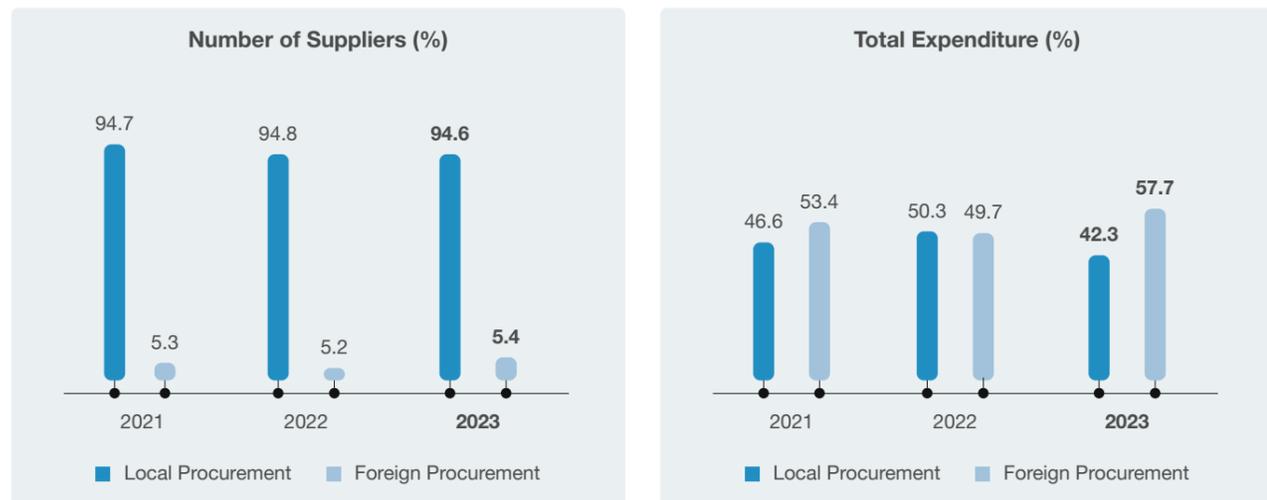
Following the assessment, we concluded that there were no suppliers with red flags within the supply chain. However, we have identified suppliers with shortcomings in their management systems and gaps in social and environmental practices. Consequently, we have provided recommendations to our suppliers to mitigate such issues within agreed timelines.

#### Local Procurement

In FYE2023, 94.6% of our total suppliers were local suppliers, with 42.3% of our procurement expenses allocated to local suppliers for the purchase of materials and provision of services.

## Upholding Good Governance and Economic Resilience

### Local and Foreign Procurement



- Notes:
- Total Expenditure refers to the amount spent on local suppliers covering all our manufacturing facilities which are located in the respective operating country (i.e., Malaysia and China).
  - Both diagrams contained aggregated data from our midstream facilities (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
  - Data differed from SR 2022 as an enhanced calculation methodology has been adopted in FYE2023.

In FYE2023, no major non-compliance issues concerning our suppliers were reported. Nonetheless, we proactively encourage them to develop risk mitigation or corrective action plans to address any risks identified during our engagement sessions.

#### GOING FORWARD

Press Metal is dedicated to enhancing the resilience, agility, and overall efficiency of our supply chain, recognising our responsibility to foster social and economic development in the communities where we operate. Our approach relies on concerted efforts with our suppliers that align with our objectives and values.

We strive to enhance our Supplier Management Programme by leveraging digital tools to streamline and enhance our suppliers' oversight, facilitating greater transparency and accountability throughout our supply chain, positioning ourselves towards a viable supply chain while advancing for sustainability.

Looking ahead, we will remain steadfast in our commitment to continually assess our suppliers to uphold responsible sourcing practices.

## Upholding Good Governance and Economic Resilience

### M5 PRODUCT QUALITY AND CUSTOMER SATISFACTION

GRI 3-3, GRI 416-2, GRI 417-1

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Ensuring consistent and timely delivery of high-quality aluminium products that meet customer requirements and expectations are crucial for maintaining our success. By prioritising these aspects, we not only enhance trust with our stakeholders but also strategically position Press Metal for sustained growth in a competitive market. Moreover, the invaluable feedback from our customers serves as an acknowledgement of the quality of our products and provides insights for continuous improvement, which, in turn, strengthens our market position in the industry.

#### OUR APPROACH

##### Adopting Quality Product and Manufacturing Standards

Press Metal's principal business activities include the manufacturing and trading of primary, value-added and extrusion aluminium products. Our primary aluminium P1020 ingots are certified by the LME as High Grade Primary Aluminium and adhere to the strict specifications and standards set by the LME. Likewise, our aluminium electrical conductor grade rods, made with a minimum aluminium purity of 99.5%, are tailored to meet demands from the electrical industry, offering a unique combination of lightweight and high conductivity that meets exacting customer requirements and needs.

Our manufacturing facilities adhere to rigorous quality standards, with all manufacturing facilities (100%) being ISO 9001:2015 certified. In addition, our extrusion entities expanding quality management to various industry and marine standards including IATF 16949:2016 for Automotive Quality Management, SIRIM Product Certification License, QUALICOAT 2023 Specification, BS EN 15088:2005 Aluminium and Aluminium Alloy-Structural Products for Construction Works, CNAS-CL01 Accreditation Criteria for the Competence of Testing and Calibration Laboratories, and more. Each plant has in place a Quality Policy, supporting our commitment to consistently deliver products that meet customer expectations and align with pertinent industry standards.

##### Managing Quality Testing, Root Cause Analysis and Improvements

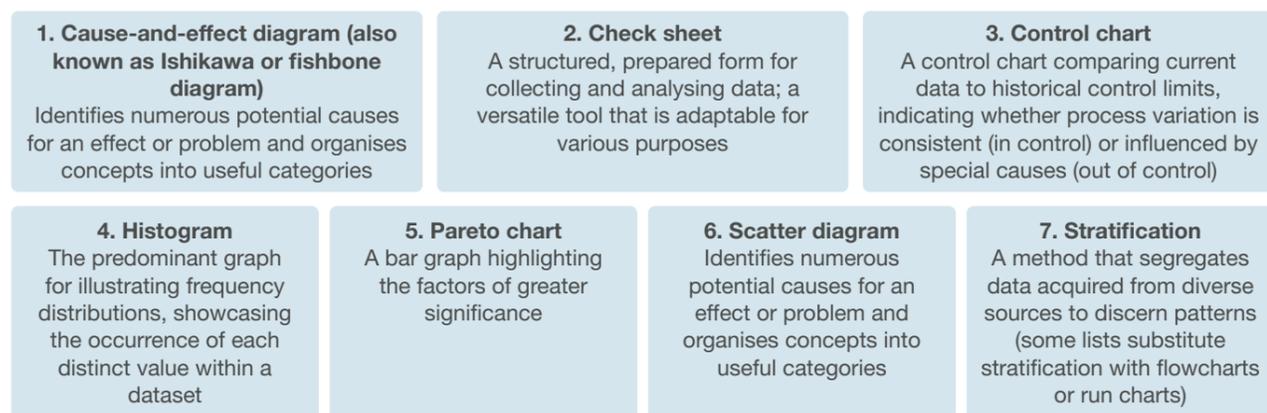
We conduct chemical and physical tests on our aluminium products, providing customers and distributors with the results through our safety data sheets, which will be reviewed by respective EHS departments every five (5) years. 100% of our casted products are assessed for health and safety impacts. We also perform third-party laboratory testing, depending on the type of aluminium product, in compliance with Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") and Restriction of Hazardous Substances ("RoHS") guidelines. Furthermore, in response to client requests, we undertake supplementary testing to meet their specific needs and expectations.

We maintain meticulous documentation of our manufacturing processes and product specifications as well as recording inspections and testing procedures. We also ensure timely reporting and resolution of any non-compliance issues and we value open communication with both customers and internal teams. Moreover, we actively seek customer feedback to identify areas for improvement to prevent future non-compliance issues.

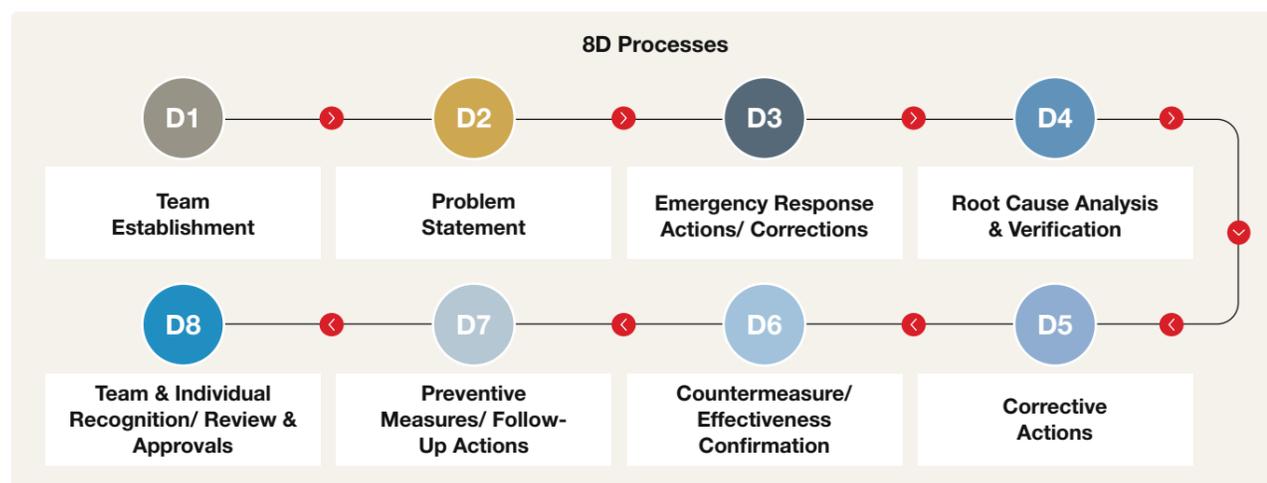
In the event of a complaint, we employ a thorough root cause analysis utilising the 7 Quality Control Approach. This systematic analysis entails tracing issues back to the manufacturing process and necessitate the implementation of corrective actions through necessary adjustments. Any identified issues are communicated via the 8-Discipline ("8D") Report Form or Corrective Action Request Form to facilitate a thorough investigation and identification of the root cause.

## Upholding Good Governance and Economic Resilience

### The 7 Quality Control Approach



The 8-Discipline methodology, meanwhile, follows a structured eight (8)-step approach to problem-solving, aimed at addressing and identifying weaknesses in management systems that may have allowed the problem to occur. The 8D process is outlined as follows:



### OUR VALUE CREATION

#### Ensuring Quality Product and Manufacturing Standards

Guided by the ISO 9001 standard requirement, we continuously improve our manufacturing processes through quality-centric initiatives, including:

- Implemented a custom degasser to minimise defects in the manufacturing process
- Introduced an automated heating mechanism in the anodising workshop to replace manual operations, thus significantly enhancing our manufacturing processes and product quality
- Modified the extrusion press outlet to reduce the ingress of water vapour, and prevent nitrogen gas escape and external air intrusion, thereby enhancing product quality
- Enhanced the water spray system to achieve uniform cooling processes by addressing design inadequacies and insufficient water pressure, thereby preventing uneven deformation during profile cooling

#### Improving Product Quality, Productivity and Continuous Learning

We adopt a proactive approach to optimising product quality and enhancing productivity through various initiatives, encompassing:

- Strengthening of inspection process for consistent product quality before despatching to customers
- Addressing customer complaints related to product quality promptly and effectively
- Conducting audits to ensure adherence to established standards and procedures

## Upholding Good Governance and Economic Resilience

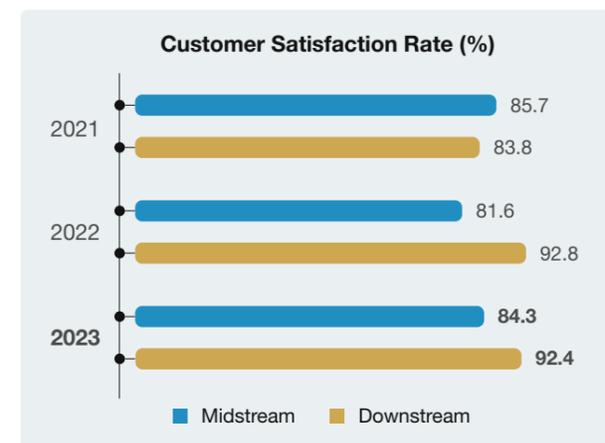
- Initiating a compulsory induction programme for new employees, which includes communication of the quality expectations for our aluminium products
- Equipping our employees with essential skills and knowledge to identify and address quality issues through our training programmes, including, but not limited to:

Standard/ Certification Training:	Operations-Related Training:
<ul style="list-style-type: none"> <li>• IATF16949 Automotive Quality Management System Training</li> <li>• The Production Part Approval Process</li> <li>• Quality Management System Document Management Training</li> <li>• ISO 9001:2015 Quality Management System Awareness Training</li> <li>• ISO 9001:2015 Internal Auditors Training</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced Product Quality Planning Training</li> <li>• Extrusion Process Training (Automotive Products)</li> <li>• Engineer &amp; Executive Development Programme: Process &amp; Improvement Methodology</li> <li>• Introduction to Quality Process</li> <li>• Inline Rods and Fresh Cast Anodes Quality Inspection</li> <li>• Training on Physical, Mechanical and Electrical Testing, Sampling, Analysis, Specification Compliance and Hazards of the Products</li> <li>• Seminar Calibration: To Ensure Measurement Accuracy</li> <li>• Effective Supervisory Management Skills</li> <li>• Lean Manufacturing Training</li> <li>• Product Packing and Delivery Process Flow</li> </ul>

### HOW WE PERFORMED IN 2023

#### Customer Engagement and Satisfaction

In FYE2023, we achieved satisfaction scores of 88.1%, with an increase of 0.9% point compared to FYE2022.



Notes:

1. Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
2. Data differed from SR 2022 as an enhanced calculation methodology has been adopted in FYE2023.

#### GOING FORWARD

Upholding high standards of product quality and customer satisfaction remain fundamental for our long-term value creation. To this end, we will continue to invest in manufacturing process enhancements in response to the industry's rapid changes and changing stakeholder expectations globally. Concurrently, we will equip our employees with the necessary knowledge and skills in product quality management to ensure our final products consistently meet customer expectations.

We are also committed to maintaining close coordination with our customers for timely responses to delivery changes and optimising our loading processes to minimise errors in despatch. Moreover, we will ensure efficient forwarding and logistics to expedite the delivery process, offer transportation advisory services to suppliers and regularly update critical spare parts for operational efficiency.

#### Incidents of Health and Safety Non-Compliance for Products and Services

Incidents concerning the health and safety impacts of products and services	2021	2022	2023
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0
Incidents of non-compliance with regulations resulting in warnings	0	0	0
Incidents of non-compliance with voluntary codes	0	0	0

## Upholding Good Governance and Economic Resilience

M6

### SUSTAINABLE MANUFACTURING

GRI 3-3

**Capitals**

FC

MC

IC

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**UN SDGs**

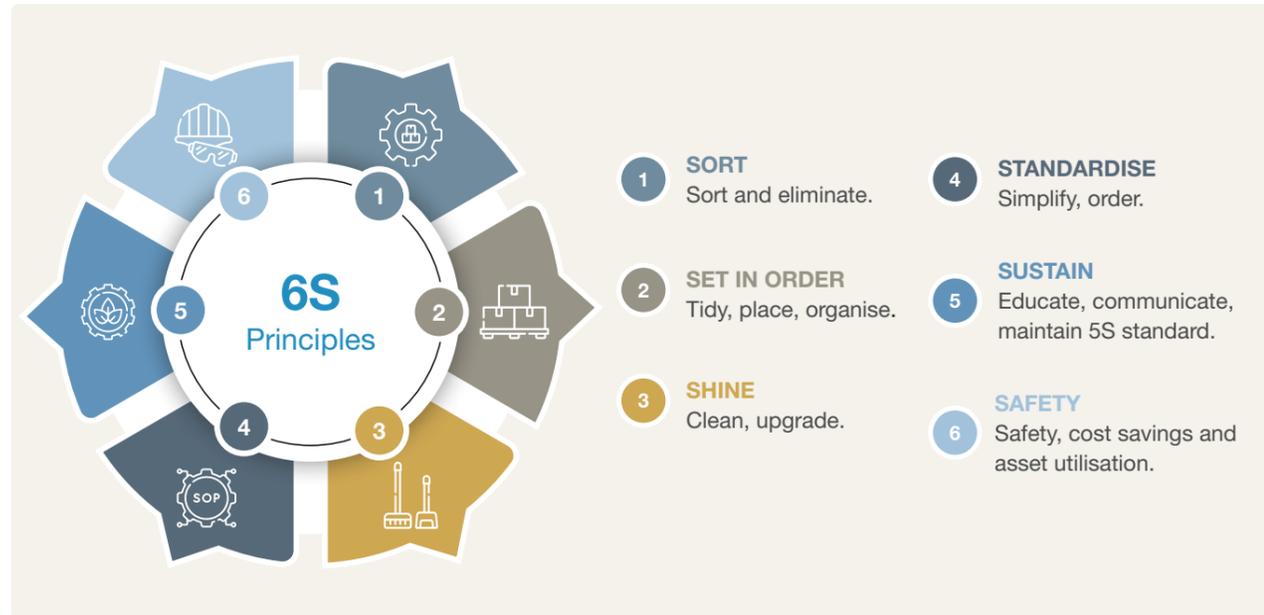
**WHY IT MATTERS**

Sustainable manufacturing stands as a cornerstone in advancing decarbonisation and fostering innovation within the aluminium industry. By embracing industry best practices, we not only bolster workplace safety but improve operational efficiency and cost-effectiveness, all while conserving natural resources. Additionally, embracing sustainable manufacturing equips us to navigate evolving regulatory landscapes, fortify our brand reputation and cultivate stakeholder confidence.

### OUR APPROACH

#### Implementing Lean Manufacturing Principles

Across our manufacturing operations, we have integrated the 5S Principles – Sort, Set in Order, Shine, Standardise and Sustain – to promote lean manufacturing, while our operations in China have embraced an additional sixth principle: Safety. The implementation of these principles has led to improved safety, cost savings and asset utilisation. In tandem with this, we continuously strengthen related processes through regular audits and quarterly inter-plant competitions.

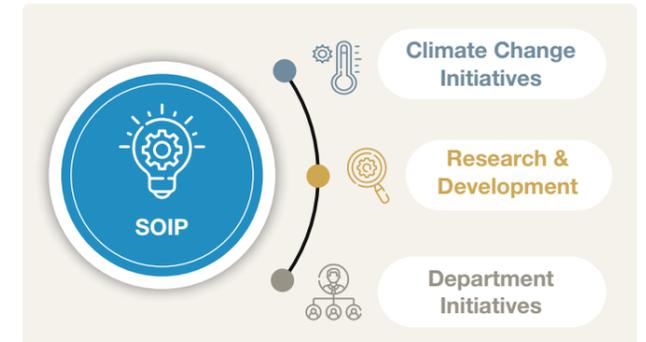


#### Fostering Innovation and Research

We strive to foster a culture of innovation among our workforce by encouraging employees to participate in improvement projects. To facilitate this, we have established an improvement platform where employees can propose initiatives to enhance our manufacturing processes. This structured platform requires the submission of proposals that include cost and benefit analyses, proposed improvements and expected outcomes, thus ensuring sustained progress.

## Upholding Good Governance and Economic Resilience

Complementing this initiative is the Sarawak Operations' Improvement Programme ("SOIP"), which enables our employees in Sarawak to propose ideas and solutions that objectively improve manufacturing processes. The SOIP is categorised into two (2) segments: SiPros for long-term initiatives leading to systemic changes, and iPros for smaller-scale, standalone solutions. In FYE2023, we implemented 11 SiPros and 130 iPros, including initiatives covering the digitisation of reporting processes and the improvement of manufacturing processes, as detailed in the respective sections of this SR 2023.



Read more on our sustainable manufacturing initiatives in the respective sections of this SR 2023.

To further our innovation efforts, we established a research and development ("R&D") team in FYE2021 that focuses on R&D projects specific to climate change. We also collaborate with several local universities, fostering partnerships in research, academia, student and staff development and human resource capacity building.

In our China entities, around 52 continuous improvement projects were implemented in FYE2023, focusing on manufacturing and product quality improvement.

### OUR VALUE CREATION

#### Innovating Towards GHG Reductions

We are undertaking various R&D initiatives and improvement projects at both the strategic and operational levels of our entities with the aim of achieving our interim GHG reduction targets, and resource efficiency. These R&D projects focus on three (3) main themes: Industrial Revolution 4.0 ("IR 4.0"), decarbonisation and energy reduction. To drive our Sustainable Manufacturing initiatives and activities, we have spent RM50.6 million in FYE2023.

Read more on our energy reduction efforts in the Climate Change and Energy Management sections of SR 2023.

Specifically, we have increased data interconnectivity and integrated smart automation, adopt cutting-edge technologies and innovative solutions to further refine and optimise our operations and reduce our operational GHG emissions. Notably, PMI has actively embraced digitalisation and intelligent transformation. As a result, PMI is recognised as one of the Guangdong Provincial Engineering Technology R&D Centre, and receiving an honour as a high-end aluminium intelligent fine processing engineering technology research centre.

Additionally, we have introduced digital transformation into our smelting plants, developing the Smelter Operation MES. This initiative utilises big data to streamline smelter operations, enhance efficiency and reduce operating costs.

Moreover, we continued to drive operational improvements in FYE2023 by deploying several key systems, each with specific improvement objectives, and have allocated a budget of total RM4.5 million for R&D for 2024.

Systems Deployed	Purpose of Improvement
Intelligent Crust Breaker and Pot Controller System Upgrade	Upgrading our pot controller and conventional crust breaker to an energy-efficient intelligent version, enhancing control over sludge and anode effects to reduce GHG emissions
Pot Digital Measurement System	Digitising our pot measurement data to expedite data production delivery

## Upholding Good Governance and Economic Resilience

Systems Deployed	Purpose of Improvement
Automated Weighbridge System	Automating the weighing of molten aluminium crucibles to replace manual labour.
Automated Clearing of Solidified Alumina	Automating the process for clearing solidified alumina to improve consistency and quality.
Potline Emergency Busbar System	Enhancing electrolysis support system by adopting ancillary electrical connection for uninterrupted potline operation.
Asymmetrical Anode for Anode Current Density Reduction	Reducing anode current density to decrease energy intensity.

Meanwhile, our SiPros focused on digitalisation, which aim to improve our manufacturing processes, including:

Project	Objectives
E-Training System (Cast House Training Apps)	Improving training traceability and efficiency by enhancing attendance recording, tracking trainers' preparation time and centralising training materials.
Interplant Digitalisation Project for Aluminium Purity Analysis (Data Conversion System)	Enhancing aluminium purity analysis process through real-time data access, thus fostering better decision-making and collaboration.
Digitalisation of Recruitment Process	Expediting interview turnaround times, resulting in enhanced productivity and improved stakeholder satisfaction.
Digitalisation and Monitoring System for 8D Reporting	Driving increased organisational agility and enhanced cross-functional collaboration through the integration of digital solutions.

### GOING FORWARD

We will continue to embrace innovative solutions to drive continuous improvement and sustainability across our operations. Specifically, we plan to delve deeper into the automation of our processes, aiming to bolster operational efficiency and diminishing the need for routine manual labour, with several potential applications of automation set to be explored in near future.

## Upholding Good Governance and Economic Resilience



**M7 RISK MANAGEMENT**  
GRI 3-3

**Capitals**

**FC**

**UN SDGs**



**WHY IT MATTERS**

Having a robust and sound risk management system is crucial to address potential threats and uncertainties that could harm our financial resources, reputation, regulatory compliance and governance standards. Integrating effective enterprise risk management into business functions, projects and procedures enhances our ability to make well-informed decisions and comprehensively tackle risks across our operations. This approach aids us in mitigating potential pitfalls and positions us to seize emerging opportunities, thus enabling us to perpetuate the delivery of sustained, long-term value.

### OUR APPROACH

#### Establishing Board Oversight for Group-Wide Alignment

We diligently oversee a broad spectrum of risks and potential impacts, including those associated with legislative or regulatory compliance, financial risks linked to investments or strategic initiatives, cybersecurity, data privacy threats and human resource concerns. At the Board level, this responsibility is entrusted to the RMC, which oversees the Group's risk management framework, policies and implementation process. The RMC is assisted by the RMT in implementing and monitoring risk management initiatives across the Group, providing quarterly updates.

The RMC also supervises the SC, focusing on information concerning sustainability matters and the Group's ESG risks. Working closely with the SC, under the leadership of the Group CEO, the RMC plays a vital role in supervising our ESG and climate risks, ensuring a focused, disciplined approach while maintaining clarity in actions and accountability.

#### Implementing an ERM Framework and Risk Management Policy

In alignment with recognised risk management standards and best practices, our Enterprise Risk Management ("ERM") Framework has been established, referencing the ISO 31000:2018 Risk management - Guidelines. Encompassing ESG, corporate, financial and operational risks, the framework assigns responsibility to designated risk owners who provide subsequent updates on the likelihood and impact of risks within their control areas through quarterly operational risk assessment.

The Risk Management Policy provides guidance for the systematic identification, evaluation and treating risks, with a focus on enhancing risk management processes through continuous review and monitoring of activities.

#### Mitigating Risks in Potential Mergers and Acquisitions

Extending our risk management to mergers and acquisitions, we have incorporated an ESG Risk Assessment and Rating checklist into our evaluation process for potential strategic investments or acquisitions. As part of the due diligence process, we assess negative impacts related to environmental, health and safety, community, regulatory, financial, legal and other factors associated with our potential investments. This approach considers specific risks including those related to industry dynamics, regional and country-specific factors, funding sources, investors and the impact of climate change. By adopting this approach, we aim to ensure effective risk management throughout the evaluation of potential investments and acquisitions.

 Read more about our approach in the Business Ethics and Corporate Governance section of this SR 2023.

## Upholding Good Governance and Economic Resilience

### Addressing ESG and Climate-Related Risks

Contributing to the fight against climate change, we have developed dedicated ESG and climate-related risk registers where we incorporate ESG and climate-related risks into our risk management process, enabling us to systematically identify, assess and prioritise ESG and climate-related risks and opportunities, along with corresponding management strategies. Parameters in the ERM Climate Risk Register include technology, reputation, and social risks. Following the recommendations of the TCFD issued by the Financial Stability Board (“FSB”), we conducted a climate scenario analysis and identified our physical and transition risks based on 4.3°C and 1.8°C scenarios.

*Read more about our approach to risk management in the Statement on Risk Management and Internal Controls section of IAR 2023.*

*Read more on our identified climate-related risks and opportunities in the Climate Change section of SR 2023.*

*Read more on the implications of our identified physical and transition risks in the TCFD Content Index section of SR 2023.*

### OUR VALUE CREATION

In FYE2023, we embarked on the following key initiatives to bolster our risk management practices and safeguard the resilience and sustainability of our operations:

**Implementing Assessments and Action Plans**

Our updated Risk Management Policy offers clear guidance and standards for the risk management function. Furthermore, quarterly assessments for midstream and downstream entities promote ongoing surveillance and improvements of our risk management practices.

**Instituting Policy Reviews and Operational Monitoring**

Risk assessments were conducted across various business functions to identify and analyse potential risks. Subsequently, risk action plans were developed and implemented to address high-priority risks, along with controls and measures aimed at minimising their impact and likelihood.

### GOING FORWARD

We strive to uphold an effective risk management framework to ensure long-term success for our stakeholders and business sustainability. Strengthening our ability to leverage on risks and opportunities ensures financial stability and protects shareholder value.

## Upholding Good Governance and Economic Resilience

### M8 CUSTOMER DATA PRIVACY & INFORMATION TECHNOLOGY

GRI 3-3, GRI 418-1

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Upholding customer data privacy and cybersecurity resilience is crucial to safeguarding sensitive information and trade secrets from unauthorised access or misuse. With the widespread use of technology and the internet, companies accumulate vast amounts of consumer data, rendering any leakage or breach detrimental due to potential identity theft, financial fraud and other harms.

By implementing stringent cybersecurity measures to mitigate cyber threats and attacks, we aim to ensure business continuity, build trust among our stakeholders and safeguard our reputation.

### OUR APPROACH

#### Ensuring Data Security and Compliance

We demonstrate our commitment to safeguarding data information through the guidance from our Information Technology (“IT”) Policy, which serves as a comprehensive rulebook for authorised users. It stipulates the responsible use of IT facilities and emphasises the need to protect them from any damage or liability that may arise from unlawful or inappropriate usage. In addition, a range of IT-based systems, including firewalls and other protective mechanism have been employed to safeguard our systems from external threats. The IT Policy undergoes yearly review to ensure its relevance based on laws and regulations, while periodic updates to our firewall and internal network and continuous improvements to our IT governance and cybersecurity are undertaken where applicable.

All data collected, used, processed and stored for our stakeholders, including employees, customers and third parties, comply with both local and global regulations, such as Malaysia’s Personal Data Protection Act 2010 (“PDPA”), as well as our internal policies and frameworks. This necessitates handling data with the adequate level of care and sensitivity, utilising the data solely for authorised purposes and ensuring the data’s safety and privacy. Additionally, any modifications to our data policies and procedures are communicated promptly to our stakeholders to ensure continued compliance and transparency.

Our IT Infrastructure unit maintains a cyber hygiene checklist as a guideline to adopt best practices in detecting and preventing cybersecurity incidents through an IT security checklist, IT internal audits and annual IT cybersecurity vulnerability assessments. An IT Compliance & Security Team was established to oversee the Group’s IT policies, SOPs, cybersecurity vulnerability protections and IT governance, ensuring compliance and oversight.

### OUR VALUE CREATION

In FYE2023, we embarked on several key initiatives to bolster our risk management practices and safeguard the resilience and sustainability of our operations.

#### Strengthening Our Cybersecurity Measures

To safeguard both our organisation’s and customers’ data, we have adopted enterprise cybersecurity solutions and enhanced our IT security procedures and processes to protect our data against cyber risks. Further to this, we have also enforced multi-level security access for data security as well as implemented scheduled monitoring and assessment of our IT infrastructure to ensure continuous protection.

## Upholding Good Governance and Economic Resilience

In tandem with this, we engaged independent third parties to conduct cybersecurity vulnerability assessments, promptly mitigating any violations and risks identified upon reporting. Our service provider for vulnerability testing updates us on the development within the cybersecurity landscape. Furthermore, we participate in cybersecurity workshops to stay abreast of evolving data privacy regulations. We also continued to ensure our employees are well-informed and vigilant about cyber risks through cybersecurity awareness and training programmes, such as Trusted Information Security Assessment Exchange (“TISAX”).

### HOW WE PERFORMED IN 2023

In FYE2023, we reported zero (0) instances of data or cybersecurity breaches.

Our Vulnerability Assessment and Penetration Testing (“VAPT”) post-assessment was conducted by an independent vulnerability tester, with the generated report thoroughly reviewed and signed off following the completion of remediation actions.

	2021	2022	2023
Total number of identified leaks, thefts or losses of customer data	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

### GOING FORWARD

To ensure effective management of cyber risks and threats, we will remain vigilant in identifying, monitoring and evaluating potential cyberattacks while complying with Malaysia’s PDPA and evolving privacy laws. In conjunction with this, our annual cybersecurity vulnerability assessments and investments in cybersecurity measures, such as encryption and secure data storage solutions, will fortify our protection against cyber threats.

Furthermore, we are dedicated to enhancing our employees’ knowledge and awareness of cyber threats and IT safety through regular and ongoing training programmes. We will also continue to diligently monitor and address reports related to breaches of customer privacy or loss of customer data to ensure swift resolution.

## CARING FOR THE PLANET



### CLIMATE CHANGE

GRI 3-3, GRI 302-2, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 418-1

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Climate change is the defining challenge of our era. It has caused irreversible impacts on natural ecosystems and other detrimental environmental effects including rising sea levels, intensified heatwaves and an increasing occurrence of droughts and wildfires. These impacts, in turn, are threatening the livelihood of local communities and the strength of national economies, thus affecting our operating environment.

In the context of our industry, the global net zero agenda demands that the aluminium industry to decrease its GHG emissions from over 1 billion tonnes of carbon dioxide equivalent (“CO<sub>2</sub>e”) to around 50 million tonnes by 2050<sup>1</sup>. The complexity of this task is made even greater by the increased demand for energy transition solutions like wind turbines, batteries and solar photovoltaic technologies<sup>2</sup>, which are expected to increase global aluminium demand by 40% between now and 2030<sup>3</sup>.

As an integrated aluminium corporation and the largest aluminium producer in Southeast Asia, we have a responsibility to take a leadership role in addressing these challenges by introducing less GHG-intensive and more energy-efficient production processes. However, such investments must be weighed against the need to deliver aluminium products that meet the demands of the market. By striking the correct balance between both imperatives, we are safeguarding our competitive strength, thus ensuring the long-term stability and resiliency of our business.

#### Sources:

- Aluminium Stewardship Initiative (2022). Issue Brief: Low Carbon Aluminium. <https://aluminium-stewardship.org/low-carbon-aluminium#:~:text=The%20lowest%20carbon%20primary%20aluminium%20currently%20on%20the,the%20very%20lowest%20achievable%20with%20currently%20available%20technologies>.
- World Bank (2023). Cost-Competitive, Low Carbon Aluminum is Key to the Energy Transition. <https://blogs.worldbank.org/energy/cost-competitive-low-carbon-aluminum-key-energy-transition>
- World Economic Forum (2023). Aluminium Demand will Rise 40% by 2030. Here’s How to Make it Sustainable. <https://www.weforum.org/agenda/2023/11/aluminium-demand-how-to-make-it-sustainable/>

### OUR APPROACH

#### Establishing a Robust Framework for Climate Action

In seeking to action a robust and committed response to climate change, we have formulated our Climate Change Strategy, Climate Change Roadmap and Adaptation Action Plans. Our climate policies and procedures guide our approach to GHG management, climate-related disclosures and sustainability guidelines. Moreover, they mandate that we benchmark our practices to identify best practices and areas for improvement, thus shaping the implementation of effective climate action initiatives across the short-, medium- and long-term time horizons towards achieving our GHG emissions reduction targets.

The framework augments our existing Carbon Neutral Policy, which outlines our overall approach to address climate change, encompassing:

- Transition to renewable energy sources.
- Deployment of effective and low-carbon technologies within our production line.
- Optimisation of process technologies to improve energy efficiency.
- Continuous monitoring of carbon emissions.
- Promoting of circular economy practices throughout our value chain.
- Funding of climate protection projects to offset unavoidable GHG emissions.

## Caring for the Planet

### Setting Emissions Reduction Targets

Underscoring our commitment to addressing climate change, we have set the following GHG emissions reduction targets:

- Reducing our GHG emissions intensity (Scope 1 and Scope 2) by 15% by 2025, measured against our 2020 baseline
- Reducing our GHG emissions intensity (Scope 1 and Scope 2) by 30% by 2030, measured against our 2020 baseline
- Achieving carbon neutrality by 2050

Our targets have been depicted in the Greenhouse Gas Reduction Targets and the Carbon Neutral Policy. For more information on the policies, please visit our corporate website at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Additionally, our Baseline Recalculation Policy ensures the alignment of our GHG emissions reduction targets with the latest climate science and best practices. This policy mandates the updates of our baseline emissions when significant changes occur, including structural changes (e.g., mergers, acquisitions and divestments), changes or improvements in methodology of emission factors or discoveries of significant error and changes in organisational and/ or operational boundaries.

### Charting GHG Reduction Pathway

In our aim to reduce our GHG emissions, we are charting a pathway that aligns with the 1.5-degree Celsius warming scenario as part of our overarching climate change strategy. The pathway is also being developed with reference to the International Aluminium Institute's ("IAI") Aluminium Sector Greenhouse Gas Pathways to 2050 document and considers various factors including our localised context, energy resources, raw material availability, government policies, investment opportunities and the pace and cost of technology development and implementation. It is designed to guide the achievement of our GHG emissions reduction targets while safeguarding our ability to meet the growing demand for aluminium.

Supporting this, we are actively exploring a number of approaches to reduce the GHG emissions footprint including the adoption of renewable energy sources, the promotion of circular economy and the enhancement of operational efficiencies through the deployment of advanced technologies, digitalisation and automation.

As we move forward on our GHG reduction efforts, we are also cognisant of the various risks that climate change may pose to our business. As such, we have expressed commitment to support the TCFD by formally endorsing and implementing the principles outlined. We became the supporter of TCFD and aligned our climate disclosures to the four (4) recommendations outlined by the TCFD – Governance, Strategy, Risk Management, and Metrics and Targets – which elaborates our governance practices and current climate-related initiatives.

### Ensuring Robust Climate Governance

Our Board plays a critical role in our climate action journey by overseeing the development of climate-related policies and strategies spearheaded by SC and SWGs.

In line with its remit to steer our risk management strategies and ensure the creation of long-term value, the Board actively oversees the approach to manage climate-related risks and opportunities relevant to our business operations, and their associated impacts. Mr. Lim Hun Soon @ David Lim, one of our Independent Non-Executive Directors, has been entrusted with supervising the climate-related matters. The Board receives quarterly updates for sustainability matters, including climate-related issues, while the RMC advises on climate-related risks.

At the management level, the SC, chaired by our Group CEO, takes the lead on sustainability related matters including climate change. The SC's key responsibilities including developing climate strategies and policies, conducting performance reviews and allocating resources for climate-related initiatives.

In 2023, our Board assessed our financial exposure to climate-related risks and opportunities and aligned our disclosures to the TCFD recommendations. This alignment will empower improved risk management and strategic planning pertaining to climate change in the future.

 Read more of our sustainability governance at Our Approach to Sustainability section of this SR 2023.

## Caring for the Planet

### Integrating Climate Performance in Remuneration

With the aim of driving positive climate action, Press Metal has incorporated GHG emissions intensity performance as one of the key metrics within our ESG Remuneration Framework. In particular, this entails directly linking the incentive component of compensation for our Group CEO, selected Key Senior Management, Key Operating Management personnel and Head of Group Sustainability to our climate action performance.

Looking ahead, we plan to extend this mechanism to other employee groups, taking into consideration the variability of their compensation and level of accountability.

### OUR VALUE CREATION

#### Integrating Our Climate Change Strategy and Roadmap

In our effort to drive climate change actions, we have instituted the Climate Change Strategy and Roadmap which prioritise few key areas in building business resiliency and reducing our environmental impacts. Our Climate Change Strategy is built on four (4) key pillars, with short- and long-term strategies identified under each, as detailed below.

#### Pillar 1: Strengthening Business Resiliency Over Climate Risk

##### Short-Term Strategy

- Align our climate action approach with the TCFD Framework.
- Complete climate scenario analysis and climate modelling.

##### Long-Term Strategy

- Mitigate and adapt to climate impacts.

##### Progress

- Adopted the "outside-in" approach as prescribed by TCFD, entailing the identification of climate change impacts on our business model.
- Undertook climate risk assessments and evaluated the business impact of our climate risks through scenario analysis.
- Integrated climate change adaptation actions into our climate strategy and incorporated climate risks into our business decision-making process.
- Integrating climate risk assessment and adaptation planning into our risk management and business continuity planning.

#### Pillar 2: Reducing Operational Carbon Footprint

##### Short-Term Strategy

- Review and align our GHG-related targets and metrics with reference to TCFD Framework.
- Complete Scope 1 and 2 GHG emissions inventory.

##### Long-Term Strategy

- Implement a GHG abatement and offset programme.

##### Progress

- Purchased renewable energy certificates to increase our deployment of low-carbon energy, thus reducing overall GHG emissions.
- Expanded our renewable energy capacity by investing RM2.6 million to install a 1,104.3kW rooftop solar panels and 162.3kW car park rooftop solar panels in PMI, bringing our total solar energy sourcing capacity to 13.5MW.
- Purchased two (2) units of electric cars and converted 27 units of diesel forklifts to electric forklifts.
- Identified operational efficiency improvement opportunities while consistently tracking our performance and initiatives against our KPIs.

## Caring for the Planet

## Caring for the Planet

### Pillar 3: Low Carbon Product

#### Short-Term Strategy

- Introduce traceability technology to trace our products and their inputs.
- Identify GHG reduction opportunities from life cycle assessment (“LCA”) hotspot analysis.

#### Long-Term Strategy

- Identify strategic partnerships.

#### Progress

- Conducted LCAs\* to evaluate the environmental impacts of our aluminium products manufactured in PMBtu\*\*, PMS and PMI, in accordance with the ISO 14040:2006 Environmental Management - Life Cycle Assessment standard, based on cradle-to-gate boundaries.
- Additionally, PMAR is currently conducting LCA, which is set to be completed in 2024.
- Introduced low-carbon aluminium products, with carbon footprint verified by third party.
- Performed quarterly Product Carbon Footprint (“PCF”) calculations for our primary aluminium products. This performance was independently verified in accordance with ISO 14064-3:2019 and with reference to ISO 14067:2018 standards.

### Pillar 4: Reducing Carbon Footprint Across Value Chain

#### Short-Term Strategy

- Map Scope 3 GHG emissions across our value chain.

#### Long-Term Strategy

- Integrate circular economy principles into our strategy.
- Develop circular product designs and production processes.
- Identify hotspots, risks and opportunities across our value chain.

#### Progress

- Calculated Scope 3 emissions for our midstream entities based on eleven (11) categories.
- Established aluminium buyback programmes in collaboration with customers and business partners.
- Continuous research on the feasibility of expanding our aluminium scrap remelting capacity.
- Entered into a Memorandum of Understanding (“MOU”) with Xi’an Jiaotong University (“XJTU”) for CCU research. A total grant of RMB12.0 million was contributed.
- Identified alumina supply as a significant emissions hotspot and undertook efforts to accurately calculate our aluminium products’ PCF.
- Conducted an LCA for an alumina supplier, PT Bintan, to ascertain the embedded carbon footprint of their production processes.
- Press Metal, Sumitomo and Nandina REM signed an MOU to support Nandian REMs in scaling their world’s first Aviation-to-Electric Vehicle Circular Economy Mode, which advance the use of low-carbon circular aviation materials in the automotive industry.

Notes:

\* LCA is available upon request.

\*\* PMBtu’s LCA results are prepared in accordance with ISO 14025:2005 and EN 15804 standards and verified by an independent third-party consultant. The LCA facilitates transparent communication with our customers on emissions reduction strategies by providing a quantitative basis for comparing products and services.

### Climate Change Enablers

The four (4) pillars of our Climate Change Strategy are supported by four (4) Climate Change Enablers which equip us to achieve our GHG reduction targets and, ultimately, carbon neutrality by 2050.

Climate Change Enabler	Activities in FYE2023
Climate Governance	<ul style="list-style-type: none"> <li>• Became a supporter of TCFD and committed to working towards the implementation of TCFD recommendations within our business.</li> </ul>
Internal Climate-Related Capacity Building	<ul style="list-style-type: none"> <li>• Organised 91 climate-related trainings, covering topics including “Overview of ESG and Climate Change”, “Introduction to ESG Risk Integration” and “GHG Management”, energy management, etc., to enhance our employees’ knowledge and build internal capacity.</li> <li>• Conducted climate-related training, amounted to a total investment of approximately RM97,000 that resulted in over 14,400 employee training hours.</li> </ul>
Internal Carbon Pricing Mechanism	<ul style="list-style-type: none"> <li>• Established an internal carbon price (“ICP”) based on 11 projects using shadow price, which is used to assess the climate impacts associated with a project. We intend to incorporate the shadow price in each of our investments and evaluate the risks as well as conduct strategic planning.</li> <li>• Utilised the ICP to assess the marginal abatement cost of each project. We opted for an initial ICP of RM34.25/tCO<sub>2</sub>e and plan to annually review and re-evaluate this pricing based on the viability of new projects. This approach aims to influence decision-making and business operations to meet our GHG targets.</li> </ul>
Integrated Climate Reporting System	<ul style="list-style-type: none"> <li>• Implemented a centralised climate reporting system to collect GHG emissions data from all our subsidiaries, replacing the previous manual data collection channel to ensure data integrity, enable timely data monitoring and streamline data analysis and reporting processes.</li> <li>• Subscribed to the PCF Analysis System to enable the traceability of product emissions.</li> </ul>

In FYE2023, Press Metal has spent a total of RM24.8 million on climate-related initiatives. Moving forward, we have earmarked a budget of RM17.0 million for 2024.

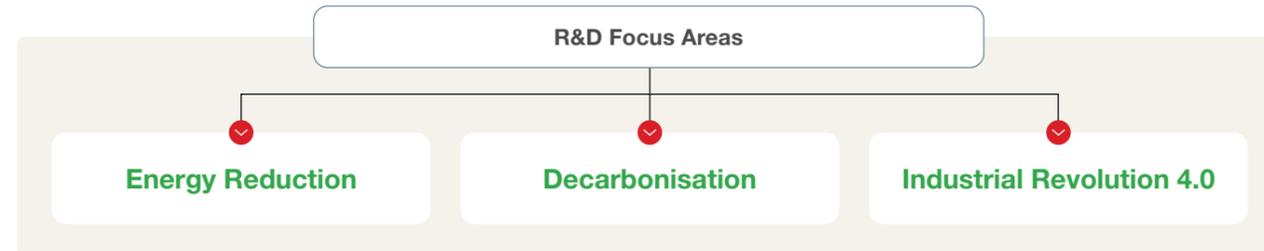
### Operational Processes Enhancement for GHG Reduction

In our continuous efforts to enhance sustainability and operational efficiency across our operating facilities, several initiatives have been conducted to reduce GHG emissions and enhance energy efficiency. These include, but are not limited to:

- Expanding the use of rooftop solar panels in PMI, bringing our total solar energy sourcing capacity to 13.5MW
- Deployment of electric forklifts in PMBtu and PMS and electrical car in PMI
- Utilising a 35-day cycle for anode replacement – decreasing voltage consumption in the process
- Application of carbon anode coating to control oxidation arising from airburn
- Enhancement of pot initiation procedure to reduce the duration of the anode effect during the pot startup process
- Enhancement of alumina filtering process through the implementation of double filtering system
- Secured alumina feeding process to prevent solidification and blockage
- Monitored alumina feeding process to ensure alumina quality and prevent under or overfeeding, thus reducing the occurrence of the anode effect
- Upgraded pot controller system with intelligent crust breaker to reduce errors and improve breaking and feeding mechanisms

## Caring for the Planet

In order to achieve our interim GHG reduction targets, we are also implementing R&D initiatives and improvement projects at both the strategic and operational levels of our entities.



[Read more on our energy reduction efforts and R&D initiatives in Energy Management and Sustainable Manufacturing sections of SR 2023.](#)

### Forging Collaborative Efforts in Addressing Climate Change

We are committed to collaborating with industry peers, governmental bodies, non-governmental organisations (“NGOs”) and local communities towards building a more sustainable value chain.

In 2023, Press Metal has set sights on developing and maintaining partnerships with renowned institutions around the world. We have entered an MOU with XJTU on CCU research.

On 16 March 2023, BCX successfully conducted the nation’s inaugural carbon credit auction, with 15 buyers from various industries purchasing a total of 150,000 Verra-registered carbon credits. The auction facilitated price discovery for carbon credits using two (2) new products offered by BCX: the Global Technology-Based Carbon Contract and the Global Nature-Based Plus Carbon Contract. We are proud to have participated as one of the bidders in this auction.

In 2022, we participated as a working group member in a supplier-buyer initiative for the Voluntary Carbon Market (“VCM”) led by Bursa Malaysia, through which we contributed towards the establishment of the VCM in Malaysia. Through our participation, we provided insights into relevant issues and opportunities while recommending key design choices for the product specifications set to be offered on the Bursa Carbon Exchange (“BCX”).

### Assessing Climate-related Risks and Opportunities

With the growing recognition of climate-related risks and opportunities in the business landscape, we are committed to embracing climate-friendly practices across our operations for long-term stability and resilience while also contributing to a more sustainable future for the community at large.

In alignment with the Recommendations of the TCFD Framework, we conducted a thorough climate scenario analysis based on the IPCC RCP 8.5/ 4.3°C (business as usual) and 2.6/ 1.8°C (more stringent) scenarios. The analysis enabled us to identify opportunities to address emerging climate-related policies and regulations, facilitating the adoption of proactive measures to improve our risk stance.

These global emissions scenarios are closely intertwined with the IPCC Shared Socioeconomic Pathways (“SSP”) 5 and SSP 1, respectively.

#### IPCC RCP 8.5

This climate scenario projects a significant rise in global temperatures (4.3°C by 2100) due to rapid GHG emissions growth, resulting in a broad spectrum of environmental impacts.

#### IPCC RCP 2.6

This climate scenario projects a modest increase in the global mean temperature (1.8°C by 2100), with a subsequent decline in GHG emissions by mid-century and the eventual attainment of net negative GHG emissions in the latter half of the century.

## Caring for the Planet

### Transition Risks

Transition risks refer to the changes that an organisation is expected to encounter and navigate as society transitions to a low-carbon economy.

Type of Transition Risk	Category	Potential Risks	Potential Opportunities
Regulatory	Environmental regulations	<ul style="list-style-type: none"> <li>Increased costs and production halts when adapting production processes due to new climate regulations.</li> <li>Greater scrutiny from regulatory and reporting requirements, impacting ease of business.</li> <li>Suspension of operations, fines and penalties due to non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Boosting the low-carbon economy and contributing to the viability of the circular economy.</li> <li>Higher product premium due to cleaner production.</li> </ul>
	Carbon pricing	<ul style="list-style-type: none"> <li>Increased costs to procure raw materials.</li> <li>Introduction of carbon pricing, including carbon tax impacts on business strategies.</li> </ul>	<ul style="list-style-type: none"> <li>Adopting internal carbon pricing and proactively managing our carbon costs to enhance our adaptability and readiness.</li> <li>Benefiting from incentives resulting from low-carbon technology due to carbon pricing implementation.</li> </ul>
Market	Shift in customer preferences	<ul style="list-style-type: none"> <li>Shortage of resources that satisfy the criteria for producing products with lower carbon footprint.</li> <li>Potential revenue loss due to lack of lower carbon products to meet customer demands.</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging business opportunities based on customer preferences, including introducing low-carbon products through circular economy.</li> </ul>
	Overall market change	<ul style="list-style-type: none"> <li>Increased expenditure required to implement emissions reduction technology.</li> <li>Heightened risk of equipment shutdowns or write-offs resulting from inability to meet the demand for low carbon requirements.</li> <li>Reduced availability of recycled aluminium due to increased demand in the market for low-carbon aluminium.</li> </ul>	<ul style="list-style-type: none"> <li>Exploring sector-specific initiatives and developments pertaining to climate-related initiatives to generate additional revenue streams.</li> <li>Developing new products with potentially higher profit margin.</li> </ul>
Technological	Low-carbon technologies	<ul style="list-style-type: none"> <li>Increased cost of investment and research.</li> <li>Disruptions to existing work processes during the transition to new technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced risk of non-compliance and fines from emerging climate regulations.</li> <li>Greater ease of development of low-carbon end-products with the implementation of low-carbon technologies.</li> <li>Increased long-term cost savings.</li> <li>Reduced GHG emissions through improved technological capabilities.</li> </ul>
	Product changes and effects	<ul style="list-style-type: none"> <li>Increased competition between industry players to be the forerunner for low-carbon products.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced capabilities in developing low-carbon products by researching and investing in low-carbon technologies.</li> <li>Tapping into emerging markets and meeting customer expectations.</li> </ul>

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Type of Transition Risk	Category	Potential Risks	Potential Opportunities
Reputation	Litigations, fines and non-compliance	<ul style="list-style-type: none"> <li>Increased delays and risk of project refusals due to non-compliance with environmental regulations.</li> <li>Heightened expenses incurred in settling litigation cases and fines.</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing the preparedness of business operations to meet climate-related regulations and expectations.</li> </ul>
	Negative investors and public perception	<ul style="list-style-type: none"> <li>Potential reputational damage</li> <li>Delayed regulatory approvals on expansion plans.</li> </ul>	<ul style="list-style-type: none"> <li>Branding the Group in a positive manner by leveraging our climate change efforts.</li> </ul>
Social	Talent retention and attraction	<ul style="list-style-type: none"> <li>Increased costs associated with recruitment and branding efforts to pivot our brand as a contributor towards climate action.</li> <li>Heightened expectation to meet sustainability standards by potential and existing talents.</li> </ul>	<ul style="list-style-type: none"> <li>Elevating climate-related awareness and conducting knowledge-sharing sessions to drive collective effort on climate change across our workforce.</li> </ul>
	Social changes arising from climate change	<ul style="list-style-type: none"> <li>Risk of disruptions to operations in the event of local disputes and conflicts, leading to loss of revenue and delays.</li> <li>Shift towards low-carbon lifestyles amongst consumers, creating indirect pressure for companies to adapt.</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging greater employee contribution and participation by increasing awareness on climate change.</li> </ul>

Physical Risk

Physical risks refer to the direct and tangible impacts of climate change on organisations.

Type of Physical Risk	Potential Risks	Potential Opportunities
<b>Acute</b> (such as the increased severity of extreme weather events like cyclones and floods)	<ul style="list-style-type: none"> <li>Delays and disruptions to logistics and materials sourcing.</li> <li>Increased cost of raw materials.</li> <li>Physical asset damage.</li> <li>Increased disruptions leading to higher costs, operational interruptions and delivery delays.</li> </ul>	<ul style="list-style-type: none"> <li>Improving business resiliency and adaptability through the implementation of the Business Continuity Plan ("BCP").</li> </ul>
<b>Chronic</b> (including rising temperatures and sea levels, changes in precipitation patterns and extreme variability in weather patterns)	<ul style="list-style-type: none"> <li>Higher insurance premiums or limited availability of insurance plans.</li> <li>Heightened maintenance costs and increased manpower and resources required to implement mitigation plans.</li> <li>Increased risk to employees' health.</li> </ul>	<ul style="list-style-type: none"> <li>Reducing dependency on primary raw material sources by diversifying into high-quality secondary aluminium.</li> </ul>

HOW WE PERFORMED IN 2023

Our GHG emissions Scope 1, 2 and 3 are calculated using the IAI's Aluminium Sector GHG Protocol, with our methodologies adhering to the IPCC Guidelines for National GHG Inventories. Accordingly, we convert all GHG emissions to CO<sub>2</sub>e using prescribed factors from the GHG Protocol and the IPCC Sixth Assessment Report ("AR6"). For Scope 3 emissions, we have implemented a comprehensive approach encompassing the average-data, spend-based, distance-based and supplier-specific methods. This multifaceted approach is designed to enhance the accuracy of our reporting efforts.

Press Metal has adopted the "operational control" approach for its GHG emissions calculation, which accounts for 100% of GHG emissions from all Press Metal's manufacturing operations over which have operational control; generated from on-site manufacturing processes in midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) entities.

Notes:

- Whenever feasible, the Group adopts a supplier-specific emission factor for Scope 2 emissions to ensure the consistency of the calculation methodology for our suppliers to allow us to take credit for green electricity purchases in reducing Scope 2 emissions. Otherwise, location-based approach will be used.
- The Group reports and discloses its Scope 3 emissions based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Technical Guidance for Calculating Scope 3 Emissions. Eleven (11) out of fifteen (15) categories covering upstream and downstream are included in the calculation.
- The figures for Scope 3 GHG emissions are estimated based on the abovementioned method and have not yet undergone independent assurance.

GHG Emissions Data	2021	2022	2023
Total direct and indirect GHG emissions (Scope 1, 2 and 3) (kilotonnes CO <sub>2</sub> e)	12,094.5	13,037.7	11,806.7
Total direct GHG emissions (Scope 1) (kilotonnes CO <sub>2</sub> e)	2,147.0	2,220.5	2,171.5
Total indirect GHG emissions (Scope 2) (kilotonnes CO <sub>2</sub> e)	2,651.1	2,978.4	2,121.7
Other indirect GHG emissions (Scope 3) (kilotonnes CO <sub>2</sub> e)	7,296.2	7,838.5	7,513.4

Notes:

- Values have been restated for FYE2020 and FYE2021 to reflect the GHG calculation methodology enhancement in accordance with the update of Global Warming Potential ("GWP") of GHG Protocol based on IPCC AR6.
- Scope 1 and 2 GHG emissions are aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities while Scope 3 GHG emissions covers only our midstream (PMBtu, PMS, PMAR) facilities.
- Scope 1 includes direct GHG emissions from facilities owned or controlled, and includes fuel use, anode and reductant use, and process GHG emissions.
- Scope 2 includes indirect GHG emissions from purchased or acquired electricity from the grid.
- PMBtu and PMS Emission Factors: Based on the Residual Mix Emission Factor published by Sarawak Energy Berhad Annual Report 2021.
- PMAR and PMBA Emission Factors: Based on the Grid Emission Factor published by Tenaga Nasional Berhad Annual Report 2022.
- PMI and PMIT Emission Factors: Based on the national factor of China in FYE2022.

In 2023, our GHG emissions intensity (Scope 1 and Scope 2) was recorded at 3.3 tCO<sub>2</sub>e/ tonne of aluminium produced, a decrease of 17.8% compared to FYE2022, mainly due to the expansion in renewable energy sourcing and generation as well as operational efficiency improvements and enhancements.

GHG Emissions Intensity Data*	2021	2022	2023
Total direct and indirect GHG emissions intensity (Scope 1 & 2) (tCO <sub>2</sub> e/ tonne of aluminium)**	4.2	4.1	3.3
Total direct GHG emissions intensity (Scope 1) (tCO <sub>2</sub> e/ tonne of aluminium)	1.9	1.7	1.7
Total indirect GHG emissions intensity (Scope 2) (tCO <sub>2</sub> e/ tonne of aluminium)**	2.3	2.3	1.6

Notes:

- Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
  - Scope 1 includes direct GHG emissions from facilities owned or controlled, and includes fuel use, anode and reductant use, and process GHG emissions.
  - Scope 2 includes indirect GHG emissions from purchased or acquired electricity from the grid.
- \* Values have been restated for FYE2021 and FYE2022 to reflect the GHG calculation methodology enhancement in accordance with the update of GWP of GHG Protocol based on IPCC AR6.
- \*\* Values have been restated for FYE2022 and FYE2021 to reflect the latest update of Scope 2 emissions factor. Whenever feasible, the Group adopts a supplier-specific emission factor to ensure the consistency of the calculation methodology for our suppliers. Otherwise, location-based approach will be used.

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Scope 1 GHG Emissions by Category (Kilotonnes CO <sub>2</sub> e)	2021	2022	2023
CO <sub>2</sub>	1,560.9	1,644.0	1,674.2
CH <sub>4</sub>	0.1	0.2	0.2
N <sub>2</sub> O	1.0	1.4	1.2
PFCs	585.0	575.1	496.0
<b>Total Scope 1</b>	<b>2,147.1</b>	<b>2,220.6</b>	<b>2,171.6</b>

Notes:  
 1. Aggregated data from our midstream facilities (PMBtu, PMS, PMAR) and downstream facilities (PMI, PMIT, PMBA).  
 2. Scope 1 includes direct GHG emissions from facilities owned or controlled, and includes fuel use, anode and reductant use, and process GHG emissions.

Category	Emissions in Midstreams' Value Chain <sup>1</sup> (Kilotonnes CO <sub>2</sub> e)		
	2021 <sup>2</sup>	2022 <sup>2</sup>	2023
<b>Upstream Scope 3 GHG Emissions</b>			
Category 1: Purchased goods and services	3,902.4	3,767.9	3,502.4
Category 2: Capital goods	1.9	1.8	1.3
Category 3: Fuel- and energy-related activities	2,153.0	2,483.4	2,491.4
Category 4: Upstream transportation and distribution	290.1	304.5	186.8
Category 5: Waste generated in operations	41.5	53.2	60.9
Category 6: Business travel	0.01	0.1	2.7
Category 7: Employee commuting	5.4	8.9	19.2
Category 8: Upstream leased assets	0.3	0.4	0.6
Others: Contractors' and suppliers' commuting (air travel)	0.2	0.1	1.9
<b>Downstream Scope 3 GHG Emissions</b>			
Category 9: Downstream transportation and distribution <sup>3</sup>	NA <sup>3</sup>	NA <sup>3</sup>	NA <sup>3</sup>
Category 10: Processing of sold products	596.3	787.1	774.9
Category 11: Use of sold products <sup>3</sup>	NA <sup>3</sup>	NA <sup>3</sup>	NA <sup>3</sup>
Category 12: End-of-life treatment of sold products	3.3	4.4	4.3
Category 13: Downstream leased assets <sup>4</sup>	NR <sup>4</sup>	NR <sup>4</sup>	NR <sup>4</sup>
Category 14: Franchise <sup>4</sup>	NR <sup>4</sup>	NR <sup>4</sup>	NR <sup>4</sup>
Category 15: Investments	301.9	426.9	467.2

Notes:  
 1. Scope 3 GHG emissions are calculated for the midstream facilities at PMBtu, PMS and PMAR only.  
 2. Data disclosed differed from SR 2022 as enhanced disclosure methodology has been adopted for this reporting period.  
 3. Data unavailable.  
 4. Not relevant since Press Metal does not lease any downstream assets or have any franchised operations.

**GOING FORWARD**

The urgency of climate change calls for a concerted and collaborative approach spanning business, governments, communities and individuals. As a responsible and sustainable organisation, we are proactively stepping up to play a key role in driving this process forward.

In striving to achieve carbon neutrality by 2050 in line with Malaysia's net zero commitment, we will continue to be guided by our comprehensive Climate Change Strategy, which directs our efforts towards renewable energy adoption, energy efficiency technologies, the promotion of circular economy principles and the adoption of sustainable solutions to foster resilience against changing climate patterns and extreme weather events. At the same time, we will remain responsive to climate-related risks and attuned to the opportunities that the evolving climate change landscape presents for our business.

By driving awareness and action on climate change across our workforce and working closely with partners across the private and public sectors, we will work to forge a powerful shared vision on climate action and introduce bold and inclusive strategies to drive positive change. Through this, we can help pave the way for a resilient, lower-carbon future that benefits both current and future generations.

**ENERGY MANAGEMENT**

GRI 3-3, GRI 302-1, GRI 302-3, GRI 302-4

**Capitals**



**UN SDGs**



**WHY IT MATTERS**

At Press Metal, we recognise the crucial role that energy plays in powering our operations. The production of aluminium is an inherently energy-intensive process that relies significantly on electricity, and it is therefore vital that we enhance our operational efficiency through energy conservation efforts whenever feasible. Doing so ensures alignment with our commitment to reduce our operational GHG emissions, enabling us to contribute to the global transition towards decarbonisation, and Malaysia's target of achieving net-zero GHG emissions by 2050.

**OUR APPROACH**

**Driving Sustainable Energy Management Across the Business**

Our Energy Management Policy ("EnMP"), launched in FYE2023, provides a framework for the adoption of sustainable energy practices across our business. The EnMP encourages the exploration and implementation of new technologies and designs that minimise energy wastage, supports the integration of feasible and cost-effective renewable energy sources and prioritises the procurement of energy-efficient products and services. We have set clear objectives and regularly identify areas where our performance may be improved. In parallel, we strive to inculcate energy conservation awareness practices across our workforce.

The EnMP is transparently communicated to all stakeholders of the Group. For more information on the policy, please visit our corporate website at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

**Utilising Renewable Energy Sources**

While aluminium smelting is energy-intensive, we maintain a lower carbon footprint compared to other smelters that rely on fossil fuel-based sources, such as coal or diesel-fired power plants, as our smelting facilities predominantly harness hydroelectricity. Meanwhile, our PMI and PMAR manufacturing facilities partially incorporate solar energy to further minimise their GHG emissions footprint.

**Improving Operational Efficiency**

In addition to continually identifying opportunities for the introduction of renewable energy sources, our strategic focus extends to enhancing the energy efficiency of our operations. To this end, we regularly undertake process improvement, equipment conversion and retrofitting initiatives while also carrying out regular operational adjustments across our operations.

Our entities have set energy efficiency targets aligned with our EnMP requirements. PMI, for instance, aims to reduce energy consumption by 2% annually from 2021 to 2025. Additionally, our production departments at our smelting facilities have established individual energy performance indicators, benchmarked against our FYE2018 baseline. PMAR, meanwhile, has set to decrease its consumption of natural gas in the casting process to below 3.9 MMBtu per tonne of aluminium produced.

**OUR VALUE CREATION**

Recognising our pivotal role as a responsible producer, we have implemented comprehensive strategies to optimise efficiency, minimise consumption and transition towards renewable sources.

In alignment with these initiatives, we actively engage in R&D projects focused on refining our operational processes to decrease GHG emissions and advance energy-saving efforts.

Read more about our energy reduction and R&D endeavours in Climate Change and Sustainable Manufacturing sections of SR 2023.

## Caring for the Planet

### Adopting an Efficient Energy Management System

Our Energy Management System (“EnMS”) was developed in FYE2023 to streamline and enhance overall energy efficiency, providing a structured approach to energy consumption. It includes ISO-compliant employee training on energy conservation, which aims to enhance employee skill sets for high-quality job performance while promoting responsible energy consumption throughout our operations.

Our smelting operations, PMBtu and PMS, obtained the ISO 50001:2018 Energy Management Systems certifications in FYE2023, joining PMI, which was accredited with the certification in FYE2019.

In addition to monitoring energy consumption, PMBtu, PMS and our entities in China have a dedicated working group to oversee the energy-saving solutions for machinery and promote an energy-conservative culture. Monthly meetings were held to discuss technical modifications to machines, evaluate potential energy saving investments and propose improvement plans for areas with high energy consumption.

### Enhancing Our Clean Energy Consumption

In 2023, we have installed photovoltaic systems at our casting and extrusion facilities, sourcing approximately 12.2 megawatts (“MW”) of solar power annually through the solar farms and rooftop solar systems we have installed.

To further increase our clean energy consumption, our operation in China spent approximately RM2.6 million to construct photovoltaic systems on the rooftops of their plant and car park, with a generation capacity of 1.3 MW annually. This will result in a reduction of 723 tCO<sub>2</sub>e in GHG emissions.

### Installation of Twin Chamber Furnaces

In FYE2023, our extrusion facility, PMBA installed twin chamber melting furnaces to enhance its remelting capacity and reduce energy consumption. These furnaces offer a distinct advantage by minimising heat energy wastage, accomplished by enabling flexibility in the selection of the size of the furnace opening during charging without compromising on melting capacity, thereby resulting in significantly lower energy consumption.

### Transitioning to Electric Transportation

To date, our manufacturing facilities have switched a total of 27 diesel forklifts to electric forklifts, thus reducing their dependence on conventional fuel-type handling equipment. In FYE2023, PMI has also invested approximately RM196,000 to replace two (2) petrol cars with electric cars.

### Installation of Smart Meters

We have strategically installed smart meters across high electricity-consuming equipment, allowing for effective performance monitoring and proactive energy management. In particular, our China entities have upgraded their conventional natural gas and electricity meters to smart meters with remote consumption monitoring capabilities, driving more efficient operations and improved energy management.

### Improving Our Anodising Process

We have initiated an improvement project that modified the oxidised conductive copper seat circulating overflow water of the anodising process. The objective was to reduce both water and energy consumption, encompassing electricity and natural gas usage.

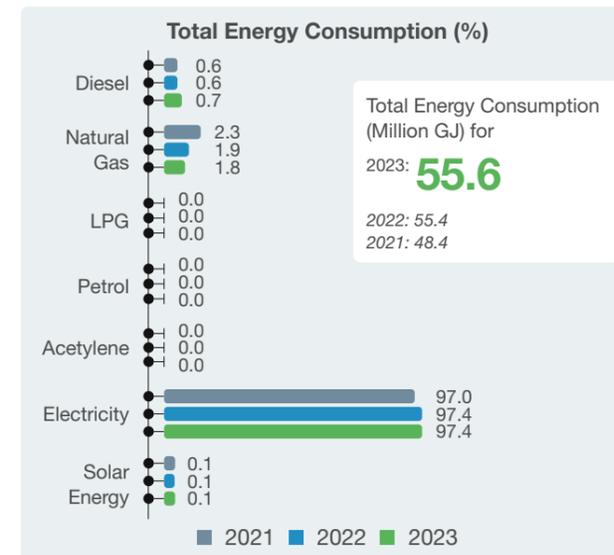
### HOW WE PERFORMED IN 2023

In FYE2023, our manufacturing operations consumed 55.6 million gigajoules (“GJ”) of energy, representing a 0.3% increase from FYE2022. Our energy intensity has reduced slightly, by 0.1%.

All energy data presented below has been independently assured in line with the ISAE 3000.

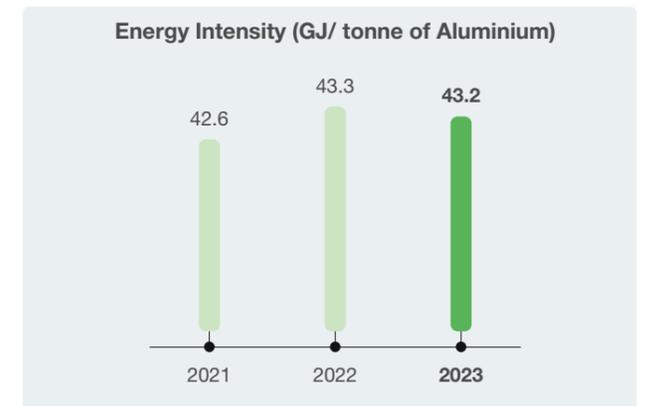
## Caring for the Planet

### Total Energy Consumption



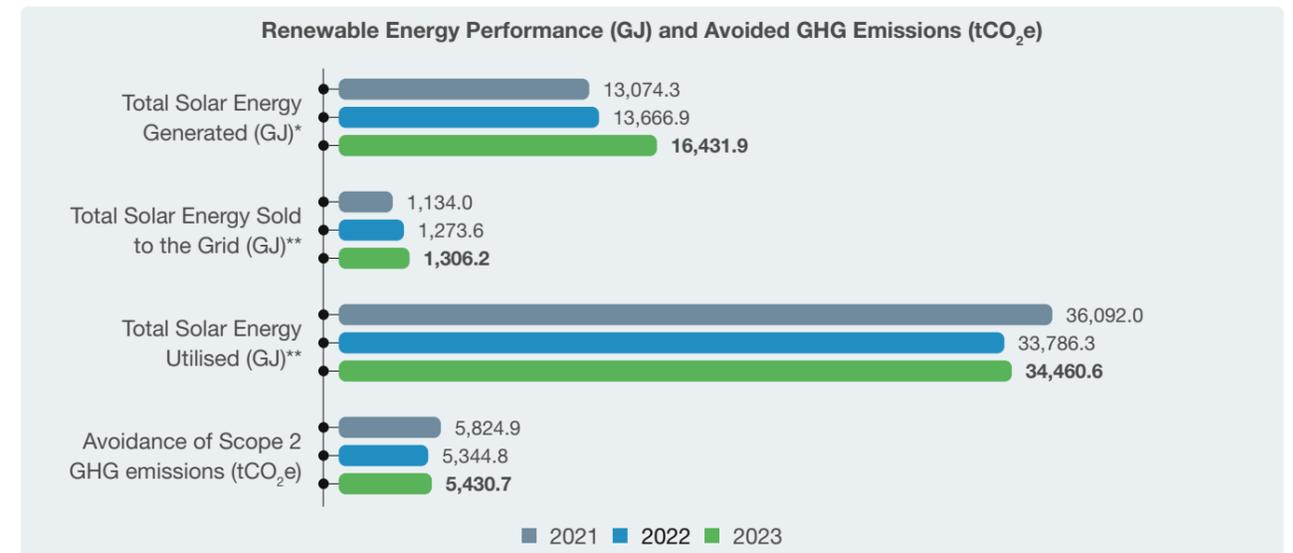
Note:  
Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.

### Energy Intensity



Notes:  
1. Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.  
2. Data disclosed differed from SR 2022 as enhanced disclosure methodology has been adopted for this reporting period.

### Renewable Energy Performance



Notes:  
1. Total Solar Energy Sold to the Grid comprised data from our manufacturing facilities (PMI and PMAR) starting from FYE 2022.  
2. Total Solar Energy Utilisation comprised aggregated data from our manufacturing facilities (PMI and PMAR).  
\* Value for Total Solar Energy Generated has been restated for FYE2022 and FYE2021 to exclude solar generation that is not owned by the Group.  
\*\* Values for Total Solar Energy Utilised and Total Solar Energy Sold differed from SR 2022 as an enhanced disclosure methodology was adopted for this reporting period.

### GOING FORWARD

At a time of great urgency surrounding climate change, we will continue to explore and implement effective energy management practices while incorporating renewable energy to reduce our dependence on fossil fuels. These purposeful actions will not only enable us to reduce overall energy consumption and intensity but also achieve greater cost optimisation, thus driving enhanced competitiveness.

## Caring for the Planet

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### AIR EMISSIONS

GRI 3-3, GRI 305-7

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Air emissions, comprising gases and particles released into the surrounding air, may pose risks of environmental pollution. Originating from industrial processes, combustion and other sources, these pollutants can lead to respiratory issues, acid rain, smog and climate change, among other adverse effects.

By implementing rigorous internal controls and conducting initiatives to mitigate our release of air pollutants, we can establish a high standard in environmental protection, ensure compliance with regulations and safeguard the health and well-being of our employees and local communities, thereby contributing to a healthier environment and community.

#### OUR APPROACH

##### Setting Stringent Air Emissions Standards

Managing air emissions through effective engineering controls is a fundamental aspect of our environmental management approach, as detailed in our Environmental Policy and Environmental Mission Statement. To achieve this, we have established and implemented internal benchmarks and initiatives to minimise the ecological impact of our air emissions and ensure compliance with regulatory standards across all our operational regions.

In addition to adhering to requirements relating to permissible air quality limits, we have intentionally set our internal emission limits lower than regulatory thresholds. We are dedicated to consistently keeping our emissions within these internal limits and maintaining the effectiveness of our fume treatment system in order to mitigate the release of air pollutants.

Furthermore, we rigorously monitor air emissions from our manufacturing activities to ensure compliance with Malaysia's Ambient Air Quality Standard and corresponding guidelines governing our operations in China. We also monitor and report gases such as total particulate matter ("TPM"), hydrogen fluoride ("HF") and sulphur oxides ("SO<sub>x</sub>") as part of our environmental reporting, meeting the broader purpose of promoting transparency while driving continuous improvement in our emissions levels.

Pollutant (mg/m <sup>3</sup> )	Internal KPI	Standard Set by the Department of Environment ("DOE") Malaysia
TPM	5.0	10
HF	0.9	1.0
SO <sub>x</sub>	90	100

##### Establishing Operational Procedures and Systems

All our manufacturing entities have a dedicated Environment Department staffed with accredited personnel who are responsible for overseeing air emissions management and ensuring compliance with local regulatory requirements. Further to this, all entities adopt the standards of ISO 14001:2015 Environmental Management Systems and adhere to its Plan-Do-Check-Act ("PDCA") operating principle. They also maintain clear operational procedures that encompass equipment maintenance, promote continuous improvement and emergency preparedness.

Furthermore, online monitoring devices linked to the DOE Malaysia's centralised Continuous Environmental Monitoring System have been deployed in our smelting facilities, enabling real-time tracking of air emissions throughout the day, while quarterly environmental monitoring assessments are conducted by accredited and qualified independent third-party consultants in our manufacturing facilities.

#### Implementing Fume Treatment Systems

Our manufacturing facilities are equipped with fume treatment systems to drive compliance with regulatory discharge limits. Further to this, our Fume Treatment Department conducts routine maintenance of emission stack filters to ensure the efficient elimination of contaminants and undertakes timely replacements of filter bags, proficiently trap pollutants from exhaust gases. Additionally, in PMBtu, PMS and PMBA, fume treatment systems with scrubbers have been installed to process fume gas resulting from production processes.

#### OUR VALUE CREATION

Through proactive strategies and technological innovations, we are working to minimise our air emissions and optimise our overall environmental impact. In FYE2023, we implemented initiatives focusing on addressing specific challenges related to volatile organic compounds ("VOCs"), fume extraction and dust control, thus driving overall air quality improvement.

Systems Deployed	Purpose of Improvement
<b>Volatile Organic Compound Mitigating Project</b>	
<b>Fume Extractor Enhancement</b>	
<b>Cover Materials Discharge System</b>	
<b>Conveyor System Cover</b>	

#### HOW WE PERFORMED IN 2023

Press Metal is committed in minimising air emissions in our operations. In FYE2023, our air emissions are kept well within the limits set by regulations and recorded zero (0) incidents of regulatory non-compliance for air emissions.

Total Air Emissions (tonnes)	2021	2022	2023
TPM	204.6	313.4	<b>312.5</b>
HF	58.7	93.8	<b>87.0</b>
SO <sub>x</sub>	6,010.2	7,437.4	<b>7,645.1</b>
Nitrogen Oxides ("NO <sub>x</sub> ")	5.3	5.6	<b>11.8</b>

Note: Aggregated data from our smelting facilities at PMBtu and PMS.

#### GOING FORWARD

Moving forward, we are committed to managing and monitoring the impact of our air emissions. These efforts will be complemented by ongoing research, investment in cleaner processes and transparent reporting, in line with our aim of minimising air pollution emissions and promoting improved health standards within the communities we operate in.

## Caring for the Planet

## Caring for the Planet

### M10 WASTE MANAGEMENT

GRI 3-3, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Effective waste management is crucial to our commitment to sustainability. The importance of waste management lies in the ability to address our environmental responsibilities while simultaneously enhancing operational efficiency and fostering positive community relations.

By meticulously managing waste, we reduce our ecological footprint, which contributes to mitigating environmental degradation. This approach not only minimises environmental impacts but also optimises resource utilisation, thereby promoting resource and cost efficiency. Additionally, responsible waste management ensures compliance with regulatory standards, demonstrating our commitment to upholding legal requirements and ethical principles while safeguarding our financial and reputational interests.

#### OUR APPROACH

In alignment with our Environmental Policy and Environmental Mission Statement, we adopt a multifaceted approach that focuses on minimising waste generation, promoting conservation, recycling and repurposing waste resources. Our goal is to achieve zero (0) landfill waste by 2030, with a short-term target of diverting 95% of waste by 2026.

#### Implementing the 4R Approach

We adopt the 4R (Reduce, Reuse, Recycle, Recover) approach to ensure effective waste management, emphasising reduction of waste generation at the source, material reuse, recycling valuable resources, recovering by-products, and responsibly processing our operational waste from cradle-to-gate.

#### 4R Approach

##### Reduce

- Preventing or minimising waste volume and toxicity at the source through improvements in our manufacturing processes
- Enhancing operational efficiency to minimise material wastage during our production processes

##### Reuse

- Repurposing industrial by-products back into our manufacturing processes
- Promoting and educating employees through Go Green initiative to encourage waste repurposing

##### Recycle

- Recouping material value through recycling efforts
- Re-melting pre- and post-consumer scraps to produce aluminium products

##### Recover

- Utilising production by-products as material inputs
- Collaborating with external stakeholders to optimise recovery efforts on aluminium by-products

#### Ensuring Environmental Compliance

All our manufacturing facilities are certified with ISO 14001:2015 Environmental Management Systems (“EMS”), which entail internal processes and systems designed to systematically identify, monitor and enhance our environmental performance. Our waste management practices within our EMS incorporates the regulations set by the DOE Malaysia and the regulating standards of the People's Republic of China. Furthermore, we conduct regular site inspections and audits throughout our production processes to ensure continuous compliance and identify areas for improvement.

#### Implementing Waste Management Systems

Hazardous waste produced at our manufacturing facilities is thoroughly managed to minimise exposure, prevent contamination and ensure safe handling through disposal. Such waste, entailing substances that are toxic, flammable, corrosive or reactive and posing potential risks to human health and the environment, are identified, handled, treated and disposed of with strict adherence to regulatory standards set by governmental agencies and best practices in sustainability.

In Malaysia, our entities utilise the electronic Scheduled Waste Information System provided by the DOE, meticulously recording all scheduled waste generation and handling activities, while in China, waste handling reporting is done through the local province system, Guangdong Solid Waste Declaration System.

#### Mitigating Spills and Leakages

Spills and leakages may cause potential adverse environmental and health impacts on our stakeholders, including our employees and local communities. In response, we have implemented robust procedures and processes within our EMS that aim to consistently protect our people, the environment and our business operations from such incidents.

Our EMS also encompasses procedures and processes including maintaining sound facilities, implementing impermeable flooring, conducting spillage handling training, implementing compliance controls and monitoring programmes. Any spills and leakages are promptly reported to the relevant department and recorded internally through our EHS e-reporting system.

In the event of unexpected incidents, Press Metal has in place an Emergency Response Plan (“ERP”) which outlines procedures for responding to emergencies, as well as the procedure for coordination with the immediate community and selected government agencies. Furthermore, a dedicated hotline, accessible by internal and external stakeholders, has been set up for prompt reporting of any incidents involving chemical leakage.

#### OUR VALUE CREATION

We have instituted a comprehensive approach towards waste management through reduce, reuse, recycle, and recover initiatives throughout our operations.

##### Reduce

- Eliminating plastic packaging usage in canteens.
- Implementing digital transformation to reduce paper usage.
- Raising awareness through various initiatives such as posters, videos, talks and 5S Lean Manufacturing Principles.

##### Reuse

- Reusing spent carbon as fuel for production process.
- Reusing carbon butts for new anode production.

##### Recycle

- Establishing pre- and post-consumer aluminium scrap programme to promote circular economy.
- Recycling non-scheduled waste such as carton boxes and containers.
- Collaborating with E-Waste Recycling Through Heroes (“ERTH”) to establish e-waste recycling campaign.
- Establish recycle of aluminium hydroxide to produce aluminium sulphate for water purification process.

##### Recover

- Repurposing SPL as alternative raw material in cement production.
- Implementing internal recovery system for aluminium dross and carbon dross to recover material value.
- Enhancing internal recovery systems to increase our internal recovery capacity.
- Caustic soda recovery system to allow for the reclamation of caustic soda.
- Supporting a full recovery plant at Bintulu to recover aluminium dross and aluminium scrap.

## Caring for the Planet

### Recovering Aluminium By-Products

Implementing recovery processes for aluminium dross and carbon dross are crucial for reducing the environmental impact associated with the generation of by-products. If left untreated, dross can lead to adverse environmental effects, including land contamination and water pollution.

In our cast houses, aluminium dross, a by-product, undergoes internal recovery processing by Aluminium Dross Recovery Unit to recover aluminium which will be remelted back into products. The remaining residuals are then packaged and transported to licensed aluminium recyclers for further recovery processing. In FYE2023, we have increased our internal aluminium dross recovery efforts with the addition of two (2) dross stirrers.

Similarly, our internal carbon dross recovery process recovers electrolytes for reuse in the electrolysis process, thereby reducing the generation of scheduled waste, particularly carbon powder.

### Repurposing Spent Pot Lining

SPL generated from the maintenance of electrolysis cell, is a form of hazardous waste that contains chemicals and heavy metals such as sodium and fluoride. Respective EHS Department supervises the SPL management which entails storing SPL securely to mitigate environmental risks and actively exploring options for efficient recovery and repurposing.

Through our collaborative efforts with cement manufacturers, the SPL will be co-processed as alternative raw material for cement production, transforming waste into a valuable resource.

### Initiating Coaction for a Full Recovery Plant

Collaborating with a licensed waste recovery company, we supported the establishment of a full recovery plant in Bintulu, Sarawak, dedicated to the recovery of aluminium dross and scrap to reduce waste to landfill. This initiative, aligned with the 4R approach, underscores our commitment to achieving zero (0) landfill waste by 2030.

### Implementing E-Waste Recycling

In collaboration with EARTH, the largest authorised e-waste collector in Malaysia, we are promoting responsible e-waste disposal and awareness through recycling initiatives. Through this programme, electronic waste collection boxes are strategically placed at our corporate office in Setia Alam, Selangor. Correspondingly, other entities have also taken their own initiatives to set up collection boxes for e-waste items such as batteries. These streamlined efforts facilitate convenient disposal for our employees and the public.

Our e-waste recycling initiative in 2023 has successfully collected more than 100 items.

### Promoting Awareness and Education

Aligned with our commitment to promoting sustainable practices, we endorse circular economy principles and advocate for segregating general waste to enhance recycling opportunities. Additionally, we have embraced the 5S Lean Manufacturing Principles to streamline operations and reduce waste.

To drive these efforts, we regularly conduct internal awareness campaigns by distributing informative materials such as posters and videos to our staff. Furthermore, we have implemented recycling programmes at our facilities, including installation of dedicated recycling bins. These initiatives aim to cultivate a culture of accountability and sustainability among our employees by offering practical solutions for responsible waste disposal practices.

### HOW WE PERFORMED IN 2023

In FYE2023, the Total Waste Generated, which consists of hazardous and non-hazardous waste, has reduced by 5.8% or approximately 10,600 tonnes from the preceding year. Notably, the higher records of Total Waste Diverted from Landfills, surpassing the Total Waste Generated, were primarily attributed to the disposal of waste from storage areas. This led to an increase in the waste diversion rate, as the majority of the disposed waste was either recoverable or recyclable.

Category	2021	2022	2023
Total Waste Generated (tonnes)	141,170.1	181,142.0	<b>170,566.1</b>
Total Waste Diverted from Landfills (tonnes)	122,060.6	155,179.7	<b>203,966.2</b>
Total Waste Directed to Landfills (tonnes)	7,148.8	16,952.8	<b>14,936.6</b>
Waste Diversion Rate (%)	94.5	90.2	<b>93.2</b>
<b>Hazardous Waste Performance</b>			
Total Hazardous Waste Generated (tonnes)	37,195.7	37,084.6	<b>41,111.0</b>
Total Hazardous Waste Diverted from Landfills (tonnes)	24,814.9	45,087.9	<b>48,826.1</b>
Total Hazardous Waste Directed to Landfills (tonnes)	420.1	2,490.9	<b>5,069.0</b>
<b>Non-Hazardous Waste Performance</b>			
Total Non-Hazardous Waste Generated (tonnes)	103,974.4	144,057.4	<b>129,455.1</b>
Total Non-Hazardous Waste Diverted from Landfills (tonnes)	97,245.7	110,091.8	<b>155,140.1</b>
Total Non-Hazardous Waste Directed to Landfills (tonnes)	6,728.7	14,461.9	<b>9,867.6</b>
<b>Waste Recovery Performance</b>			
Aluminium Dross Recovery Rate (%)	48.3	42.2	<b>42.2</b>
Spent Pot Lining Repurposed (tonnes)	6,989.7	20,787.8	<b>30,093.3</b>

Note: Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.

### Waste Handling

In FYE2023, we recorded six (6) incidents of non-compliance with waste storage and labelling, resulting in fines totalling RM12,000.

To address this issue, we promptly implemented corrective actions, including enhancing the storage area with better categorisation of waste storage to prevent the recurrence of such incidents in the future.

### Spills & Leakages

In FYE2023, we encountered a single oil spill, which incurred a RM2,000 fine, prompting us to take immediate action to bolster our spill prevention measures. This included the prompt construction of a new storage area dedicated to mitigating such incidents.

### GOING FORWARD

Our commitment to waste management will continue to evolve with a steadfast integration of the 4R approach and 5S Lean Manufacturing Principles, fortifying our stance for operational excellence and responsible corporate citizen. In this area, we aim to achieve greater sustainability, efficiency, and value creation across our operations. Through collaboration, innovation, and continuous improvement, we will navigate to a more sustainable operation, achieving zero (0) landfill waste by 2030.

## Caring for the Planet

## Caring for the Planet



**M11 MATERIAL STEWARDSHIP**  
GRI 3-3, GRI 301-1, GRI 301-2

**WHY IT MATTERS**

Our production activities require the use of substantial amounts of raw materials, making responsible material stewardship a critical element within our overall environmental management approach.

The potential impacts of inadequate material management are clear: sourcing materials responsibly and consuming them excessively cause increased pollution, resource depletion and GHG emissions. On the other hand, by comprehensively managing how materials are extracted, used and disposed of across their lifecycle, we can effectively balance the needs of our business with our duties as an environmentally responsible organisation.

**Capitals**

NC

**UN SDGs**



### OUR APPROACH

#### Setting Material Stewardship Standard

Our approach to material stewardship encompasses responsible sourcing, waste reduction, recycling, material recovery, reuse and the prevention of unnecessary wastage through the implementation of the 5S Lean Manufacturing Principles.

This starts at the beginning of the lifecycle, where we apply sustainable sourcing practices by procuring raw materials responsibly and in line with fair trade and environmentally conscious practices. During production, we undertake processes aimed at maximising output efficiency from our primary input materials – alumina and carbon anode – in aluminium smelting. As part of our efforts to extend the lifecycle of aluminium, we also collect pre- and post-consumer aluminium products – sourced both internally and externally – for reuse in our production processes.

These responsible practices are enshrined in our Environmental Policy, which underscores a commitment to responsible resource management by maximising operational efficiency and minimising waste generation, and our Sustainability Policy, which promotes the use of renewable resources and strives to reduce the consumption of non-renewable and non-recyclable materials.

### OUR VALUE CREATION

#### Repurchasing and Repurposing Aluminium Scraps

Under our aluminium scrap buyback programme, we acquire both pre- and post-consumer aluminium scrap from the open market, our client and business partners. This entails collecting, sorting and subsequently remelting defective aluminium products and aluminium scraps, into our manufacturing processes. This approach extends the lifecycle of aluminium, aligning with our commitment to circular economy practices.

#### Securing Certificates for Recycled Aluminium Products

The increasing demand for sustainable materials in electronic goods has driven us to secure certifications for our products that utilise recycled aluminium as an input. In FYE2023, two (2) of our extrusion products were reassessed to extend the validity of their SCS Global Recycled Content certifications, the first guaranteeing a minimum of 80% pre-consumer recycled aluminium alloy content and the second guaranteeing 98% pre-consumer recycled aluminium alloy content. During the year, we also secured an additional SCS Recycled Content certification (for a minimum of 80% post-consumer and pre-consumer recycled material, combined) for our Aluminium Alloy Billet 6R01.

#### Conducting Internal Dross Recovery

Press Metal has set up internal dross recovery processes to reclaim aluminium content for reuse. Before being sent to external recovery facilities for further processing, the aluminium dross are processed internally through stirring process to extract aluminium for remelting.

### HOW WE PERFORMED IN 2023

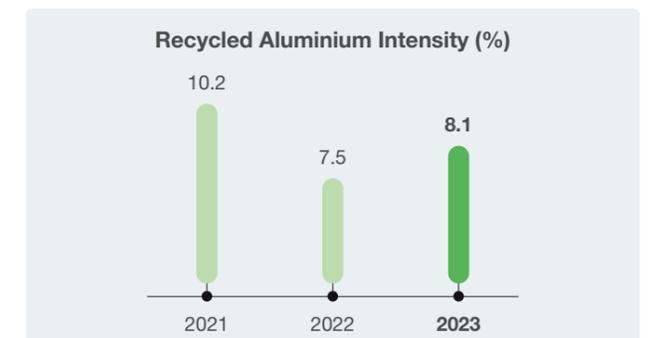
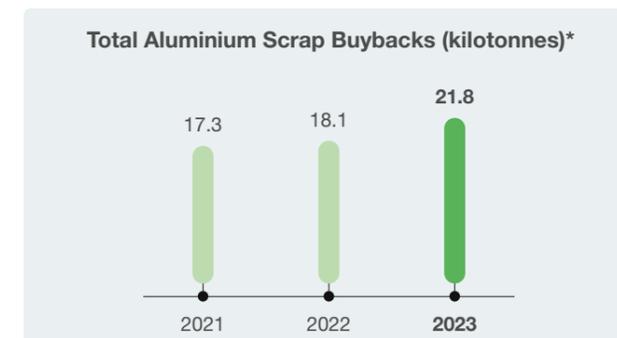
#### Aluminium Recycling

##### Aluminium Scrap Buyback

In FYE2023, we purchased approximately 21.8 kilotonnes of aluminium scrap, 20% more than FYE2022.

##### Recycled Aluminium Intensity

Our recycled aluminium intensity stood at 8.1% in FYE2023, an increase of 0.6% point compared to FYE2022 which can be attributed to a rise in production output.



Notes:

- Total Aluminium Scrap Buyback includes aggregated data from PMS, PMAR, PMBA and PMI.
  - Recycled Aluminium Intensity includes aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
  - Data disclosed differed from SR 2022 as enhanced disclosure methodology has been adopted for this reporting period.
- \* Value has been restated for the Total Aluminium Scrap Buybacks in FYE2022 to incorporate Q4 data.

#### Materials Converted to Products (Pre-, Post-Consumer Scraps and Raw Materials)

In FYE2023, we converted 3,519,058.7 tonnes of materials, consisting solely of non-renewable materials, into products, reflecting a 3.0% decline compared to FYE2022. However, the year also saw a 1.8% increase in the overall volume of recycled materials utilised listed below.

Category	2021		2022		2023	
	Renewable Materials (tonnes)	Non-Renewable Materials (tonnes)	Renewable Materials (tonnes)	Non-Renewable Materials (tonnes)	Renewable Materials (tonnes)	Non-Renewable Materials (tonnes)
Total Materials Converted to Products	0.0	2,668,831.5	0.0	3,623,713.8	0.0	3,519,058.7

#### Total Material Input Used

Category	2021	2022	2023
Total Non-Recycled Materials Used (tonnes)	2,431,583.6	3,265,232.7	3,154,246.9
Total Recycled Materials Used (tonnes)	237,248.0	358,481.1	364,811.8
Total Material Input Used (tonnes)	2,668,831.5	3,623,713.8	3,519,058.7

#### Recycled Material Input by Business Segment

Category	2021	2022	2023
Midstream (%)	7.0	8.7	9.0
Downstream (%)	40.3	40.2	43.1
Group (%)	8.9	9.9	10.4

### GOING FORWARD

Moving forward, we will continue to advance sustainable material stewardship through the integration of innovative solutions including recycling technologies, efficient production processes and responsible sourcing practices across our operations. At the same time, we will continue to pursue relevant environmental certifications while maintaining continuous engagement with stakeholders on related efforts through reports and other mediums.

Caring for the Planet

Caring for the Planet

M12

### WATER AND EFFLUENTS

GRI 3-3, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

**Capitals**

MC

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**UN SDGs**

**WHY IT MATTERS**

Water is a shared and crucial resource that is vital for the communities where we operate. Despite its renewable nature, many regions face water scarcity due to factors like climate change, poor water resource management and contamination.

This highlights the need for responsible water management practices by businesses, including continuous monitoring of water usage and implementing strategies to increase efficiency. In doing so, we can positively impact local communities, mitigate operational disruptions and lower costs.

**OUR APPROACH**

Recognising that water is a shared resource, we have proactively embraced responsible water resource management practices across our operations. This commitment involves implementing effective strategies for monitoring water withdrawal, consumption and discharge. Our commitment is outlined in our Sustainability Policy, Environmental Policy and Environmental Mission Statement, all accessible at: <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Press Metal has set water withdrawal intensity targets where we aim to achieve 5% and 10% reductions by 2023 and 2030, respectively, from year 2016 baseline\*.

Water operations at our various entities are administered by their respective water departments. Additionally, our China operations have established a Water and Energy Conservation Working Group to oversee their water management efforts.

Guided by our commitment to responsible water consumption, we strive to preserve the quality of surrounding water bodies at the locations where we operate. To achieve this, we have adopted a Water Management Plan in managing our water impact:

- Minimising freshwater consumption through maximised water reuse

- Maintaining zero (0) contamination of surface water, groundwater and other water resources

- Applying the 3R (Reduce, Reuse and Recycle) approach to conserve water

- Monitoring our performance against water reduction targets

- Minimising freshwater consumption through water recycling efforts

- Adhering to national, regional and local regulations for water quality

Our Water Management Plan guides effective water utilisation through established action plans, encompassing facility enhancements, process optimisations, monitoring, inspections and educational initiatives throughout our manufacturing facilities to optimise water efficiency and identify areas for improvement.

**Monitoring and Assessing Water Withdrawal, Usage and Discharge**

Maintaining a vigilant approach to our water supply and consumption is important. Our water primarily originates from municipal potable sources, with no direct extraction from natural water bodies like rivers, oceans, surface water or wells, excluding rainwater harvesting. Water is mainly used for domestic and cooling purposes within our midstream facilities and treatment of aluminium profiles in downstream facilities.

\* 2016 baseline: 3.1m<sup>3</sup>/ tonne of aluminium

Typically, water employed for cooling is recycled within our closed-loop water system. Any wastewater generated undergoes treatment via a water treatment system to meet discharge quality standards set by relevant regulatory bodies before being discharged into the environment.

Each year, we conduct water risk assessments, utilising tools such as the WWF Water Risk Filter and the World Resource Institute Aqueduct Water Risk Atlas, to pinpoint potential water risks within our operational areas. While we do not have any operations in water-stressed regions, our commitment to safeguarding water resources remains resolute. To this end, we continuously strive for optimal water usage efficiency across all our operations.

Entity	Country	State/ Province	Baseline Water Stress	Water Source	Non-Processed Water Discharge	Processed Water Discharge
PMBtu	Malaysia	Sarawak	Low	Municipal potable water	Offsite treatment plant	Closed loop
PMS		Johor				
PMAR						Selangor
PMBA		Surface water				
PMI	China	Guangdong				
PMIT						

**OUR VALUE CREATION**

In line with our commitment to water stewardship and fostering a culture of sustainability, we have implemented several measures.

**Implementing Water Conservation Practices**

We have implemented rainwater harvesting systems for irrigation and cleaning purposes, thereby reducing our dependence on municipal water sources. Additionally, we have installed flowmeters at strategic points to monitor daily water withdrawal and detect any abnormal water consumption. As part of routine maintenance, we maintain the cooling towers regularly for optimal operations and perform necessary upgrades to our wastewater treatment facilities to enhance recycling and efficiency rates.

**Optimising Water Consumption**

The initiation of the Water Balance Project enables us to conduct comprehensive monitoring on consumption as well as abnormalities due to water leakages. Additionally, we optimise water consumption at PMI and PMIT for firefighting and production needs through a surveillance programme.

Water employed for treating aluminium products at the anodising tanks will be channeled to wastewater treatment facilities prior to being discharged. As part of water stewardship efforts, we reuse water from plate cooling at anodising tanks and re-channel the overflow water from anodising tanks into rinsing tanks, for reuse in the treatment process. Additionally, we utilise greywater for polymer dilution, cleaning filters and floors, further enhancing our water stewardship efforts.

**Improving Our Wastewater Treatment Plant**

Our wastewater treatment facilities at our extrusion facilities are designed to treat industrial effluents, particularly those generated from anodising process.

To further enhance our wastewater treatment, modifications and improvements were made at the PMBA Wastewater Treatment Plant ("WWTP") to boost efficiency and effectiveness, including the addition of an equalisation tank, automation of the reaction tank, changing of circular clarifier, and upgrading of the filter press to better process the wastewater. Our team is constantly researching ways to improve the dewatering process by testing various filter cloths for efficient filtration process and ultimately, enhance the performance of filter press system in reducing the water content of the sludge cake.

## Caring for the Planet

## Caring for the Planet

### Driving Awareness Across Our Workforce

We strive to educate our staff and workers on water conservation and explore collaborations with relevant stakeholders to identify and implement water conservation opportunities through innovative technologies.

### HOW WE PERFORMED IN 2023

#### Water Withdrawal and Consumption

In FYE2023, we withdrew a total of 2.8 million cubic metres (“m<sup>3</sup>”) of water, signifying a 6.6% decrease from FYE2022. Nevertheless, our water consumption and total water discharge decreased in FYE2023, standing at 2.4 million m<sup>3</sup> and 0.5 million m<sup>3</sup>, respectively.

Through our dedicated water stewardship initiatives, we successfully surpassed our 2030 water withdrawal intensity target in FYE2022. This positive trend continued in FYE2023, with our water withdrawal intensity reaching 2.2 m<sup>3</sup>/tonne of aluminium, marking a 29.7% reduction from our 2016 baseline.

	2021	2022	2023
Total Water Withdrawal (million m <sup>3</sup> )	3.4	3.0	<b>2.8</b>
Water Withdrawal Intensity (m <sup>3</sup> /tonne of aluminium)	3.0	2.4	<b>2.2</b>
Total Water Consumption (million m <sup>3</sup> )	2.6	2.5	<b>2.4</b>
Total Water Discharge (million m <sup>3</sup> )	0.8	0.6	<b>0.5</b>

**Notes:**

1. Total Water Withdrawal, Water Withdrawal Intensity and Total Water Consumption comprised aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMJ) facilities.
2. Total Water Discharge comprises aggregated data from facilities at PMBA and PMI only.
3. Value has been restated for the Total Water Withdrawal, Water Withdrawal Intensity and Total Water Consumption for FYE2021 and FYE2022 due to enhanced scope of process and non-process water in PMI and PMIT.

### Effluent Discharge Compliance

Due to our rigorous monitoring, we have maintained our record of zero (0) incidents of non-compliance with effluent discharge regulations over recent years.

### GOING FORWARD

As we move forward, we are dedicated to minimising our water risk, improving water efficiency within our operations and promoting water-saving programmes and policies to foster responsible water practices across the Group.



## BIODIVERSITY

GRI 3-3, GRI 304-1, GRI 304-2, GRI 304-3, GRI 413-1

### Capitals



### UN SDGs



### WHY IT MATTERS

The preservation of biodiversity stands as a paramount concern globally, with profound implications for businesses reliant on natural ecosystems. Any biodiversity loss due to the pollution of air, water or soil may pose business risks, with these risks further amplified by the overarching challenge of climate change.

We acknowledge the pervasive threats to biodiversity that exist today; pollution, climate change and overexploitation. Furthermore, we understand the intrinsic link between biodiversity, our supply chain and operations, and thus we ought to act responsibly in our consumption and operational management to curb any possible biodiversity loss in areas where we have control or influence.

### OUR APPROACH

Our biodiversity management practices and policies, which align with our commitment to environmental sustainability, are crucial to uphold biodiversity values. Where possible, we collaborate with local communities, experts and environmental organisations to implement biodiversity-friendly practices, while also adhering to responsible land management practices and species protection initiatives to further mitigate biodiversity-related risks.

We also conduct thorough assessment processes that enable us to detect potential impacts of our operations on the surrounding environment before commencing projects or processes. Consequently, we develop mitigation solutions to prevent such impacts from occurring.

### Proactively Assessing Potential Biodiversity Impacts

Our smelters undertake individual Environmental Impact Assessments (“EIA”) to assess and identify any adverse environmental impacts before the initiation of any planning and construction activities, as well as during the operational phase of their facilities, where required by regulatory authorities. Similarly, our China entities adhere to the law of the People’s Republic of China on EIAs. All the EIAs we have conducted revealed minimal impact on biodiversity, with air quality modelling indicating low potential adverse effects on surrounding vegetation.

Upon completion of an EIA, an Environmental Management Plan (“EMP”), a site-specific plan will be prepared to address and mitigate potential environmental risks arising from our operations, but not limited to:

- Land disturbing pollution prevention and mitigation measures
- Water quality control and monitoring
- Air quality control and monitoring
- Noise control and monitoring
- Ecology monitoring
- Usage and handling of raw materials, waste and hazardous materials

Relevant environmental monitoring reports (“EMR”), based on EMP monitoring aspects, are prepared and reported on a quarterly basis to the DOE Malaysia, in line with regulatory requirements on prevention and mitigation measures. Additionally, we undertake an annual environmental compliance audit, which is conducted by a DOE-certified third-party auditor, to assess our environmental management compliance, as mandated by the DOE Malaysia.

## Caring for the Planet

Our manufacturing facilities are mainly situated in industrial parks and have obtained relevant licenses from local authorities. None of our manufacturing facilities are located in or adjacent to any World Heritage Properties, protected areas or key biodiversity areas. This equates to insignificant biodiversity impacts across our business.

### Addressing Risks from Pests, Vectors and Invasive Species

We have established an Integrated Pest, Vector and Invasive Species Management Plan to address risks from the arrival of pests, vectors and invasive species which travel alongside the goods we bring into the country. The plan guides the effective pest and species management, which is crucial for ensuring control and prevention.

First, we identify and register areas with the potential for pest proliferation, along with imported items, to establish local control requirements. Once identified, an analysis will be conducted to determine the most effective approach followed by an action plan. Regular reviews are conducted to pinpoint potential areas for improvement and maintain the programme’s adaptability and efficiency. With these processes in place, we take a proactive and systematic approach to pest and species management, safeguarding our surrounding natural environments against potential threats.

### Adhering to our Biodiversity Management Plan

Our Biodiversity Management Plan (“BMP”) guides the management of potential impacts on biodiversity arising from our operations. The BMP, which employs a self-assessment method, enables the systematic identification of existing biodiversity statuses and potential impacts or concerns from our manufacturing operations. It also facilitates the development of mitigation measures to counter any negative impacts, where identified.

The BMP also encompasses procedures for the assessment and management of alien species (species non-native to an ecosystem that can cause economic or environmental harm), structured around four (4) key steps:



All BAPs formulated for projects under our control include specific targets and timelines and aim to achieve no net loss of biodiversity. To achieve this, we undertake the steps of Avoidance, Minimisation and Restoration, as defined in the Biodiversity Mitigation Hierarchy. Should these steps be insufficient to achieve no net loss, Biodiversity Offsets are employed as a final rehabilitation measure.

For the evaluation of sensitive areas, we use the Integrated Biodiversity Assessment Tool, which allows us to leverage global biodiversity datasets – including the International Union for Conservation of Nature’s Red List of Threatened Species, The World Database on Protected Areas and Key Biodiversity Areas – to assess potential impacts on ecosystems and species. In addition to this, sites on the World Heritage List and properties on the Tentative Lists and World Heritage List Nominations are also reviewed. Besides that, a thorough examination of ecosystem services surrounding the entity in question, covering provisioning services, regulating services, cultural services and supporting services, is carried out.

## Caring for the Planet

### OUR VALUE CREATION

In alignment with Malaysia’s ESG and net zero agenda, we participate in a range of land management and rehabilitation programmes, which include the planting of trees to strengthen local ecosystems.

In FYE2023, our initiatives involved a total investment of approximately RM357,000, including participation in the 1 Rakan Alam Sekitar 1 Pokok programme. This contributed to the planting of 350 tree saplings of Merawan Siput Jantan (*Hopea odorata*), Belian (*Eusideroxylon zwageri*), Pokok Doa (*Bucida molineti*), and Trumpet Tree (*Tabebuia pentaphylla*). This initiative is part of the effort to create a low-carbon industrial city in Bintulu, Sarawak.

Furthermore, we funded a rewilding project in collaboration with the Sarawak Forestry Corporation, covering soil treatment, planting materials acquisition, field planting, plant maintenance and growth monitoring at Similajau National Park. Commenced in FYE2022 and concluded in March 2023, this initiative has successfully resulted in the planting of 500 tree saplings, showcasing our dedication to the preservation and conservation of natural habitats.

Additionally, a total of 2,000 Golden Ficus, 2,000 Eugenia and 30 Belian trees were planted in PMBtu as part of our tree planting programme. Further to this, PMBtu was honoured with an appreciation award from the Bintulu Development Authority in Pertandingan Landskap Lestari Bintulu 2023, specifically in the category of Industrial Landscape, for its commitment to organising tree planting programmes in the Samalaju Industrial Area.

Our China entity, PMI advocates biodiversity protection by being a member of the Alashan Society of Entrepreneurs and Ecology Foundation. This foundation supports environmental organisations and projects by providing sustainable funding, focusing on desertification control, pollution prevention, green supply chains, ecosystem conservation and nature education.

### HOW WE PERFORMED IN 2023

In FYE2023, we planted a total of 4,880 trees, in which 850 trees were planted externally and 4,030 trees were planted within the premises of PMBtu.

### GOING FORWARD

Looking ahead, the preservation of biodiversity will continue to be a top priority for us. Our efforts to this end will focus on ensuring harmony between our business and natural ecosystems through the implementation of responsible practices that protect natural habitats and meet our operational excellence standards.

Our journey here is one of continuous learning and evolution, and we are eager to roll up our sleeves and collaborate closely with local experts, communities and nature enthusiasts to create greater impact in the years to come.

# EMPOWERING OUR PEOPLE AND ENRICHING OUR COMMUNITIES

M14

## OCCUPATIONAL HEALTH AND SAFETY

GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10

**Capitals**

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**UN SDGs**

**WHY IT MATTERS**

Ensuring the health and safety of our employees and contractors are of vital importance. Given the nature of our operations, they could be at risk of various potential hazards, including extreme temperatures, exposure to air pollutant and high levels of noise, potentially leading to work-related injuries such as burns, cuts or fractures. In addition to these health and safety risks, any incidents that occur within our premises can lead to operational disruptions, legal penalties and damage to our reputation.

By fostering a robust safety culture, implementing a robust and sound management system and ensuring compliance with all relevant health and safety regulations, we can enhance the quality of our workplaces while promoting greater productivity, ultimately driving improved efficiency and output.

### OUR APPROACH

Our Occupational Health and Safety (“OHS”) Policy serves as a cornerstone for fostering a safety culture across all our manufacturing facilities and applies to all relevant stakeholders present therein, including our employees, contractors, subcontractors, vendors and visitors. The OHS Policy is accessible at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Each entity has in place EHS Department which is tasked with executing the OHS Policy in their respective manufacturing facilities while maintaining compliance with OSHA 1994 and other relevant legislation in the areas where we operate.

Further to this, all our manufacturing facilities (100%) are ISO 45001:2018 certified; each of our entities has in place an OHS management system which is formulated and enforced by the Health and Safety (“HS”) Department. This certification encompasses appropriate strategies, policies, management systems, work culture standards and ethical practices, with regular internal and annual external audits carried out to ensure conformance across our operations. These systems cover both employees and contractors.

Our OHS strategy is built upon four (4) pillars:

- 1

**Continual Improvement of OHS Management Systems**

Regularly reviewing and updating OHS policies and procedures to ensure alignment with changing regulatory standards and industry best practices.

3

**Building Strong Capabilities to Better Manage OHS**

Enhancing employees’ understanding and capabilities in OHS by taking proactive steps to manage compliance, drive competencies and build capacity.

2

**Embracing Innovation and Technology**

Continuously scrutinising OHS processes to identify and implement new health and safety measures through innovation and adoption of the latest technological solutions.

4

**Developing a Safety Culture at the Workplace**

Encouraging workers to take an active role in OHS to foster a sense of shared responsibility.

# Empowering Our People and Enriching Our Communities

We have set two (2) specific OHS targets: to maintain zero (0) workplace fatalities and achieve LTIFR below 2.5 by the end of FYE2024. These targets are crucial in our commitment to preventing and minimising the number of workplace incidents and accidents that occur, underscoring our dedication to ensuring that our employees return home safely at the end of the day.

To gauge our OHS performance against industry standards, we benchmark our operations’ LTIFR performance against the IAI Statistical Report.

### Ensuring Health and Safety Oversight

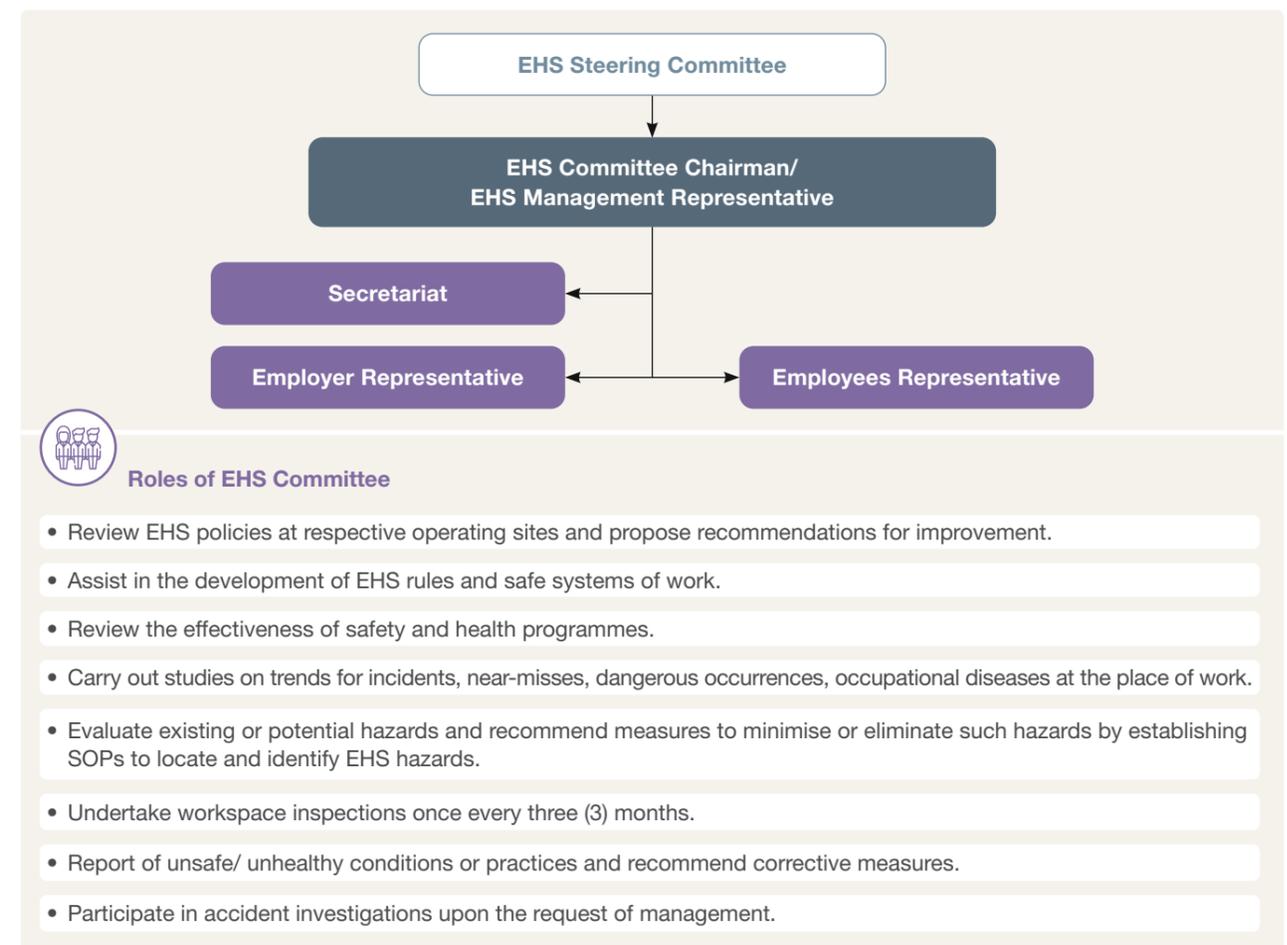
Our Group CEO, who is also a member of the Board, oversees the overall performance of OHS across the Group, supported by the Group EHS (“GEHS”) Department. The GEHS Department is responsible for formulating OHS objectives at the group level, providing comprehensive support to all manufacturing facilities and monitoring the progress in reducing the number of OHS incidents and workers’ exposure to OHS hazards.

At the entity level, EHS Committees have been established, comprising representatives from all of the respective entity’s departments and chaired by the management representative. These EHS Committees conduct regular reviews of EHS policies at our operating sites, identify areas for improvement and assist in the development of EHS rules and safe systems to foster a secure workplace and minimise workers’ exposure to OHS hazards. Additionally, the EHS Committees support the individual entities’ EHS on all OHS-related matters.

Quarterly meetings are held to disseminate updates on performance and progress towards achieving OHS-related targets, ensuring ongoing communication and collaboration in maintaining a safe working environment across the Group.

**OHS Targets**

to maintain zero (0) workplace fatalities and achieve LTIFR below 2.5 by the end of FYE2024



## Empowering Our People and Enriching Our Communities

### Identifying Hazards and Assessing Risks

We utilise the Hazard Identification, Assessment of Risks and Opportunities and Determination of Control (“HIARODC”) method as a structured approach to reduce or eliminate workplace risks. Executed by respective entity’s EHS department in accordance with ISO 45001:2018 standards, this process involves five (5) key steps:

- Step 1:** Selecting areas for assessment based on plant layout;
- Step 2:** Identifying all potential OHS hazards, risks, and opportunities;
- Step 3:** Recording identified hazards, risks and opportunities in a HIARODC form;
- Step 4:** Repeating steps 2 and 3 in alternative locations based on plant layout; and
- Step 5:** Developing management approaches, objectives and targets to address significant OHS hazards, risks and opportunities.

The HIARODC process undergoes regular updates and evaluations under, but not limited to, these conditions:

- Every three (3) years;
- Upon the implementation of new machinery, processes or operations;
- Operational activities change, domestic legislation evolves or stakeholder needs shift;
- Following incidents or accidents; and/ or
- During reviews of safety guidelines, rules and regulations.

We continually enhance the HIARODC process through the implementation of automation technologies, enabling us to streamline operations and reduce manual labour. For example, in Sarawak operations, we have improved the anode replacement process by installing anode beam rising systems at potlines and enhanced operational vehicles such as forklifts by installing reverse cameras and speed limiters. In addition, we are currently conducting a trial programme to implement face identification authorisation to prevent any unauthorised use of vehicle. At our casting facility, we have installed designated safe passageways such as ladders to ensure safe access to machineries.

### Improving Health and Safety Hazard Mitigation

#### Emergency Preparedness and Response

Emergency preparedness and response is an essential component of our OHS management approach. Adhering to a set of protocols enables us to respond effectively to potential emergency situations, safeguarding the safety of employees, contractors, visitors, and surrounding communities.

On this note, we have developed an ERP that outlines the various arrangements and contingency measures for addressing emergencies, including communication of associated health and safety risks. The ERP categorises emergencies into severity codes – “RED” “YELLOW” and “GREEN” – and operation-specific Emergency Response Teams (“ERTs”) are formed accordingly to execute the ERP. Our ERT includes a designated fire-fighting team equipped with fire-fighting equipment. To ensure its effectiveness, we regularly test and revise our ERP.

As part of the ERP procedure, we periodically conduct emergency drills such as:

- Spillage Prevention and Handling Training
- Pot Leakage Drill Response
- Emergency Busbar Installation
- Fire Fighting Training
- Mock Emergency Drill for Fire Alarm
- First Aid and Cardiopulmonary Resuscitation Training

## Empowering Our People and Enriching Our Communities



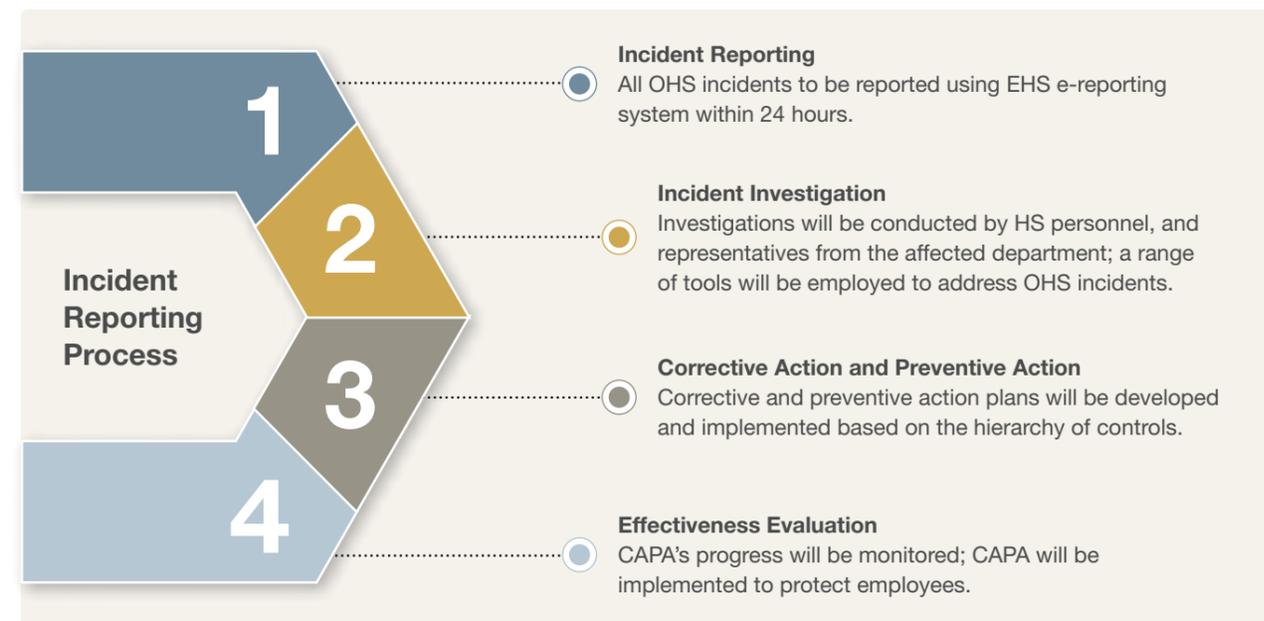
PMIT Emergency Drill



PMBtu Fire Drill

### Incident Management and Reporting

Our established procedures in incident management and reporting mandate that OHS incident or accidents be reported through our internal EHS e-reporting system within 24 hours of occurrence. Any incident that is logged into the incident management and reporting system will trigger an investigation by HS personnel and representatives from the affected department to ascertain root causes. Subsequently, Corrective Action and Preventive Action (“CAPA”) is implemented, referencing the hierarchy of control approach for preventive measures, and the progress of the CAPA plan is monitored closely.



Throughout the process, workers are safeguarded against reprisals, fostering a culture where employees feel empowered to report incidents, near misses or unsafe conditions without fear of retaliation.

## Empowering Our People and Enriching Our Communities

### Permit-To-Work System and Detailed Job Statement Method Statement

Our Permit-To-Work ("PTW") System mandates that relevant employees and contractors to conduct a risk assessment or job hazard analysis for any identified high-risk or non-routine work. This assessment evaluates hazard risk levels and must be supported by a Detailed Job Method Statement outlining the scope of work, activities involved, identified hazards and proposed control measures. All PTWs undergo evaluation and authorisation by the HS Department before work commences and are monitored daily upon commencement of work. In the event of non-compliance, granted PTW will be suspended until the issue is resolved.

### Stop Work Order Procedure

Our Stop Work Order ("SWO") Procedure addresses unsafe work conditions that could potentially lead to accidents or injuries. In accordance with the OSHA (Amendment) Act 2022, employees are encouraged to report any safety concerns to HS personnel and are not restricted from initiating an SWO. Once hazards are verified by the HS Department, an SWO will be issued, halting work activities until identified health and safety issues are addressed and the work activity is confirmed to be safe by the HS department. This SWO Procedure empowers employees to take responsibility not only for their own safety but also the safety of others.

### Strengthening Health and Safety Awareness and Communication

#### Safety Intelligence Centre

The GEHS Department, which acts as an information centre, collects, analyses and utilises information on operational incidents, consolidating mitigation plans and communicating lessons learned through safety alerts to all employees. In FYE2023, 29 safety alerts were issued, with preventive actions summarised in health and safety initiatives to prevent recurrence. Additionally, six (6) cross-plant visits were conducted to promote knowledge sharing on safety procedures.

#### PressFan App and Press Safe Feature

Our Sarawak operations have introduced PressFan, a mobile application designed to disseminate crucial operational updates, memorandums, one-point lessons and safety alerts, including OHS campaigns, to all employees. This user-friendly platform enables employees to instantly access the latest information on health and safety via their mobile phones.

PressSafe is an add-on safety alert feature in our PressFan application, exclusively available to female employees of Sarawak operations. It offers location tracking while travelling to and from work and enables employees to request assistance or trigger an SOS signal during emergencies like car breakdowns or instances of harassment.

#### WeChat Platform

Our China operations have utilised the WeChat platform for its employees to share their feedback and raise any concerns they may have, in line with our belief in promoting employee engagement and continuous improvement in health and safety practices.

### OUR VALUE CREATION

#### Enhancing Employee Health and Safety Awareness

We have embarked on a series of initiatives in line with its aim to create and maintain a healthy and safe environment across our operations.

#### Safety 360 Programme

The Safety 360 Programme aims to foster a safety culture among our employees by cultivating active participation and to heighten safety awareness at all levels, recognising the pivotal role of safety culture maturity in reducing workplace incidents. Safety 360 Programme achieves its objective through heightened self-discipline and teamwork.

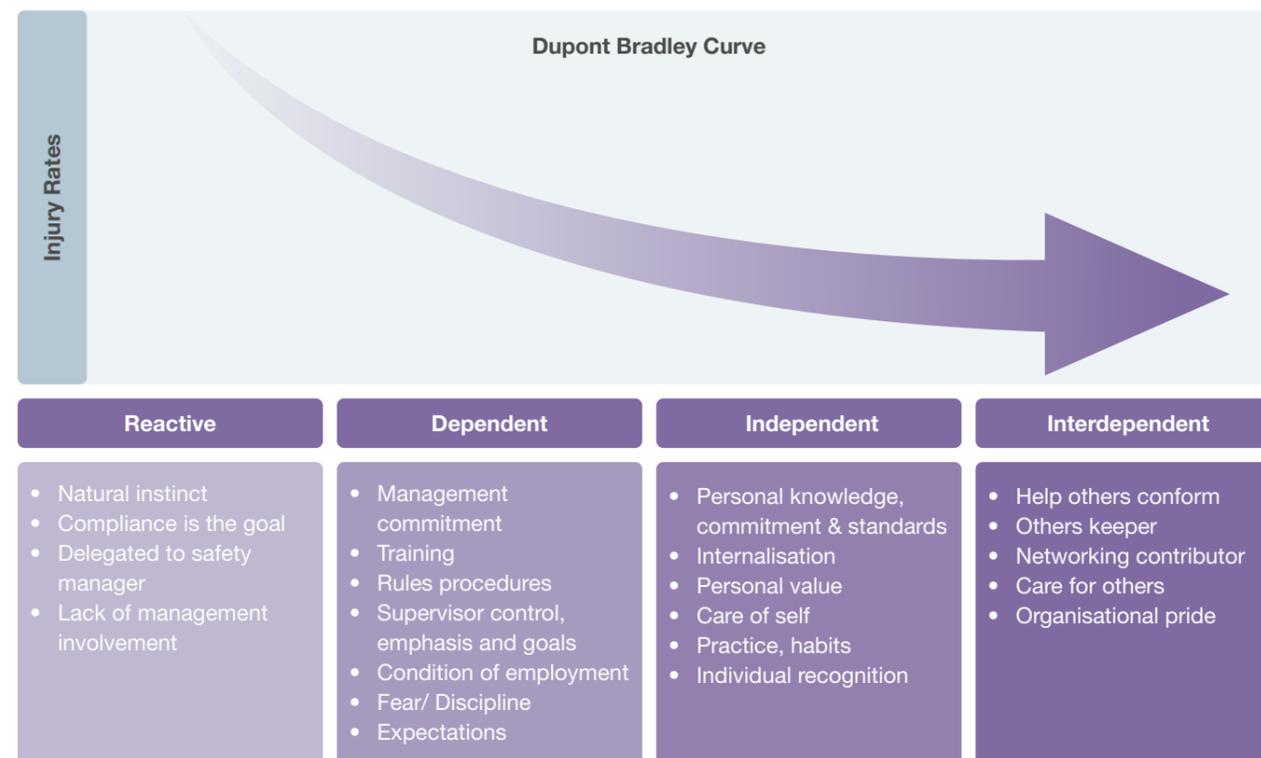
Specific targets and goals include preventing untoward incidents, achieving zero (0) accidents, transforming our safety culture from dependent to interdependent within five (5) years and fostering ownership and responsibility for team safety.

The programme operates on four (4) key principles:

- **Ownership:** Encouraging a safety mindset where everyone takes responsibility for their safety
- **Self-Assessment:** Empowering individuals to self-identify, assess and mitigate hazards
- **Voice of Safety:** Promoting open communication channels for safety concerns
- **A Passion for Safety 24/7:** Instilling a continuous commitment to safety

## Empowering Our People and Enriching Our Communities

Safety 360 Programme introduces four (4) levels of safety culture progression, moving from reactive to dependent, then independent, and ultimately to the highest level, interdependent, as detailed below.



### Life-Saving Rules

Based on our analysis of past safety-related incidents, we have identified factors contributing to significant safety incidents; categorised into man, material, machine, method, biological hazard, non-work related or psychological. Of these categories, we placed particular focus on man and method accidents as they are the most pertinent across the Group.

Arising from this, we have developed Life-Saving Rules that serve as crucial behavioural safety guidelines, offering continuous reminders to employees about measures to ensure their own safety. The objectives of this Life-Saving Rules are:

- To increase personal safety awareness;
- To prevent dangerous acts or situations; and
- To adhere to all regulations and procedures.

The Life-Saving Rules have been introduced across all manufacturing entities, which are at various stages of adoption.



## Empowering Our People and Enriching Our Communities

### Initiatives to Eliminate Hazards and Reduce OHS Risks

Press Metal utilises the hierarchy of controls as a way of determining actions to control exposure to OHS risks. We have identified various exposed risks and outlined our mitigating actions based on the five (5) levels of actions hierarchy of controls, as shown below:

Hierarchy of Controls	Actions
<b>Elimination</b>	- Eliminated processes involving the use of hazardous equipment, machines, tools or materials.
<b>Substitution</b>	- Identified alternative methods and/ or tools for specific tasks. - Replaced the use of forklifts in the billet alignment process with alternative tool.
<b>Engineering Controls</b>	- Reviewed the associated risks of activities in accident-prone areas using HIARODC, identified areas for improvement and made changes to our workplace standards, specifications and designs. - Installed cameras in operational vehicles (front and rear). - Modified and redesigned our workplace layout and equipment. - Conducted a workplace noise reduction pilot project. - Enhanced forklift safety by installing speed limiters and upgrading horns. - Installed overhead crane sirens, safety lights and solar cat eyes to improve overall safety protocols within the workplace. - Enhanced the safety of lifting equipment to eliminate potential hazards.
<b>Administrative Controls</b>	- Reviewed and updated our SOPs to enhance the management of OHS risks, distributed the revised procedures and rules to employees and conducted training for all relevant personnel. - Established and implemented a competency module for employees. - Reviewed and revised training materials meticulously to ensure comprehensive coverage of all aspects and that employees are thoroughly equipped and well-prepared for their respective tasks. - Enhanced OHS compliance monitoring by carrying out daily inspections and surveillance of work areas to identify and rectify unsafe conditions.
<b>Personal Protective Equipment</b>	- Regularly reviewed the adequacy and suitability of personal protective equipment (“PPE”) during annual HIARODC reviews. - Enforced the use of complete PPE during working hours. - Provided training on the proper usage of PPE to all employees and contractors.

### Safety Production Month Campaigns

We strive to reinforce safety by cultivating a culture of safety awareness through regular campaigns. Our manufacturing entities initiated their EHS campaigns to enhance EHS awareness and promote a safe working environment among employees. These campaigns feature various activities such as booth exhibitions, beach cleaning, blood donation drives, health screenings, fire extinguisher demonstrations conducted by BOMBA, sukaneka (sports day), and fun runs. Additionally, PMBtu launched an electrolysis safety and production quality campaign in line with Safety Production Month.



PMI Gotong Royong



PMS collaboration with BOMBA

### Commuting and Road Safety

Commuting and road safety is reinforced through the establishment of a dedicated task force to promote road safety within our facilities. The task force identifies and addresses potential road hazards, implements control measures to manage risks and ensures the competency and discipline of vehicle operators.

A management plan is also in place to support the task force’s work, involving regular meetings and continuous monitoring of planned implementations – covering road repairs, road redesigning and traffic management – to drive a safer work environment.

## Empowering Our People and Enriching Our Communities

### Noise Management

We are committed to protecting our employees from exposure to hazardous noise at the workplace. At PMI, noise barriers have been installed at various locations to control noise exposure levels within permissible limits. Meanwhile, PMBA collaborated with Universiti Malaya to enhance facility noise management and raise employee awareness on noise exposure and hearing conservation.

### Ergonomic Risk Assessment

An ergonomic risk assessment is typically conducted to identify potential ergonomic hazards and risk factors that may lead to discomfort or musculoskeletal injuries. This assessment was carried out by PMBtu, PMBA and PMAR in FYE2023. Following the assessment, appropriate control measures were implemented to improve workplace ergonomics across these entities.

### Enhancing Employee Health and Welfare

We prioritise our employees’ health and well-being by offering medical care alongside required health screenings and our annual health surveillance programme. We have in place four (4) certified safety and health officers to uphold workplace safety regulations, such as compliance with OSHA and other relevant standards.

To ensure prompt access to medical assistance, designated medical transport, in-house clinics and audiometric rooms are available at our Sarawak operations. In PMBtu, a dedicated medical team comprising one (1) doctor, two (2) medical assistants, three (3) nurses and one (1) health assistant is always on standby.

On an annual basis, Press Metal organises health surveillance programmes to check on the health and well-being of our employees at our Sarawak operations and our entities in China. In one (1) of our EHS campaigns held at Sarawak operation, we organised a general health screening that includes female-specific health check-ups such as breast cancer screening as well as mental health assessments and cholesterol level checks.

Recognising the sensitivity of medical information, we adhere to stringent protocols in managing medical records. Medical data is securely stored and access is restricted to designated EHS and Human Resource personnel only. Employees’ health data remains confidential and is not disclosed without their consent, aligning with the Malaysia PDPA 2010.

### Bolstering Health and Safety Training

Comprehensive range of training programmes were offered that aimed at enhancing the health and safety knowledge of our employees and contractors. These programmes are tailored to fortify employee knowledge and are supported by HIARODC evaluations, enabling us to determine the necessary training categories for each individual.

Upon completion, employees are trained with expanded skill sets and enhanced problem-solving abilities, enabling them to make better decisions regarding workplace health and safety issues. To ensure continued relevance, we regularly review and update our training initiatives, with feedback collected through a training evaluation form post-completion.

During FYE2023, we conducted a variety of programmes for our employees and contractors, including:

Training Programme	Objectives and Outcomes
<b>EHS Training</b>	<ul style="list-style-type: none"> <li>Aimed at equipping employees, especially new hires, with essential knowledge, skills and awareness to maintain safe working environments.</li> <li>Topics covered: EHS induction training, chemical management training, PPE training, ISO awareness training, HIARODC training, EAIA training, waste management training and One Point Lessons.</li> </ul> <p>Total number of training sessions: <b>1,619</b></p>
<b>Safety 360 Training</b>	<ul style="list-style-type: none"> <li>Objectives include achieving zero (0) accidents, enhancing our employees’ 360-degree safety perspective, transforming our safety culture and fostering increased ownership and responsibility on safety.</li> </ul> <p>Total number of training sessions: <b>116</b></p>
<b>Health Awareness</b>	<ul style="list-style-type: none"> <li>A range of programmes including: Hearing Conservation Programme, Health Screening Programme, Heat Stroke Prevention Training, Vaccination Programme and health talks by the Ministry of Health.</li> </ul> <p>Total number of training sessions: <b>81</b></p>

## Empowering Our People and Enriching Our Communities

Training Programme	Objectives and Outcomes
<b>Emergency Response Training</b>	<ul style="list-style-type: none"> <li>Aimed at equipping our workers with skills, knowledge and coordination abilities to respond effectively and safely to emergencies.</li> </ul> <p>Total number of training sessions: <b>192</b></p>
<b>Special Equipment &amp; Machinery Operation</b>	<ul style="list-style-type: none"> <li>Comprehensively designed to educate individuals on the safe and efficient operation of specialised equipment.</li> <li>Provided essential knowledge, skills and protocols to ensure proper usage of equipment, minimise risks and maintain a secure working environment.</li> </ul> <p>Total number of training sessions: <b>66</b></p>

These efforts are supported by ongoing initiatives such as the One Point Lessons programme and Video Standard Operating Procedure ("VSOP") 2.0. One Point Lessons deliver succinct and focused messages aimed at cultivating a heightened sense of safety awareness among workers, with the shared goal of collectively reducing accident rates. Meanwhile, VSOP 2.0 offers visual interpretations of safety hazards and control measures and is available in English, Mandarin and Burmese, catering to a diverse workforce and ensuring accessibility to crucial safety information.

In addition to this, all employees are mandated to attend a minimum of four (4) hours of EHS training, facilitated by registered internal trainers or team members who have completed the "Train the Trainer" course.

### HOW WE PERFORMED IN 2023

#### Health and Safety Performance

Demonstrating our commitment to cultivating a safe workplace, we successfully achieved zero (0) fatalities in 2023. Our efforts to improve safety performance have yielded positive results, with year-on-year reduction in LTIFR (from 3.3 in FYE2022 to 2.7 in FYE2023) and All Injury Frequency Rate ("AIFR") (from 5.6 in FYE2022 to 5.2 in FYE2023). This progress indicates significant strides towards our goal of reducing our LTIFR below 2.5 in 2024.

In response to work-related injuries, thorough investigations are conducted to identify the root cause and corrective actions are promptly undertaken to mitigate the issue.

Indicators	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
<b>Work-Related Injuries</b>						
<b>Employees</b>						
Hours Worked	18,837,235	-	20,202,341	-	19,722,711	-
Fatalities	0	0.0	1	0.1	0	0.0
High-Consequence Work-Related Injuries	0	0.0	0	0.0	5	0.3
Lost-Time Injuries*	81	4.3	67	3.3	54	2.7
Recordable Work-Related Injuries	126	-	111	-	82	-
All Injury Frequency Rate	-	6.6	-	5.6	-	5.2

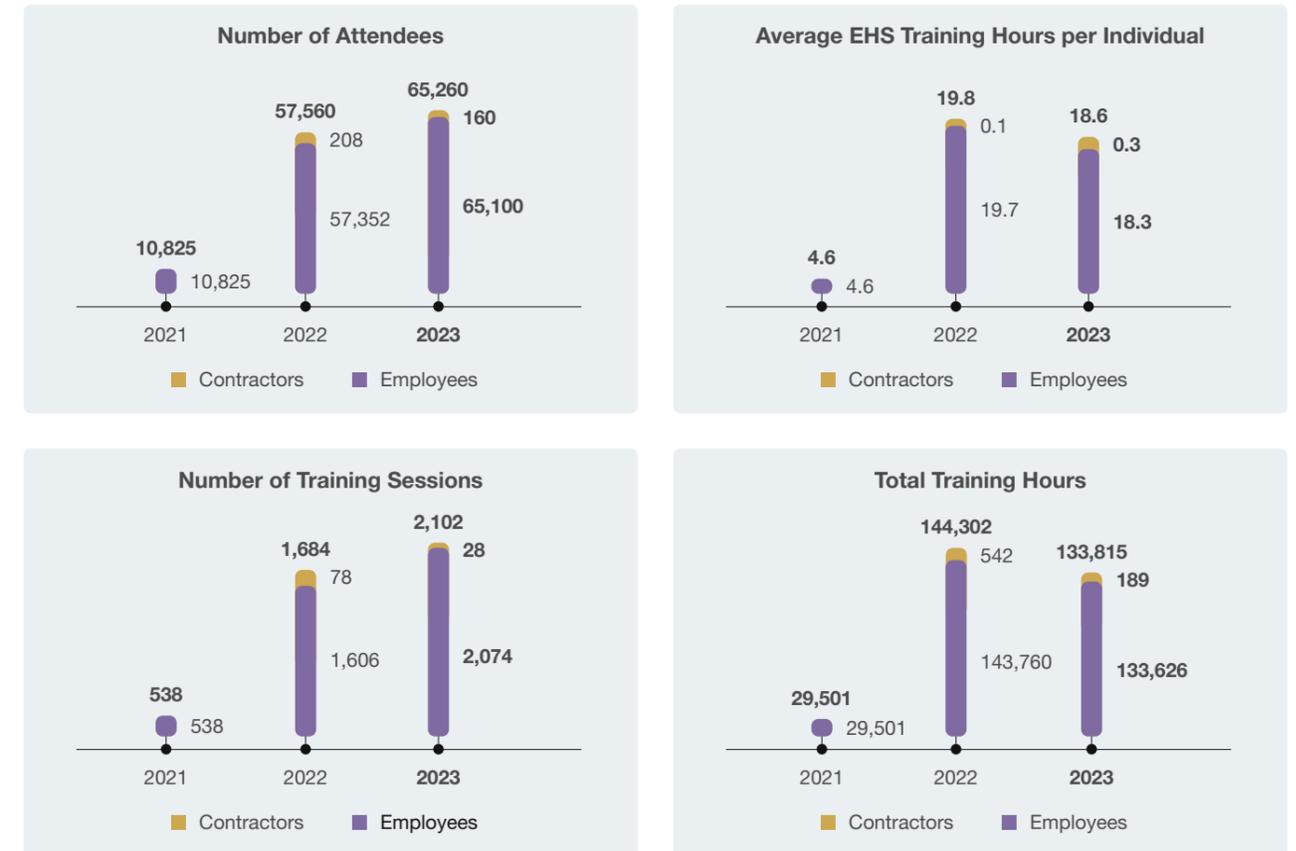
Indicators	2022		2023	
	Number	Rate	Number	Rate
<b>Work-Related Injuries</b>				
<b>Contractors</b>				
Fatalities	1	N/A	0	N/A
High-Consequence Work-Related Injuries	0	N/A	0	N/A
Recordable Work-Related Injuries	12	N/A	6	N/A

Note: Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.

\* Definition of LTIFR:  
Accident which results in the injured person being absent for one or more workdays beyond the day of the accident.  
LTIFR formula: Number of lost-time injuries / total hours worked x 1,000,000.

## Empowering Our People and Enriching Our Communities

### OHS Training Performance



#### Notes:

1. Data aggregated from our manufacturing facilities (PMBtu, PMS, PMAR, PMBA, PMI and PMIT) and our corporate headquarters (PMAH).
2. Discrepancies may arise between the total reported figure and the sum of the employees and contractors. This variance can occur when both categories participate in the same training sessions.
3. The Number of Attendees graph is calculated cumulatively, taking into account the total number of training sessions.

#### Stop Work Orders

In FYE2023, our HS Department issued seven (7) SWOs during routine patrols, spanning PMBtu and PMS. These SWOs underwent reviews by the respective HS Department heads to ensure necessary safety actions were taken before work resumed.

Additionally, the HS Department enhanced safe work practices through safety culture programmes and training sessions at the respective facilities.

#### GOING FORWARD

We remain committed to continually assessing and enhancing safety measures across our operations. To this end, we will continue to introduce improvements as identified through ongoing hazard and risk assessments. Additionally, adequate resources will be allocated for the implementation of robust health and safety policies and programmes.

Ultimately, our efforts will help foster a culture of interdependence across our workforce, drive effective knowledge transfer and ensure active participation in safety initiatives, towards maintaining safe and productive work environments.

## Empowering Our People and Enriching Our Communities



**M15**

**HUMAN RIGHTS**

GRI 2-16, GRI 2-23, GRI 2-25, GRI 2-26, GRI 2-30, GRI 3-3, GRI 406-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 410-1, GRI 411-1, GRI 413-1

**Capitals**

HC

SRC

**UN SDGs**




**WHY IT MATTERS**

In today's global landscape, upholding human rights is a moral imperative and crucial aspect of sustainable business practices. By recognising the inherent dignity and worth of our employees and treating them with respect, fairness and integrity, regardless of their background or identity, we can foster an environment of inclusivity and shared values, thereby enhancing long-term morale and productivity.

Moreover, managing social risks are paramount for ensuring a safe and secure operating environment for our stakeholders. By proactively addressing potential risks and vulnerabilities, we uphold our commitment to human rights while safeguarding the well-being of our employees, communities and broader stakeholder groups, as well as our value chain.

### OUR APPROACH

#### Integrating International Human Rights Principles

Press Metal is dedicated to upholding human rights principles within our workforce and supply chain and adopts the recommendations outlined by several international recognised standards and frameworks, including the International Labour Organisation (“ILO”) – the eight (8) ILO fundamental conventions, International Bill of Human Rights, the United Nations’ (“UN”) Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights. These commitments are articulated in our Human Rights Policy; no individual within our sphere of influence is subjected to discrimination, mistreatment, modern slavery/ forced or compulsory labour.

The principles outlined in our Human Rights Policy also encompass non-discrimination, women’s rights, indigenous people, social management systems, local communities, communication and engagement, health and safety, and security. Our Human Rights policy is accessible at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

To ensure the effective implementation of these principles, key internal procedures have been incorporated, including our supply chain management practices. These procedures undergo regular reviews, conducted every five (5) years or as needed, in accordance with the guidance provided by the ASI.

#### Overseeing Human Rights Compliance

Our SC and Independent Non-Executive Director, Lim Hun Soon @ David Lim, assume direct responsibility for overseeing all human rights matters of Press Metal. Down the hierarchy, our Human Resource (“HR”) Department ensures strict adherence to and enforcement of the Human Rights Policy, administering human resource management and addressing any human rights issues that arise. The HR Departments are also subject to assessments by our Internal Audit Department to ensure compliance.

#### Upholding Workers’ Rights

In our commitment to upholding workers’ rights, our working time practices adhere to all relevant labour laws and regulations. This ensures, among others, that employees receive a minimum of one (1) day off per seven (7) day period to rest. We also continuously update our employment terms and conditions to align with the latest regulatory requirements. Besides this, operating within a safe and conducive work environment is paramount to us, and we prioritise employees’ well-being by providing a safe and healthy workplace.

## Empowering Our People and Enriching Our Communities

#### Respecting Freedom of Association and Collective Bargaining

The Human Rights Policy outlines our commitment to respecting the rights of workers to participate in trade unions and worker organisations, as well as collective bargaining. We practice fair labour and strive to foster workplaces that drive collaboration and mutual respect between workers and employers. We also ensure adherence to all applicable laws and legislation in the jurisdictions in which we operate our business.

#### Upholding Children’s Rights

We are committed to respecting children’s rights, covering the rights to life and family, education, food, health, water, identity, freedom and protection. This commitment is explicitly outlined in our Human Rights Policy and is aligned with the United Nations Children’s Fund (“UNICEF”) Children’s Rights and Business Principles. To this end, we enforce stringent recruitment procedures and practices that adhere to the minimum age for employment as mandated by applicable local laws. Furthermore, through strategic social investments and philanthropy, we actively participate in respecting, supporting and safeguarding children’s rights.

#### Promoting Indigenous Rights

Press Metal respects the rights of indigenous peoples, including their rights to political status, social and cultural practices, economic development and fair and equal treatment without discrimination. We also endorse the principles of the UN Declaration on the Rights of Indigenous Peoples, integrating them into our Human Rights Policy.

Furthermore, we strive to uphold the rights and participation of indigenous peoples that are related to our developments. This involves ensuring that they are informed beforehand and obtaining their consent without coercion before proceeding with any development. These principles are outlined in our SOP for Indigenous Peoples, which incorporates the Free, Prior and Informed Consent principles. Acknowledging the vital role of transparent and respectful engagement with indigenous communities in preserving their unique cultures and knowledge systems, the SOP covers awareness, the necessity for respecting towards cultural protocols and differences across various aspects:



#### Ensuring Ethical Security Practices

Press Metal deploys professionally trained auxiliary police officers to safeguard our people and assets at our operations. All auxiliary police officers in Malaysia undergo comprehensive training provided by registered training centres, in accordance with the Police Act 1967. This ensures that they possess the necessary qualifications for their roles and are well-versed in their responsibilities and limitations regarding the use of force.

To comply with human rights and labour rights principles, we have established the SOP for Auxiliary Police at our Malaysian facilities, which outlined the responsibilities of the auxiliary police and serving as a guideline for security practices. The Voluntary Principles on Security and Human Rights guide us in developing practices that maintain the safety and security of our operations. In China, security personnel employed at our facilities adhere to the regulations outlined in the Civil Code of the People’s Republic of China.

Our security personnel also undergo training programmes covering our Human Rights Policy, ABAC Policy and CoC as well as our anti-harassment, anti-abuse and anti-forced labour procedures. This ensures that they are equipped to uphold ethical standards while carrying out their duties.

## Empowering Our People and Enriching Our Communities

### Modern Slavery Statement

We are determined to eradicating modern slavery and human trafficking from all aspects of our business operations as it goes against our core value of upholding human rights in accordance with the ILO Declaration on Fundamental Principles and Rights at Work.

### Business Structure and Supply Chain

Our Modern Slavery Statement encompasses all employees and suppliers across our manufacturing entities.

[Read more about our business structure and supply chain in Our Integrated Value Chain and Responsible Sourcing sections of this IAR 2023.](#)

### Governance and Policies

The human rights principles are reflected in our Employee Handbook, which serves as an essential reference for all employees. This handbook covers a wide range of employee related matters as well as Press Metal's expectations on respecting human rights. The Employee Handbook is available in three (3) languages; Malay, English, and Chinese. For our Sarawak operations, the Employee Handbook is available in six (6) languages, i.e., English, Malay, Chinese, Nepali, Burmese, and Tamil, ensuring that all employees understand and are aware of their rights and responsibilities. We observe our human rights adherence throughout our employment process by incorporating human rights requirements into the contracts with recruitment agencies and conducting human rights due diligence to prevent and mitigate any negative impacts.

Beyond our employee base, we extend our human rights expectations across our supply chain, ensuring that suppliers and contractors are made aware of applicable human rights requirements as per the SCoC and Responsible Sourcing Policy.

### Social Management System

We actively manage our human rights in a systematic and standardised manner through Social Management System ("SMS"). This system consists of processes and practices designed to ensure the consistent implementation of human rights compliance policies, thereby meeting our business objectives. It guides us in assessing and controlling human rights risks, driving continuous development through ongoing review processes, corrective actions and system improvements.

SMS is made up of nine (9) elements as below:

- |  |  |
|--|--|
| 1 Policy                                 | 6 Stakeholder Management                         |
| 2 Identification of Risks and Impacts    | 7 External Communication and Grievance Mechanism |
| 3 Management Programme                   | 8 Monitoring and Review                          |
| 4 Organisational Capacity and Competency | 9 Reporting                                      |
| 5 Emergency Preparedness and Response    |  |

### Risk Assessment and Management

We remain committed to exercising necessary caution and proactively conducting human rights impact assessments and due diligence to identify potential risks related to human rights. Our efforts to identify, assess and mitigate any potential violations concerning human rights include the following:

### Social Impact Assessment

In FYE2023, we engaged an independent third-party consultant to conduct a Social Impact Assessment ("SIA") on our smelting facilities. This assessment involved direct engagements with stakeholders, gauging impacts from our operations on both internal parties, such as employees, and external parties, including local communities, government agencies, NGOs, suppliers, contractors and the media, who are directly or indirectly involved with our operations.

The SIA utilised various methods, such as socio-economic surveys, interviews and focus group discussions, to gather feedback from stakeholders. The feedbacks gathered were then analysed and used as inputs for our Social Management Plan, which is anchored on several of our policies and procedures, such as the Social Management System Policy & SOPs, Human Rights Policy, OHS Policy, Ethical Conduct Policy & Procedure as well as the Complaint & Grievance Procedure.

## Empowering Our People and Enriching Our Communities

As part of the Social Management Plan, action plans were outlined to address the actual or potential impacts identified in the SIA, focusing on improvement areas such as hostel and housing areas, utilities supply, sanitation, rest areas, worship houses, sports facilities, accessibility and transportation, safe working conditions and environments as well as road safety.

In line with guidance from the ASI, our SIA will be reviewed at least every five (5) years to ensure the effectiveness and continuity of the Social Management Plan.



Social Impact Assessment

### Human Rights Due Diligence

Human rights due diligence is an ongoing and continuous process aimed at raising awareness and understanding of human rights-related risks associated with our activities. This process is applied to all our activities where potential human rights risks and impacts exist.

Our human rights due diligence process adopts a risk-based approach encompassing four (4) key elements, as depicted below:



## Empowering Our People and Enriching Our Communities

### Human Rights Impact Assessments

Integral to the human rights due diligence process, our Human Rights Risk and Impact Process Flow incorporates a human rights risk and impact assessment methodology of International Finance Corporation's Guide to Human Rights Impact Assessment and Management. It follows a five (5)-step approach:



### Supplier Assessments

To ensure our suppliers comply with our Responsible Sourcing Policy and SCoC, we conduct supplier assessments through the SSAQ, audits and inspections. Following this, suppliers are encouraged to identify and develop risk mitigation or corrective action plans to address any human rights risks identified.

### Training and Awareness

Recognising the pivotal role our employees in mitigating modern slavery risks, we educate them on the warning signs and cultivating their awareness of available reporting channels.

We also invest in employee awareness-building and training to foster a better understanding. During our supplier's engagement, we provide human rights training as part of our responsible sourcing effort.

We have conducted several programmes during the year, including:

- Group-wide Human Rights training;
- Business Considerations for Human Rights for the Board and Key Senior Management; and
- Employee Handbook Briefing, incorporating the Human Rights Policy

### Assessment of Effectiveness of Actions Taken

To evaluate the effectiveness of the actions taken, we have established channels for stakeholders to raise labour and human rights related concerns. These channels include an internal grievance mechanism for employees and Sarawak operations' Local Community Grievance Management SOP for local communities affected by our operations. Additionally, our whistle-blowing platform enables both internal and external stakeholders to report concerns anonymously, ensuring protection from retaliation. Should there be any identified instances of human rights violations flagged by any of our stakeholders, necessary corrective action plans will be undertaken, with remedy and compensation provided. To this date, there have been no grievances or violations reported, indicating the effectiveness of our efforts to promote fair treatment and address concerns without prejudice or discrimination.

## Empowering Our People and Enriching Our Communities

### OUR VALUE CREATION

#### Assessing Our Human Rights Compliance

We recognise the dynamic nature of human rights and, therefore, regularly review our Social Management Plan and conduct human rights due diligence processes at least every five (5) years.

In FYE2023, we conducted the following human rights assessments and audits across our entities:

Entity	Assessment/ Audit
<b>PMBtu</b>	<ul style="list-style-type: none"> <li>• Completed its second human rights assessment.</li> <li>• Performed a third-party audit on ASI Performance Standard, which included compliance assessment on human rights.</li> <li>• Engaged a consultant for an SIA.</li> </ul>
<b>PMS</b>	<ul style="list-style-type: none"> <li>• Completed its first human rights assessment.</li> <li>• Conducted an internal audit on ASI Performance Standard.</li> <li>• Performed a third-party audit on ASI Performance Standard, including compliance assessment on human rights.</li> <li>• Engaged a consultant for an SIA.</li> </ul>
<b>PMI</b>	<ul style="list-style-type: none"> <li>• Commenced its second human rights assessment.</li> <li>• Performed a third-party audit on ASI Performance Standard, including compliance assessment on human rights.</li> </ul>
<b>PMIT</b>	<ul style="list-style-type: none"> <li>• Underwent a supplier audit to ascertain compliance with human rights requirements.</li> </ul>

#### HOW WE PERFORMED IN 2023

	2021	2022	2023
Incidents of violation involving rights of indigenous people	0	0	0
Number of incidents relating to discriminations, child labour, or forced or compulsory labour	0	0	0
Number of grievances concerning human rights issues	0	0	0

#### GOING FORWARD

We will continuously monitor our business practices to mitigate and remedy potential adverse impacts relating to human rights and labour. This involves enhancing our employee engagement platforms, testing the effectiveness of our grievance mechanisms for improvement, improving existing workers' accommodation and dormitory facilities, conducting annual manager training on handling reports or instances of bullying or harassment, and conducting human rights risk assessments within the Group.

## Empowering Our People and Enriching Our Communities

M16

### DIVERSITY AND INCLUSIVITY

GRI 2-7, GRI 2-23, GRI 2-30, GRI 3-3, GRI 405-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 410-1, GRI 411-1, GRI 413-1

Capitals

HC

UN SDGs

#### WHY IT MATTERS

Upholding diversity and inclusivity enrich organisations through diverse of perspectives and experiences, driving innovation and creativity. Fostering diversity cultivates varied perspectives, experiences, and backgrounds; that may bring different perspective in ideas, insights, and approaches to problem-solving. This diversity of thought fuels innovation and creativity, enabling organisations to adapt in a dynamic market. In tandem, inclusivity ensures that all employees feel valued and empowered to contribute their unique talents, fostering a sense of belonging and commitment, boosting employee engagement and retention rates.

Furthermore, embracing diversity and inclusivity enhances external relationships and reputation. A diverse workforce better understands and caters to the needs of diverse customer bases. Likewise, advocating diversity demonstrates equality in business practices, enhancing the organisation's reputation and attractiveness as an employer and partner.

### OUR APPROACH

Guided by our Diversity Policy, diversity is promoted to all employees, regardless of age, gender, ethnicity, nationality, sexual orientation, cultural background, religious belief and socioeconomic status. To practice fairness and non-discrimination in our workplace, we prioritise merit, experience and professional criteria in recruiting and in managing all employee-related matters, including training, performance evaluation, remuneration and promotion.

Furthermore, while aluminium industry is a male-dominated industry, we actively promote job opportunities for women, striving to increase their representation within our workforce. This commitment is prescribed within our Human Rights Policy, which endorses women's rights and gender diversity through gender equality policies and prohibits gender-based discrimination, whether direct or indirect.

We are aligned with the MCGG 2021 requirement of having 30% of female directors on the Board. Presently, our Board comprises of three (3) female Directors out of ten (10) Board members. In addition, we have also set two (2) specific gender diversity targets to drive our gender diversity commitment: increase the participation of women in managerial roles to 30% and the total female workforce to 20%.

Further to this, our CoC emphasises the importance of respecting the personal dignity, privacy and rights of every individual encountered during work activities, prohibiting any actions that may infringe upon or bypass human rights.

For detailed information on our Diversity Policy, Human Rights Policy and CoC, please refer to our corporate website at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

#### Assessing Our Policies and Facilitating Grievance Reporting

Periodic assessments and evaluations of our policies are performed by the Board when necessary to ensure their alignment with our evolving business needs. At the entity level, diversity and inclusion initiatives are overseen by the respective HR department.

## Empowering Our People and Enriching Our Communities

We have instituted internal channels for complaints and grievances, as well as a whistle-blowing platform, enabling stakeholders to report concerns – including instances of violence, harassment, intimidation or unsafe conditions – both anonymously and without fear of reprisal.

We have implemented measures to foster an inclusive environment and protect our employees through the Harassment and Bullying Prevention programme. This initiative empowers employees in managerial roles with essential skills to effectively address harassment and bullying cases, offering victims practical advice and viable solutions. Through the implementation of this programme, we strive to ensure that our managers are well-equipped to handle incidents of harassment and bullying with efficiency and sensitivity.

### OUR VALUE CREATION

We are dedicated to fostering an inclusive workplace culture where every employee, regardless of gender, feels valued, supported, empowered and equally treated. We make efforts to attracting qualified women to work within the industry by implementing a range of initiatives aimed at empowering and enhancing the well-being of our female workforce as below:

#### Empowering Women in our Workplace

- Established PressNita, a women's committee that upholds women's rights and promotes women's empowerment.
- Implemented PressSafe, a mobile application that allows our female employees to address safety matters.
- Established designated ladies' seats in our commute buses.
- Implemented female parking spots.
- Installed CCTVs in blind corners and less crowded areas to enhance security and surveillance.
- Provided designated "ladies' corner" at recruitment events.
- Employed female bus drivers to transport female employees.

#### Enhancing Female Employee Well-Being

- Equipped basic female needs at mini-mart.
- Reserved Multipurpose Hall for ladies' events every Wednesday.
- Organised programmes and activities that encourage female participation (e.g., Galentine's Day, International Women's Day, Sexual Harassment Awareness Talk, Women's Health Talk, etc.).
- Provision of lactation room at the workplace in supporting nursing mothers.
- Maintained the provision of female doctor consultation visits for female employees.

#### Providing Equal Growth & Development Opportunities

- Recruited women for office-based jobs, production tasks, forklift drivers, bus drivers, auxiliary police and coordinators to promote diversity and inclusion.
- Conducted upskilling programmes for female employees in areas such as forklift operation techniques, safety protocols, load handling and equipment maintenance for career advancement and job enrichment.

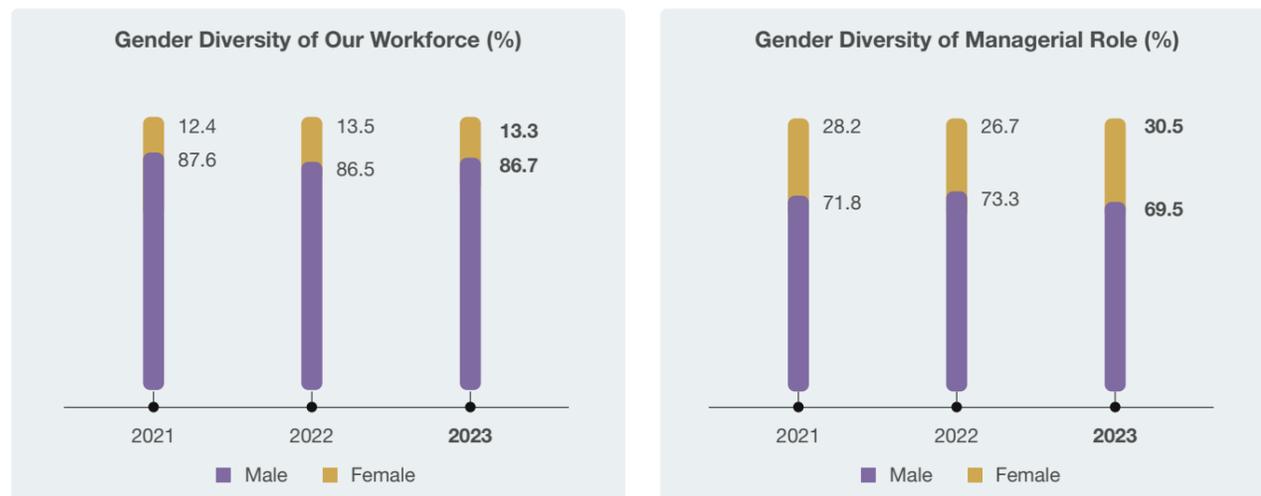
### HOW WE PERFORMED IN 2023

As a testament to our efforts, we have successfully increased our women employees in managerial roles to 30.5% and reported zero (0) instances of workplace discrimination during the year. However, our female workforce comprised 13.3%, marking a decrease of 0.2% point from FYE2022. Despite reaching our targets for women in managerial roles, we will strive to improve the women's participation at our workforce, aligning to our objective of promoting non-discrimination and gender diversity within the workplace.

## Empowering Our People and Enriching Our Communities

## Empowering Our People and Enriching Our Communities

## Workforce Gender Diversity



## Age Group &amp; Gender of Employees by Employment Category

Employee Category	2021					
	<30 years old		30-50 years old		Above 50 years old	
	Male	Female	Male	Female	Male	Female
Senior Management	0	0	16	4	18	2
Management	3	5	90	42	26	7
Executive	188	101	326	127	34	4
Non-Executive	3,286	294	2,308	317	152	6
<b>Total</b>	<b>3,477</b>	<b>400</b>	<b>2,740</b>	<b>490</b>	<b>230</b>	<b>19</b>

Employee Category	2022					
	<30 years old		30-50 years old		Above 50 years old	
	Male	Female	Male	Female	Male	Female
Senior Management	0	0	17	4	19	3
Management	1	2	87	39	27	7
Executive	148	121	360	145	34	3
Non-Executive	3,287	217	2,173	434	160	12
<b>Total</b>	<b>3,436</b>	<b>340</b>	<b>2,637</b>	<b>622</b>	<b>240</b>	<b>25</b>

Employee Category	2023					
	<30 years old		30-50 years old		Above 50 years old	
	Male	Female	Male	Female	Male	Female
Senior Management	1	0	15	4	19	3
Management	1	3	79	44	31	10
Executive	155	119	370	156	43	4
Non-Executive	3,077	175	2,380	441	175	16
<b>Total</b>	<b>3,234</b>	<b>297</b>	<b>2,844</b>	<b>645</b>	<b>268</b>	<b>33</b>

## Locality &amp; Gender of Employees by Employment Category

Employee Category	2021			
	Local Employee		Foreign Employee	
	Male	Female	Male	Female
Senior Management	31	6	3	0
Management	108	54	11	0
Executive	493	230	55	2
Non-Executive	4,269	617	1,477	0
<b>Total</b>	<b>4,901</b>	<b>907</b>	<b>1,546</b>	<b>2</b>

Employee Category	2022			
	Local Employee		Foreign Employee	
	Male	Female	Male	Female
Senior Management	32	6	4	1
Management	104	47	11	1
Executive	506	269	36	0
Non-Executive	4,679	662	941	1
<b>Total</b>	<b>5,321</b>	<b>984</b>	<b>992</b>	<b>3</b>

Employee Category	2023			
	Local Employee		Foreign Employee	
	Male	Female	Male	Female
Senior Management	33	6	4	1
Management	98	56	11	1
Executive	524	279	44	0
Non-Executive	4,439	631	1,193	1
<b>Total</b>	<b>5,094</b>	<b>972</b>	<b>1,252</b>	<b>3</b>

## Employees with Disability

	2021		2022		2023	
	Number	%	Number	%	Number	%
Employees with Disability	3	0.04	3	0.04	4	0.05

## GOING FORWARD

Press Metal remains determined in our dedication to nurturing an inclusive workplace culture that advocates equality for all employees, irrespective of age, gender, ethnicity, nationality, sexual orientation, cultural background, religious belief and socioeconomic status. We remain steadfast in our commitment to ensuring that every member of our workforce feels equally valued, supported, and empowered to contribute their unique talents and perspectives. By providing equitable opportunities for professional development and fostering greater engagement, we cultivate a workplace where everyone has the chance to thrive and succeed, thus reaching their full potential and driving our shared vision of excellence forward.

## Empowering Our People and Enriching Our Communities

M17

### TALENT AND LABOUR MANAGEMENT

GRI 2-8, GRI 3-3, GRI 201-3, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 402-1, GRI 404-1, GRI 404-2, GRI 404-3

**Capitals**

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**UN SDGs**

**WHY IT MATTERS**

Our employees are crucial to powering our continued growth and advancement as an organisation. By ensuring fair and merit-based compensation, providing ample training and development opportunities, and maintaining excellent labour relations, we strive to ensure high levels of employee engagement, motivation and satisfaction. This, in turn, leads to improved retention and the continuous growth of our human capital over time, enabling us to build a pipeline of people who are ready to assume leadership roles within the organisation.

Ultimately, by investing in our people, we remain competitive and create greater value as an organisation, even as market conditions evolve.

### OUR APPROACH

We embrace a holistic approach to talent management that encompasses clear strategies across employee recruitment, development, retention, leadership and succession planning, with the aim of nurturing a highly skilled and high calibre workforce. Our practices in each of these areas are encapsulated within our employee management system and its associated policies and procedures.

#### Upholding Ethical Recruitment Practices

Our HR departments have implemented comprehensive recruitment policies and procedures, ensuring that candidates are hired based solely on their skills and abilities, irrespective of race, skin colour, gender, age, disability, sexual orientation, nationality, religion, marital status, family circumstances, cultural background, social origins, caste or any other personal attribute.

Further to this, we prioritise the hiring of local talent with the aim of creating sustainable socioeconomic impact on local communities in our areas of operation. By hiring locally, especially for managerial positions, we are also able to leverage our employees' knowledge of local laws, regulations and business practices, thus empowering us to develop more impactful business strategies and approaches.

At all times, we adhere to the minimum wage requirements of both Malaysia and the People's Republic of China. This commitment is outlined in our Human Rights Policy, which is aligned with applicable local labour laws governing minimum wage, working hours and overtime.

As part of our foreign talent recruitment practices, we advocate fairness and strictly stand against the imposition of any deposits, recruitment fees, equipment advances or other costs or charges on potential hires. These terms are clearly stated in our recruitment contracts and verbally made known to candidates either directly or through recruitment agencies. In addition, each recruitment contract is prepared in the languages of the potential employee to ensure clarity and understanding of employment terms and conditions.

Further to this, all new hires undergo onboarding process and receive briefings on their rights as per local law provisions during our mandatory induction programme, which also covers internal policies such as Human Rights Policy, CoC and OHS Policy. During the probation period, new hires may receive additional support through our Onboarding Buddy Programme to assist them in adjusting to their new work environment and culture.

## Empowering Our People and Enriching Our Communities

### Providing Competitive Remuneration and Benefits

To attract and retain a high-quality workforce, we provide competitive remuneration to all employees which includes both financial and non-financial modes of compensation. We also adhere to the principle of equal pay for equal work, as advocated by international treaties and national laws, in line with our responsibilities as a fair and ethical employer. In addition, our employees are made aware that overtime work is voluntary and are informed of the applicable overtime wage rates.

The benefits we provide our employees include:

<p><b>Work + Life Integration</b></p> <div style="display: flex; flex-direction: column; justify-content: space-around;"> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Healthcare</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Festive celebrations</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Volunteer opportunity</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Performance award</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Recreational activities</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Educational assistance</b></div> </div> </div>	<p><b>Leave</b></p> <div style="display: flex; flex-direction: column; justify-content: space-around;"> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Examination/Study leave</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Parental leave</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Compassionate leave</b></div> </div> </div>	<p><b>Subsidy</b></p> <div style="display: flex; flex-direction: column; justify-content: space-around;"> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Meal Subsidy</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Housing and utility subsidy</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Transportation</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Accommodation</b></div> </div> </div>
<p><b>Insurance</b></p> <div style="display: flex; justify-content: space-around;"> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Healthcare Insurance</b></div> </div> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;"><b>Personal Accident Insurance</b></div> </div> </div>		

Performance bonuses and annual increments are determined based on overall job performance and contribution during the financial year, with performance appraisals conducted for eligible employees annually. This incentivises them for their good performance during the year.

#### Adhering to Statutory Contributions

We contribute to our employees' retirement accounts as mandated by the laws of our countries of operation. For statutory pension funds in Malaysia, we contribute at minimum of 12% of each employee's monthly income. Additionally, all our employees in Malaysia are registered with the Employment Insurance System and Social Security Organisation ("SOCSO"), aligning with the country's legislative mandates.

#### Upskilling Our Employees

Employee training and development play a crucial role in our talent management strategy, aiding our efforts to improve job performance, foster relevant competencies and skills, and facilitate career progression. Our approach is outlined in our Human Rights Policy, Diversity Policy and Employee Handbook, crystallising our commitment to delivering trainings that meet the specific needs of our employees.

Our employees are availed of various training programmes and courses that are tailored to their developmental requirements. The diverse programmes we offer include professional qualifications as well as modules and sessions on technical competencies, soft skills, leadership skills, and human rights awareness. To ensure that trainings are suited to the needs of our employees, each entity within the Group is responsible for developing its own training programmes. Personalised training plans are created for each employee during their annual performance appraisal, based on the individual competency needs identified through our competency matrix.

In formulating personalised training needs, we conduct training evaluations by taking the following four (4) key criteria into account:

- **Reaction:** Participants' feedback to the training that is delivered
- **Knowledge:** The learning skills and concepts taught
- **Behaviour:** The extent to which employees may use the information acquired in their day-to-day work
- **Results:** The outcome of the training in terms of measurable, performance-based results

## Empowering Our People and Enriching Our Communities

To ensure a holistic and well-rounded assessment of the training programmes, we gather feedback at two (2) levels:

- **Participant assessments:** Training Evaluation Feedback Form completed by employee upon the completion of the training
- **Supervisory evaluation:** A Post-Superior Evaluation Form is filled up by the employee's supervisor

### Building a Pipeline of Future Leaders

Press Metal Succession Planning Framework was established at the corporate-level in FYE2023 to foster the growth of high-potential and high-performing employees equipped with the right competencies, culture and compatibility. This framework serves as the cornerstone of our commitment to organisational resilience and continuity.

At its core, the framework identifies several strategic initiatives to fuel talent dynamism for future leadership:

#### Competency-Based Evaluation & Mapping:

Establishing a competencies framework with tailored ratings for job roles and grades, facilitating the rigorous assessment of competencies through skill gap analyses and comparing expected ratings with employee evaluations. Gaps are addressed via collaborative discussions between employees, their supervisors and the HR Department, and personalised action plans are developed to identify areas for talent growth and enhancement.

#### Comprehensive Leadership Assessment & Development:

Nurturing leadership excellence internally through the SMOL©, a tool used to assess: Self-awareness (S), Motivation (M), Orientation (O), and Leadership (L) capabilities. This assessment combines psychometric exercises, refined over years of global talent management experience, providing insights for targeted development initiatives. Grounded in the PICE© Successor Development Framework and bolstered by dual mentorship and coaching, our leadership development strategy identifies tailored programmes to groom successors, fortifying organisational resilience and continuity through seamless role transitions.

#### 3Re (Retention, Reward and Recognition) Total Compensation Strategy:

Crafting talent retention strategies and career advancement opportunities, offering competitive compensation packages and instituting an employee recognition programme to incentivise high performance.

These strategies are supported by a systematic succession pathway – a blueprint that encompasses seven (7) key stages:



As we chart the course for the future, our focus remains on developing successors using our proprietary PICE© model. By leveraging the PICE© Successor Development Framework, which emphasises 70% On-the-Job Experiences, 20% Social Interactions, and 10% Competencies-based Training, we aim to create agile and forward-thinking leaders poised to navigate the complexities of the ever-evolving business landscape.

## Empowering Our People and Enriching Our Communities

In addition to the framework, we utilise the internationally recognised and applied ICEBERG model to further improve our succession planning outcomes. Looking beyond the visible competencies of skills and knowledge, ICEBERG model seeks to uncover more fundamental attributes that influence an employee's ability to succeed in a role. Using the model, we are developing detailed job profiles for critical roles that cover not only qualifications and skills but also the ideal employee's mindset, values and other areas of alignment with our ethos as an organisation. This will help to ensure that successors are identified and nurtured in an objective manner, with a clear and holistic vision of the kind of people who will lead the Group in the future.

### Promoting Work-Life Balance

Work-life balance is an important component of employee satisfaction, productivity and, ultimately, retention. To this end, our Sarawak operations have established a Sports, Welfare, Recreational & Culture ("SWRC") Committee to coordinate regular recreational activities and programmes, and we have teams across our other entities that focus on supporting and overseeing employee engagement activities. We actively encourage staff participation in the activities, which serve as opportunities for relaxation and social interaction as well as a chance to develop closer bonds across teams. We also organise family-oriented events to which our employees' family members are invited to join.

In FYE2023, Corporate HR department launched an employee CARE model, called Connect Authentic Recognition Engage, aiming to achieve work engagement, team engagement and organisational engagement.



Paintball Friendly Tournament in PMBtu

### Promoting Open and Transparent Communication

We are committed to minimising any potential adverse impacts relating to our employees that may arise. Where significant organisational or operational changes do occur, we will be conducting thorough risk assessments and providing prior notice of such changes to our employees at least one (1) month in advance.

Simultaneously, we recognise the importance of having our employees feel valued and have an avenue to register complaints or provide feedback pertaining to their employment. To facilitate this, we have established a direct line of communication between all employees and their elected worker representatives through which they may express any concerns they have. As per our CoC, employees may register such concerns without fear of reprisal, thus fostering an environment that encourages the open airing of views and collaborative action towards improvement.

In addition to the grievance mechanism, we engage in transparent discussions with our employees through various channels including town halls and employee representative meetings, facilitated by the HR departments, enabling employees to provide their input on workplace issues. Likewise, our Sarawak operations host monthly employee representative meetings which will be attended by all employee representatives, including foreign staff. During these sessions, any issues raised are promptly addressed by Management Representative, as our effort to promoting a supportive work environment for all.

## Empowering Our People and Enriching Our Communities

### Maintaining Fair Labour Relations

We have implemented comprehensive SOPs such as the Employee and Industrial Relations SOP, to provide clear guidance on various matters related to employer-employee relations. Such SOP covers various areas of focus including employee engagement and dialogues, practices to safeguard the rights of both employers and employees such as rights to freedom of association as well as legally correct and ethical procedures for employment services and termination.

The SOP also defines different types of disciplinary offences and misconduct as well as the disciplinary actions that may be taken against an employee who has committed an offence. All submissions related to disciplinary actions undergo a thorough review by an elected Board of Appeal, akin to a Board of Domestic Inquiry, to scrutinise the disciplinary actions imposed on the accused employee. This ensures that all decisions related to disciplinary actions are fair and equitable.

To understand the satisfactory level of our employees, we conduct periodic employee engagement surveys covering key areas of interest such as working conditions, benefits and compensation, learning and development opportunities, leadership and any other matters of concern to them. The insights gained from these surveys empower us to formulate processes and programmes that improve satisfaction and drive employee retention.

### OUR VALUE CREATION

#### Talent Development

During FYE2023, we continued to enhance our learning and development programmes by leveraging digital solutions and online learning platforms including:

Initiatives	Description
<b>Press Metal E-Learning</b>	<p>In FYE2023, we launched Press Metal E-Learning, a web-based platform that employees can use to access training materials and programmes conveniently.</p> <p>The platform offers flexibility by allowing employees to learn at their own pace. HR department or department heads may use the platform to delegate training sessions and set training goals.</p> <p>In addition, the Press Metal E-Learning comprised digital tools and platforms that enhances the learning and development such as Collaborative Learning Hub (“CLH”) and E-Onboarding Programme. The CLH fosters a culture of interdepartmental learning and knowledge sharing among subject matter experts, while the E-Onboarding Programme is designed to provide new employees with a comprehensive digital onboarding experience.</p> <p>Virtual learning modules offered via the platform include:</p> <ul style="list-style-type: none"> <li>• Company Introduction</li> <li>• Vision and Values</li> <li>• Employee Handbook</li> <li>• ABAC</li> <li>• EHS Induction</li> <li>• IT Induction and Boss I-Net End User Briefing</li> </ul>
<b>Training Development Management System (“TDMS”)</b>	In July 2023, our Sarawak operations introduced the TDMS to digitise and streamline their learning and development processes. Employees may use the system to apply for internal training, view their training history and calendars, and submit pre- and post-training evaluations.
<b>WeChat Learning Platform</b>	Our entities in China utilise the mini programme featured in WeCom, in which a question bank comprising questions collected from each department, covering the scopes of EHS, sustainability and safety production, has been established.

## Empowering Our People and Enriching Our Communities

### Talent Recruitment

We endeavour to recruit individuals who align with our values and contribute to our dynamic work environment, with the following initiatives taken in FYE2023 to attract such talent:

Initiatives	Description
<b>Youth Development Programme</b>	<p>We address skills gaps by supporting unemployed and underprivileged youths with training and employment opportunities. Programmes provided in FYE2023 include:</p> <ul style="list-style-type: none"> <li>• Fresh graduate programme (aluminium smelting): A one-year programme to cultivate talents for roles in aluminium smelting</li> <li>• Apprenticeship/ Internship/ Trainee programme: An internship programme established by the Group</li> <li>• PENJANA programme: A training programme for polytechnic graduates that provides them with the skills to become process controllers</li> <li>• Student adoption programme: Programme that provides financial support for the educational needs</li> </ul> <p>Our internship and management trainee programmes are designed to provide participants with hands-on experience and mentorship from experienced and passionate professionals. As a result, these programmes aid in the development of local talent and the advancement of the local economy.</p>
<b>Collaborations with Universities</b>	<p>During the year under review, we pursued various partnerships with both local and international universities across several initiatives.</p> <p>PMBA fostered knowledge-sharing in research with Universiti Malaya (“UM”) and Shanghai Jiao Tong University, whereby academic staff from UM were invited to visit PMI and PMIT, gaining practical industry-level experience. As a result of the programme, several final year projects and one (1) integrated design project (“IDP”) related to aluminium processing were proposed and accepted, with the UM students set to carry out these projects within PMBA.</p> <p>In addition, PMBA collaborated with the Malaysia–Japan International Institute of Technology (“MJIT”), Universiti Teknologi Malaysia, by sponsoring an IDP for an automatic solar panel processing line that is designed to enhance our cutting, punching and sealing processes. Subsequently, one (1) MJIT student commenced an industrial attachment with the PMBA, serving as an engineer/ consultant and contributing to our preparations for the ISO 17025:2017 accreditation of our laboratory.</p> <p>PMBA also partnered with Universiti Tunku Abdul Rahman (“UTAR”), initiating a project focused on evaluating energy efficiency and carbon footprint in aluminium production. Additionally, they participated in UTAR’s Final Year Project Poster Competition and career fair. Furthermore, PMBA collaborated with Universiti Sains Malaysia (“USM”) for internships, and with Monash University Malaysia for a project aimed at enhancing wastewater treatment efficiency. These collaborations bolstered PMBA’s research and industry connections, fostering knowledge exchange and practical applications.</p>



UM academic staff visit to PMI & PMIT

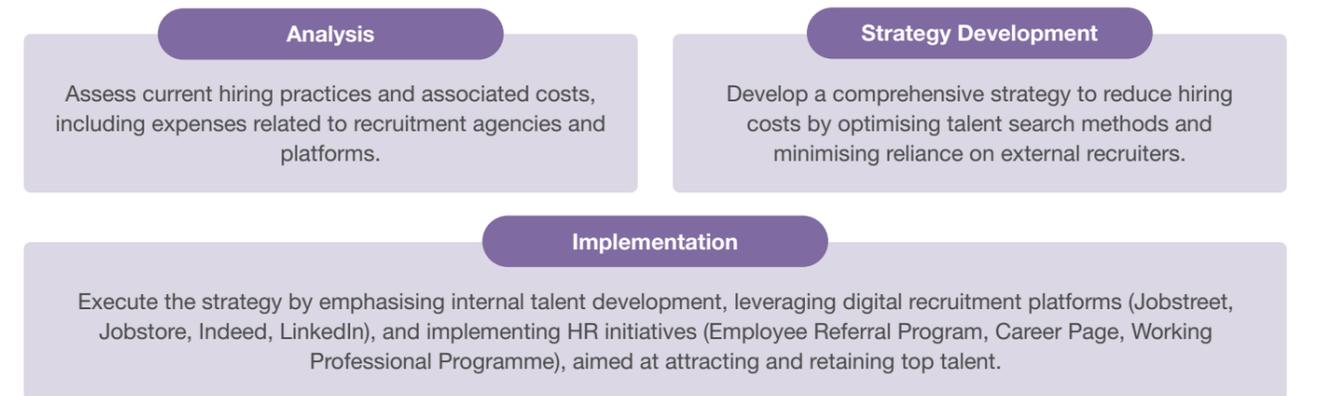
## Empowering Our People and Enriching Our Communities

Initiatives	Description
<b>Collaborations with Universities</b>	<p>PMBtu, meanwhile signed an MOU with the University of Technology Sarawak to spearhead various projects across human capital development, research, innovation and community development.</p> <p>Meanwhile, we continued to collaborate with Politeknik Mukah Sarawak to facilitate the sharing of expertise, equipment and facilities. The collaboration also encompasses training and certification consultations, syllabus and curriculum improvement, research, publication, innovation and commercialisation. In addition, students and lecturers are availed of the opportunity to undergo industrial training, work-based learning and lecturer-industrial attachments.</p> <p>In addition to the above, Corporate HR department has initiated a Working Professional Programme, in collaboration with INTI International University &amp; Colleges. The primary objective of this Working Professional Program is to foster a culture of continuous learning and provides our employees with enhanced opportunities for personal and professional growth. By joining forces with INTI and other similar educational institutions, we aim to instil a continuous learning and improvement culture within our workplaces. Under this Working Professional Program arrangement, our employees and their immediate family members who enrol in selected INTI programmes or courses will receive attractive corporate discounts on tuition fees. A total of seven (7) individuals have enrolled in the programme, of which five (5) are self-enrolled, and two (2) are enrolled as immediate family members.</p>  <p style="text-align: center;"><b>MOU signed with UTS</b></p>
<b>Local Recruitment</b>	<p>In FYE2023, our Sarawak operations organised some recruitment sessions in collaboration with the Labour Department and SOCSO Sarawak, to promote local employment and diversify our applicant pool. PMBtu continued to recruit talents through job postings and by hosting open interviews every Friday and Saturday.</p> <p>In addition to these initiatives, we participated in career fairs and career talks to connect with local talents from communities around our operations. In FYE2023, PMBtu participated in Press Metal's Career Talks 2023, which was a collaboration with the Bintulu District Education Office, Penglibatan Ibu Bapa dan Komuniti, secondary schools and Bintulu Vocational College. The talk showcased insights on the career pathways available to young talents, enabling us to enhance our visibility among students and position ourselves as an employer of choice for graduates.</p>

## Empowering Our People and Enriching Our Communities

### Recruitment Optimisation

To streamline the hiring process, we have developed the Smart Hire Savings initiative, aimed at optimising hiring costs by reducing reliance on recruitment agencies, leveraging various platforms and HR initiatives for talent search. The strategic initiative focusing on the following key steps:



Employee Referral Program (“EmpRP”) is designed to encourage our current employees to refer qualified candidates for open positions within our organisation. The EmpRP aims to attract high quality candidates, streamline hiring process, and reduce recruitment costs.

### Career Development Programme

To drive optimal leadership development, employees with high growth potential - who are selected based on merit - are enrolled in a 12-month career progression programme, with successful candidates promoted to positions relevant to their identified skills and attributes. Complementing this, the following initiatives have been designed to accelerate the career development of these employees:

Programme	Purpose of Improvement
<b>Leadership Tea Talk</b>	A series of discussions, workshops and informal drop-ins provided for employees at the executive and managerial levels to gain valuable insights from our most senior leaders.
<b>Engineer Development Programme</b>	A purpose-fit programme to develop qualified engineers.
<b>Executive Development Programme</b>	A purpose-fit programme to develop the skills and competencies required of executive-level employees.
<b>Supervisory Development Programme</b>	A programme that refines the analytical and problem-solving skills of supervisory-level employees, empowering them to become more effective in managing operational teams.

### Employee Engagement

Through our annual employee engagement survey, several entities identified concerns relating to our workplace practices which we subsequently addressed through targeted action plans. For example, some employees highlighted concerns relating to our career development programmes and our infrastructure and facilities. Consequently, we took proactive steps to improve employee engagement and introduce additional team-building activities, thereby boosting employee morale. Additionally, we enhanced the facilities within these workplaces, such as, increasing parking areas, providing meal subsidies for frontline employees and improving the infrastructure within employee accommodation. We also initiated programmes to improve employee safety awareness and knowledge, thereby increasing productivity and operational efficiency.

## Empowering Our People and Enriching Our Communities

### PMBtu Township Development

In FYE2023, PMBtu undertook new township development to enhance the living conditions of our employees at Samalaju Industrial Park, Bintulu. The development includes, amongst others, 20 blocks of workers' accommodation in compliance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446), spanning a total land area of 72.2 acres.

The township includes recreational areas for leisure and sporting activities, along with ample parking spaces for vehicles, commercial shophouses and other business opportunities for local communities. This is in line with our goal of cultivating a balanced work-life culture for our employees and enhancing their well-being.

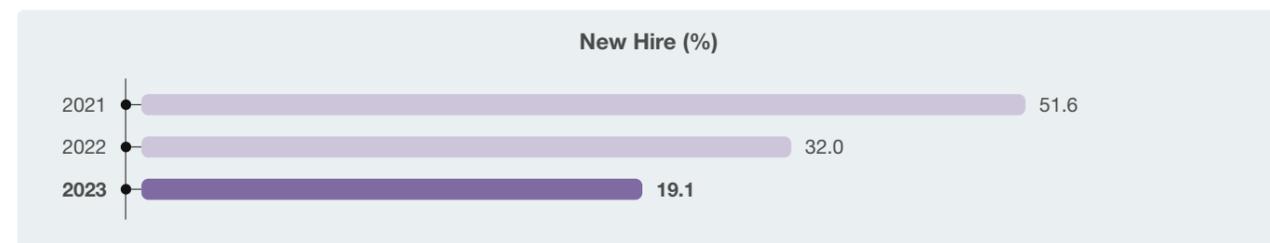
### HOW WE PERFORMED IN 2023

#### Employees by Permanent or Temporary Positions

Employees by Positions	2021		2022		2023	
	Permanent	Temporary/Contract	Permanent	Temporary/Contract	Permanent	Temporary/Contract
	81.0%	19.0%	85.4%	14.6%	83.5%	16.5%

#### New Hire

Our new hire, recorded at 19.1%, decreased by 12.9% point as compared to FYE2022.



#### New Hire by Age Group

Age	2021		2022		2023	
	Number	%	Number	%	Number	%
<30 Years Old	2,398	69.6	1,073	64.3	774	65.2
30-50 Years Old	1,016	29.5	413	24.8	406	34.2
Above 50 Years Old	31	0.9	182	10.9	7	0.6

#### New Hire by Gender

Gender	2021		2022		2023	
	Number	%	Number	%	Number	%
Male	3,011	87.4	1,437	86.2	1,017	85.7
Female	434	12.6	231	13.9	170	14.3

#### New Hire by Region

Region	2021		2022		2023	
	Number	%	Number	%	Number	%
Malaysia	2,350	68.2	1,197	71.8	912	76.8
China	1,095	31.8	471	28.2	275	23.2

## Empowering Our People and Enriching Our Communities

### Employee Turnover

Our employee turnover decreased by 0.6% point as compared to FYE2022, reflecting our efforts to provide attractive compensation and benefits packages alongside career development opportunities and a healthy work-life balance.



#### Employee Turnover by Age Group

Age	2021		2022		2023	
	Number	%	Number	%	Number	%
<30 Years Old	857	58.9	625	64.6	637	61.7
30-50 Years Old	556	38.2	308	31.8	355	34.4
Above 50 Years Old	43	3.0	35	3.6	40	3.9

#### Employee Turnover by Gender

Gender	2021		2022		2023	
	Number	%	Number	%	Number	%
Male	1,305	89.6	819	84.6	879	85.2
Female	151	10.4	149	15.4	153	14.8

#### Employee Turnover by Region

Region	2021		2022		2023	
	Number	%	Number	%	Number	%
Malaysia	1,232	84.6	651	67.3	725	70.3
China	224	15.4	317	32.7	307	29.7

### Workforce Locality

In FYE2023, 88.6% of our hired senior management employees were local, showcasing our dedication to supporting and investing in the communities where we operate.

Employees by Locality	2021		2022		2023	
	Number	%	Number	%	Number	%
Local	5,808	79.0	5,889	80.7	6,066	82.9
Foreign	1,548	21.0	1,411	19.3	1,255	17.1

### Average Training Received by Employee

In FYE2023, we invested RM1.1 million in training programmes for our employees, recording a total of 342,848 training hours across our manufacturing facilities. This equated to an average of 46.8 training hours per employee.

2021		2022		2023	
Average Training Days	Average Training Hours	Average Training Days	Average Training Hours	Average Training Days	Average Training Hours
1.6	12.5	6.2	49.2	5.9	46.8

Note: Data for the Average Training Days and Average Training Hours for FYE2021 has been restated due to an enhanced disclosure methodology employed for this reporting period.

## Empowering Our People and Enriching Our Communities

## Average Training Hours per Employee by Employee Category

Employee Category	2021	2022	2023
Senior Management	12.5	14.7	32.9
Management		17.5	43.0
Executive		46.7	56.4
Non-Executive		50.6	45.7

## Average Training Hours per Employee by Gender

Employee Category	2021	2022	2023
Male	12.5	52.7	48.9
Female		27.0	33.4

## Total Training Hours by Employee Category

Employee Category	2021	2022	2023
Senior Management	92,040.3	471	1,086
Management		3,038	7,608
Executive		37,865	47,800
Non-Executive		317,926	286,352

## Average Training Hours Spent by Types of Training

Types of Training	Average Training Hours Spent	% of Training Hours Spent
Competency	3.7	8.0
Compliance	11.4	24.4
Staff Development	30.1	64.2
Others	1.6	3.4

## Career Development Programme

In line with our commitment to providing employees with opportunities to enhance their skills and expand their professional network, our workforce collectively completed 4,556 hours in learning under career development programmes during FYE2023.

Career Development Programme	Number of Training Sessions	Total Training Hours
Leadership Tea Talk	1	152
Engineer Development Programme	10	1,168
Executive Development Programme	33	2,466
Supervisory Development Programme	2	770

## Empowering Our People and Enriching Our Communities

## Youth Development Programme

In FYE2023, we offered 92 internships and 31 management trainee opportunities, while successfully retained 7 interns.

Internship & Management Trainee Programmes	2023
Number of Internships Provided	92
Number of Interns Retained	7
Number of Management Trainees	31
Number of Management Trainees Retained	0

## Performance Appraisal

In FYE2023, 97.3% of employees underwent the annual performance appraisal and received personalised trainings to enhance their skills and knowledge.

## Percentage of Employee Receiving Performance Appraisal by Gender

Employee Gender	2021	2022	2023
Male	84.6%	93.8%	98.3%
Female		81.8%	91.7%

## Promoting Employee Wellbeing

In FYE2023, we invested approximately RM411,000 in recreational activities, with the aim of improving employee wellbeing.

SWRC Approach	Number of Activities Organised	Number of Participants	Examples of Events Organised in 2023
Sports	30	26,575	- Ambang Merdeka Closed Invitation Futsal Tournament 2023 - Sport Tournament: Paintball, E-sport, Futsal, Badminton and etc.
Welfare	35		- Haircut campaign: We'll Style While You Smile - Monthly Birthday Celebration
Recreational	7		- Team building trip to Gua Niah - Karaoke Night
Culture	30		- Reading Sharing Sessions - Traditional festive celebration

## Employee Engagement

In FYE2023, 6,837 employees participated in our employee engagement survey, with an overall rating of 80.2%.

## Empowering Our People and Enriching Our Communities

### Parental Leave

In FYE2023, 293 employees took parental leave, including 227 males and 66 females. Notably, 99.6% of male employees and 83.3% of female employees returned to work following the conclusion of their parental leave.

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total number of employees entitled to parental leave	2,055	462	2,688	463	2,830	446
Total number of employees who took parental leave	33	59	131	45	227	66
Total number of employees that returned to work in the reporting period after parental leave	33	57	130	39	226	55
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	29	34	115	28	194	51
Return to work rate	100.0%	96.6%	99.2%	86.7%	99.6%	83.3%
Retention rate	87.9%	59.7%	88.5%	71.8%	85.8%	92.7%

Note: Data aggregated from our manufacturing facilities (PMBtu, PMS, PMAR, PMBA, PMI and PMIT) and our corporate headquarters (PMAH).



### GOING FORWARD

The quality of the talent is a critical determinant of our strength as an organisation. Recognising this, we shall continue to provide attractive remuneration and benefits while fostering a culture of continuous learning and development, with the goal of retaining our valued employees and nurturing them to assume leadership positions within the Group.

In doing this, we will take a holistic view of the competencies required of future leaders, looking not only at hard skills and knowledge but also at our employees' motivation and alignment with our values as an organisation, conscious that these less tangible attributes have a major impact of an employee's ability to create value and bring the best out of their teams.

## Empowering Our People and Enriching Our Communities

### M18 COMMUNITY MANAGEMENT

GRI 2-16, GRI 2-23, GRI 2-25, GRI 2-26, GRI 2-30, GRI 3-3, GRI 203-1, GRI 203-2, GRI 406-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 410-1, GRI 411-1, GRI 413-1, GRI 413-2

#### Capitals



#### UN SDGs



#### WHY IT MATTERS

Our investments in local communities are critical for our long-term success as a business. By improving livelihoods and quality of life, we foster economic advancement and cultivate a resilient community.

Through integrated and well-coordinated engagement efforts, we can effectively utilise available resources to maximise the impact of our efforts in bringing positive change; building a thriving and resilient community. In addition, our investments in education and skills development build local human capital and provide us with access to a pool of talent that may be able to contribute to our growth as a business. This, in turn, strengthens our reputation as a responsible and purposeful organisation.

Moreover, by investing in local communities we are contributing to the national socio-economic development agenda as outlined in the 12<sup>th</sup> Malaysia Plan, thus strengthening government relations and positioning Press Metal as a champion of Malaysia's advancement and prosperity.

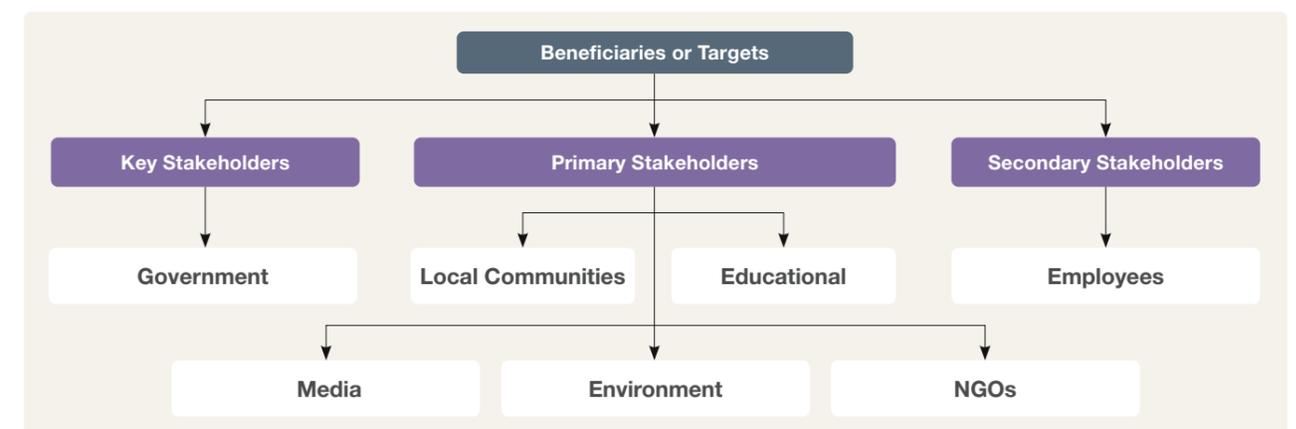
### OUR APPROACH

Investing in community development forms the core of our community management efforts, encompassing the enhancement of infrastructures, facilitation of proper developments, promotion of economic prosperity and spearheading of environmental sustainability.

#### Identifying our Community Impact

Prior to the construction of our manufacturing facilities, we conduct stakeholder identification and engage with surrounding communities as part of the EIA exercise, gathering feedback and engaging in dialogue to understand how we can positively impact the community.

In our commitment to community stakeholder engagement, we focus on meaningful interaction and collaboration with local communities. We have implemented a structured approach that categorises communities into three (3) distinct groups: key stakeholders, primary stakeholders, and secondary stakeholders. This classification enables us to conduct thorough analysis of the community's issues and tailor our actions to address the needs of our communities.



## Empowering Our People and Enriching Our Communities

By forging strong partnerships with these stakeholders, we may influence to drive sustainable development initiatives that benefit the broader community. Understanding the concerns and needs allow us to develop targeted action plans. Through this structured framework, we strive to build meaningful relationships through community dialogues.

### Managing Community Relations and Cultural Sensitivity

Criteria detailing communication activities for each target community category are outlined in the Local Community Communication SOP, guiding decision-making on CSR projects. On a larger scale, our Communications & Public Relations (“CPR”) Department serves as a medium to facilitate effective stakeholders’ communication, addressing various issues such as economic, social, cultural, environmental, safety and health concerns as well as emergency risk communications.

Our commitment to local communities is further detailed in our Human Rights Policy. We recognise the diversity of our workforce and community, respecting differences in customs, cultures and values. In Sarawak, our induction programme helps our ethnically diverse workforce to understand and respect local customs, backgrounds and traditions as well as promoting cultural sensitivity and inclusion in daily interactions. In tandem with this, we continuously evaluate and seek to improve our community management approach while conducting training programmes to raise greater awareness among our employees.

### Promoting Community Development

The CPR Management System delineates our CSR agenda around five (5) pillars: socioeconomics, health and safety, education, environment and sports. Each pillar is guided by specific CSR categories as its guiding principles, while some pillars may be paired with one or more categories, allowing for a comprehensive approach to community development.

Pillars	Guiding Principle/ CSR Category	Expected Outcomes
<b>Socioeconomics</b>	<ul style="list-style-type: none"> <li>Economics</li> <li>Social Change</li> <li>Work/ Policy</li> <li>Development</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of local community’s economic growth</li> <li>Improvement in local community’s quality of life</li> </ul>
<b>Health &amp; Safety</b>	<ul style="list-style-type: none"> <li>Physical Health</li> <li>Safety &amp; Security</li> <li>Development</li> <li>Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Improvement in local community’s quality of health and health awareness</li> <li>Securing the local community’s trust in the safety of our production processes and procedures</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>Development</li> <li>Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement in the quality of the education process</li> <li>Improvement in the quality and quantity of talents</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Environment</li> <li>Development</li> <li>Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining the environmental friendliness of our operations</li> <li>Securing the local community’s trust in our environmentally conscious production processes and procedures</li> </ul>
<b>Sports</b>	<ul style="list-style-type: none"> <li>Development</li> <li>Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Improvement in the quality of sports talent</li> <li>Improvement in the local community’s sports achievements</li> </ul>

### Platforming Community Concerns for Resolution

Our Local Community Grievance Management SOP outlines the protocol for community members to voice their concerns on issues relating to our operations. Grievances may cover socio-economic, environmental, health and safety, developmental, educational and other concerns. The protocol is designed to have a transparent process for dealing with grievances and complaints in a fair, consistent and prompt manner.

We ensure that community members can voice their grievances promptly and satisfactorily, guaranteeing that the needs of our community stakeholders are heard and addressed, thus promoting the transparency and accountability in our decision-making processes.

## Empowering Our People and Enriching Our Communities

### OUR VALUE CREATION

As a testament to our CSR efforts, we have established community-oriented programmes focusing on various fields of societal development. Through educational support and in-kind contributions, we strive to create enduring positive impacts on the well-being of surrounding communities.

### Organising CSR Programmes and Charity Contributions

We take pride in our commitment to supporting and strengthening local communities through various in-kind charitable contributions and CSR programmes, cementing our role as a socially responsible organisation that prioritises societal well-being.

Health

We support our local health sector in various forms, including financial support and resource contributions, aiming to make a substantial impact on community health. In FYE2023, we contributed approximately RM749,000 towards supporting local health providers, with notable contributions including:

- Sponsorship of one (1) unit portable x-ray machine worth RM500,000 to Bintulu Divisional Health Office (with another unit to be sponsored in year 2024)
- Sponsorship of RM200,000 to Bintulu Divisional Health Office to aid them in their digital transformation journey
- Sponsorship of medical fridge, laptop, chairs and folding tables to assist and support the local health authority in improving their current medical facilities



**ICT Equipments Contribution to Bintulu Divisional Health Office**



**Contribution of Medical Fridge to Pharmacy Unit Hospital Bintulu**



**Sponsorship of MegaCPR Bintulu Division**



**Sponsorship for Sambutan Hari Pembantu Perubatan Bahagian Bintulu**

## Empowering Our People and Enriching Our Communities

### Social & Culture

In line with our role as a corporate citizen, we strive to generate positive impacts for the communities we serve, including by supporting their cultural diversity. To this end, we distributed over RM1.8 million to local communities, with notable contributions including:

- Donation of RM1,000,000 to the emergency relief fund for earthquake victims
- Sponsorship of RM350,000 to Bintulu New Year 2023 Countdown Carnival
- Donation of RM200,000 to BRDB Rotary Children's Residence to support underprivileged and at-risk children



Sponsorship of Fire Extinguisher to local communities



Sponsorship for Sarawak State Level Lion Dance Competition

### Education

As education plays a pivotal role in the socio-economic development of communities, we are dedicated to equipping youths with the necessary skills and knowledge to succeed. Over RM314,000 was allocated in FYE2023 which aimed at supporting youth capacity development, with some highlights including:

- Sponsorship of over RM52,000 for the student excellence awards to incentivise student success
- Contributed SMART TVs and SMART Boards worth over RM78,000 to several educational institutions, facilitating digital learning experiences for students
- Sponsorship of RM25,000 for Young Executives Sustainability Summit 2023 organised by UNGC Malaysia and Brunei, aims to inspire and empower young Malaysian executives to spearhead sustainability efforts, advocate intergenerational leadership best practices, and facilitate networking for collaborative action



Sponsorship of educational equipments to SMK Bintulu



Sponsorship for Young Executives Sustainability Summit 2023

## Empowering Our People and Enriching Our Communities

### Sports

We actively support the sports industry by sponsoring local sports activities and encouraging employee participation in sports to promote a healthy, active lifestyle within local communities. In FYE2023, over RM2.6 million was contributed towards diverse sports initiatives, such as:

- Sponsorship of RM1 million to Kuching City Football Club for the sportspersons participation in Malaysia Super League
- Sponsorship of RM50,000 to Blue Cap Relay Run to raise awareness about prostate cancer and promote a healthy lifestyle
- Sponsorship of RM1.3 million to Sarawak Badminton Association for the development of local talent



Sponsorship for Kuching City Football Club



Blue Cap Relay Run

### Environment

Playing our part in fostering a positive environmental impact within local communities, we have initiated projects such as:

- Sponsorship of RM64,460 to Alashan Society Entrepreneur Ecology Foundation programme to support environmental organisations and projects
- Sponsorship of approximately RM292,000 towards the Tree Planting Programme, a small step towards the preservation and restoration of biological diversity through the rehabilitation process of planting trees



Tree Planting Event



E-waste Collection Campaign

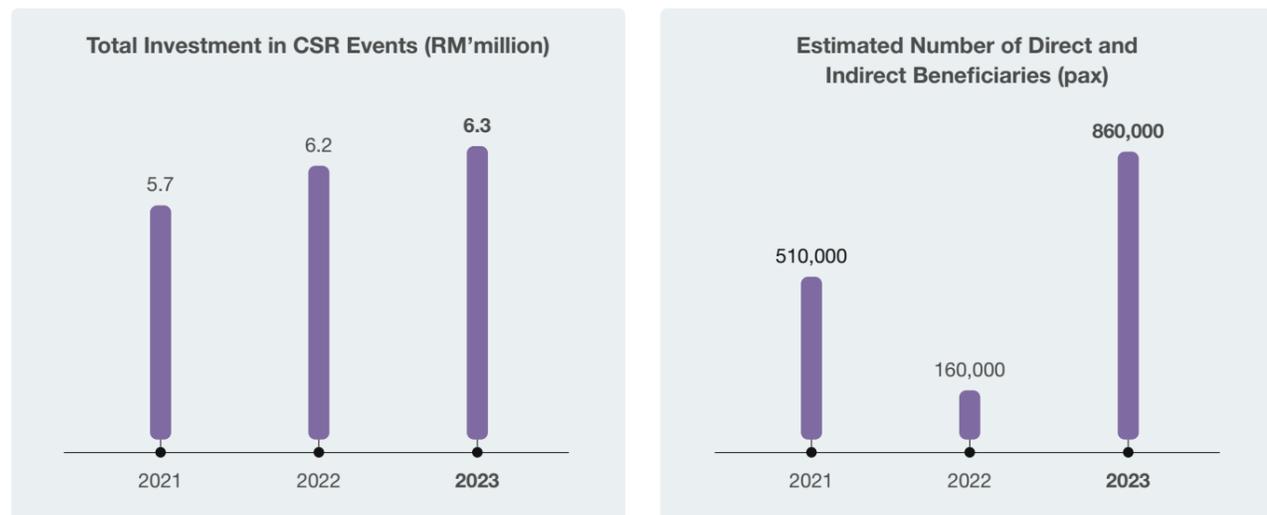
## Empowering Our People and Enriching Our Communities

### Promoting Volunteerism

We encourage volunteerism at every level of our organisation by establishing a volunteer platform within respective entities for employees to take part in community-based activities, thus enabling them to develop meaningful relationships and deepen their level of job satisfaction. Throughout the year, our employees dedicated their time to different activities such as gotong-royong, blood donation and visitation to homes for the elderly.

### HOW WE PERFORMED IN 2023

#### Contributions to the Local Communities



#### Volunteerism

	2021	2022	2023
Number of Participating Employees	274	1,674	1,075
Total Volunteer Hours	0	3,407	7,771
Estimated Number of Direct and Indirect Beneficiaries	510,000	160,000	860,000
Number of CSR Events Organised	58	137	141

Note: Aggregated data from our manufacturing facilities (PMBtu, PMS, PMAR, PMBA, PMI and PMIT) and our corporate headquarters (PMAH).

#### Stakeholders' Perspectives and Feedback

During the exercise of SIA in FYE2023, we engaged our stakeholders to gather local communities' feedback of our impacts. Respondents from PMS noted no significant social issues and expressed that our presence has led to positive socio-economic development. Similarly, respondents from PMBtu reported favourable views on current issues, cultural effects, conditions and infrastructure availability.

#### GOING FORWARD

Press Metal endeavours dynamic partnerships that harness the collective efforts and resources of diverse stakeholders. By fostering a culture of cooperation, we aspire to co-create sustainable solutions that address the evolving needs and challenges of our communities.

Our focus remains rooted in fostering resilience, inclusivity, and prosperity within our communities. We are committed to making a tangible and lasting difference in the lives of our surrounding communities, by strategically allocating resources and engaging in a proactive manner to unlock new opportunities for community empowerment and development.

## INDEPENDENT LIMITED ASSURANCE REPORT



### INDEPENDENT LIMITED ASSURANCE REPORT TO THE MEMBERS OF

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**  
(Incorporated in Malaysia)  
Company Registration No: 201601027232 (1198171-H)

**Grant Thornton Malaysia PLT**  
Level 11, Sheraton Imperial Court  
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#### Independent Limited Assurance Report on Subject Matter Information in Press Metal's Sustainability Report 2023

We, Grant Thornton Malaysia PLT ("Grant Thornton") were engaged by Press Metal Aluminium Holdings Berhad ("PMAH") to provide limited assurance on selected material sustainability indicators ("Subject Matter Information") as reported by PMAH and its subsidiaries (collectively referred to as "Press Metal") in its Sustainability Report for the year ended 31 December 2023 ("Sustainability Report").

#### Limited Assurance Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

#### Subject Matter Information

The scope of our work was limited to assurance over selected material sustainability indicators reported in Press Metal's Sustainability Report, as presented below.

Underlying Subject Matter	Units	Subject Matter Information
GHG emissions (Scope 1 and Scope 2)	Kilotonnes CO <sub>2</sub> e	4,293.3
GHG emissions intensity (Scope 1 and Scope 2)	Tonnes CO <sub>2</sub> e/Tonne of Aluminium	3.3
Total energy consumption	Million Gigajoules	55.6
Number of work-related fatalities	Number	Zero/Nil
Lost-time injury frequency rate	Number/Million Manhours	2.7

Our assurance does not extend to any other information that may be included in the Sustainability Report for the current year or for previous periods unless otherwise indicated.

Audit | Tax | Advisory

**Chartered Accountants**  
Grant Thornton Malaysia PLT [201906003682 (LLP0022494-LCA) S AF 0737] is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a private company limited by guarantee, incorporated in England and Wales. Grant Thornton Malaysia PLT was registered on 1 January 2020 and with effect from that date, Grant Thornton Malaysia (AF 0737), a conventional partnership was converted to a Limited Liability Partnership.

grantthornton.com.my

## Independent Limited Assurance Report



Company Registration No: 201601027232 (1198171-H)

### Independent Limited Assurance Report on Subject Matter Information in Press Metal's Sustainability Report 2023 (cont'd)

#### Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Press Metal is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on Press Metal's internal sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Report ("Reporting Criteria").

#### Board of Directors and Management's Responsibilities

The Directors and Management of Press Metal are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Report and the Reporting Criteria and their contents.

#### Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to Press Metal.

#### Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



Company Registration No: 201601027232 (1198171-H)

### Independent Limited Assurance Report on Subject Matter Information in Press Metal's Sustainability Report 2023 (cont'd)

#### Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits and Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

#### Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of Press Metal and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- conducting interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- performing analytical procedures for consistency of data with trends and our expectation;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected carbon conversion factor calculations, unit conversion factor calculations and other calculations used by Press Metal to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of Press Metal for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Sustainability Report and narrative accompanying the Subject Matter Information in the Sustainability Report with regard to the Reporting Criteria, and for consistency with our findings.

Independent Limited Assurance Report



Company Registration No: 201601027232 (1198171-H)

**Independent Limited Assurance Report on Subject Matter Information in Press Metal's Sustainability Report 2023 (cont'd)**

*Inherent Limitations*

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

*Intended use of this report*

This limited assurance report, including our conclusion, is made solely to Press Metal in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to Press Metal those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than Press Metal for our work or this report, or for the conclusion we have reached.

Our report is released to Press Metal on the basis that it shall not be copied, referred to or disclosed, in whole (save for Press Metal's own internal purposes) or in part, without our prior written consent.

**Grant Thornton Malaysia PLT**  
(201906003682 & LLP0022494-LCA)  
Chartered Accountants

Kuala Lumpur  
Date: 22 April 2024

**GRI CONTENT INDEX**

Press Metal has reported the information with reference to the GRI Standards 2021 for the period covering the full calendar year from 1 January to 31 December 2023 as cited in this GRI content index.

GRI STANDARD	DISCLOSURE	LOCATION	
<b>GRI 2: General Disclosures 2021</b>	<b>ORGANISATIONAL PROFILE</b>		
	2-1	Organisational details	About This Report, pages 2-3 Who We Are, page 4 Our Integrated Value Chain, page 5 About This Sustainability Report, page 87 Our Approach to Sustainability, page 94
	2-2	Entities included in the organisation's sustainability reporting	About This Sustainability Report, page 87
	2-3	Reporting period, frequency and contact point	About This Sustainability Report, page 87
	2-4	Restatement of information	Restatements of information is disclosed at the relevant sections, where applicable
	2-5	External assurance	About This Sustainability Report, page 87 Independent Limited Assurance Report, pages 187-190
	<b>ACTIVITIES AND WORKERS</b>		
	2-6	Activities, value chain and other business relationships	Who We Are, page 4 Our Integrated Value Chain, page 5 Our Key Strengths, pages 6-7 Chairman's Statement, pages 12-15 Management Discussion and Analysis by Group CEO, pages 16-21 Our Value Creation Model, pages 38-39 About This Sustainability Report, page 87 Message from Group CEO, pages 90-91
	2-7	Employees	Diversity and Inclusivity, pages 164-167
	2-8	Workers who are not employees	Talent and Labour Management, pages 168-180
<b>GOVERNANCE</b>			
2-9	Governance structure and composition	Corporate Information, page 40 Profile of Our Board of Directors, pages 42-47 Profile of Our Key Senior Management, Key Operating Management and Country Heads, pages 48-50 Our Approach to Sustainability, page 94	
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement, pages 63-65	

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GRI STANDARD	DISCLOSURE	LOCATION	
<b>GRI 2: General Disclosures 2021</b>	<b>GOVERNANCE (CONT'D)</b>		
	2-11	Chair of the highest governance body	Corporate Information, page 40 Profile of Our Board of Directors, pages 42-47
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, pages 52-59
	2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability, page 94
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	Profile of Our Board of Directors, pages 42-47 Corporate Governance Overview Statement, pages 70-71 Business Ethics and Corporate Governance, pages 101-104
	2-16	Communication of critical concerns	Engaging with Our Stakeholders, pages 26-28 Business Ethics and Corporate Governance, pages 101-104 Human Rights, pages 158-163 Community Management, pages 181-186
	2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement, pages 64-69
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, pages 64-65
	2-19	Remuneration policies	Corporate Governance Overview Statement, pages 69-70 Our Approach to Sustainability, page 95
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	Information on the Board of Directors' fees are provided in the Corporate Governance Report
	2-22	Statement on sustainable development strategy	Overview of Our Sustainability Approach, page 88
	2-23	Policy commitments	Our Approach to Sustainability, pages 94-95 Message from Group CEO, pages 90-91 Corporate Governance Overview Statement, pages 57-59
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	Engaging with Our Stakeholders, pages 26-28 Business Ethics and Corporate Governance, pages 101-104 Waste Management, pages 136-139 Human Rights, pages 158-163 Community Management, pages 181-186

GRI STANDARD	DISCLOSURE	LOCATION		
<b>GRI 2: General Disclosures 2021</b>	<b>STRATEGY, POLICIES AND PRACTICES</b>			
	2-26	Mechanisms for seeking advice and raising concerns	Business Ethics and Corporate Governance, pages 101-104 Waste Management, pages 136-139 Human Rights, pages 158-163 Community Management, pages 181-186	
	2-27	Compliance with laws and regulations	Regulatory Compliance, pages 105-106	
	2-28	Membership associations	Association and Memberships, page 11	
	<b>STAKEHOLDER ENGAGEMENT</b>			
	2-29	Approach to stakeholder engagement	Engaging with Our Stakeholders, pages 26-28	
	2-30	Collective bargaining agreements	Human Rights, page 159	
	<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	Material Matters at Our Core, pages 29-30
		3-2	List of material topics	Material Matters at Our Core, page 30
		3-3	Management of material topics	Material Matters at Our Core, pages 29-30
<b>GRI 200: ECONOMIC</b>				
<b>ECONOMIC PERFORMANCE</b>				
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	Economic Performance, pages 99-100	
	201-2	Financial implications and other risks and opportunities due to climate change		
	201-3	Defined benefit plan obligations and other retirement plans	Talent and Labour Management, pages 168-180	
	201-4	Financial assistance received from government	Economic Performance, pages 99-100	
<b>MARKET PRESENCE</b>				
<b>GRI 202: Market Presence 2016</b>	202-2	Proportion of senior management hired from the local community	Talent and Labour Management, page 177	
<b>INDIRECT ECONOMIC IMPACTS</b>				
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1	Infrastructure investments and services supported	Community Management, pages 181-186	
	203-2	Significant indirect economic impacts		
<b>PROCUREMENT PRACTICES</b>				
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	Responsible Sourcing, pages 107-110	
<b>ANTI-CORRUPTION</b>				
<b>GRI 205: Anti-corruption 2016</b>	205-1	Operations assessed for risks related to corruption	Business Ethics and Corporate Governance, pages 101-104	
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
<b>TAX</b>				
<b>GRI 207: Tax 2019</b>	207-1	Approach to tax	Economic Performance, pages 99-100	
	207-2	Tax governance, control, and risk management		

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GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 300: ENVIRONMENTAL</b>		
<b>MATERIALS</b>		
<b>GRI 301: Materials 2016</b>	301-1	Materials used by weight or volume
	301-2	Recycled input materials used
<b>ENERGY</b>		
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation
	302-2	Energy consumption outside of the organisation
	302-3	Energy intensity
	302-4	Reduction of energy consumption
<b>WATER AND EFFLUENTS</b>		
<b>GRI 303: Water and Effluents 2018</b>	303-1	Interactions with water as a shared resource
	303-2	Management of water discharge-related impacts
	303-3	Water withdrawal
	303-4	Water discharge
	303-5	Water consumption
<b>BIODIVERSITY</b>		
<b>GRI 304: Biodiversity 2016</b>	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2	Significant impacts of activities, products and services on biodiversity
	304-3	Habitats protected or restored
<b>EMISSIONS</b>		
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
	305-3	Other indirect (Scope 3) GHG emissions
	305-4	GHG emissions intensity
	305-5	Reduction of GHG emissions
	305-7	Nitrogen oxides, sulfur oxides, and other significant air emissions
<b>WASTE</b>		
<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-related impacts
	306-3	Waste generated
	306-4	Waste diverted from disposal
	306-5	Waste directed to disposal
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria
	308-2	Negative environmental impacts in the supply chain and actions taken

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GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 400: SOCIAL</b>		
<b>EMPLOYMENT</b>		
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3	Parental leave
<b>LABOR AND MANAGEMENT RELATIONS</b>		
<b>GRI 402: Labor/Management Relations 2016</b>	402-1	Minimum notice periods regarding operational changes
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
	403-10	Work-related ill health
<b>TRAINING AND EDUCATION</b>		
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programmes
	404-3	Percentage of employees receiving regular performance and career development reviews
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees

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GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 400: SOCIAL (CONT'D)</b>		
<b>NON-DISCRIMINATION</b>		
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken Human Rights, pages 158-163
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk Human Rights, pages 158-163 Responsible Sourcing, pages 107-110
<b>CHILD LABOR</b>		
<b>GRI 408: Child Labor 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labour Human Rights, pages 158-163 Responsible Sourcing, pages 107-110
<b>FORCED OR COMPULSORY LABOR</b>		
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour Human Rights, pages 158-163 Responsible Sourcing, pages 107-110
<b>SECURITY PRACTICES</b>		
<b>GRI 410: Security Practices 2016</b>	410-1	Security personnel trained in human rights policies or procedures Human Rights, pages 158-163
<b>RIGHTS OF INDIGENOUS PEOPLES</b>		
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1	Incidents of violations involving rights of indigenous peoples Human Rights, pages 158-163
<b>LOCAL COMMUNITIES</b>		
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programmes Human Rights, pages 158-163 Community Management, pages 181-186 Biodiversity, pages 145-147
	413-2	Operations with significant actual and potential negative impacts on local communities Community Management, pages 181-186
<b>SUPPLIER SOCIAL ASSESSMENT</b>		
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1	New suppliers that were screened using social criteria Responsible Sourcing, pages 107-110
	414-2	Negative social impacts in the supply chain and actions taken
<b>PUBLIC POLICY</b>		
<b>GRI 415: Public Policy 2016</b>	415-1	Political contributions Business Ethics and Corporate Governance, pages 101-104

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 400: SOCIAL (CONT'D)</b>		
<b>CUSTOMER HEALTH AND SAFETY</b>		
<b>GRI 416: Customer Health and Safety 2016</b>	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services Product Quality and Customer Satisfaction, pages 111-113
<b>MARKETING AND LABELING</b>		
<b>GRI 417: Marketing and Labeling 2016</b>	417-1	Requirements for product and service information and labeling Product Quality and Customer Satisfaction, pages 111-113
<b>CUSTOMER PRIVACY</b>		
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data Customer Data Privacy & Information Technology, pages 119-120

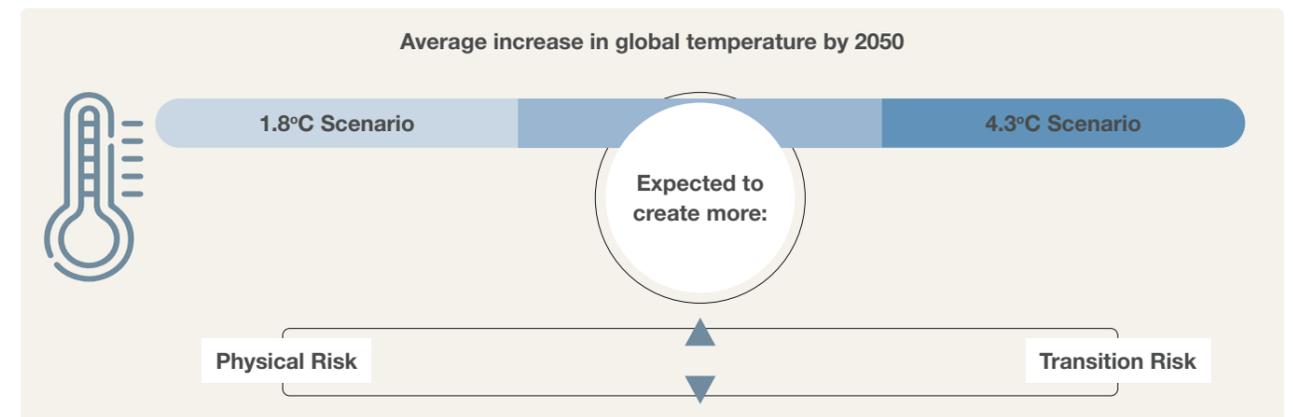
# TCFD CONTENT INDEX

# TCFD Content Index

Pillar	Recommended Disclosure	Reference
<b>Governance</b>	Describe the board's oversight of climate-related risks and opportunities	Corporate Governance Overview Statement, pages 58-59  Our Approach to Sustainability, pages 94-95  Climate Change, pages 121-130  Risk Management, pages 117-118
	Describe the management's role in assessing and managing climate-related risks and opportunities	Our Approach to Sustainability, pages 94-95  Climate Change, pages 121-130  Risk Management, pages 117-118
<b>Strategy</b>	Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term	Climate Change, pages 121-130
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Climate Change, pages 121-130  Scenario Analysis, Table Y, pages 198-200
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 1.8°C or lower scenario	Climate Change, pages 121-130  Scenario Analysis, Table Y, pages 199-201
<b>Risk Management</b>	Describe the organisation's processes for identifying and assessing climate-related risks	Risk Management, pages 117-118
	Describe the organisation's processes for managing climate-related risk	Climate Change, pages 121-130  Risk Management, pages 117-118  Materiality Matrix, page 30
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Risk Management, pages 117-118
<b>Metrics and Targets</b>	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Our Approach to Sustainability, pages 94-95  Climate Change, pages 121-130  Waste Management, pages 136-139  Water and Effluents, pages 142-144  Energy Management, pages 131-133  Air Emissions, pages 134-135  Material Stewardship, pages 140-141
	Describe Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Climate Change, pages 121-130

Pillar	Recommended Disclosure (cont'd)	Reference (cont'd)
<b>Metrics and Targets (cont'd)</b>	Describe the targets used to manage climate-related risks and opportunities and performance against targets	Corporate Governance Overview Statement, pages 58-59  Our Approach to Sustainability, pages 94-95  Climate Change, pages 121-130  Risk Management, pages 117-118

## SCENARIO ANALYSIS: TWO PLAUSIBLE SCENARIOS IN 2050



### 1.8°C Scenario

POLITICAL REGULATION	ECONOMICAL GROWTH	SOCIAL COLLABORATIVE
Enhanced operational resilience through global cooperation, regulatory alignment, and future-proofing standards	Sustained economic growth driven by the transition to renewable energy sources	Growing attention and pressure from diverse stakeholders regarding climate change issues
TECHNOLOGICAL INNOVATION	ENVIRONMENTAL CAUTION	LEGAL ACTION
Advancements in renewable energy R&D alongside efforts to enhance emissions reduction technologies	Continuous commitment to adapting to evolving environmental regulations and heightened awareness	Implementation of carbon pricing mechanisms and supportive legal frameworks to bolster climate action across sectors

### 4.3°C Scenario

POLITICAL REGULATION	ECONOMICAL GROWTH	SOCIAL COLLABORATIVE
Fragmented institutional support hindering the transition to "Net Zero" emissions	Rising competition for limited resources exacerbating inequality and impeding renewable growth	Lack of proactive measures despite mounting pressure from stakeholders
TECHNOLOGICAL INNOVATION	ENVIRONMENTAL CAUTION	LEGAL ACTION
Sluggish advancement towards viable solutions and the uptake of new technologies	Heightened physical risks and uncertainties regarding future risks due to inadequate information	Increasing CO <sub>2</sub> e prices alongside sluggish and ambiguous legal frameworks, necessitating enhanced regulatory clarity

TCFD Content Index

TCFD Content Index

Table Y. Implications of physical and transition risks identified by Press Metal

Type of Risk	Risk	Implications	
		1.8°C Scenario	4.3°C Scenario
Physical	Extreme weather events (acute)	<ul style="list-style-type: none"> <li>Medium risk in view of potential disruption on operations, leads to the development of internal climate mitigation strategy to address risks associated with extreme weather events</li> </ul>	<ul style="list-style-type: none"> <li>High risk attributed to the heightened frequency and severity of extreme weather events, which have significant impacts on infrastructure, supply chains, and factory operations</li> <li>High risk related to the inability to renew insurance coverage</li> </ul>
	Changes in climate patterns (chronic)	<ul style="list-style-type: none"> <li>Medium risk considering the existing factories situated on higher ground remain unaffected, although operational delays are anticipated</li> <li>Medium risk is present concerning environmental compliance and potential litigation issues</li> </ul>	<ul style="list-style-type: none"> <li>High risk emerges from the potential relocation of factories, leading to increased operating expenses (OPEX) and capital expenditures (CAPEX)</li> </ul>
Regulatory	Environmental regulations	<ul style="list-style-type: none"> <li>High risk associated with meeting expectations and commitments to adhere to stringent policies and regulations, which necessitating more investment in low-carbon technology and heightened monitoring and analysis of climate-related risks</li> </ul>	<ul style="list-style-type: none"> <li>Medium risk associated with climate change policy and legislation in view of a lenient approach by the regulators towards climate-related issues</li> </ul>
	Carbon pricing	<ul style="list-style-type: none"> <li>High risk is linked to the widespread adoption of carbon pricing mechanisms in the market, impacting the supply chain and increasing OPEX, such as rising raw material prices and excessive logistics costs</li> <li>High risk associated with failure to comply with the Carbon Border Adjustment Mechanism potentially resulting in the inability to export to the EU</li> </ul>	<ul style="list-style-type: none"> <li>Medium risk associated with less pressure and urgency to develop internal carbon price leading to less competitive bidding and reduced interest in carbon pricing within the market</li> </ul>
Market	Shift in customer preferences	<ul style="list-style-type: none"> <li>High risk associated with evolving customer preferences towards low-carbon products, necessitating increased investment in low-carbon technology, thereby raising both CAPEX and OPEX</li> </ul>	<ul style="list-style-type: none"> <li>High risk arises from customer demands for cheaper products rather than low-carbon alternatives, resulting in lower profits and sales, which can potentially impact the business sustainability</li> </ul>
	Overall changes in the market	<ul style="list-style-type: none"> <li>High risk associated with rising demand for low-carbon products by major market players, requiring greater compliance efforts and resources for sourcing and production to meet market demands</li> </ul>	<ul style="list-style-type: none"> <li>High risk due to the low demand for low-carbon products in the market, reducing Press Metal's competitiveness despite its commitment to decarbonisation efforts in producing such products</li> </ul>

Table Y. Implications of physical and transition risks identified by Press Metal (cont'd)

Type of Risk	Risk	Implications	
		1.8°C Scenario	4.3°C Scenario
Technology	Low-carbon technologies	<ul style="list-style-type: none"> <li>High risk associated with the deployment of technology at a premium cost due to limited in-house decarbonisation R&amp;D capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Low risk associated with limited motivation to deploy decarbonisation technology to achieve carbon neutrality targets and the underdevelopment of R&amp;D in the market, resulting in minimal impact on CAPEX</li> </ul>
	Product changes and effects	<ul style="list-style-type: none"> <li>High risk associated with the growing demand for recycled aluminium from customers, driven by increasing regulatory requirements for climate action. This surge in demand is leading to a shortage of secondary or recycled aluminium in the scrap market</li> <li>High risk arises from diverging fundamental criteria for low-carbon aluminium in the market. Different countries have varying requirements, and these criteria may change with shifts in market perspectives</li> </ul>	<ul style="list-style-type: none"> <li>Low risk associated with both the low demand for recycled aluminium by customers and the availability of low-carbon aluminium in the market</li> </ul>
Reputation	Litigations, fines and non-compliance	<ul style="list-style-type: none"> <li>Low risk is evident as there are mitigation controls in place, including strategies, plans, and actions to ensure compliance with climate change regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Low risk due to the absence of comprehensive climate control measures, minimal compliance requirements, and the slow development of climate-related regulations</li> </ul>
	Negative investor and public perception	<ul style="list-style-type: none"> <li>Low risk as Press Metal continuously engages with stakeholders to provide updates on our climate-related strategies</li> </ul>	<ul style="list-style-type: none"> <li>Low risk due to limited public awareness and minimal pressure from stakeholders to implement climate change strategies</li> </ul>
Social	Talent retention and attraction	<ul style="list-style-type: none"> <li>Medium risk is attributed to the prioritisation of remuneration over climate change responsibilities and social concerns. Efforts have been made to retain and recruit talent, although the impacts remain modest</li> </ul>	<ul style="list-style-type: none"> <li>Low risk is observed since social concern and climate change awareness are not heavily emphasised in talent retention and attraction, aligning with normal operating procedures</li> </ul>
	Social changes arising from climate change	<ul style="list-style-type: none"> <li>Medium risk is associated with social changes driven by end-user product makers, who utilises marketing strategies and branding to promote public awareness of living a low carbon-footprint lifestyle. Meeting the market's demand for low carbon products is essential</li> </ul>	<ul style="list-style-type: none"> <li>Medium risk associated with the gradual increase of public awareness of climate change risks in society</li> </ul>

## SASB CONTENT INDEX

Topic	Accounting Metric	Code	Page Number
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	EM-MM-110a.1	Climate Change, pages 121-130
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MM-110a.2	
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N <sub>2</sub> O), (3) SOx, (4) particulate matter (PM <sub>10</sub> ), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	EM-MM-120a.1	Air Emissions, pages 134-135
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	EM-MM-130a.1	Energy Management, pages 131-133
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	EM-MM-140a.1	Water and Effluents, pages 142-144
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	EM-MM-140a.2	
Waste & Hazardous Materials Management	Total weight of hazardous waste generated	EM-MM-150a.7	Waste Management, pages 136-139
	Total weight of hazardous waste recycled	EM-MM-150a.8	
	Number of significant incidents associated with hazardous materials and waste management	EM-MM-150a.9	
	Description of waste and hazardous materials management policies and procedures for active and inactive operations	EM-MM-150a.10	
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-MM-160a.1	Biodiversity, pages 145-147
Security, Human Rights & Rights of Indigenous Peoples	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-MM-210a.3	Human Rights, pages 158-163
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-MM-210b.1	Community Management, pages 181-186
Labour Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	EM-MM-310a.1	Human Rights, pages 158-163
			Diversity and Inclusivity, pages 164-167
Workforce Health & Safety	(1) All-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) direct employees and (b) contract employees	EM-MM-320a.1	Occupational Health and Safety, pages 148-157
Business Ethics and Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-MM-510a.1	Business Ethics and Corporate Governance, pages 101-104

## BURSA MALAYSIA THREE-YEAR SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
<b>Business Ethics and Corporate Governance</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	-	68.80	70.90
Management	Percentage	-	77.00	73.10
Executive	Percentage	-	63.70	97.50
Non-Executive	Percentage	-	81.50	99.50
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	57.10	71.40
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	-	0	0
Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	-	0.00	0.00
<b>Regulatory Compliance</b>				
Percentage of sites covered by recognized environmental management systems such as ISO14001 or EMAS	Percentage	100.00	100.00	100.00
<b>Responsible Sourcing</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	46.60	50.30	42.30
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Climate Change</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	2,147,076.90	2,220,594.90	2,171,570.70
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	2,651,153.50	2,978,492.20	2,121,728.10
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	7,296,284.00	7,838,599.20	7,513,416.70
Investment in climate adaptation measures	MYR	-	16,500,000.00	24,800,000.00
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	1,533.40	1,757.10	1,762.80
<b>Air Emissions</b>				
Disclosure of three years of Nitrous Oxides (NOx) emissions (tonnes)	Metric tonnes	5.30	5.60	11.80
Disclosure of three years of Sulphur Oxide (SOx) emissions (tonnes)	Metric tonnes	6,010.20	7,437.40	7,645.10
<b>Waste</b>				
Bursa C10(a) Total waste generated	Metric tonnes	141,170.10	181,142.00	170,566.10
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	122,060.60	155,179.70	203,966.20
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	7,148.80	16,952.80	14,936.60
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	37,195.70	37,084.60	41,111.00
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	122,060.60	155,179.70	203,966.20
Total costs of environmental fines and penalties during financial year	MYR	0.00	6,000.00	14,000.00
<b>Water and Effluents</b>				
Bursa C9(a) Total volume of water used	Megalitres	2,600.000000	2,500.000000	2,400.000000
Company discloses the number and/or proportion of facilities, assets, production, revenue in water-stressed regions	Number	0	0	0
Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	-	0	0
Three years of total water discharge data is disclosed by destination - Total	Cubic meters	800,000.00	600,000.00	500,000.00 *
Three years of total water withdrawal data is disclosed by source - Municipal potable water	Cubic meters	3,400,000.00	3,000,000.00	2,800,000.00 *
Three years of total water withdrawal data is disclosed by source - Total	Cubic meters	3,400,000.00	3,000,000.00	2,800,000.00 *
<b>Occupational Health and Safety</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	2	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.90	0.70	0.60
Bursa C5(c) Number of employees trained on health and safety standards	Number	10,825	57,352	65,100
Percentage of sites with OHSAS 18001 certification	Percentage	100.00	100.00	100.00
Number of work-related employee fatalities, over last 3 years	Number	0	1	0
Number of work-related contractor fatalities, over last 3 years	Number	0	1	0
<b>Diversity and Inclusivity</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				

Internal assurance External assurance No assurance

(\*)Restated

## Bursa Malaysia Three-Year Sustainability Performance Data

## Bursa Malaysia Three-Year Sustainability Performance Data

Indicator	Measurement Unit	2021	2022	2023
<b>Diversity and Inclusivity</b>				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.01
Senior Management Between 30-50	Percentage	0.27	0.29	0.26
Senior Management Above 50	Percentage	0.27	0.30	0.30
Management Under 30	Percentage	0.10	0.04	0.05
Management Between 30-50	Percentage	1.79	1.73	1.70
Management Above 50	Percentage	0.45	0.47	0.56
Executive Under 30	Percentage	3.93	3.68	3.74
Executive Between 30-50	Percentage	6.16	6.92	7.18
Executive Above 50	Percentage	0.52	0.50	0.64
Non-executive Under 30	Percentage	48.67	48.00	44.42
Non-executive Between 30-50	Percentage	35.69	35.71	38.53
Non-executive Above 50	Percentage	2.15	2.36	2.61
Gender Group by Employee Category				
Senior Management Male	Percentage	0.50	0.50	0.50
Senior Management Female	Percentage	0.10	0.10	0.10
Management Male	Percentage	1.60	1.60	1.50
Management Female	Percentage	0.70	0.70	0.80
Executive Male	Percentage	7.50	7.40	7.80
Executive Female	Percentage	3.20	3.70	3.80
Non-executive Male	Percentage	78.00	77.00	76.90
Non-executive Female	Percentage	8.40	9.00	8.60
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	70.00	70.00	70.00
Female	Percentage	30.00	30.00	30.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	10.00	10.00	10.00
Above 50	Percentage	90.00	90.00	90.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	-	-	No Data Provided
Management	Number	-	-	No Data Provided
Executive	Number	-	-	No Data Provided
Non-executive	Number	-	-	No Data Provided
Percentage of global staff with a disability.	Percentage	0.04	0.04	0.05
Percentage of women in the global workforce.	Percentage	12.40	13.50	13.30
Number of Board Directors	Number	10	10	10
Number of independent Directors on the board	Number	5	5	5
Number of women on the board	Number	3	3	3
<b>Talent and Labour Management</b>				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	-	471	1,086
Management	Hours	-	3,038	7,608
Executive	Hours	-	37,865	47,800
Non-executive	Hours	-	317,926	286,352
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	19.00	14.60	16.50
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Community Management</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	5,700,000.00	6,200,000.00	6,300,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	510,000	160,000	860,000 *

## Notes:

- The performance data table was generated from the custom template of Bursa Malaysia's ESG reporting platform.
- Indicators labeled "-" signified that the information is not available.
- Data boundaries for the table are as follows:
  - Indicators that included data aggregated from our smelting facilities (PMBtu and PMS):
    - Disclosure of three years of Nitrous Oxides (NOx) emissions (tonnes)
    - Disclosure of three years of Sulphur Oxide (SOx) emissions (tonnes)
  - Indicators that included data aggregated from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities:
    - C4(a), C5(a), C5(b), C5(c), C7(a), C8(a), C9(a), C10(a), C10(a)(i), C10(a)(ii), C11(a), C11(b), C11(c)
    - Percentage of sites covered by recognised environmental management systems such as ISO14001 or EMAS
    - Disclosure of three years of hazardous waste generation (tonnes)
    - Disclosure of three years of waste recycled (tonnes)
    - Total costs of environmental fines and penalties during financial year
    - discloses the number and/or proportion of facilities, assets, production, revenue in water-stressed regions
    - Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations
    - Three years of total water withdrawal data is disclosed by source - Municipal potable water
    - Three years of total water withdrawal data is disclosed by source - Total
    - Percentage of sites with OHSAS 18001 certification
    - Number of work-related employee fatalities, over last 3 years
    - Number of work-related contractor fatalities, over last 3 years
  - Indicator that included data aggregated from our facilities at PMBA and PMI only:
    - Three years of total water discharge data is disclosed by destination - Total
- For indicator C5(b), data differed from our Sustainability Report 2022 disclosure as different calculation methodology was adopted.
- For more information on our sustainability performance, please refer to the Sustainability Report section of this IAR 2023 from page 87 to 186.

## DIRECTORS' REPORT

For the year ended 31 December 2023

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

### PRINCIPAL ACTIVITIES

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

### SUBSIDIARIES

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

### RESULTS

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

### RESERVES AND PROVISIONS

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

### DIVIDENDS

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

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

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

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

# FINANCIAL STATEMENTS

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## Directors' Report

For the year ended 31 December 2023

## DIRECTORS OF THE COMPANY

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

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

## DIRECTORS' INTERESTS IN SHARES

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

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

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

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

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

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

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

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

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

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

## DIRECTORS' BENEFITS

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

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

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

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

## Directors' Report

For the year ended 31 December 2023

### ISSUE OF SHARES AND DEBENTURES

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

There were no debentures issued during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

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

### INDEMNITY AND INSURANCE COSTS

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

### OTHER STATUTORY INFORMATION

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

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

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

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

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

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

### OTHER STATUTORY INFORMATION (CONT'D)

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

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

### SIGNIFICANT EVENTS

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

### SUBSEQUENT EVENT

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

### AUDITORS

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

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

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

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

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

Petaling Jaya, Selangor

Date: 22 April 2024

**Koon Poh Ming**  
Director

## Directors' Report

For the year ended 31 December 2023

## Directors' Report

For the year ended 31 December 2023

**STATEMENTS OF FINANCIAL POSITION**

as at 31 December 2023

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

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

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended 31 December 2023

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

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2023

Group	Note	← Attributable to owners of the Company →				Total	← Non-distributable → Distributable	
		Share capital RM'000	Translation reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000		Non-controlling interests RM'000	Total equity RM'000
<b>At 1 January 2022</b>		1,088,487	82,360	(776,219)	3,477,930	3,872,558	1,047,295	4,919,853
Cash flow hedge		-	-	897,271	-	897,271	111,954	1,009,225
Foreign currency translation differences for foreign operations:								
- Losses arising during the year		-	(25,870)	-	-	(25,870)	1,986	(23,884)
Total other comprehensive income for the year		-	(25,870)	897,271	-	871,401	113,940	985,341
Profit for the year		-	-	-	1,406,770	1,406,770	359,771	1,766,541
<b>Total comprehensive income for the year</b>		-	(25,870)	897,271	1,406,770	2,278,171	473,711	2,751,882
<i>Contributions by and distributions to owners of the Group</i>								
Dividends to owners of the Company	26	-	-	-	(492,742)	(492,742)	-	(492,742)
Distribution to NCI in relation to share capital reduction in a subsidiary		-	-	-	-	-	(2,000)	(2,000)
Dividends to non-controlling interests		-	-	-	-	-	(135,900)	(135,900)
Issue of ordinary shares	15	964,257	-	-	(492,742)	(492,742)	(137,900)	(630,642)
Adjustment in purchase consideration on partial disposal of a subsidiary in previous years	7.2	-	-	-	14,800	14,800	(14,800)	-
<b>Total transactions with owners of the Group</b>		964,257	-	-	(477,942)	486,315	(152,700)	333,615
<b>At 31 December 2022</b>		2,052,744	56,490	121,052	4,406,758	6,637,044	1,368,306	8,005,350

**Consolidated Statement of Changes in Equity**

for the year ended 31 December 2023

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

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

## Statement of Changes in Equity

for the year ended 31 December 2023

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

## STATEMENTS OF CASH FLOWS

for the year ended 31 December 2023

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

## Statements of Cash Flows

for the year ended 31 December 2023

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

## Statements of Cash Flows

for the year ended 31 December 2023

## CASH AND CASH EQUIVALENTS

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

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

## ACQUISITION OF RIGHT-OF-USE ASSETS

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

## CASH OUTFLOWS FOR LEASES AS A LESSEE

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

## Statements of Cash Flows

for the year ended 31 December 2023

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

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

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

## Statements of Cash Flows

for the year ended 31 December 2023

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

## Notes to the Financial Statements

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

### Principal place of business

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

### Registered office

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

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

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

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

### 1. BASIS OF PREPARATION

#### (a) Statement of compliance

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

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

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

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

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

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

### 1. BASIS OF PREPARATION (CONT'D)

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

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**

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

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

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

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

#### (b) Basis of measurement

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

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

#### (c) Functional and presentation currency

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

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

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

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

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

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

## Notes to the Financial Statements

## Notes to the Financial Statements

## 2. MATERIAL ACCOUNTING POLICIES

## 2.1 Global minimum top-up tax

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

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

## 2.2 Material accounting policy information

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

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

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM'000	Mine, conveying, refining and port facilities RM'000	Buildings and renovation RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Cost</b>										
At 1 January 2022	28,145	920,444	2,233,351	6,099,464	87,704	121,025	22,956	243,337	132,224	9,888,650
Additions	-	-	83,553	410,414	11,615	8,343	5,192	9,635	123,340	652,092
Acquisition through business combination (Note 32.1)	-	-	-	6,480	7	-	-	-	-	6,487
Disposals	-	(616)	-	(4,783)	(30)	(1,543)	(21)	-	-	(6,993)
Written off	-	-	(71)	(112,818)	(1,410)	(2,533)	(361)	(1,800)	-	(118,993)
Remeasurement of provision for restoration and rehabilitation (Note 17)	-	(18,060)	-	-	-	-	-	-	-	(18,060)
Transfers	-	9,343	2,571	114,942	1,191	-	46	-	(128,093)	-
Transfer from right-of- use assets (Note 4)	-	-	-	-	-	3,900	-	-	-	3,900
Effect of movements in exchange rates	(40)	(10,815)	(8,237)	(6,782)	(894)	(101)	(86)	(8,451)	(1,535)	(36,941)
At 31 December 2022	28,105	900,296	2,311,167	6,506,917	98,183	129,091	27,726	242,721	125,936	10,370,142

## Notes to the Financial Statements

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

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

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

Group	Land RM'000	Mine, conveying, refining and port facilities RM'000	Buildings and renovation RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Depreciation and impairment loss</b>										
At 1 January 2022	-	100,328	367,611	1,891,129	41,011	81,961	9,497	226,810	-	2,718,347
Accumulated depreciation	-	-	40,692	17,869	2,727	143	-	-	-	61,431
Accumulated impairment loss	-	100,328	408,303	1,908,998	43,738	82,104	9,497	226,810	-	2,779,778
Depreciation for the year	-	38,400	52,363	432,116	8,568	11,272	2,113	6,552	-	551,384
Disposals	-	(505)	-	(2,646)	(28)	(1,372)	(19)	-	-	(4,570)
Written off	-	-	(27)	(96,943)	(1,239)	(2,481)	(263)	(5)	-	(100,958)
Transfer from right-of-use assets (Note 4)	-	-	-	-	-	2,129	-	-	-	2,129
Effect of movements in exchange rates	-	(1,304)	(5,573)	(6,758)	(603)	(87)	(55)	(8,126)	-	(22,506)
At 31 December 2022	-	136,919	415,772	2,217,512	47,803	91,427	11,273	225,231	-	3,145,937
Accumulated depreciation	-	-	39,294	17,255	2,633	138	-	-	-	59,320
Accumulated impairment loss	-	136,919	455,066	2,234,767	50,436	91,565	11,273	225,231	-	3,205,257

## Notes to the Financial Statements

## Notes to the Financial Statements

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

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

## Notes to the Financial Statements

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

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

## 3.1 Security

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

## 3.2 Material accounting policy information

## (a) Recognition and measurement

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

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

## (b) Depreciation

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

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

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

## Notes to the Financial Statements

## Notes to the Financial Statements

## 4. RIGHT-OF-USE ASSETS

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

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

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

## 4.1 Extension options

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

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

## 4. RIGHT-OF-USE ASSETS (CONT'D)

## 4.2 Judgements and assumptions in relation to leases

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

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

## 4.3 Material accounting policy information

## (a) Lease and non-lease components

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

## (b) Recognition exemption

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

## Notes to the Financial Statements

## 5. INVESTMENT PROPERTIES

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

## Notes to the Financial Statements

## 5. INVESTMENT PROPERTIES (CONT'D)

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

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

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

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

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

**Fair value information**

Fair value of investment properties is categorised as follows:

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

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

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

**5.1 Material accounting policy information**

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

## Notes to the Financial Statements

## Notes to the Financial Statements

## 6. INTANGIBLE ASSETS

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

## 6. INTANGIBLE ASSETS (CONT'D)

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

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

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

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

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

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

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

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

The above estimates are not particularly sensitive in any areas.

## 6.2 Material accounting policy information

## (a) Recognition and measurement

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

## (b) Amortisation

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

## Notes to the Financial Statements

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES

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

Details of the subsidiaries are as follows:

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

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

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

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

## Notes to the Financial Statements

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

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

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

\* Not audited by KPMG PLT.

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

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

^ The subsidiary was formerly known as Press Metal Glomag Precision Technology Co. Ltd.

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

## 7.1 Non-controlling interests in subsidiaries

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

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

## Notes to the Financial Statements

## Notes to the Financial Statements

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

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

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

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

## 7.2 Transactions with non-controlling interests

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

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

**2022**

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

## 7.3 Impairment loss

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

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

## 7.4 Material accounting policy information

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

## Notes to the Financial Statements

## Notes to the Financial Statements

## 8. INVESTMENTS IN ASSOCIATES

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

## 8.1 ICULS together with free detachable warrants

## 2018

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

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

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

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

## 2022

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

## 2023

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

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

## 8.2 Security

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

## 8.3 Material accounting policy information

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

Details of the material associates are as follows:

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

## Notes to the Financial Statements

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

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

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

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

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

## 9. OTHER INVESTMENTS

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

## Notes to the Financial Statements

## 10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

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

## Notes to the Financial Statements

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

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

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

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

## Notes to the Financial Statements

## Notes to the Financial Statements

## 11. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

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

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

Movement in temporary differences during the year

	At 1.1.2022 RM'000	Recognised in profit or loss (Note 23) RM'000	Recognised in other comprehensive income (expense)/ (Note 24) RM'000	Effect of exchange rates RM'000	At 31.12.2022/ 1.1.2023 RM'000	Recognised in profit or loss (Note 23) RM'000	Recognised in other comprehensive income (expense)/ (Note 24) RM'000	Effect of exchange rates RM'000	At 31.12.2023 RM'000
<b>Group</b>									
Property, plant and equipment	(427,184)	(33,929)	-	909	(460,204)	(46,773)	-	(4,410)	(511,387)
Right-of-use assets	(53,398)	(1,280)	-	-	(54,678)	(7,905)	-	(2,117)	(64,700)
Lease liabilities	56,628	(1,126)	-	-	55,502	11,919	-	2,473	69,894
Provisions	59,213	1,478	-	-	60,691	(7,370)	-	2,565	55,886
Capital allowance carry-forwards	86	146	-	-	232	175	-	-	407
Unutilised tax losses	-	-	-	-	-	3,494	-	15	3,509
Investment tax allowance carry-forwards	58	(58)	-	-	-	-	-	-	-
Reinvestment tax allowance carry-forwards	-	-	-	-	-	487	-	-	487
Derivatives	16,601	(1,167)	(54,720)	-	(39,286)	6,094	64,007	-	30,815
Other items	(631)	(29,261)	-	-	(29,892)	(21,238)	-	(449)	(51,579)
	(348,627)	(65,197)	(54,720)	909	(467,635)	(61,117)	64,007	(1,923)	(466,668)
<b>Company</b>									
Provisions	633	296	-	-	929	580	-	-	1,509
Derivatives	21,507	(23,840)	(53)	-	(2,386)	(1,239)	20,235	-	16,610
Other items	31	(2)	-	-	29	3	-	-	32
	22,171	(23,546)	(53)	-	(1,428)	(656)	20,235	-	18,151

## Notes to the Financial Statements

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

## Estimation uncertainty and significant judgements

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

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

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

**Unrecognised deferred tax assets**

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

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

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

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

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

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

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

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

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

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

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

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

**12. TRADE AND OTHER RECEIVABLES**

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

## Notes to the Financial Statements

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

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

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

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

**12.2 Other receivables**

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

**13. INVENTORIES**

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

**13.1 Material accounting policy information**

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

**14. CASH AND BANK BALANCES**

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

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

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

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

**Ordinary shares**

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

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

**Reorganisation reserve**

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

**Translation reserve**

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

**Hedging reserve**

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

## Notes to the Financial Statements

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## 16. LOANS AND BORROWINGS

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

## 16.1 Bank loans

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

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

## 16.1 Bank loans (cont'd)

## Securities and guarantees

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

## Notes to the Financial Statements

## Notes to the Financial Statements

**16. LOANS AND BORROWINGS (CONT'D)****16.1 Bank loans (cont'd)****Significant covenants**

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

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

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

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

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

**16.2 Islamic Medium-Term Notes**

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

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

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

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

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

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

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

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

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

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

The Company and/or its material subsidiaries are, subject to certain thresholds, limitations, exceptions and qualifications, limited from:

- issuing guarantees;
- entering into transactions with shareholders or affiliates;
- creating any liens;
- selling assets;
- reducing of share capital;
- lending or advancing any money to any other parties;
- entering into partnership;
- changing of proceeds utilisation;
- substantially changing the nature or scope of its business; and
- effecting a consolidation, merger or reorganisation.

**16.3 Bankers' acceptances**

	Group	
	2023 RM'000	2022 RM'000
Guaranteed by the Company	19,493	615,459

**16.4 Revolving credits**

	Group	
	2023 RM'000	2022 RM'000
Guaranteed by the Company	184,043	200,956

**16.5 Bank overdrafts**

	Group	
	2023 RM'000	2022 RM'000
Guaranteed by the Company	7,369	5,444
Guaranteed by a director	997	2,001
	8,366	7,445

## Notes to the Financial Statements

## 17. PROVISIONS

	Employee entitlements (Note 17.1) RM'000	Restoration and rehabilitation (Note 17.2) RM'000	Total RM'000
<b>Group</b>			
At 1 January 2022	9,046	185,465	194,511
Provisions made during the year	285	-	285
Provisions reversed during the year	-	(18,060)	(18,060)
Unwinding of discount	-	5,403	5,403
Effect of movements in exchange rates	(132)	(2,074)	(2,206)
At 31 December 2022/1 January 2023	<b>9,199</b>	<b>170,734</b>	<b>179,933</b>
Provisions reversed during the year	-	(32,730)	(32,730)
Unwinding of discount	736	6,274	7,010
Effect of movements in exchange rates	479	7,316	7,795
At 31 December 2023	<b>10,414</b>	<b>151,594</b>	<b>162,008</b>
<b>2023</b>			
Non-current	1,034	150,637	151,671
Current	9,380	957	10,337
	<b>10,414</b>	<b>151,594</b>	<b>162,008</b>
<b>2022</b>			
Non-current	830	169,687	170,517
Current	8,369	1,047	9,416
	9,199	170,734	179,933

## 17.1 Employee entitlements

The long service leave provision is measured at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period. Forecast future salary levels, experience of employees, turnover and periods of service are considered in determining the liability.

## 17.2 Restoration and rehabilitation

The provision for restoration and rehabilitation relates to the estimated costs associated with the joint operation's obligation for decommissioning and demolition of all industrial and support infrastructure from the site and revegetation of the land. The rehabilitation is expected to occur in the next 60 years. Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. The provision has been calculated using a nominal discount rate of 4.4% (2022: 3.7%). Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period. The unwinding of the effect of discounting on provision is recognised as a finance cost.

## Notes to the Financial Statements

## 18. TRADE AND OTHER PAYABLES

	Note	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
<b>Trade</b>					
Trade payables		702,399	826,024	-	-
Amounts due to associates	18.1	155,926	126,584	-	-
		<b>858,325</b>	952,608	-	-
<b>Non-trade</b>					
Amounts due to subsidiaries	18.1	-	-	19,405	18,517
Amounts due to associates	18.1	-	3,292	-	-
Other payables		173,491	171,575	1,222	1,125
Accrued expenses		217,097	216,957	40,326	44,006
		<b>390,588</b>	391,824	<b>60,953</b>	63,648
		<b>1,248,913</b>	1,344,432	<b>60,953</b>	63,648

## 18.1 Related party balances

The non-trade balances due to subsidiaries and an associate are unsecured, interest free and repayable on demand.

## 19. REVENUE

	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
<b>Revenue from contracts with customers</b>	<b>13,804,707</b>	15,682,941	<b>37,078</b>	29,046
<b>Other revenue</b>				
- Dividend income	-	-	735,870	545,748
<b>Total revenue</b>	<b>13,804,707</b>	15,682,941	<b>772,948</b>	574,794

## 19.1 Disaggregation of revenue

Revenue from contracts with customers of the Company consists of management and consultancy fee income received/receivable from certain subsidiaries based in Malaysia which is recognised in profit or loss over time when services are rendered. Payment is generally received within a month from invoice date.

## Notes to the Financial Statements

## Notes to the Financial Statements

## 19. REVENUE (CONT'D)

## 19.1 Disaggregation of revenue (cont'd)

Group	Smelting and extrusion		Reportable segments		Refinery		All other segments		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Primary geographical markets</b>										
Malaysia	938,551	1,006,535	166,868	258,731	-	-	1,106	9,149	1,106,525	1,274,415
Asia	6,478,507	7,622,713	75	77	321,740	372,410	46	13,660	6,800,368	8,008,860
Oceania	76,971	89,872	125,390	127,428	-	-	-	-	202,361	217,300
Europe	5,093,208	5,293,079	341,940	442,718	-	-	-	-	5,435,148	5,735,797
America	40,041	8,556	212,601	422,948	-	-	-	-	252,642	431,504
Africa	7,663	15,065	-	-	-	-	-	-	7,663	15,065
	<b>12,634,941</b>	<b>14,035,820</b>	<b>846,874</b>	<b>1,251,902</b>	<b>321,740</b>	<b>372,410</b>	<b>1,152</b>	<b>22,809</b>	<b>13,804,707</b>	<b>15,682,941</b>
<b>Major products and services lines</b>										
Smelting aluminium products	11,596,303	12,995,855	-	-	-	-	-	-	11,596,303	12,995,855
Extrusion aluminium products	1,038,638	1,039,965	846,874	1,251,902	-	-	-	-	1,885,512	2,291,867
Alumina products	-	-	-	-	321,740	372,410	-	-	321,740	372,410
Contracting and fabrication	-	-	-	-	-	-	1,106	9,149	1,106	9,149
Others	-	-	-	-	-	-	46	13,660	46	13,660
	<b>12,634,941</b>	<b>14,035,820</b>	<b>846,874</b>	<b>1,251,902</b>	<b>321,740</b>	<b>372,410</b>	<b>1,152</b>	<b>22,809</b>	<b>13,804,707</b>	<b>15,682,941</b>
<b>Timing and recognition</b>										
At a point in time	12,634,941	14,035,820	846,874	1,251,902	321,740	372,410	46	13,660	13,803,601	15,673,792
Over time	-	-	-	-	-	-	1,106	9,149	1,106	9,149
	<b>12,634,941</b>	<b>14,035,820</b>	<b>846,874</b>	<b>1,251,902</b>	<b>321,740</b>	<b>372,410</b>	<b>1,152</b>	<b>22,809</b>	<b>13,804,707</b>	<b>15,682,941</b>

## 19. REVENUE (CONT'D)

## 19.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Smelting aluminium products	Revenue is recognised when the goods are shipped on board evidenced by bill of lading.	Credit period of 0-30 days from invoice date.	Not applicable.	The Group allows returns only for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.
Extrusion aluminium products	Revenue is recognised when the goods are delivered and accepted by the customers at their premises or shipped on board evidenced by bill of lading.	Credit period of 90 days from invoice date.	Not applicable.	The Group allows returns only for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.
Alumina products	Revenue is recognised when the goods are shipped on board evidenced by bill of lading.	Credit period of 7 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Contracting and fabrication	Revenue is recognised over time using the cost incurred method.	Based on agreed milestones, certified by architects.	Not applicable.	Not applicable.	Generally, defect liability period of 2 years is given to the customer.

## 19.3 Transaction price allocated to the remaining performance obligations

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

## 19.4 Judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For smelting aluminium, extrusion aluminium and alumina products, control of the goods is transferred to the customers when the goods are shipped on board evidenced by bill of lading. The Group estimates that the revenue from the additional performance obligation, arising from shipping and handling activities provided to be recognised over time, is immaterial for separate recognition from the sale of products.

## Notes to the Financial Statements

## 20. FINANCE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost	20,621	6,847	103,598	107,712
Other finance income	3,176	3,074	3,811	23,250
	<b>23,797</b>	<b>9,921</b>	<b>107,409</b>	<b>130,962</b>

## 21. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- amortisation of transaction costs	4,188	5,217	1,770	1,770
- interest paid and payable	211,585	201,187	164,024	136,900
	<b>215,773</b>	<b>206,404</b>	<b>165,794</b>	<b>138,670</b>
Interest expense on lease liabilities	9,006	9,643	-	-
Other finance costs	20,603	25,943	7	9
	<b>245,382</b>	<b>241,990</b>	<b>165,801</b>	<b>138,679</b>
Recognised in profit or loss	242,475	241,990	165,801	138,679
Capitalised on qualifying assets:				
- property, plant and equipment (Note 3)	2,907	-	-	-
	<b>245,382</b>	<b>241,990</b>	<b>165,801</b>	<b>138,679</b>

## Notes to the Financial Statements

## 22. PROFIT BEFORE TAX

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit before tax is arrived at after charging/crediting:</b>				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	1,587	1,512	325	315
- Overseas affiliates of KPMG PLT	100	91	-	-
- Other auditors	867	848	-	-
Non-audit fees:				
- KPMG PLT	67	128	22	20
- Local affiliates of KPMG PLT	505	645	-	-
- Other professional audit firms	703	615	-	-
<b>Material expenses</b>				
Depreciation of property, plant and equipment	654,911	551,384	10	13
Depreciation of right-of-use assets	30,326	30,555	-	-
Depreciation of investment properties	1,558	2,141	-	-
Impairment loss on investment in a subsidiary	-	-	-	7,128
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	29,348	25,474	3,247	2,456
- Wages, salaries and others (Note a)	483,437	467,243	37,120	28,955
<b>Material income</b>				
Dividend income from subsidiaries	-	-	692,400	543,600
Dividend income from an associate	-	-	43,470	2,148

**Note a**

The Group or the Company leases a number of properties, machineries and forklifts with contract terms of not more than 1 year. The Group or the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

## Notes to the Financial Statements

## 23. TAX EXPENSE

## Recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax expense	127,857	185,287	3,001	26,086
Share of tax of equity-accounted associates	1,947	12,321	-	-
Total income tax expense	129,804	197,608	3,001	26,086
Major components of income tax expense include:				
<b>Current tax expense</b>				
Current year	71,829	115,311	2,212	2,046
Prior year	(5,100)	4,779	133	494
Real property gains tax	11	-	-	-
Total current tax recognised in profit or loss	66,740	120,090	2,345	2,540
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	70,783	65,095	690	23,586
(Over)/Under provision in prior year	(9,666)	102	(34)	(40)
Total deferred tax recognised in profit or loss (Note 11)	61,117	65,197	656	23,546
Share of tax of equity-accounted associates	1,947	12,321	-	-
Total income tax expense	129,804	197,608	3,001	26,086

## Notes to the Financial Statements

## 23. TAX EXPENSE (CONT'D)

## Reconciliation of tax expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the year	1,517,992	1,766,541	625,331	501,028
Total income tax expense	129,804	197,608	3,001	26,086
Profit excluding tax	1,647,796	1,964,149	628,332	527,114
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	395,471	471,396	150,800	126,507
Effect of income subject to prosperity tax	-	11,114	-	-
Effect of tax rates in foreign jurisdictions	481	431	-	-
Non-deductible expenses	54,688	59,540	28,710	30,104
Non-taxable income	(33,268)	(43,619)	(176,609)	(130,979)
Tax incentives	(291,609)	(335,924)	-	-
Real property gain tax	11	-	-	-
Movement of unrecognised deferred tax assets	18,796	29,789	-	-
(Over)/Under provision in prior years	(14,766)	4,881	100	454
	129,804	197,608	3,001	26,086

## Non-taxable income

The non-taxable income of the Company for the financial year ended 31 December 2023 mainly relate to dividend income from subsidiaries and an associate (2022: dividend income from subsidiaries and an associate).

## Tax incentives

As disclosed in Note 11, PMBTU was awarded Pioneer Status by the MIDA, which entitled PMBTU exemption from tax for a period of 15 years from 1 January 2013 to 31 December 2027 on 100% of statutory income derived from the production of aluminium products.

## Notes to the Financial Statements

## 24. OTHER COMPREHENSIVE (EXPENSE)/INCOME

	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
<b>Group</b>			
<b>2023</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Cash flow hedge			
- Losses during the year	(495,017)	64,007	(431,010)
- Reclassification adjustments for gains included in profit or loss	(19,265)	-	(19,265)
	(514,282)	64,007	(450,275)
Foreign currency translation differences for foreign operations			
- Gains during the year	33,927	-	33,927
	(480,355)	64,007	(416,348)
Share of other comprehensive income of equity-accounted associates	12,112	-	12,112
	(468,243)	64,007	(404,236)

**2022****Items that are or may be reclassified subsequently to profit or loss**

Cash flow hedge			
- Gains during the year	641,418	(54,720)	586,698
- Reclassification adjustments for losses included in profit or loss	422,527	-	422,527
	1,063,945	(54,720)	1,009,225
Foreign currency translation differences for foreign operations			
- Losses during the year	(23,884)	-	(23,884)
	1,040,061	(54,720)	985,341

	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
<b>Company</b>			
<b>2023</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Cash flow hedge			
- Losses during the year	(84,314)	20,235	(64,079)
<b>2022</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Cash flow hedge			
- Gains during the year	220	(53)	167

## Notes to the Financial Statements

## 25. EARNINGS PER ORDINARY SHARE

**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit attributable to ordinary shareholders	1,215,268	1,406,770

	Group	
	2023 '000	2022 '000
Weighted average number of ordinary shares at 31 December	8,239,619	8,196,641

	Group	
	2023 Sen	2022 Sen
Basic earnings per ordinary share	14.75	17.16

**Diluted earnings per ordinary share**

Diluted EPS is not presented as the Group has no shares or other instruments with potential dilutive effects.

## 26. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
<b>2023</b>			
Fourth interim 2022 ordinary	1.75	144,193	31 March 2023
First interim 2023 ordinary	1.75	144,193	30 June 2023
Second interim 2023 ordinary	1.75	144,193	29 September 2023
Third interim 2023 ordinary	1.75	144,193	29 December 2023
Total amount		576,772	
<b>2022</b>			
Fourth interim 2021 ordinary	1.00	80,762	31 March 2022
First interim 2022 ordinary	1.50	123,594	27 June 2022
Second interim 2022 ordinary	1.75	144,193	29 September 2022
Third interim 2022 ordinary	1.75	144,193	30 December 2022
Total amount		492,742	

## Notes to the Financial Statements

## 26. DIVIDENDS (CONT'D)

After the end of the reporting period, the following dividend was declared by the Directors on 28 February 2024 and paid on 29 March 2024. This dividend will be recognised in subsequent financial year.

	Sen per share	Total amount RM'000
Fourth interim 2023 ordinary	1.75	144,193

The Directors do not recommend any final dividend to be paid for the financial year under review.

## 27. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Chief Executive Officer) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Smelting and Extrusion* Includes manufacturing and trading of smelting and extrusion products
- *Trading* Includes marketing of aluminium and other related products
- *Refinery* Includes refinery of alumina
- *Investment holding* Includes investment holding

The manufacturing and trading of smelting and extrusion products are managed by two different segments within the Group. These operating segments are aggregated to form a reportable segment as Smelting and Extrusion due to the similar nature and economic characteristics of the products. The nature and methods of distribution of the products for these divisions are similar. The type of customers for the products are similar, which consist of industrial customers.

Other non-reportable segments comprise operations related to contracting and fabrication and dormant companies. None of these segments met the quantitative thresholds for reporting segments in 2023 and 2022.

There are varying levels of integration between Smelting and Extrusion, Trading and Refinery reportable segments. This integration includes transfers of raw materials and shared distribution services respectively. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit before tax and interest, as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**Segment assets**

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

**Segment liabilities**

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

**Segment capital expenditure**

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets, investment properties and other investments other than goodwill.

## Notes to the Financial Statements

## 27. OPERATING SEGMENTS (CONT'D)

Group	Smelting and extrusion		Trading		Refinery		Investment holding		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment profit</b>	<b>1,661,139</b>	<b>1,882,819</b>	<b>107,725</b>	<b>156,638</b>	<b>14,625</b>	<b>33,872</b>	<b>207,421</b>	<b>120,618</b>	<b>1,990,910</b>	<b>2,193,947</b>
<i>Included in the measure of segment profit are:</i>										
Revenue from external customers	12,634,941	14,035,820	846,874	1,251,902	321,740	372,410	-	-	13,803,555	15,660,132
Inter-segment revenue	507,532	632,011	1,811,501	2,202,173	-	-	-	-	2,319,033	2,834,184
Property, plant and equipment written off	19,998	16,435	-	66	-	-	-	-	19,998	16,501
Share of profit or loss of associates	-	-	(5,252)	15,913	-	-	212,608	158,492	207,356	174,405
Share of other comprehensive income of associates	-	-	-	-	-	-	12,112	-	12,112	-
Unrealised foreign exchange gain/(loss)	15,277	(1,415)	(3,107)	7,796	1,039	-	(5,153)	(5,454)	8,056	927
Depreciation and amortisation	621,796	526,005	16,792	8,067	47,739	48,180	513	516	686,840	582,768
<i>Not included in the measure of segment profit but provided to CODM:</i>										
Finance costs	57,938	80,733	2,146	2,863	16,273	16,130	165,867	138,762	242,224	238,488
Finance income	18,556	6,303	454	517	820	195	3,811	2,893	23,641	9,908
Tax expense	107,492	160,139	1,865	16,564	(2,195)	6,275	22,039	2,264	129,201	185,242
<b>Segment assets</b>	<b>12,018,998</b>	<b>12,456,336</b>	<b>414,954</b>	<b>319,365</b>	<b>1,029,272</b>	<b>1,042,941</b>	<b>2,601,265</b>	<b>1,850,099</b>	<b>16,064,489</b>	<b>15,668,741</b>
<i>Included in the measure of segment assets are:</i>										
Investments in associates	-	-	54,760	67,792	-	-	1,781,630	1,475,804	1,836,390	1,543,596
Additions to non-current assets other than financial instruments and deferred tax assets	664,982	679,887	35,481	8,287	29,881	28,289	2,533	-	732,877	716,463

## Notes to the Financial Statements

## Notes to the Financial Statements

## 27. OPERATING SEGMENTS (CONT'D)

## Reconciliation of reportable segment revenues, profit or loss, assets and other material items

Group	2023 RM'000	2022 RM'000
<b>Revenue</b>		
Total external revenue for reportable segments	13,803,555	15,660,132
Other non-reportable segments	1,152	22,809
Consolidated total	13,804,707	15,682,941
<b>Profit or loss</b>		
Total profit or loss for reportable segments	1,990,910	2,193,947
Other non-reportable segments	(1,465)	(7,814)
Elimination of inter-segment profits	(124,918)	(2,236)
Finance income	23,797	9,921
Finance costs	(242,475)	(241,990)
Tax expense	(127,857)	(185,287)
Consolidated total	1,517,992	1,766,541
<b>Total assets</b>		
Total assets for reportable segments	16,064,489	15,668,741
Other non-reportable segments	53,620	92,153
Elimination of inter-segment balances	(751,637)	(444,612)
Consolidated total	15,366,472	15,316,282
<b>Depreciation and amortisation</b>		
Total depreciation and amortisation for reportable segments	686,840	582,768
Other non-reportable segments	71	1,413
Consolidated total	686,911	584,181
<b>Finance costs</b>		
Total finance costs for reportable segments	242,224	238,488
Other non-reportable segments	251	3,502
Consolidated total	242,475	241,990

## 27. OPERATING SEGMENTS (CONT'D)

## Reconciliation of reportable segment revenues, profit or loss, assets and other material items (cont'd)

Group	2023 RM'000	2022 RM'000
<b>Finance income</b>		
Total finance income for reportable segments	23,641	9,908
Other non-reportable segments	156	13
Consolidated total	23,797	9,921
<b>Tax expense</b>		
Total tax expense for reportable segments	129,201	185,242
Other non-reportable segments	(1,344)	45
Consolidated total	127,857	185,287
<b>Property, plant and equipment written off</b>		
Total property, plant and equipment written off for reportable segments	19,998	16,501
Other non-reportable segments	118	1,534
Consolidated total	20,116	18,035
<b>Additions to non-current assets</b>		
Total additions to non-current assets for reportable segments	732,877	716,463
Other non-reportable segments	-	55
Consolidated total	732,877	716,518

**Geographical segments**

The Smelting and Extrusion, Trading, Refinery and the Investment Holding segments are managed mainly in Malaysia (country of domicile), countries in Oceania, Asia and Europe.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments, investments in associates and deferred tax assets.

## Notes to the Financial Statements

## Notes to the Financial Statements

## 27. OPERATING SEGMENTS (CONT'D)

## Geographical information

Group	External revenue		Non-current assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	1,106,525	1,274,415	6,340,749	6,391,332
Asia:				
- China	850,381	880,965	457,089	468,569
- India	726,554	391,709	-	-
- Singapore	1,897,699	2,995,924	-	-
- Taiwan	183,781	422,399	-	-
- South Korea	1,031,355	1,402,432	-	-
- Vietnam	661,210	636,703	-	-
- Others	1,449,388	1,278,728	-	-
Europe:				
- Switzerland	4,672,658	5,071,530	-	-
- United Kingdom	347,825	442,718	12,147	9,451
- Others	414,665	221,549	-	-
Oceania				
- Australia	171,827	188,619	1,007,881	941,597
- Others	30,534	28,681	-	-
Other countries	260,305	446,569	1,613	1,961
	13,804,707	15,682,941	7,819,479	7,812,910

## Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

Group	Revenue		Segment
	2023 RM'000	2022 RM'000	
All common control companies of:			
Glencore International AG	3,652,443	3,647,376	Smelting and Extrusion
Sumitomo Corporation Asia and Oceania Pte. Ltd.	2,120,132	3,216,598	Smelting and Extrusion

## 28. FINANCIAL INSTRUMENTS

## 28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC")  
(b) Fair value through profit or loss ("FVTPL")  
- Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	Derivatives used for hedging RM'000
<b>2023</b>				
<b>Financial assets</b>				
<b>Group</b>				
Other investments	1,803	-	1,803	-
Trade and other receivables*	1,388,745	1,388,745	-	-
Derivative financial assets	226,408	-	302	226,106
Cash and cash equivalents	1,228,008	1,228,008	-	-
	2,844,964	2,616,753	2,105	226,106
<b>Company</b>				
Trade and other receivables	3,236,272	3,236,272	-	-
Derivative financial assets	2,036	-	-	2,036
Cash and cash equivalents	173,206	173,206	-	-
	3,411,514	3,409,478	-	2,036
<b>Financial liabilities</b>				
<b>Group</b>				
Loans and borrowings	(4,398,786)	(4,398,786)	-	-
Trade and other payables	(1,248,913)	(1,248,913)	-	-
Derivative financial liabilities	(439,283)	-	(907)	(438,376)
	(6,086,982)	(5,647,699)	(907)	(438,376)
<b>Company</b>				
Loans and borrowings	(3,639,567)	(3,639,567)	-	-
Trade and other payables	(60,953)	(60,953)	-	-
Derivative financial liabilities	(71,245)	-	-	(71,245)
	(3,771,765)	(3,700,520)	-	(71,245)

\* Excluded advances made to purchasing agents

## Notes to the Financial Statements

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	Derivatives used for hedging RM'000
<b>2022</b>				
<b>Financial assets</b>				
<b>Group</b>				
Other investments	1,803	-	1,803	-
Trade and other receivables*	1,637,515	1,637,515	-	-
Derivative financial assets	515,507	-	3,183	512,324
Cash and cash equivalents	604,002	604,002	-	-
	2,758,827	2,241,517	4,986	512,324
<b>Company</b>				
Trade and other receivables	3,305,105	3,305,105	-	-
Derivative financial assets	18,664	-	1,438	17,226
Cash and cash equivalents	80,351	80,351	-	-
	3,404,120	3,385,456	1,438	17,226
<b>Financial liabilities</b>				
<b>Group</b>				
Loans and borrowings	(4,854,170)	(4,854,170)	-	-
Trade and other payables	(1,344,432)	(1,344,432)	-	-
Derivative financial liabilities	(214,957)	-	(343)	(214,614)
	(6,413,559)	(6,198,602)	(343)	(214,614)
<b>Company</b>				
Loans and borrowings	(3,529,412)	(3,529,412)	-	-
Trade and other payables	(63,648)	(63,648)	-	-
Derivative financial liabilities	(8,722)	-	(6,602)	(2,120)
	(3,601,782)	(3,593,060)	(6,602)	(2,120)

\* Excluded advances made to purchasing agents

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
- Mandatorily required by MFRS 9	-	-	-	78,030
Financial liabilities at fair value through profit or loss:				
- Mandatorily required by MFRS 9	(3,717)	(628)	5,163	(11,097)
Financial assets at amortised cost	15,779	(11,282)	111,208	140,632
Financial liabilities at amortised cost	(272,880)	(265,780)	(202,892)	(202,478)
Derivatives used for hedging				
- Recognised in other comprehensive income	(449,581)	1,061,842	(64,079)	167
Financial liabilities used for hedging				
- Recognised in other comprehensive income	(4,301)	(52,617)	-	-
	(714,700)	731,535	(150,600)	5,254

## 28.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

## 28.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

## Notes to the Financial Statements

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.4 Credit risk (cont'd)

## Trade receivables and contract assets

**Risk management objectives, policies and processes for managing the risk**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

**Exposure to credit risk, credit quality and collateral**

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

The Group does not normally receive financial guarantees given by banks, shareholders or directors of customers as the Group transacts with a small pool of customers which have been dealing with the Group for a long period of time. Nevertheless, the Directors use ageing analysis to monitor the credit quality of the receivables in managing exposure to credit risks.

**Concentration of credit risk**

The exposure of credit risk for non-related party trade receivables and contract assets as at the end of the reporting period by geographic region was:

	Group	
	2023 RM'000	2022 RM'000
Domestic	164,414	181,017
Asia	632,338	1,016,377
Oceania	36,479	70,684
Europe	450,391	269,192
America	28,440	15,211
	<b>1,312,062</b>	<b>1,552,481</b>

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.4 Credit risk (cont'd)

## Trade receivables and contract assets (cont'd)

**Recognition and measurement of impairment loss**

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 180 days. The Group's debt recovery process is as follows:

- Above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team; and
- The Group will commence a legal proceeding against the customer who fails to pay after the Group initiates the debt recovery process.

As the Group does not deal with a large pool of customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default, except for those which have been credit impaired.

The following table provides information about the exposure to credit risk and expected credit losses for non-related party trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>2023</b>			
Current (not past due)	808,961	-	808,961
1 - 90 days past due	475,989	-	475,989
More than 90 days past due	27,112	-	27,112
	<b>1,312,062</b>	<b>-</b>	<b>1,312,062</b>
<b>Credit impaired</b>			
Individually impaired	14,563	(14,563)	-
	<b>1,326,625</b>	<b>(14,563)</b>	<b>1,312,062</b>
Trade receivables	<b>1,326,625</b>	<b>(14,563)</b>	<b>1,312,062</b>
<b>2022</b>			
Current (not past due)	1,419,787	-	1,419,787
1 - 90 days past due	119,612	-	119,612
More than 90 days past due	13,082	-	13,082
	<b>1,552,481</b>	<b>-</b>	<b>1,552,481</b>
<b>Credit impaired</b>			
Individually impaired	10,601	(10,601)	-
	<b>1,563,082</b>	<b>(10,601)</b>	<b>1,552,481</b>
Trade receivables	<b>1,563,082</b>	<b>(10,601)</b>	<b>1,552,481</b>

## Notes to the Financial Statements

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.4 Credit risk (cont'd)

## Trade receivables and contract assets (cont'd)

## Recognition and measurement of impairment loss (cont'd)

The movements in the allowance for impairment in respect of non-related party trade receivables and contract assets during the year are shown below:

Group	Trade receivables credit impaired RM'000	Contract assets RM'000	Total RM'000
Balance at 1 January 2022	12,139	-	12,139
Amounts written off	(1,591)	-	(1,591)
Net remeasurement of loss allowance	273	-	273
Effect of movements in exchange rate	(220)	-	(220)
Balance at 31 December 2022/1 January 2023	<b>10,601</b>	-	<b>10,601</b>
Net remeasurement of loss allowance	<b>7,407</b>	-	<b>7,407</b>
Effect of movements in exchange rate	<b>(3,445)</b>	-	<b>(3,445)</b>
Balance at 31 December 2023	<b>14,563</b>	-	<b>14,563</b>

Increase in Group's impairment loss allowance was mainly contributed by the increase in credit impaired balance in the contracting and fabrication business.

As at 31 December 2023, all of the trade receivables written off are still subject to enforcement activity.

## Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

## Investments and derivative financial instruments

## Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities. Transactions involving derivative financial instruments are with approved financial institutions.

## Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group has only invested in domestic securities. The derivative contracts were entered into with approved financial institutions. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

The investments are unsecured.

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.4 Credit risk (cont'd)

## Financial guarantees

## Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities and credit terms granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to fulfil the contracts and service their repayments on an individual basis.

## Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounts to RM712,039,000 (2022: RM1,272,723,000) as at the end of the reporting period.

## Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is unlikely to repay its amounts owing to the supplier in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

## Inter-company receivables and loans and advances

## Risk management objectives, policies and processes for managing the risk

The Group trades with an associate and provides unsecured advances to an associate. The Company provides unsecured loans and advances to subsidiaries. The Group and the Company monitor the ability of the subsidiaries and associates to repay the loans and advances on an individual basis.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.4 Credit risk (cont'd)

## Inter-company receivables and loans and advances (cont'd)

## Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

## Recognition and measurement of impairment loss

Generally, the Group and the Company consider receivables and loans and advances to subsidiaries and associates to have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when a subsidiary's and associate's financial position deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the subsidiaries' and associates' loans and advances when they are payable, the Group and the Company consider the loans and advances to be in default when the subsidiaries and associates are not able to pay when demanded. The Group and the Company consider a subsidiary's and associate's loan or advance to be credit impaired when:

- The subsidiary or associate is unlikely to repay its loan or advance to the Group or to the Company in full; or
- The subsidiary or associate is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default for these loans and advances individually using internal information available.

As at the end of the reporting period, there was no indication that the receivables and loans and advances to subsidiaries and associates are not recoverable. As these amounts are considered to have low credit risk, the Group and the Company are of the view that the loss allowance is not material and hence, they are not provided for.

## 28.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.5 Liquidity risk (cont'd)

## Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	1,248,913	-	1,248,913	1,248,913	-	-	-
Bank loans	1,386,884	*	1,534,370	664,825	387,576	443,174	38,795
Islamic Medium-Term Notes	2,800,000	2.69 - 4.45	3,201,015	649,255	799,255	1,167,455	585,050
Revolving credits	184,043	3.70 - 3.95	186,334	186,334	-	-	-
Bankers' acceptances	19,493	4.15 - 5.35	20,302	20,302	-	-	-
Bank overdrafts	8,366	2.90 - 3.95	8,366	8,366	-	-	-
Lease liabilities	229,067	2.44 - 6.01	243,691	28,601	23,515	53,245	138,330
	5,876,766		6,442,991	2,806,596	1,210,346	1,663,874	762,175
<i>Derivatives</i>							
Commodity swaps and options	90,950	-	90,950	15,659	39,577	35,714	-
Forward exchange contracts (gross settled):							
Outflow	202,650	-	16,733,556	4,286,968	3,011,261	7,183,968	2,251,359
Inflow	-	-	(16,530,906)	(4,211,929)	(2,950,745)	(7,111,102)	(2,257,130)
Cross currency swaps (gross settled):							
Outflow	95,607	-	2,480,607	586,430	738,948	822,474	332,755
Inflow	-	-	(2,385,000)	(550,000)	(700,000)	(800,000)	(335,000)
	6,265,973		6,832,198	2,933,724	1,349,387	1,794,928	754,159

\* Represents lenders' cost of funds ranging from a margin of +3.43% to +5.65% and Secured Overnight Financing Rate ("SOFR") ranging from margin of +1.10% to +3.00% per annum.

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## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.5 Liquidity risk (cont'd)

## Maturity analysis (cont'd)

Group	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2022</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	1,344,432	-	1,344,432	1,344,432	-	-	-
Bank loans	1,730,310	*	1,848,979	806,148	413,510	601,362	27,959
Islamic Medium-Term Notes	2,300,000	2.69 - 4.07	2,640,870	77,305	627,305	1,304,725	631,535
Revolving credits	200,956	4.30 - 4.88	209,597	209,597	-	-	-
Bankers' acceptances	615,459	3.23 - 6.20	635,338	635,338	-	-	-
Bank overdrafts	7,445	2.90 - 3.80	7,445	7,445	-	-	-
Lease liabilities	239,143	1.80 - 3.98	296,959	35,194	30,563	70,083	161,119
	6,437,745		6,983,620	3,115,459	1,071,378	1,976,170	820,613
<i>Derivatives</i>							
Commodity swaps and options							
	159,424	-	159,424	151,854	7,570	-	-
Forward exchange contracts (gross settled):							
Outflow	-	-	14,539,663	3,302,713	2,358,267	6,212,777	2,665,906
Inflow	(315,454)	-	(14,855,117)	(3,302,504)	(2,401,180)	(6,373,962)	(2,777,471)
Cross currency swaps (gross settled):							
Outflow	-	-	2,531,225	261,531	551,340	1,140,338	578,016
Inflow	(18,775)	-	(2,550,000)	(250,000)	(550,000)	(1,150,000)	(600,000)
	6,262,940		6,808,815	3,279,053	1,037,375	1,805,323	687,064

\* Represents lenders' cost of funds ranging from a margin of -2.30% to +3.00% per annum.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.5 Liquidity risk (cont'd)

## Maturity analysis (cont'd)

Company	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	60,953	-	60,953	60,953	-	-	-
Bank loans	839,567	#	944,825	364,333	295,695	284,797	-
Islamic Medium-Term Notes	2,800,000	2.69 - 4.45	3,201,015	649,255	799,255	1,167,455	585,050
Financial guarantees	-	-	712,039	712,039	-	-	-
	3,700,520		4,918,832	1,786,580	1,094,950	1,452,252	585,050
<i>Derivative financial liabilities</i>							
Cross currency swaps (gross settled):							
Outflow	69,209	-	1,569,209	586,430	528,150	206,665	247,964
Inflow	-	-	(1,500,000)	(550,000)	(500,000)	(200,000)	(250,000)
	3,769,729		4,988,041	1,823,010	1,123,100	1,458,917	583,014
<b>2022</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	63,648	-	63,648	63,648	-	-	-
Bank loans	1,229,412	*	1,281,948	569,817	322,383	389,748	-
Islamic Medium-Term Notes	2,300,000	2.69 - 4.07	2,640,870	77,305	627,305	1,304,725	631,535
Financial guarantees	-	-	1,272,723	1,272,723	-	-	-
	3,593,060		5,259,189	1,983,493	949,688	1,694,473	631,535
<i>Derivative financial liabilities</i>							
Commodity swaps and options							
	6,602	-	6,602	6,602	-	-	-
Cross currency swaps (gross settled):							
Outflow	-	-	1,484,894	-	551,340	696,353	237,201
Inflow	(15,106)	-	(1,500,000)	-	(550,000)	(700,000)	(250,000)
	3,584,556		5,250,685	1,990,095	951,028	1,690,826	618,736

# Represents SOFR ranging from a margin of +1.50% to +3.00% per annum.

\* Represents lenders' cost of funds ranging from a margin of +1.40% to +3.00% per annum.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

## 28.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents, derivatives and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australian Dollar ("AUD"), Renminbi ("RMB"), Singapore Dollar ("SGD"), U.S. Dollar ("USD"), Euro ("EUR") and Great Britain Pound ("GBP").

**Risk management objectives, policies and processes for managing the risk**

The Group actively monitors its exposure to foreign currency risk and uses forward exchange contracts and cross currency swaps to mitigate the risk when the need arises. Some of the forward exchange contracts and cross currency swaps have maturities of more than five years after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk

## 28.6.1 Currency risk (cont'd)

**Exposure to foreign currency risk**

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period is as follows:

Group Functional currency	RM		RM		RM		RMB		RMB		AUD		AUD		USD		GBP		
	AUD	RM'000	RMB	RM'000	EUR	RM'000	USD	RM'000	EUR	RM'000	USD	RM'000	USD	RM'000	RMB	MYR	RM'000	RM'000	
<b>Balances recognised in the statement of financial position</b>																			
Trade and other receivables	20,779	124,694	775,504	70,810	-	6,009	1,020	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	157,340	84,683	443,572	117,152	-	1,103	669	1,260	-	-	-	-	-	-	-	-	-	-	-
Loans and borrowings	-	-	(1,048,412)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	(61,518)	(37,299)	(235,365)	-	-	-	-	(5,620)	-	-	-	-	-	-	-	-	-	-	-
	116,601	172,078	(64,701)	187,962	-	7,112	1,689	(4,360)	-	-	-	-	-	-	-	-	-	-	-
<b>Forecast transaction</b>																			
Net derivative assets -																			
Gross currency swaps	-	-	2,385,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forecast loan repayment	-	-	(2,385,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net derivative liabilities -																			
Commodity swaps and options	-	-	4,067,889	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net derivative assets -																			
Forward exchange contracts on forecast sales	-	-	15,593,983	-	13,077	-	-	-	-	-	-	-	-	140,511	15,691	745,261	22,383	-	-
Forecast sales	-	-	(19,584,663)	-	(13,077)	-	-	-	-	-	-	-	-	(140,511)	(15,691)	(745,261)	(22,383)	-	-
	-	-	77,209	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net exposure</b>	116,601	172,078	12,508	187,962	-	7,112	1,689	(4,360)	-	-	-	-	-	-	-	-	-	-	-

## Notes to the Financial Statements

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## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk (cont'd)

## 28.6.1 Currency risk (cont'd)

## Exposure to foreign currency risk (cont'd)

Group Functional currency	RM AUD RM'000	RM RMB RM'000	RM SGD RM'000	RM USD RM'000	RM EUR RM'000	RM USD RM'000	RMB EUR RM'000	RMB GBP RM'000	RMB SGD RM'000	AUD USD RM'000	HKD USD RM'000	HKD RMB RM'000
2022												
<b>Balances recognised in the statement of financial position</b>												
	41,634	12,184	-	765,685	17,529	-	-	-	-	-	-	-
	140,525	11,809	3,223	175,189	271	8,847	1,225	16,512	1,602	-	2,147	468
	-	(299,053)	-	(1,646,887)	(46,846)	(55,107)	-	(37,859)	-	-	-	-
	(78,099)	-	-	(259,669)	(18)	-	-	(9,101)	-	-	-	-
	104,060	(275,060)	3,223	(965,682)	(29,064)	(46,260)	1,225	(30,448)	1,602	-	2,147	468
<b>Forecast transaction</b>												
	-	-	-	2,550,000	-	-	-	-	-	-	-	-
	-	-	-	(2,550,000)	-	-	-	-	-	-	-	-
	-	-	-	6,057,918	-	-	-	-	-	-	-	-
	5,741	-	-	14,085,772	-	453,011	-	-	-	310,593	-	-
	(5,741)	-	-	(19,997,611)	-	(453,011)	-	-	-	(310,593)	-	-
	-	-	-	146,079	-	-	-	-	-	-	-	-
	104,060	(275,060)	3,223	(819,603)	(29,064)	(46,260)	1,225	(30,448)	1,602	-	2,147	468

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk (cont'd)

## 28.6.1 Currency risk (cont'd)

## Exposure to foreign currency risk (cont'd)

Company Functional currency	RM USD RM'000	RM RMB RM'000
<b>Balances recognised in the statement of financial position</b>		
Cash and cash equivalents	106,554	62,180
Loans and borrowings	839,567	-
	946,121	62,180
<b>Forecast transaction</b>		
Net derivative assets - Cross currency swaps	1,500,000	-
Forecast loan repayment	(1,500,000)	-
	-	-
<b>Net exposure</b>	946,121	62,180
<b>2022</b>		
<b>Balances recognised in the statement of financial position</b>		
Cash and cash equivalents	79,783	-
Loans and borrowings	(979,412)	-
Net derivative liabilities - Commodity swaps and options	(6,602)	-
	(906,231)	-
<b>Forecast transaction</b>		
Net derivative assets - Cross currency swaps	1,500,000	-
Forecast loan repayment	(1,500,000)	-
	-	-
<b>Net exposure</b>	(906,231)	-

## Currency risk sensitivity analysis

Foreign currency risk mainly arises from USD and RMB against RM. The exposure to other currencies is not material and hence, sensitivity analysis is not presented.

A 10% (2022: 10%) strengthening of RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

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## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk (cont'd)

## 28.6.1 Currency risk (cont'd)

## Currency risk sensitivity analysis (cont'd)

	Equity			
	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>USD against RM</b>	<b>74,278</b>	84,816	<b>58,406</b>	64,964

	Profit or loss			
	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>USD and RMB against RM</b>				
- USD	(228,719)	(11,424)	(130,311)	3,910
- RMB	(13,078)	20,905	-	-
	<b>(241,797)</b>	9,481	<b>(130,311)</b>	3,910

A 10% (2022: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

## 28.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

**Risk management objectives, policies and processes for managing the risk**

Interest rate exposure arising from the Group's borrowings is managed through the use of fixed and floating rate debts. The Group will consider entering into derivative financial instruments where necessary to achieve an appropriate mix of fixed and floating rate exposure within the Group's policy.

The Group and the Company are also exposed to the ongoing Secured Overnight Financing Rate ("SOFR") on its financial instruments. The SOFR is a benchmark interest rate for dollar-denominated derivatives and loans that replaced the London Interbank Offered Rate ("LIBOR").

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk (cont'd)

## 28.6.2 Interest rate risk (cont'd)

## Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Fixed rate instruments</b>				
Financial assets	171,097	141,515	-	78,333
Financial liabilities	(3,029,067)	(2,539,143)	(2,800,000)	(2,300,000)
	<b>(2,857,970)</b>	(2,397,628)	<b>(2,800,000)</b>	(2,221,667)
<b>Floating rate instruments</b>				
Financial liabilities	(1,598,786)	(2,554,170)	(839,567)	(1,097,712)

## Interest rate risk sensitivity analysis

## Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

## Cash flow sensitivity analysis for variable rate instruments

A change of 30 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss			
	2023		2022	
	30 bp increase	30 bp decrease	30 bp increase	30 bp decrease
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Floating rate instruments	(3,645)	3,645	(5,824)	5,824
<b>Company</b>				
Floating rate instruments	(1,914)	1,914	(2,503)	2,503

## Notes to the Financial Statements

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## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.6 Market risk (cont'd)

## 28.6.3 Other price risk

Other price risk arises from price fluctuation risk mainly on aluminium related products. The Group is exposed to commodity price risk due to fluctuations in aluminium prices. The Group's aluminium products are generally priced with reference to the London Metal Exchange ("LME") aluminium rates. The Group has entered into commodity swaps and options to manage its exposure to movements in LME aluminium rates (see Note 28.7.2).

**Risk management objectives, policies and processes for managing the risk**

The Group mitigates its risk to the price volatility through establishing fixed price level that the Group considers acceptable and where deemed prudent, entering into commodity fixed price contracts.

**Commodity price risk sensitivity analysis**

A 10% (2022: 10%) increase in LME aluminium rates at the end of the reporting period would have decreased equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Equity Group		Profit or loss Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
10% increase in LME aluminium rates	6,489	2,560	-	392

A 10% (2022: 10%) decrease in LME aluminium rates would have had equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

## 28.7 Hedging activities

## 28.7.1 Currency risk – Transactions in foreign currency

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currency in which sales are denominated and the respective functional currencies of the Group. The functional currencies of Group entities are primarily the Malaysian Ringgit ("MYR"). The currency in which these sales transactions are primarily denominated is U.S. Dollars ("USD").

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.1 Currency risk – Transactions in foreign currency (cont'd)

The Group's risk management policy is to hedge up to 30% of its estimated foreign currency exposure in respect of forecast sales collection over the following 12 to 120 months at any point in time. The Group purchases forward foreign exchange contracts and borrows in USD to hedge foreign sales transactions. The Group designates the forward foreign exchange contracts and foreign currency loans and borrowings in their entirety to hedge its currency risk and applies a hedge ratio of 1:1. Some of these contracts have a maturity of more than 5 years from the reporting date while the term of the foreign currency loans and borrowings ranges from 4 to 5 years. The Group determines the critical terms of the forward exchange contracts and foreign currency loans and borrowings to align with the hedged items.

The Group and the Company also entered into cross currency swaps to swap their RM denominated loan to USD. The swap was performed to manage the Group's exposure to USD and RM within the Group's policy.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivatives and foreign currency loans and borrowings designated in each hedging relationship are expected to be and have been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

## 28.7.2 Commodity price risk

The Group is exposed to commodity price risk due to fluctuations in aluminium prices. The Group's aluminium products are generally priced with reference to the LME aluminium rates.

The Group adopts a policy of ensuring that up to 65% of its commodity price risk exposure is at a fixed rate. This is achieved by entering into commodity swaps and options as hedges of the variability in cash flows attributable to movements in commodity prices. The Group adjusts its hedge ratio for each commodity contract entered to minimise the potential ineffectiveness arising from such contracts.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference commodity prices, tenors, maturities and the notional or par amounts. The Group assesses whether the derivatives designated in each hedging relationship are expected to be and have been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are:

- the differences in grades of aluminium produced by the Group and those provided in derivative contracts by financial institutions for the Group to enter into; and
- changes in the timing of the hedged transactions.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge

At as the end of the reporting period, the Group held the following instruments to hedge exposures to changes in foreign currency and commodity prices.

Group	Maturity			
	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	312,120	312,120	353,103	-
Forward exchange contracts				
Net exposure	4,134,720	2,950,745	7,111,102	2,257,130
Average MYR:USD forward contract	4.426	4.406	4.436	4.470
Average MYR:CNY forward contract	0.651	-	-	-
Average MYR:GBP forward contract	5.826	-	-	-
Average AUD:USD forward contract	0.673	-	-	-
Average CNY:USD forward contract	7.101	-	-	-
Average AUD:MYR forward contract	3.032	-	-	-
Cross currency swaps				
Net exposure	550,000	700,000	800,000	335,000
Average MYR:USD cross currency swaps	4.187	4.192	4.222	4.187
<b>Commodity price risk</b>				
Commodity swaps and options				
Net exposure	1,826,766	1,414,868	826,255	-
Average USD/MT commodity swaps and options	2,617	2,569	2,602	-

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

Group	Maturity			
	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2022</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	298,520	298,520	518,955	-
Forward exchange contracts				
Net exposure	3,158,559	2,401,180	6,373,961	2,777,472
Average MYR:USD forward contract	4.368	4.423	4.465	4.557
Average AUD:USD forward contract	0.674	0.664	-	-
Average AUD:MYR forward contract	3.106	-	-	-
Average CNY:USD forward contract	7.010	-	-	-
Cross currency swaps				
Net exposure	250,000	550,000	1,150,000	600,000
Average MYR:USD cross currency swaps	4.297	4.176	4.178	4.226
<b>Commodity price risk</b>				
Commodity swaps and options				
Net exposure	4,989,843	1,065,941	-	-
Average USD/MT commodity swaps and options	2,554	2,791	-	-

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## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

Company	Maturity			
	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	247,860	247,860	272,778	-
Cross currency swaps				
Net exposure	550,000	500,000	200,000	250,000
Average MYR:USD cross currency swaps	4.464	4.424	4.327	4.153
<b>2022</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	237,060	237,060	380,670	-
Cross currency swaps				
Net exposure	-	550,000	700,000	250,000
Average MYR:USD cross currency swaps	-	4.176	4.238	4.469

The amounts at the reporting date relating to items designated as hedged items were as follows:

	Cash flow hedge reserve RM'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied RM'000
<b>Group</b>		
<b>2023</b>		
<b>Foreign currency risk</b>		
Forecast sales – Loans and borrowings	(96,258)	5,652
Forecast sales – Forward exchange contracts	(198,691)	-
Forecast loan repayments – Cross currency swaps	(77,184)	-
<b>Commodity price risk</b>		
Forecast sales – Commodity swaps and options	85,412	-
<b>Total hedging reserve</b>	<b>(286,721)</b>	
Non-controlling interests share of hedging reserve	27,460	-
<b>Hedging reserve attributable to owners of the Company</b>	<b>(259,261)</b>	

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

	Cash flow hedge reserve RM'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied RM'000
<b>Group</b>		
<b>2022</b>		
<b>Foreign currency risk</b>		
Forecast sales – Loans and borrowings	(91,955)	(2,268)
Forecast sales – Forward exchange contracts	278,652	-
Forecast loan repayments – Cross currency swaps	12,946	-
<b>Commodity price risk</b>		
Forecast sales – Commodity swaps and options	(32,482)	-
<b>Total hedging reserve</b>	<b>167,161</b>	
Non-controlling interests share of hedging reserve	(46,109)	-
<b>Hedging reserve attributable to owners of the Company</b>	<b>121,052</b>	
<b>Company</b>		
<b>Foreign currency risk</b>		
<b>2023</b>		
Forecast loan repayments – Cross currency swaps	(52,598)	-
<b>Company</b>		
<b>Foreign currency risk</b>		
<b>2022</b>		
Forecast loan repayments – Cross currency swaps	11,481	-

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

The amounts relating to items designated as hedging instruments are as follows:

Group	Nominal amount RM'000	Carrying amount		Line item in the statement of financial position where the hedging instrument is included
		Assets RM'000	Liabilities RM'000	
<b>2023</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	977,343	-	(101,910)	Loans and borrowings
Forward exchange contracts	16,453,697	47,529	(249,574)	Derivative financial assets/(liabilities)
Cross currency swaps	2,385,000	2,245	(97,852)	Derivative financial assets/(liabilities)
<b>Commodity price risk</b>				
Commodity swaps and options	4,067,889	176,332	(90,950)	Derivative financial assets/(liabilities)
<b>2022</b>				
<b>Foreign currency risk</b>				
Loans and borrowings	1,115,995	-	(89,687)	Loans and borrowings
Forward exchange contracts	14,711,172	354,153	(41,567)	Derivative financial assets/(liabilities)
Cross currency swaps	2,550,000	32,426	(13,651)	Derivative financial assets/(liabilities)
<b>Commodity price risk</b>				
Commodity swaps and options	6,055,784	125,745	(159,396)	Derivative financial assets/(liabilities)
<b>Company</b>				
<b>Foreign currency risk</b>				
<b>2023</b>				
Cross currency swaps	1,500,000	2,036	(71,245)	Derivative financial assets/(liabilities)
<b>2022</b>				
Cross currency swaps	1,500,000	17,226	(2,120)	Derivative financial assets/(liabilities)

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

Group	Changes in the value of hedging instrument recognised in other comprehensive income RM'000	Amount reclassified from hedge reserve to profit or loss RM'000	Line item in profit or loss affected by the reclassification
<b>2023</b>			
<b>Foreign currency risk</b>			
Loans and borrowings	(11,659)	7,357	Revenue
Forward exchange contracts	(677,489)	162,855	Revenue
Cross currency swaps	(137,236)	22,855	Other expenses
<b>Commodity price risk</b>			
Commodity swaps and options	331,367	(212,332)	Revenue
<b>2022</b>			
<b>Foreign currency risk</b>			
Loans and borrowings	(78,100)	25,483	Revenue
Forward exchange contracts	134,760	87,463	Revenue
Cross currency swaps	9,911	-	Other expenses
<b>Commodity price risk</b>			
Commodity swaps and options	574,847	309,581	Revenue
<b>Company</b>			
<b>2023</b>			
<b>Foreign currency risk</b>			
Cross currency swaps	(84,314)	-	
<b>2022</b>			
<b>Foreign currency risk</b>			
Cross currency risk	220	-	

The hedge ineffectiveness arising from the above items is immaterial to be recognised in profit or loss for both the current and previous financial years.

## Notes to the Financial Statements

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.7 Hedging activities (cont'd)

## 28.7.3 Cash flow hedge (cont'd)

The following table provides reconciliation by risk category of components of equity and analysis of OCI items, resulting from cash flow hedge accounting.

Group	Hedging reserve	
	2023 RM'000	2022 RM'000
<b>Balance at 1 January</b>	<b>167,161</b>	(842,064)
<b>Cash flow hedge</b>		
Net hedging (loss)/gain:		
Foreign currency risk	<b>(826,384)</b>	66,571
Commodity price risk	<b>331,367</b>	574,847
Amount reclassified to profit or loss:		
Foreign currency risk	<b>193,067</b>	112,946
Commodity price risk	<b>(212,332)</b>	309,581
Share of losses of hedging reserve of an equity-accounted associate	<b>(3,607)</b>	-
Tax on movements on reserve during the year (Note 11)	<b>64,007</b>	(54,720)
<b>Balance at 31 December</b>	<b>(286,721)</b>	167,161
<b>Hedging reserve attributable to:</b>		
Owners of the Company	<b>(259,261)</b>	121,052
Non-controlling interests	<b>(27,460)</b>	46,109
<b>Balance at 31 December</b>	<b>(286,721)</b>	167,161
<b>Company</b>		
<b>Balance at 1 January</b>	<b>11,481</b>	11,314
<b>Cash flow hedge</b>		
Net hedging (loss)/gain:		
Foreign currency risk	<b>(84,314)</b>	220
Tax on movements on reserve during the year (Note 11)	<b>20,235</b>	(53)
<b>Balance at 31 December</b>	<b>(52,598)</b>	11,481

## 28.7.4 Material accounting policy information

For cash flow hedge, the Group has elected to account for the entire forward contract/swap as a hedging instrument in its entirety. The forward element of these forward contracts/swaps is not separately accounted for from its spot element. Accordingly, the change in fair value of the entire forward contract/swap is recognised in the hedging reserve in equity.

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.8 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value		Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total RM'000	
<b>2023</b>									
<b>Financial assets</b>									
Unquoted shares	-	-	1,803	-	-	-	-	-	1,803
Derivatives	-	226,408	-	-	-	-	-	226,408	226,408
	-	226,408	1,803	-	-	-	-	228,211	228,211
<b>Financial liabilities</b>									
Derivatives	-	(439,283)	-	-	-	-	-	(439,283)	(439,283)
IMTN	-	-	-	-	-	(2,815,006)	(2,815,006)	(2,815,006)	(2,800,000)
Bank loans	-	-	-	-	-	(1,386,884)	(1,386,884)	(1,386,884)	(1,386,884)
	-	(439,283)	-	-	-	(4,201,890)	(4,201,890)	(4,641,173)	(4,626,167)
<b>2022</b>									
<b>Financial assets</b>									
Unquoted shares	-	-	1,803	-	-	-	-	-	1,803
Derivatives	-	515,507	-	-	-	-	-	515,507	515,507
	-	515,507	1,803	-	-	-	-	517,310	517,310
<b>Financial liabilities</b>									
Derivatives	-	(214,957)	-	-	-	-	-	(214,957)	(214,957)
IMTN	-	-	-	-	-	(2,222,997)	(2,222,997)	(2,222,997)	(2,300,000)
Bank loans	-	-	-	-	-	(1,730,310)	(1,730,310)	(1,730,310)	(1,730,310)
	-	(214,957)	-	-	-	(3,953,307)	(3,953,307)	(4,168,264)	(4,245,267)

## Notes to the Financial Statements

## 28.8 Fair value information (cont'd)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>2023</b>										
<b>Financial assets</b>										
Loans to a subsidiary	-	-	-	-	-	-	1,459,776	1,459,776	1,459,776	1,459,776
Derivatives	-	2,036	-	2,036	-	-	-	-	2,036	2,036
	-	2,036	-	2,036	-	-	1,459,776	1,459,776	1,461,812	1,461,812
<b>Financial liabilities</b>										
Derivatives	-	(71,245)	-	(71,245)	-	-	-	-	(71,245)	(71,245)
IMTN	-	-	-	-	-	(2,815,006)	(2,815,006)	(2,815,006)	(2,815,006)	(2,800,000)
Bank loans	-	-	-	-	-	(839,567)	(839,567)	(839,567)	(839,567)	(839,567)
	-	(71,245)	-	(71,245)	-	(3,654,573)	(3,654,573)	(3,654,573)	(3,725,818)	(3,710,812)
<b>2022</b>										
<b>Financial assets</b>										
Loans to a subsidiary	-	-	-	-	-	-	1,444,545	1,444,545	1,444,545	1,444,545
Amounts due from subsidiaries	-	-	-	-	-	-	88	88	88	88
Derivatives	-	18,664	-	18,664	-	-	-	-	18,664	18,664
	-	18,664	-	18,664	-	-	1,444,633	1,444,633	1,463,297	1,463,297
<b>Financial liabilities</b>										
Derivatives	-	(8,722)	-	(8,722)	-	-	-	-	(8,722)	(8,722)
IMTN	-	-	-	-	-	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)
Bank loans	-	-	-	-	-	(1,229,412)	(1,229,412)	(1,229,412)	(1,229,412)	(1,229,412)
	-	(8,722)	-	(8,722)	-	(3,529,412)	(3,529,412)	(3,529,412)	(3,538,134)	(3,538,134)

## 28. FINANCIAL INSTRUMENTS (CONT'D)

## 28.8 Fair value information (cont'd)

## Level 2 fair value

## Derivatives

The fair value of derivatives is determined by reference to statements provided by the respective financial institutions with which these contracts were entered into.

## Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either direction).

## Level 3 fair value

## Valuation process applied by the Group for Level 3 fair value

For financial instruments not carried at fair value, the Group has applied discounted cash flows valuation technique using a rate based on the current market rate of borrowings of the respective Group entities at the reporting date in the determination of fair values within Level 3. The Group's treasury team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

## 29. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios at 31 December 2023 and 31 December 2022 were as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Loans and borrowings	16	4,398,786	4,854,170
Lease liabilities		229,067	239,143
Less: Cash and bank balances	14	(1,228,008)	(604,002)
Net debt		3,399,845	4,489,311
Total equity		8,396,253	8,005,350
Debt-to-equity ratio		0.40	0.56

There was no change in the Group's approach to capital management during the financial year.

The Group has not breached any of the loan covenants disclosed in Note 16.

## Notes to the Financial Statements

## Notes to the Financial Statements

## 30. CAPITAL AND OTHER COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
<b>Capital expenditure commitments</b>		
<b>Property, plant and equipment</b>		
Contracted but not provided for	143,500	180,685

## 31. RELATED PARTIES

## Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its significant investors, subsidiaries, associates and key management personnel. In the context of these financial statements, associates also include the subsidiaries of the associates.

## Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Notes 12 and 18.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>A. Subsidiaries</b>				
Dividend income	-	-	(692,400)	(543,600)
Management fee income	-	-	(37,078)	(29,046)
Interest income on loans	-	-	(103,598)	(106,078)
Short-term lease payments	-	-	659	659

## 31. RELATED PARTIES (CONT'D)

## Significant related party transactions (cont'd)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>B. Associates</b>				
Dividend received	(51,250)	(4,688)	(43,470)	(2,148)
Interest income on ICULS	(1,765)	(1,765)	(1,765)	(1,765)
Lease payments	19	114	-	-
Sale of goods	(33,760)	(31,909)	-	-
Purchase of goods	2,342,419	1,901,563	-	-
<b>C. Directors</b>				
Fees	1,007	839	1,007	839
Remuneration	12,628	11,932	11,460	9,434
Total short-term employee benefits	13,635	12,771	12,467	10,273
Short-term lease payments	-	210	-	-
	13,635	12,981	12,467	10,273

## 32. BUSINESS COMBINATIONS

## 2022

## 32.1 Acquisition of subsidiary

In March 2022, the Group, via its 88.3%-owned subsidiary (2022: 92.4%), Press Metal International Limited, completed the acquisition of entire equity interest in Foshan Baiwen New Energy Co., Ltd. ("FBNE") for a total cash consideration of RMB6,779,000 (equivalent to approximately RM4,500,000).

The following summarised the major classes of consideration transferred, and the recognised amounts of assets and liabilities assumed at the acquisition date:

	Group 2022 RM'000
<b>Fair value of consideration transferred</b>	
Cash and cash equivalents	4,500

## Notes to the Financial Statements

## Notes to the Financial Statements

**32. BUSINESS COMBINATIONS (CONT'D)****2022 (cont'd)****32.1 Acquisition of subsidiary (cont'd)**

	Note	Group 2022 RM'000
<b>Identifiable assets acquired and liabilities assumed</b>		
Property, plant and equipment	3	6,487
Trade and other receivables		11
Current tax assets		1,574
Cash and cash equivalents		56
Loans and borrowings		(6,708)
Trade and other payables		(607)
<b>Total identifiable net assets</b>		<b>813</b>
<b>Net cash outflow arising from acquisition of subsidiaries</b>		
Purchase consideration settled in cash and cash equivalents		(4,500)
Cash and cash equivalents acquired		56
		<b>(4,444)</b>
<b>Goodwill</b>		
Goodwill was recognised as a result of the acquisition as follows:		
Total consideration transferred		4,500
Fair value of identifiable net assets		(813)
<b>Goodwill</b>		<b>3,687</b>

The goodwill is attributable mainly to the skills and technical talent of FBNE. None of the goodwill recognised was expected to be deductible for income tax purposes.

**Acquisition-related costs**

The Group incurred acquisition-related costs of RM24,000 related to external legal fees. The legal fees had been included in administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

**2023****32.2 Partial disposal of interest in a subsidiary**

In December 2023, the Group, via its wholly-owned subsidiary, Press Metal (HK) Limited disposed of 4.1% equity interest in a subsidiary, Press Metal International Limited ("PMI") to third parties for a total cash consideration of RMB41,345,000 (equivalent to approximately RM27,019,000), decreasing its ownership in PMI and its direct subsidiaries ("collectively known as PMI subgroup") from 92.4% to 88.3%. The carrying amount of PMI subgroup's net assets in the Group's financial statements on the date of disposal was RM796,634,000.

The Group recognised an increase in non-controlling interests of RM32,662,000 and a decrease in retained earnings of RM5,643,000.

**33. INTEREST IN JOINT OPERATION**

The Group has a 50% (2022: 50%) ownership interest in a joint operation, Japan Alumina Associates (Australia) Pty. Ltd. ("JAA") with Sojitz Corporation. JAA's principal place of business is in Australia. JAA markets the share of alumina produced through its participation in a bauxite mine and an alumina refinery and is strategic for the Group in ensuring its long-term access to raw material which reduces its exposure and reliance on third party suppliers. The Group and Sojitz Corporation have equal board representatives in JAA and all relevant decisions require unanimous votes from the shareholders. Based on the shareholders' agreement, the Group and Sojitz Corporation are entitled to the outputs produced by JAA in proportion to their respective shareholdings in JAA. In view that the Group has rights to the assets, and obligations for the liabilities relating to JAA, therefore the investment in JAA is accounted for as a joint operation.

**34. SIGNIFICANT EVENTS****34.1 Issuance of Islamic Medium-Term Notes**

In August 2019, the Company made a lodgement with the Securities Commission Malaysia for the establishment of Islamic Medium-Term Notes of RM5.0 billion in nominal value based on the Shariah Principle of Wakalah Bi Al-Istithmar ("Sukuk Programme"), for a tenure of up to thirty (30) years.

In September 2023, the Company made its fourth issuance of the Sukuk Programme for an aggregate nominal value of RM500 million with tenures of 5 years and 7 years.

The Group utilised the proceeds from the issuance for general corporate purposes including capital expenditure, working capital requirements, investments and refinancing of existing borrowings.

**34.2 Subscription of additional equity interest in PT Bintan Alumina Indonesia ("PT BAI")**

In November 2019, the Company entered into a share subscription agreement ("SSA") and a shareholders' agreement ("SHA") with several third parties, for the proposed subscription of 25% equity interest in PT BAI for a total cash consideration of USD80,232,000 (equivalent to approximately RM332,376,000). The transaction was completed in February 2020.

PT BAI is principally involved in the production of non-ferrous metals and is currently constructing an alumina refinery plant together with the necessary facilities in Galang Batang, Indonesia.

As at 31 December 2023, the investment in PT BAI had increased to RM1,229,397,000 following additional investments made by the Company during the financial year, which were in equal proportions with the remaining investors.

**35. SUBSEQUENT EVENT****35.1 Acquisition of subsidiary**

Subsequent to the reporting period, in January 2024, Press Metal Berhad ("PMB"), a wholly-owned subsidiary of the Company, completed the acquisition of the entire equity interest in Everpress Aluminium Industries Sdn. Bhd. ("Everpress Group") from a third party for a total cash consideration of RM5,000,000. The effects of the acquisition are not material to be disclosed.

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 212 to 305 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Tan Sri Dato' Koon Poh Keong**

Director

Petaling Jaya, Selangor

Date: 22 April 2024

**Koon Poh Ming**

Director

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Loo Tai Choong**, the officer primarily responsible for the financial management of Press Metal Aluminium Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 212 to 305 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Loo Tai Choong, NRIC: 681119-08-5045, at Kuala Lumpur in the Federal Territory on 22 April 2024.

**Loo Tai Choong**

Before me:

**Rajeev Saigal A/L Ramlabaya Saigal W 681**

Commissioner for Oaths

Kuala Lumpur

## INDEPENDENT AUDITORS' REPORT

To the members of Press Metal Aluminium Holdings Berhad

(Registration No. 201601027232 (1198171-H))

(Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Press Metal Aluminium Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 212 to 305.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Hedge accounting

Refer to Note 28.7 – Financial instruments – Hedging activities.

#### The key audit matter

The Group and the Company are exposed to transactional foreign currency risk to the extent that there is a mismatch between the currency in which sales are denominated and the respective functional currencies of the Group entities. The Group is also exposed to commodity price risk due to fluctuations in aluminium prices.

Derivative financial instruments are used to manage and hedge foreign currency risk and commodity price risk. The Group entities then applied hedge accounting to hedge its cash flows arising from highly probable forecast sale transactions.

We focused on this area because applying hedge accounting is a complex and judgemental area, particularly in assessing the appropriateness of the designation of the hedge relationship and documentation, the effectiveness of the hedge and the probability of forecast transactions. The complexity of the application of hedge accounting and the number of hedge contracts the Group entered into required us to involve senior members and spend considerable time and effort to audit this area.

## Independent Auditors' Report

To the members of Press Metal Aluminium Holdings Berhad  
(Registration No. 201601027232 (1198171-H))  
(Incorporated in Malaysia)

### KEY AUDIT MATTERS (CONT'D)

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We evaluated whether the Group's designations of the loans and borrowings, forward exchange contracts, cross currency swaps and commodity swaps form valid hedging relationships with the forecast sale transactions and loan repayments;
- We assessed whether there are formal designations and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge at the inception;
- We determined whether the hedging relationship met the criteria of the accounting standards;
- We evaluated the probability of the forecast sale transactions by assessing the historical accuracy of management's forecasts, checking to secured sales contracts and verifying sales transacted subsequent to the end of the financial year; and
- We involved our financial risk management specialists in assessing the cash flow changes to hedged items and hedging instruments, and the hedge effectiveness.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Independent Auditors' Report

To the members of Press Metal Aluminium Holdings Berhad  
(Registration No. 201601027232 (1198171-H))  
(Incorporated in Malaysia)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditors' Report

To the members of Press Metal Aluminium Holdings Berhad  
(Registration No. 201601027232 (1198171-H))  
(Incorporated in Malaysia)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in note 7 to the financial statements.

#### Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### KPMG PLT

(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya, Selangor

Date: 22 April 2024

#### Ong Beng Seng

Approval Number: 02981/05/2024 J  
Chartered Accountant

## LIST OF PROPERTIES

Held by the Group as at 31 December 2023

Proprietor	Location	Description/ Age (Year)	Existing Use	Tenure	Area (Square feet)	Net Book Value as at 31/12/2023 RM'000
Press Metal Bintulu Sdn Bhd	Lot 36, Block 1 Samalaju Industrial Park Kemena Land District 97000 Samalaju, Sarawak	Leasehold land and buildings 13 years	Factory cum office	Leasehold for 60 years expiring 10 July 2071	20,946,570	1,443,125
Press Metal Sarawak Sdn Bhd	Lot 211 & 212, Block 293 Mukah Land District, KM38 Jalan Mukah - Balingian 96400 Mukah, Sarawak	Leasehold land and buildings 16 years	Factory cum office	Leasehold for 99 years expiring 6 April 2107	44,913,337	334,451
Press Metal International Limited	Area C Sanshui Industrial Park Sanshui District Foshan City Guangdong Province China	Leasehold land and building 18 Years	Factory cum office	Leasehold for 48 & 50 years expiring 12 July 2055 & 30 December 2056	5,092,976	222,941
Press Metal Berhad	Lot 6486, Mukim Kapar Daerah Klang Selangor	Freehold land and building 30 years	Factory cum office	Freehold	417,348	29,564
PMB Aluminium Sdn Bhd	PT1653 & PT1656 Mukim Setul Daerah Seremban Negeri Sembilan	Leasehold land and buildings 33 years	Factory cum office	Leasehold for 99 years expiring 17 January 2090	473,612	15,627
Press Metal Berhad	Lot 6464, Mukim Kapar Daerah Klang Selangor	Freehold land and building 30 years	Factory cum office	Freehold	217,000	15,372
Press Metal Berhad	Suite 59, 60, 61 & 62 Setia Avenue No. 2, Jalan Setia Prima S U13/S Setia Alam, Seksyen U13 40170 Shah Alam, Selangor	Commercial office suite	Office	Freehold	37,912	13,276
Press Metal Aluminium (Australia) Pty Ltd	32, Southeast Boulevard Pakenham Victoria Australia	Freehold land and building 4 years	Warehouse	Freehold	32,000	12,462
Press Metal Bintulu Sdn Bhd	Lot 412 & 413, Block 1 Samalaju Industrial Park Kemena Land District 97000 Samalaju, Sarawak	Leasehold land 2 years	Staff accommodation	Leasehold for 60 years expiring 18 May 2082	3,143,923	10,224
Press Metal UK Limited	Beldray Road Mount Pleasant, Bilston West Midlands WV14 7NH	Freehold land and buildings 18 years	Warehouse	Freehold	74,418	8,246

## ANALYSIS OF SHAREHOLDINGS

as at 4 April 2024

Total Number of Issued Shares	:	8,239,617,778 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	180	1.89	4,912	0.00
100 to 1,000	2,203	23.16	1,528,543	0.02
1,001 to 10,000	3,693	38.82	15,962,234	0.19
10,001 to 100,000	2,081	21.88	73,465,256	0.89
100,001 to less than 5% of issued shares	1,353	14.23	6,322,983,518	76.74
5% and above of issued shares	2	0.02	1,825,673,315	22.16
<b>Total</b>	<b>9,512</b>	<b>100.00</b>	<b>8,239,617,778</b>	<b>100.00</b>

### DIRECTORS' SHAREHOLDINGS

(as per Register of Directors' Shareholdings as at 4 April 2024)

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)	100,000	0.00	0	0.00
Koon Poh Ming	512,864,516	6.22	130,920,000 <sup>(1)</sup>	1.59
Tan Sri Dato' Koon Poh Keong	225,535,022	2.74	2,807,837,822 <sup>(2)</sup>	34.08
Dato' Koon Poh Tat	223,378,760	2.71	8,528,604 <sup>(3)</sup>	0.10
Koon Poh Weng	420,975,136	5.11	49,321,920 <sup>(4)</sup>	0.60
Koon Poh Kong	105,501,372	1.28	66,060,240 <sup>(5)</sup>	0.80
Noor Alina Binti Mohamad Faiz	0	0.00	0	0.00
Lim Hun Soon @ David Lim	0	0.00	0	0.00
Susan Yuen Su Min	2,000	0.00	0	0.00
Chong Kin Leong	0	0.00	0	0.00
John Koon Tzer Lim (Alternate Director to Koon Poh Ming)	0	0.00	0	0.00

<sup>(1)</sup> Deemed interested in the shares held by his spouse, Ong Soo Fan in the Company and by virtue of his direct interest in 7G Holdings Pte. Ltd. pursuant to Section 8 of the Companies Act 2016 ("the Act").

<sup>(2)</sup> Deemed interested in the shares held by his spouse, Puan Sri Datin Khoo Ee Pheng in the Company and deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd., by virtue of Paul Koon Pte. Ltd.'s 100% direct equity interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn. Bhd., which in turn holds shares in the Company pursuant to Section 8 of the Act.

<sup>(3)</sup> Deemed interested in the shares held by his spouse, Datin Chan Hean Heoh in the Company.

<sup>(4)</sup> Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee in the Company.

<sup>(5)</sup> Deemed interested in the shares held by his spouse, Lee Sook Ching and his children, Koon Hoi Chun and Koon Xin Hui in the Company and by virtue of his direct interest in TK Capital Investment Ltd. pursuant to Section 8 of the Act.

## Analysis of Shareholdings

as at 4 April 2024

### SUBSTANTIAL SHAREHOLDERS

(as per Register of Substantial Shareholders as at 4 April 2024)

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Tan Sri Dato' Koon Poh Keong	225,535,022	2.74	2,807,837,822 <sup>(1)</sup>	34.08
Koon Poh Ming	512,864,516	6.22	130,920,000 <sup>(2)</sup>	1.59
Koon Poh Weng	420,975,136	5.11	49,321,920 <sup>(3)</sup>	0.60
Alpha Milestone Sdn. Bhd.	2,785,676,677	33.81	0	0.00
Ong Soo Fan	90,920,000	1.10	552,864,516 <sup>(4)</sup>	6.71
Chan Poo Choo	49,212,160	0.60	421,084,896 <sup>(5)</sup>	5.11
KPK Holdings (L) Ltd.	0	0.00	2,785,676,677 <sup>(6)</sup>	33.81
Paul Koon Pte. Ltd.	0	0.00	2,785,676,677 <sup>(7)</sup>	33.81
Paul Koon Foundation	0	0.00	2,785,676,677 <sup>(8)</sup>	33.81

<sup>(1)</sup> Deemed interested in the shares held by his spouse, Puan Sri Datin Khoo Ee Pheng in the Company and deemed interested in Paul Koon Foundation, the holding entity of Paul Koon Pte. Ltd., by virtue of Paul Koon Pte. Ltd.'s 100% direct equity interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn. Bhd., which in turn holds shares in the Company pursuant to Section 8 of the Act.

<sup>(2)</sup> Deemed interested in the shares held by his spouse, Ong Soo Fan in the Company and by virtue of his direct interest in 7G Holdings Pte. Ltd. pursuant to Section 8 of the Act.

<sup>(3)</sup> Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee in the Company.

<sup>(4)</sup> Deemed interested in the shares held by her spouse, Koon Poh Ming in the Company and by virtue of her interest in 7G Holdings Pte. Ltd. pursuant to Section 8 of the Act.

<sup>(5)</sup> Deemed interested in the shares held by her spouse, Koon Poh Weng and her daughter, Koon Sim Ee in the Company.

<sup>(6)</sup> Deemed interested by virtue of its 100% direct equity interest in Alpha Milestone Sdn. Bhd. pursuant to Section 8 of the Act.

<sup>(7)</sup> Deemed interested in the Company by virtue of being the holding company of KPK Holdings (L) Ltd., which in turn owns shares in Alpha Milestone Sdn. Bhd. pursuant to Section 8 of the Act.

<sup>(8)</sup> Paul Koon Foundation, being the holding entity of Paul Koon Pte. Ltd., is deemed interested in the Company by virtue of Paul Koon Pte. Ltd.'s 100% direct equity interest in KPK Holdings (L) Ltd., the holding company of Alpha Milestone Sdn. Bhd. pursuant to Section 8 of the Act.

## Analysis of Shareholdings

as at 4 April 2024

## LIST OF THIRTY LARGEST SHAREHOLDERS

as at 4 April 2024

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1	ALPHA MILESTONE SDN BHD	1,245,673,315	15.12
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>UBS AG Singapore for Alpha Milestone Sdn Bhd</i>	580,000,000	7.04
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB for Koon Poh Weng</i>	398,485,136	4.84
4	KOON POH MING	353,385,108	4.29
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Bank of Singapore Limited for Alpha Milestone Sdn Bhd</i>	250,000,000	3.03
6	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	202,637,700	2.46
7	HSBC NOMINEES (TEMPATAN) SDN BHD <i>JPMCB NA for Alpha Milestone Sdn Bhd</i>	200,000,000	2.43
8	HSBC NOMINEES (TEMPATAN) SDN BHD <i>MSIP for Alpha Milestone Sdn Bhd</i>	200,000,000	2.43
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Employees Provident Fund Board</i>	164,291,550	1.99
10	ALPHA MILESTONE SDN BHD	150,003,362	1.82
11	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBHK for Glencore International Investment Limited</i>	123,590,000	1.50
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>UBS AG Singapore for Tan Sri Dato' Koon Poh Keong</i>	120,000,000	1.46
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Bank of Singapore Limited for Tan Sri Dato' Koon Poh Keong</i>	100,000,000	1.21
14	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HBAP for Alpha Milestone Sdn Bhd</i>	100,000,000	1.21
15	KOON POH MING	83,379,408	1.01
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Employees Provident Fund Board</i>	79,594,575	0.96
17	CARTABAN NOMINEES (ASING) SDN BHD <i>Exempt AN for State Street Bank &amp; Trust Company</i>	78,928,800	0.96
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Dato' Koon Poh Tat</i>	70,180,160	0.85
19	TAN MEW LAN	63,331,312	0.77
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>Exempt AN for AIA Bhd</i>	61,378,200	0.74
21	ONG SOO FAN	60,040,000	0.73
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB for Alpha Milestone Sdn Bhd</i>	60,000,000	0.73
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB for Dato' Koon Poh Tat</i>	56,011,400	0.68
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>UBS AG Singapore for Koon Poh Kong</i>	55,000,000	0.67
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>Maybank Trustees Berhad for Public Ittikal Fund</i>	55,000,000	0.67

## Analysis of Shareholdings

as at 4 April 2024

## LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

as at 4 April 2024

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
26	KOON PUI LING	54,959,900	0.67
27	PEGGY NG SEANG PHENG	51,840,000	0.63
28	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	48,444,588	0.59
29	CHAN POH CHOO	48,212,160	0.58
30	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	48,088,640	0.58
	<b>Total</b>	<b>5,162,455,314</b>	<b>62.65</b>

## NOTICE OF ANNUAL GENERAL MEETING

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Eighth Annual General Meeting (“8<sup>th</sup> AGM”) of Press Metal Aluminium Holdings Berhad (“PMAH” or “the Company”) will be held at State Room 2, Ground Floor, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur on **Thursday, 27 June 2024 at 10:30 a.m.** for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

### AGENDA

#### As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees to the Non-Executive Directors for an amount of up to RM1,186,000.00 for the financial year ending 31 December 2024 (2023: RM1,100,000.00).
3. To approve the payment of Directors’ benefits (other than Directors’ fees) to the Non-Executive Directors for an amount of up to RM196,000.00 from 27 June 2024 until the conclusion of the next Annual General Meeting of the Company.
4. To re-elect the following Directors who retire by rotation in accordance with Clause 95 of the Constitution of the Company and being eligible, have offered themselves for re-election:
  - (i) Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)
  - (ii) Ms. Susan Yuen Su Min
  - (iii) Pn. Noor Alina Binti Mohamad Faiz
5. To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

*[Please refer to Explanatory Note 1]*

**Ordinary Resolution 1**  
*[Please refer to Explanatory Note 2]*

**Ordinary Resolution 2**  
*[Please refer to Explanatory Note 2]*

**Ordinary Resolution 3**  
**Ordinary Resolution 4**  
**Ordinary Resolution 5**  
*[Please refer to Explanatory Note 3]*

**Ordinary Resolution 6**

#### As Special Business

To consider and if thought fit, to pass the following resolutions with or without modifications:

6. **Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 (“the Act”) and the Constitution of the Company for the Directors to Allot and Issue Shares**

“**THAT** pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby authorised and empowered to allot and issue shares in the capital of the Company (“New Shares”) from time to time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of such New Shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory authorities being obtained for such allotment and issuance (“Proposed General Mandate”).

**THAT** such approval on the Proposed General Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

**Ordinary Resolution 7**  
*[Please refer to Explanatory Note 4]*

**THAT** the Directors of the Company be and are hereby also authorised and empowered to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities and to obtain the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

**THAT** in connection with the above, pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company, the shareholders do hereby waive their statutory pre-emptive rights to be offered New Shares in proportion of their holdings ranking equally to the existing issued shares in the Company arising from any issuance of New Shares of the Company pursuant to Sections 75 and 76 of the Act.

**AND THAT** the New Shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing issued shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such New Shares.”

7. **Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPT”) and Proposed New Shareholders’ Mandate for Additional RRPT (“Proposed Shareholders’ Mandate for RRPT”)**

**Ordinary Resolution 8**  
*[Please refer to Explanatory Note 5]*

“**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“PMAH Group”) to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4 of Part A of the Circular/ Statement to Shareholders dated 30 April 2024 which are necessary for the PMAH Group’s day-to-day operations subject to the following:

- (a) the transactions are undertaken in the ordinary course of business at an arm’s length basis and on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (b) the disclosure of the breakdown of the aggregate value of the recurrent related party transactions conducted pursuant to the Proposed Shareholders’ Mandate for RRPT during the financial year, the type of recurrent related party transactions made, the names of the related parties involved in each type of recurrent related party transactions and their relationships with the Company will be made in the Annual Report.

**THAT** the authority conferred shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM at which the Proposed Shareholders’ Mandate for RRPT is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) [but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

## Notice of Annual General Meeting

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for RRPT."

8. **Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase its own Ordinary Shares ("Proposed Renewal of Share Buy-Back Authority")**

"**THAT** subject to the Companies Act 2016 ("the Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to the fullest extent permitted by law, to purchase such number of issued ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:

- (a) the maximum aggregate number of issued ordinary shares in the Company which may be purchased ("Purchased Shares") and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities at any point in time of the said purchase(s); and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

**THAT** the authority conferred by this resolution will commence immediately upon passing of this resolution and shall continue to be in force until:

- (a) The conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed Renewal of Share Buy-Back Authority is approved, at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own ordinary shares before the aforesaid expiry date and, in any event, in accordance with the MMLR of Bursa Securities and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

**Ordinary Resolution 9**

*[Please refer to Explanatory Note 6]*

**THAT** upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the Purchased Shares in their absolute discretion in the following manner as may be permitted by the Act, MMLR of Bursa Securities, applicable laws, rules, regulations, orders, guidelines and/or requirements of any relevant authorities for the time being in force:

- (a) To cancel all or part of the Purchased Shares;
- (b) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (c) To distribute all or part of the treasury shares as share dividends to the shareholders of the Company;
- (d) To resell all or part of the treasury shares;
- (e) To transfer all or part of the treasury shares for the purposes of or under an employees' shares scheme established by the Company and/or its subsidiaries (if any); and
- (f) To transfer all or part of the treasury shares as purchase consideration.

**AND THAT** the Directors of the Company be authorised to take all such steps as are necessary [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the purchase by the Company of its own ordinary shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may deem fit and expedient in the best interests of the Company."

9. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

**TAI YIT CHAN** (MAICSA 7009143) (SSM PC No. 202008001023)  
**TAN AI NING** (MAICSA 7015852) (SSM PC No. 202008000067)  
 Company Secretaries

Selangor Darul Ehsan  
 Date: 30 April 2024

## Notice of Annual General Meeting

## Notice of Annual General Meeting

**NOTES:**

1. For the purpose of determining who shall be entitled to attend and vote at the Eighth Annual General Meeting (“8<sup>th</sup> AGM”), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at **20 June 2024** (General Meeting Record of Depositors). Only a member whose name appears in this Record of Depositors shall be eligible to attend and vote at the 8<sup>th</sup> AGM or appoint proxy(ies) to attend and vote on his/her behalf.
2. A member entitled to attend and vote at the 8<sup>th</sup> AGM is entitled to appoint more than one (1) proxy or an attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy in the instrument appointing the proxies. A proxy appointed to attend and vote at the 8<sup>th</sup> AGM shall have the same rights as the member to attend and vote at the 8<sup>th</sup> AGM.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or via electronic submission. If the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised and shall be in any form (including electronic) that the Directors prescribe or accept.
5. The appointment of proxy(ies) for the 8<sup>th</sup> AGM may be made in a hard copy form or by electronic means and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 8<sup>th</sup> AGM or adjourned 8<sup>th</sup> AGM at which the person named in the instrument proposes to vote. Proxy form(s) must be deposited or submitted in the following manner not later than **10:30 a.m. on Tuesday, 25 June 2024:**
  - (i) In hard copy form  
Deposit the duly executed proxy form with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd’s (“Tricor”) office of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, Tricor’s Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (hereinafter referred to as “Tricor’s Office”); or
  - (ii) By electronic means via TIIH Online  
Submit the proxy form electronically with the Share Registrar of the Company via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Details for the 8<sup>th</sup> AGM on the procedures for electronic submission of proxy form via TIIH Online website.
6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
7. Corporate shareholder(s) who has appointed authorised representative(s) **MUST** deposit the **Original** or **Duly Certified** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor’s Office **not later than 10:30 a.m. on Tuesday, 25 June 2024** to attend and vote at the 8<sup>th</sup> AGM.  
  
Attorney(s) appointed by Power of Attorney **MUST** deposit the **Original** Power of Attorney with the Share Registrar of the Company at Tricor’s Office **not later than 10:30 a.m. on Tuesday, 25 June 2024** to attend and vote at the 8<sup>th</sup> AGM.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 8<sup>th</sup> AGM of the Company shall be put to vote by way of poll. Poll administrator and independent scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.

## Notice of Annual General Meeting

**EXPLANATORY NOTES****1. Agenda Item 1 – Audited Financial Statements for the financial year ended 31 December 2023**

Agenda item 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“the Act”) does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

**2. Ordinary Resolutions 1 and 2 – Payment of Directors’ Fees and Benefits to Non-Executive Directors**

Section 230(1) of the Act provides amongst others, that the Directors’ fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders’ approval shall be sought at this Eighth Annual General Meeting (“8<sup>th</sup> AGM”) on the Directors’ remuneration in two (2) separate resolutions as below:

- Ordinary Resolution 1 on payment of Directors’ fees to the Non-Executive Directors for the financial year ending 31 December 2024.
- Ordinary Resolution 2 on payment of Directors’ benefits to the Non-Executive Directors for the period from 27 June 2024 until the conclusion of the next AGM of the Company.

**Directors’ Fees**

To ensure that the current remuneration for the members of the Board and Board Committees of the Company remains competitive and appropriate to attract, retain and motivate individuals with strong credentials and high calibre to serve on the Board of the Company, an external consultant was engaged in 2021 to undertake the benchmarking analysis and recommended the appropriate remuneration taking into account the demands, complexities and performance of the Company.

The proposed remuneration review was comprehensively deliberated by the Remuneration Committee. The Board approved the Remuneration Committee’s recommendation for the proposed increase of 10% in Directors’ fees of the Non-Executive Directors for the financial year ending 31 December 2024. There are no changes to the Directors’ fees payable to the Non-Executive Directors as member of the Board Committees for the financial year ending 31 December 2024 and the aforesaid rates shall remain until the next review in 2025.

**Directors’ Benefits (other than Directors’ Fees)**

The Board approved the Remuneration Committee’s recommendation to standardise the proposed Directors’ benefits payable to the Non-Executive Directors of the Company, i.e., meeting allowance of RM2,000 per Director per meeting for the financial year ending 31 December 2024. The fee structure of the meeting allowance for the preceding financial year is summarised in the table below for reference:

Meeting allowance	Non-Executive Chairman (RM per director per meeting)	Non-Executive Director (RM per director per meeting)
Board of Directors	1,500	1,200
Audit Committee	1,200	1,000
Risk Management Committee	1,200	1,000
Nomination and Corporate Governance Committee	1,000	800
Remuneration Committee	1,000	800

The proposed Directors’ benefits payable comprises only meeting allowance. The total estimated amount of Directors’ benefits payable is calculated based on the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolutions 1 and 2 concerning remuneration to the Non-Executive Directors at the 8<sup>th</sup> AGM.

In the event that the proposed Non-Executive Directors’ fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders’ approval at the 9<sup>th</sup> AGM of the Company for the additional Directors’ fees and benefits payable to meet the shortfall.

## Notice of Annual General Meeting

**3. Ordinary Resolutions 3 to 5 – Re-election of Directors**

The profile of the Directors who are standing for re-election as per item 4 of the Agenda are set out in the Profile of Our Board of Directors section of the Integrated Annual Report 2023.

The Nomination and Corporate Governance Committee (“NCGC”) has considered the performance and contribution of each of the retiring Directors seeking for re-election. In addition, the NCGC had also conducted an assessment on the fitness and propriety of the retiring Directors, including the review of their fit and proper declarations and results of their background checks in accordance with the Directors’ Fit and Proper Policy. The Board had also through the NCGC, carried out assessment on the independence of the retiring Directors and is satisfied that they met the criteria of independence as prescribed in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The said retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election. Based on the recommendation of the NCGC, the Board is satisfied with the performance and contributions of the retiring Directors and supports their re-election based on the following justifications:

(a) Ordinary Resolution 3 – Re-election of Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) as Independent Non-Executive Chairman

Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) has vast experience in the financial services industry. Having held leading positions in both foreign and local institutions, she has been contributing valuable insights to the Board and actively making independent assessment of information, to provide independent view and demonstrate objectivity in reviewing and challenging Management’s proposals at meetings. As Chairman of the Board, she has been managing the interface between the Board and Management by encouraging active participation and allowing dissenting views to be freely expressed during the Board meeting. She exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Chairman of the Company.

(b) Ordinary Resolution 4 – Re-election of Ms. Susan Yuen Su Min as Independent Non-Executive Director

Ms. Susan Yuen Su Min has over 30 years of working experience in the banking industry and has served several renowned banking establishments. As an Independent Director, she has been contributing valuable insights to the Board and actively making independent assessment of the information, reports or statements, having regard to her knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing, as well as constructively challenge Management’s proposals at meetings. She exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

(c) Ordinary Resolution 5 – Re-election of Pn. Noor Alina Binti Mohamad Faiz as Independent Non-Executive Director

Pn. Noor Alina Binti Mohamad Faiz is a lawyer by profession and has been appointed to the Board before the Company’s assumption of its listing status. As an Independent Director, she has been contributing valuable insights to the Board and actively making independent assessment of the information, reports or statements, having regard to her knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing, as well as constructively challenge Management’s proposals at meetings. She exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

## Notice of Annual General Meeting

**4. Ordinary Resolution 7 – Proposed Renewal of Authority under Sections 75 and 76 of the Act and the Constitution of the Company for the Directors to Allot and Issue Shares**

The Company had, during its Seventh AGM held on 14 June 2023, obtained its shareholders’ approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. As of the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 7 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act and empowering the Directors of the Company to issue and allot shares in the Company from time to time, provided that the aggregate number of such shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being (“Proposed General Mandate”).

The Proposed General Mandate, if passed, serves as a measure to meet the Company’s immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/or acquisition(s), without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional cost and time. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

By approving the issuance and allotment of shares pursuant to Sections 75 and 76 of the Act and the Constitution of the Company, the shareholders, having agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company which will result in a dilution to their shareholding percentage in the Company, allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the Proposed General Mandate.

If there should be a decision to issue new shares after the Proposed General Mandate is obtained, the Company will make an announcement in respect thereof.

**5. Ordinary Resolution 8 – Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPT”) and Proposed New Shareholders’ Mandate for Additional RRPT (“Proposed Shareholders’ Mandate for RRPT”)**

Ordinary Resolution 8 proposed under item 7 of the Agenda, if passed, will allow PMAH Group to enter into the RRPT under the Proposed Shareholders’ Mandate for RRPT pursuant to the provisions of the MMLR of Bursa Securities without the necessity to convene separate general meetings from time to time to seek shareholders’ approval as and when such RRPT occur. This will reduce substantially the expenses associated with the convening of general meetings on ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining PMAH Group’s corporate objectives and business opportunities. The Proposed Shareholders’ Mandate for RRPT is subject to renewal on an annual basis.

For further information on Ordinary Resolution 8, please refer to Part A of the Circular/Statement to Shareholders dated 30 April 2024.

**6. Ordinary Resolution 9 – Proposed Renewal of Shareholders’ Mandate for the Authority to the Company to Purchase its own Ordinary Shares**

The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of shares of up to ten per centum (10%) of the total number of issued shares of the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company is required by law to be held.

For further information on Ordinary Resolution 9, please refer to Part B of the Circular/Statement to Shareholders dated 30 April 2024.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad]

### 1. Details of individuals who are standing for election (excluding directors standing for re-election) as Directors

There are no individuals who are standing for election as Directors at the Eighth Annual General Meeting ("8<sup>th</sup> AGM") of the Company.

### 2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue securities pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 4 of this Notice.

#### Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

## GLOSSARY

Abbreviation	Full Term
3R	Reduce, Reuse and Recycle
3Re	Retention, Reward and Recognition
4R	Reduce, Reuse, Recycle, Recover
8D	8-Discipline
AAPG	Audit and Assurance Practice Guide
ABAC	Anti-Bribery and Anti-Corruption Policy
AC	Audit Committee
AI	Artificial Intelligence
AIFR	All Injury Frequency Rate
APQP	Advanced Product Quality Planning
ASI	Aluminium Stewardship Initiative
BAP	Biodiversity Action Plan
BCP	Business Continuity Plan
BCX	Bursa Carbon Exchange
BI	Bloomberg Intelligence
BMCC	British Malaysian Chamber of Commerce
BMP	Biodiversity Management Plan
Board	Board of Director
BTMHG	Baker Tilly Monteiro Heng Governance Sdn. Bhd.
CAHRAs	Conflict-Affected and High-Risk Areas
CAPA	Corrective Action and Preventive Action
CCU	Carbon Capture and Utilisation
CGOS	Corporate Governance Overview Statement
CLH	Collaborative Learning Hub
CO <sub>2</sub> e	Carbon Dioxide Equivalent
CoC	Code of Conduct
CoE	Code of Ethics
CPR	Communication and Public Relations
CSD	Corporate Sustainability Development
CSR	Corporate Social Responsibility
DDG	Due Diligence Guidance
DOE	Department of Environment
DSWGs	Division Sustainability Working Groups
EBITDA	Earning Before Interest Tax Depreciation Amortization
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EmpRP	Employee Referral Program
EnMP	Energy Management Policy
ERM	Enterprise Risk Management
ERP	Emergency Response Plan
ERTH	E-Waste Recycling Through Heroes
ERTs	Emergency Response Teams

## Glossary

Abbreviation	Full Term
ESG	Environment, Social and Governance
ESPW	Equipment Spare Part Warehouse
ETS	Emissions Trading System
EU	European Union
EV	Electric Vehicle
FC	Financial Capital
FMM	Federation of Malaysian Manufacturers
FYE	Financial Year Ended
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GT	Grant Thornton Malaysia PLT
HC	Human Capital
HF	Hydrogen Fluoride
HIARODC	Hazard Identification Assessment of Risks and Opportunity and Determination of Control
HR	Human Resources
IAI	International Aluminium Institute
IAR	Integrated Annual Report
IC	Intellectual Capital
InvC	Investment Committee
ICAEW	Institute of Chartered Accountants in England & Wales
ICP	Internal Carbon Price
IDP	Integrated Design Project
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPCC AR6	Intergovernmental Panel on Climate Change Sixth Assessment Report
IPO	Initial Public Offering
iPRO	Improvement Project
IS	Information System
ISO 14001	ISO 14001:2015 Environmental Management System
ISO 31000	ISO 31000:2018 Risk Management Guidelines
ISO 45001	ISO 45001:2018 Occupational Health and Safety Management
ISO 9001	ISO 9001:2015 Quality Management System
IT	Information Technology
JAA	Japan Alumina Associates
LCA	Life Cycle Assessment
LME	London Metal Exchange
LTIFR	Lost-Time Injury Frequency Rate
MC	Manufactured Capital
MCCG	Malaysian Code on Corporate Governance
MES	Manufacturing Execution System
MFRS	Malaysian Financial Reporting Standards

## Glossary

Abbreviation	Full Term
MIA	Malaysia Institute of Accountants
MICPA	Malaysia Institute of Certified Public Accountants
MMBtu	Million Metric British Thermal Units
MMLR	Main Market Listing Requirements
NC	Natural Capital
NCGC	Nomination and Corporate Governance Committee
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OHC	Overhead Crane
OHS	Occupational Health and Safety
OSHA 1994	Occupational Safety and Health Act 1994
PATAMI	Profit After Tax and Minority Interest
PCF	Product Carbon Footprint
PDCA	Plan-Do-Check-Act
PDPA	Personal Data Protection Act 2010
PMAH	Press Metal Aluminium Holdings Berhad
PMAR	Press Metal Aluminium Rods Sdn Bhd
PMB	Press Metal Berhad
PMBA	PMB Aluminium Sdn Bhd
PMBtu	Press Metal Bintulu Sdn Bhd
PMI	Press Metal International Limited
PMIT	Press Metal International Technology Ltd
PMS	Press Metal Sarawak Sdn Bhd
PPE	Personal Protective Equipment
PS v3	Performance Standard Version 3
PTW	Permit To Work
R&D	Research and Development
RC	Remuneration Committee
RMC	Risk Management Committee
RMD	Risk Management Department
RMT	Risk Management Team
RPTs	Related Party Transactions
RRPT	Recurrent Related Party Transactions
SASB	Sustainability Accounting Standards Board
SC	Sustainability Committee
SCoC	Supplier Code of Conduct
SIA	Social Impact Assessment
SiPro	Strategic Improvement Project
SMS	Social Management System
SOCISO	Social Security Organisation
SOIP	Sarawak Operations Improvement Programme
SOP	Standard of Procedures

## Glossary

Abbreviation	Full Term
SOx	Sulphur Oxides
SPL	Spent Pot Lining
SR	Sustainability Report
SRC	Social and Relationship Capital
SSAQ	Supplier Self-Assessment Questionnaire
SSP	Shared Socioeconomic Pathways
SWG	Sustainability Working Group
SWRC	Sports Welfare Recreational & Culture
TCFD	Task Force on Climate-Related Financial Disclosures
TISAX	Trusted Information Security Assessment Exchange
TOR	Terms of Reference
TPM	Total Particulate Matter
UK	United Kingdom
UM	Universiti Malaya
UNSDGs	United Nations' Sustainable Development Goals
UNGC	United Nations Global Compact
US	United States
VAPs	Value Added Products
VOCs	Volatile Organic Compounds
VRP	Value Reporting Foundation
VSOP	Video Standard Operating Procedures
WWTP	Wastewater Treatment Plant
XJTU	Xi'an Jiaotong University

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)  
(Incorporated in Malaysia)

CDS Account No.

No. of Shares Held

**PROXY FORM**

I/We ..... NRIC/Passport/Company No. ....  
(Full name in block letters)

of .....  
(Full address)

Contact No.: ..... Email Address: .....

being a member/members of **PRESS METAL ALUMINIUM HOLDINGS BERHAD**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		
Address			

\*and / or

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		
Address			

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Eighth Annual General Meeting ("8<sup>th</sup> AGM") of the Company to be held at State Room 2, Ground Floor, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur on **Thursday, 27 June 2024 at 10:30 a.m.** or at any adjournment thereof in the manner as indicated below:-

No.	Resolutions		For	Against
1	To approve the payment of Directors' fees to the Non-Executive Directors for an amount of up to RM1,186,000.00 for the financial year ending 31 December 2024 (2023: RM1,100,000.00).	Ordinary Resolution 1		
2	To approve the payment of Directors' benefits (other than Directors' fees) to the Non-Executive Directors for an amount of up to RM196,000.00 from 27 June 2024 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 2		
3	Re-election of Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) as Director.	Ordinary Resolution 3		
4	Re-election of Ms. Susan Yuen Su Min as Director.	Ordinary Resolution 4		
5	Re-election of Pn. Noor Alina Binti Mohamad Faiz as Director.	Ordinary Resolution 5		
6	Re-appointment of Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6		
7	Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 and the Constitution of the Company for the Directors to Allot and Issue Shares.	Ordinary Resolution 7		
8	Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") and Proposed New Shareholders' Mandate for Additional RRPT.	Ordinary Resolution 8		
9	Proposed Renewal of Shareholders' Mandate for the Authority to the Company to purchase its own Ordinary Shares.	Ordinary Resolution 9		

(Please indicate with an "X" in the spaces provided whether you wish your vote to be cast for or against the Ordinary Resolutions. In the absence of specific directions, your proxy(ies) will vote or abstain from voting at his/her discretion.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature of Shareholder(s)/Common Seal

\* Strikeout whichever is not applicable

**NOTES:**

1. For the purpose of determining who shall be entitled to attend and vote at the Eighth Annual General Meeting ("8<sup>th</sup> AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at **20 June 2024** (General Meeting Record of Depositors). Only a member whose name appears in this Record of Depositors shall be eligible to attend and vote at the 8<sup>th</sup> AGM or appoint proxy(ies) to attend and vote on his/her behalf.
2. A member entitled to attend and vote at the 8<sup>th</sup> AGM is entitled to appoint more than one (1) proxy or an attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy in the instrument appointing the proxies. A proxy appointed to attend and vote at the 8<sup>th</sup> AGM shall have the same rights as the member to attend and vote at the 8<sup>th</sup> AGM.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or via electronic submission. If the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised and shall be in any form (including electronic) that the Directors prescribe or accept.
5. The appointment of proxy(ies) for the 8<sup>th</sup> AGM may be made in a hard copy form or by electronic means and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 8<sup>th</sup> AGM or adjourned 8<sup>th</sup> AGM at which the person named in the instrument proposes to vote. Proxy form(s) must be deposited or submitted in the following manner not later than **10:30 a.m.** on **Tuesday, 25 June 2024**:
  - (a) In hard copy form  
Deposit the duly executed proxy form with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") office of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (hereinafter referred to as "Tricor's Office"); or
  - (b) By electronic means via TIIH Online  
Submit the proxy form electronically with the Share Registrar of the Company via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Details for the 8<sup>th</sup> AGM on the procedures for electronic submission of proxy form via TIIH Online website.

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The Share Registrar

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur  
Malaysia

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6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
7. Corporate shareholder(s) who has appointed authorised representative(s) **MUST** deposit the **Original** or **Duly Certified** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor's Office **not later than 10:30 a.m.** on **Tuesday, 25 June 2024** to attend and vote at the 8<sup>th</sup> AGM. Attorney(s) appointed by Power of Attorney **MUST** deposit the **Original** Power of Attorney with the Share Registrar of the Company at Tricor's Office **not later than 10:30 a.m.** on **Tuesday, 25 June 2024** to attend and vote at the 8<sup>th</sup> AGM.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 8<sup>th</sup> AGM of the Company shall be put to vote by way of poll. Poll administrator and independent scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 8<sup>th</sup> AGM dated 30 April 2024.



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