NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A1. Basis of preparation

The Interim Financial Report is unaudited and has been prepared in compliance with the Financial Reporting Standard ("FRS") 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and shall be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2009.

The significant accounting policies adopted in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2009.

Changes in Accounting Policies

The significant accounting policies applied in this interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2009 except for the adoption of the following new FRSs, Amendments to certain FRSs and Interpretations for financial period beginning on 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	Presentation of Financial Statements
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellation
Amendments to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 101	Presentation of Financial Statements
Amendment to FRS 123	Borrowing costs

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A1. Basis of preparation – *continued*

Changes in Accounting Policies – *continued*

Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Improvements to FRSs (2009)	Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

(i) FRS 8 Operating Segments

Upon the adoption of FRS 8, the Group's segmental reporting had been presented based on that used for internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A1. Basis of preparation – *continued*
Changes in Accounting Policies – *continued*

(ii) FRS 101 (revised), Presentation of Financial Statements

In accordance with FRS101 (revised), a complete set of financial statements comprises a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and the notes to the financial statements.

In adopting FRS 101(revised), the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income. Comparative information has been represented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

(iii) FRS 117, Leases

The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments to FRS 117.

The following comparative figures have been restated:-

	31 December 2009	
Cost (RM'000)	As restated	As previously stated
Property, plant and equipment	98,582	-
Prepaid lease payments	-	98,582

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A1. Basis of preparation – *continued*
Changes in Accounting Policies – *continued*

(iv) FRS 139, Financial Instruments : Recognition and Measurement
FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items (collectively called financial instruments).

A financial instrument is recognised in the financial statements only when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value. Subsequent measurement of the financial instruments at the end of the period reflects the designation of the financial instruments.

Financial Assets
Loans and receivables
Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest ("EIR") method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the statement of comprehensive income.

Financial Liabilities
All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Under the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. The adoption of FRS 139 does not have any significant impact on the profit for the financial year-to-date.

PRESS METAL BERHAD
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NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A2. Auditors' report
The auditors' report of the audited financial statements for the financial year ended 31 December 2009 was not subject to any qualification.

A3. Seasonal or cyclical factors
The business of the Group was not affected by any significant seasonal or cyclical factors.

A4. Extraordinary and exceptional items
There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter under review and financial year-to-date.

A5. Changes in estimates
There were no changes in estimates during the financial quarter under review and financial year-to-date.

A6. Debt and equity securities
There were no debt and equity securities issued during the current financial year-to-date.

A7. Dividends paid

Dividends paid for the respective financial year are:

	Tax exempt %	Total Amount RM'000	Date of payment
Interim 2010 Ordinary	2%	4,280	7 October 2010
Final 2009 Ordinary	2%	3,679	23 July 2010

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A8. Segmental information

Segmental information is presented in respect of the Group's business segment.

The Group comprises the following main business segments:

(i) Manufacturing & trading

Manufacturing and marketing of aluminium and other related products.

(ii) Contracting

Contracting of aluminium and stainless steel products.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A8. Segmental information – *continued*

Business Segments

RM'000	**Manufacturing & trading**	**Contracting**	**Elimination**	**Total**
Revenue from external customers	1,650,959	62,410	-	1,713,369
Inter-segment revenue	811,990	-	(811,990)	-
Total revenue	**2,462,949**	**62,410**	**(811,990)**	**1,713,369**
Segment results	**148,825**	**2,168**		**150,993**
Share of associate's profit				1,996
Financing cost				(51,302)
Profit before tax				**101,687**
Taxation				(14,612)
Profit after tax				**87,075**

Geographical Segments

	Malaysia	**Asia Region**	**Europe Region**	**Elimination**	**Total**
Revenue from external Customers	1,758,561	1,331,944	225,622	(1,602,758)	1,713,369
Segment assets by location	2,666,890	1,501,110	93,740	(1,513,366)	2,748,374
Investment in associate	28,285	-	-	-	28,285
	2,695,175	1,501,110	93,740	(1,513,366)	2,776,659

NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A9. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements, as the Group does not adopt a revaluation policy of its property, plant and equipment.

A10. Material events subsequent to the balance sheet date

There was no material event subsequent to the end of the financial year reported.

A11. Changes in the composition of the Group

The Company has on 28 January 2010 announced that it had entered into 3 deeds with Chen Gang to acquire 4,000,000 shares of HK$1.00 each, representing the remaining 20% of the issued and paid-up share capital of Press Metal (HK) Limited, for a total consideration of RMB20,000,000.

A negative goodwill amounting to RM18.0 million arising from the above acquisition has been recognised in the first quarter Group results.

In addition, the Company had on 14 December 2010 acquired two (2) ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Press Metal Bintulu Sdn Bhd ("PMBSB"). The principal activities of PMBSB are that of manufacturing and trading of aluminium products. The acquisition has no material effect on the earning per share, net assets per share, gearing and share capital of the Company for the financial year ended 31 December 2010.

A12. Contingent liabilities and contingent assets

There were no material changes in contingent liabilities as at the date of this quarterly report.

A13. Capital commitments

As at 31 December 2010, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	12,000

A14. Related Party Transactions

The Group

	RM'000
With the affiliated companies – PMB Technology Berhad Group	
Sales of aluminium products	98,288
Purchase of fabricated aluminium products and building materials	14,513

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NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

Disclosure requirements per Bursa Malaysia Securities Berhad's Listing Requirements – Part A of Appendix 9B

B1. Review of performance

The Group recorded revenue of RM401.5 million in the current year quarter, an increase of RM66.7 million or 20% compared to RM334.8 million in the corresponding quarter last year. Higher revenue was mainly derived from its Mukah Smelting Plant in Sarawak.

The Group's profit before tax for the current year quarter has slightly declined to RM20.2 million from RM22.3 million as reported in the same quarter last year. The lower profit before tax was mainly due to soft performance of its China smelting plant during the quarter under reviw.

B2. Variation of results against preceding quarter

There is no significant variance noted against the preceding quarter's pre-tax profit of RM20.0 million.

B3. Current year's prospects

According to many analysts, most countries have recovered from the previous year's crisis. The outlook remains positive however still faces many challenges.

Barring unforeseen circumstances, the Board anticipates that business volume will improve further for this financial year 2011 and will strive to achieve better financial performance.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

Taxation comprises the following:

	3 months ended 31.12.2010 ***RM'000***
Current taxation	
Malaysian income tax	1,408
Foreign tax	765
Deferred tax	(3,415)

	1,242
	======

The Group's effective tax rate for financial year-to-date is lower than the statutory tax rate due to reversal of certain deferred tax liability.

B6. Retained Earnings

	As at 31.12.2010 ***RM'000***	**As at 30.9.2010** ***RM'000***
Retained earnings:		
Realised	683,045	657,335
Unrealised	(84,729)	(79,271)
	598,316	578,064
Total share of retained earnings of associate:		
Unrealised	(16,473)	(15,784)
Total Group retained earnings	581,843	562,280
	=======	=======

B7. Profit / Loss on disposal of unquoted investments and properties

There were no other sale of unquoted investments during the current quarter and financial year-to-date.

B8. Purchases or Disposals of Quoted Securities

There were no purchases or disposals of any quoted securities during the financial quarter under review and financial year-to-date.

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B9. Status of Corporate Proposals Announced and Pending Completion

(a) Acquisition of China Smelting Plant

On 28 November 2006, the Company has entered into a sale and purchase agreement and the relevant supplemental agreements (collectively known as "SPA") with Hubei Hashing Aluminium & Electric Co. Ltd (HHAE), Qianjiang City Qiansheng State-Owned Enterprise (QCQ) and Qianjiang City Huashin State-Owned Enterprise for the acquisition of all the assets, including non-current and current assets and certain current liabilities, excluding long-term bank borrowings, interest payable and tax liabilities of HHAE, which are located in Hubei province in the People's Republic of China ("PRC"), for a total cash consideration of RMB 360 million (approximately RM168 million based on an exchange rate of RMB1: RM0.466).

The acquisition of the entire Assets and assumption of Certain Liabilities from HHAE has been undertaken through a company incorporated in the PRC, Hubei Press Metal Huasheng Aluminium & Electric Co. Ltd., which is 90% held by the Company whilst the remaining 10% is held by QCQ.

The Group is entitled to the revenue and profit deriving from the Hubei Smelting Plant pursuant to a sale and purchase agreement and a Custody Agreement signed with the relevant parties. The Custody Agreement allows the Group to take custody of the Hubei Smelting Plant and be entitled to revenue generated pending the finalisation of the transfer of the plant.

The Group assumed control over Hubei Smelting Plant upon making the first payment of the total purchase price. The pledge on the assets acquired has been discharged subsequently and the said assets have been transferred to HHAE during the quarter ended 30 September 2007. As such, a negative goodwill being the excess of the net fair value of the assets acquired and liabilities assumed over the cost of acquisition amounting to RM337.0 million has therefore been recognised as an income in the third quarter 2007.

B9. Status of Corporate Proposals Announced and Pending Completion - *continued*

(b) Proposed development of a smelting plant in Sarawak ("Mukah Smelting Plant")

The Company has on 11 July 2007 announced that it has obtained approval from Sarawak State Planning Authority to develop the Mukah Smelting Plant and the related and ancillary industries. The Company has paid a premium of RM7,750,000 for the alienation of the Mukah land measuring approximately 366 hectares or 905 acres. The smelting plant development will be undertaken by its 80% owned subsidiary, Press Metal Sarawak Sdn Bhd ("PMS").

The Company has on the same date announced that it has entered into a power supply agreement with Syarikat SESCO Berhad (a wholly owned subsidiary of Sarawak Energy Berhad ("SEB") whose principal activities are generation, transmission, distribution and sale of energy) for the supply of electricity for the proposed smelting plant.

On 11 February 2008, PMB signed a Memorandum of Understanding ("MOU") with SEB requesting an additional of 510MW electricity supply for PMS's Mukah Smelting Plant by 2010. This will increase the total electricity supply from 90MW to 600MW with certain provisions to be achieved as stated in the MOU.

Subsequently, the Company has on 1 July 2008 executed a Power Purchase Agreement ("PPA") with Syarikat SESCO in connection to the increase of power supply to 600MW which amends and supercedes the Supply Agreement and the Technical Agreement dated 11 July 2007 and 5 October 2007 respectively.

PMB has on 30 October 2008 announced that PMS has secured a syndicated loan of RM355 million to finance the design, construction, operation and maintenance of its Mukah Selting Plant. Further, on 5 August 2009, the syndicated loan has increased to RM430 million with an additional RM75 million secured from the syndicated financial institution.

Mukah Smelting Plant has achieved the commercial operation date ("COD") for its first annual 50,000 mt capacity on 1 November 2009. With the commissioning of this 50,000 mt capacity, PMS is expected to contribute significantly to the Group.

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NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

B10. Group borrowing and debt securities as at 31 December 2010

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
Long term	301,318	59,515	360,833
Short term	244,533	736,244	980,777
	545,851	795,759	1,341,610

B11. Financial Instruments with off Balance Sheet Risk

There were no financial instruments with off balance sheet risk as at the date of this quarterly report.

B12. Material Litigation

There is no material litigation pending as at the date of this quarterly report except for certain customers of PMB Development Sdn Bhd ("PMBD"), a subsidiary of the Company, have filed legal suits in the year 1998 to recover approximately RM609,790 from PMBD for breach of a term in the sales and purchase agreements. Based on legal opinion obtained, the Directors believe that PMBD has a good defence and accordingly, no provision for loss has been made in the financial statements. The court has fixed the hearing for respective cases.

B13. Dividend

The Board of Directors proposes a final tax exempt dividend of 2% amounting to RM4,300,580 for the Company in respect of the financial year ended 31 December 2010.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

B14. Earnings Per Ordinary Share

(a) Basic earnings per share

The basic earnings per share of the Group have been computed by dividing the net profit attributable to shareholders for the financial quarter and year-to-date as set out below:-

	4th Quarter 3 months ended		**Year-to-Date 12 months ended**	
	31.12.10	**31.12.09**	**31.12.10**	**31.12.09**
Profit attributable to shareholders (RM'000)	19,563	12,603	81,408	27,476
Weighted average number of ordinary shares ('000)	430,061	365,388	430,061	365,388
Basic earnings per share (sen)	4.55	3.45	18.93	7.53
	====	====	====	====

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(b) Diluted earnings per share

The diluted earnings per share of the Group have been computed by dividing the net profit attributable to shareholders for the financial quarter and year-to-date as set out below:-

	4th Quarter 3 months ended		Year-to-Date 12 months ended	
	31.12.10	**31.12.09**	**31.12.10**	**31.12.09**
Profit attributable to shareholders (RM'000)	19,563	12,603	81,408	27,476
Weighted average number of ordinary shares ('000)	430,061	365,388	430,061	365,388
Employee Shares Option Scheme ('000)	14,756	17,892	14,756	17,892
	444,817	383,280	444,817	383,280
Basic earnings per share (sen)	4.40	*	18.30	*

* The diluted earnings per share is not show as the effect of the share options is anti-dilutive in the preceding year corresponding quarter.

On behalf of the Board

Dato' Koon Poh Keong
Group Chief Executive Officer
28 February 2011