

PRESS METAL BERHAD*(Company No.153208-W)***CONDENSED CONSOLIDATED INCOME STATEMENT**

For the period ended 30 September 2015

	<i>Note</i>	3rd Quarter 3 months ended		Year To-date 9 months ended	
		30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue		<u>1,016,321</u>	<u>1,028,700</u>	<u>3,019,439</u>	<u>2,926,018</u>
Operating expenses		(950,242)	(871,971)	(2,675,590)	(2,600,205)
Other operating income/(expenses)		<u>1,384</u>	<u>(9,922)</u>	<u>(110,959)</u>	<u>7,490</u>
Profit from operations		67,463	146,807	232,890	333,303
Finance costs		(25,691)	(31,076)	(78,887)	(98,508)
Share of profit from associate		<u>520</u>	<u>524</u>	<u>1,360</u>	<u>1,433</u>
Profit before tax		42,292	116,255	155,363	236,228
Taxation	<i>B5</i>	<u>(12,245)</u>	<u>(10,343)</u>	<u>(35,560)</u>	<u>(29,261)</u>
Profit for the period		<u>30,047</u>	<u>105,912</u>	<u>119,803</u>	<u>206,967</u>
Attributable to :					
Equity holders of the parent		29,508	82,653	97,371	170,710
Non-controlling interest		<u>539</u>	<u>23,259</u>	<u>22,432</u>	<u>36,257</u>
		<u>30,047</u>	<u>105,912</u>	<u>119,803</u>	<u>206,967</u>
Basic earnings per share (sen)	<i>B11(a)</i>	2.27	15.68	7.69	32.53
Diluted earnings per share (sen)	<i>B11(b)</i>	2.13	11.81	7.18	24.48

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2014.

PRESS METAL BERHAD*(Company No.153208 -H)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 30 September 2015

	3rd Quarter 3 months ended		Year To-date 9 months ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM' 000	30.9.2014 RM'000
Profit for the period	30,047	105,912	119,803	206,967
Other comprehensive income, net of tax				
-Foreign currency translation difference for foreign operations	11,266	36,834	49,963	25,749
-Cash Flow Hedge	(291,627)	-	(291,627)	-
Total comprehensive income for the period	(250,314)	142,746	(121,861)	232,716
Attributable to :				
Equity holders of the parent	(192,528)	111,398	(85,968)	191,948
Non-controlling interest	(57,786)	31,348	(35,893)	40,768
	(250,314)	142,746	(121,861)	232,716

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2014.

PRESS METAL BERHAD*(Company No: 153208-W)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 September 2015

	<i>Note</i>	As at 30.09.2015 RM'000	As at 31.12.2014 RM'000
ASSETS & NET CURRENT ASSETS			
Non-current assets			
Property, plant and equipment		3,961,082	3,598,410
Investment properties		5,234	6,075
Goodwill		10,497	10,497
Investment in associates		39,787	38,428
Other investments		1,803	1,803
Deferred tax assets		110,957	132,724
Total non-current assets		<u>4,129,360</u>	<u>3,787,937</u>
Current assets			
Inventories		796,224	555,186
Trade receivables		673,989	616,339
Other receivables, deposits and prepayments		1,170,073	134,952
Current tax assets		12,077	8,315
Deposits, cash and bank balances		331,284	355,164
Total current assets		<u>2,983,647</u>	<u>1,669,956</u>
Total Assets		<u>7,113,007</u>	<u>5,457,893</u>
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		649,416	550,397
Reserves		(44,361)	69,412
Retained profit		1,257,166	1,256,922
		<u>1,862,221</u>	<u>1,876,731</u>
Non-controlling interest		<u>401,065</u>	<u>304,042</u>
Total equity		<u>2,263,286</u>	<u>2,180,773</u>
LIABILITIES			
Non-current liabilities			
Other payables and accruals		18,235	66,842
Hire purchase & finance lease liabilities		3,564	11,651
Long term borrowings	<i>B8</i>	1,606,243	882,001
Redeemable Convertible Secured Loan Stock		-	127,307
Deferred tax liabilities		116,041	117,275
Total non-current liabilities		<u>1,744,083</u>	<u>1,205,076</u>
Current liabilities			
Trade payables		707,154	426,745
Other payables and accruals		964,178	314,426
Hire purchase & finance lease liabilities		26,170	8,314
Overdraft & short term borrowings	<i>B8</i>	1,402,712	1,298,686
Redeemable Convertible Secured Loan Stock		-	22,466
Taxation		5,424	1,407
		<u>3,105,638</u>	<u>2,072,044</u>
Total liabilities		<u>4,849,721</u>	<u>3,277,120</u>
Total equity and liabilities		<u>7,113,007</u>	<u>5,457,893</u>
Net assets per share (RM)		1.43	1.70

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2014.

PRESS METAL BERHAD
(Company No: 153268-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2015

	← Attributable to equity holders of the parent					Distributable		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Translation Reserve RM'000	RCCLS Reserve RM'000	Warrants Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	
At 1 January 2014	254,677	168,518	12,525	14,248	42,354	-	773,881	1,266,003
Exchange difference	-	-	25,749	-	-	-	-	25,749
Addition arising from dilution of a subsidiary equity	-	-	-	-	-	-	-	116,736
Acquisition of non controlling interest	-	-	-	-	-	-	-	2,275
Gain on dilution of a subsidiary equity	-	-	-	-	-	-	405,362	405,362
Conversion of RCCLS	17,242	45,726	-	(3,446)	-	-	-	59,522
Exercise of warrants	2,671	11,842	-	-	(2,762)	-	-	11,751
Redemption of RCCLS	-	-	-	(1,996)	-	-	1,996	-
Proposed dividend - 2015 interim - 2014 first interim - 2014 second interim	-	-	-	-	-	-	(5,157) (26,620) (27,300)	(5,157) (26,620) (27,300)
Net profit for the period	-	-	-	-	-	-	170,710	170,710
At 30 September 2014	274,590	226,086	38,074	8,806	39,592	-	1,292,872	1,880,020
At 1 January 2015	550,397	4,164	20,369	8,766	36,113	-	1,256,922	1,876,731
Exchange differences	-	-	49,963	-	-	-	-	49,963
Conversion of RCCLS	96,300	75,077	-	(8,609)	-	-	-	162,708
Redemption of RCCLS	-	-	-	(97)	-	-	97	-
Exercise of warrants	2,719	4,607	-	-	(1,352)	-	-	5,974
Subscription of shares in subsidiary	-	-	-	-	-	-	-	132,916
Cash Flow Hedge	-	-	-	-	-	(233,302)	-	(233,302)
Proposed dividend - 2014 interim - 2015 1st interim - 2015 2nd interim	-	-	-	-	-	-	(38,788) (38,953) (19,483)	(38,788) (38,953) (19,483)
Net profit for the period	-	-	-	-	-	-	97,371	97,371
At 30 September 2015	649,416	83,848	70,332	-	34,761	(233,302)	1,257,166	1,862,221
								401,065
								2,263,286

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014.

PRESS METAL BERHAD*(Company No: 153208-11)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 30 September 2015

	9 months ended	
	30.09.2015	30.09.2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	155,363	236,228
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	168,780	165,731
Finance and other income	(751)	(373)
Finance costs	78,887	98,508
Loss on disposal of property, plant and equipment	1,265	1,158
Share of profit of equity accounted associate, net of tax	(1,360)	(1,433)
Accretion of discount on RCSLS	-	2,959
Unrealized derivative gain	(17,269)	-
Unrealised foreign exchange loss	113,638	15,098
Property, plant and equipment written off	62,301	3,574
Operating profit before changes in working capital	560,854	521,450
Changes in working capital		
Inventories	(241,038)	(140,855)
Trade and other receivables	(212,470)	(174,350)
Trade and other payables	849,914	(51,210)
Cash generated from operations	957,260	155,035
Income tax paid	(9,579)	(6,850)
Net cash from operating activities	947,681	148,185
Cash flows from investing activities		
Acquisition of non controlling interest	-	2,275
Acquisition of properties, plant and equipment	(1,359,092)	(134,341)
Proceeds from subscription of shares in a subsidiary	132,916	-
Proceeds from disposal of investment in subsidiary	-	522,699
Dividend received from an associates	859	430
Net cash from/(used in) investing activities	(1,225,317)	391,063
Cash flows from financing activities		
Interest paid on loans and borrowings	(78,887)	(98,508)
Dividend paid to the owners of the Company	(97,224)	(59,077)
Redemption of RCSLS	(1,322)	(27,116)
Conversion of warrants	5,974	11,751
Drawdown/(Repayment) of banking facilities	454,204	(440,682)
Drawdown/(Repayment) of finance lease liabilities	9,769	(4,937)
Net cash from/(used in) financing activities	292,514	(618,569)
Net increase/(decrease) in cash and cash equivalents	14,878	(79,321)
Effect of exchange rate fluctuations on cash held	(37,815)	17,103
Cash and cash equivalents at 1 January	318,465	220,013
Cash and cash equivalents at 30 September	295,528	157,795

PRESS METAL BERHAD*(Company No: 153208-W)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 30 September 2015

Cash and cash equivalents

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

	30.09.2015	30.09.2014
	<i>RM'000</i>	<i>RM'000</i>
Deposits (exclude deposits pledged)	15,365	36,735
Cash and bank balances	284,526	124,963
Bank overdrafts	(4,363)	(3,903)
	<hr/>	<hr/>
	295,528	157,795

Deposits, cash and bank balances

	30.09.2015	30.09.2014
	<i>RM'000</i>	<i>RM'000</i>
Deposits placed with licence bank	46,758	104,110
Cash and bank balances	284,526	124,963
	<hr/>	<hr/>
	331,284	229,073

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014.



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

A1. Basis of preparation

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134: Interim Financial Reporting, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

Significant Accounting Policies

The accounting policies adopted in these interim financial statements are consistent with those adopted for the financial year ended 31 December 2014, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2015.

- Amendments to MFRS 119, *Defined Benefit Plans: Employee Contribution*
- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above standards, amendments and annual improvement did not have any material financial impacts to the Group.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

A1. Basis of preparation (Cont'd)

Cash flow hedge (Cont'd)

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

Standards issued but not yet effective

- i) **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016**
- 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
 - Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure on Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
 - Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
 - MFRS 14, Regulatory Deferral Accounts



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

A1. Basis of preparation (Cont'd)

Standards issued but not yet effective (Cont'd)

- i) ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (Cont'd)***
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiatives
 - Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
 - Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
 - Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements
 - Annual Improvements to MFRSs 2012-2014 Cycle
- ii) **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017**
- MFRS 15, Revenue from Contracts with Customers
- iii) **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018**
- MFRS 9, Financial Instruments (2014)

The Group intends to adopt the above standards as and when they become effective in the respective financial periods. The adoption of the above is not expected to have any material impacts to the financial statements of the Group.



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

A2. Auditors' report

The auditors' report of the audited financial statements for the financial year ended 2014 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

The Company has on 19 May 2015 announced that a fire incident occurred on Sunday, 17 May 2015, at its Samalaju Smelting Plant. The incident did not caused any harm to persons or any known uncontrolled emission.

On 21 May 2015, the Company further announced that, although electricity supply was restored and the pots seemed to emit heat, the continued operation of these pots was not stable and becoming more risky for the smelting operations. Hence, in the interest of safety for the plant and its operation as well as the workers, the Company decided to cease its operations pending a clean-up and to carry out repair for these damaged pots and the necessary testing before re-commissioning.

As at the date of this report, the smelting plant is back in operations and is running close to full capacity.

On 5 November 2015, the Company has received a letter from the insurance company for an interim claim amount of RM20 million.

Save for the fire incident disclosed above, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter under review.



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

A5. Changes in estimates

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

A6. Debt and equity securities

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

A7. Dividends paid

	Sen (Tax exempt)	Total amount (RM'000)	Date of payment
Fourth interim 2014	3	38,788	12 March 2015
First interim 2015	3	38,953	2 June 2015
Second interim 2015	1.5	19,483	10 September 2015

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.



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

A8. Segmental information – *continued*

<i>Business Segments</i>						
RM'000	Smelting and extrusion	Trading	Others	Elimination	Total	
Revenue from external customers	2,566,337	381,888	71,214	-	3,019,439	
Inter-segment revenue	1,154,689	-	611	(1,155,300)	-	
Total revenue	3,721,026	381,888	71,825	(1,155,300)	3,019,439	
Segment results	222,726	8,799	1,365		232,890	
Share of associate's profit					1,360	
Financing cost					(78,887)	
Profit before tax					155,363	
Taxation					(35,560)	
Profit after tax					119,803	
<i>Geographical Segments</i>						
	Malaysia	Asia Region	Europe Region	American Region	Elimination	Total
Revenue from external Customers	2,990,970	853,990	251,456	78,323	(1,155,300)	3,019,439
Segment assets by location	8,306,436	2,303,382	144,912	22,835	(3,704,345)	7,073,220
Investment in associate	39,787	-	-	-	-	39,787
	8,346,223	2,303,382	144,912	22,835	(3,704,345)	7,113,007



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

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 period reported.

A11. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the quarter under review.

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 30 September 2015, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditures not provided for in the financial statements	419,000
	<u> </u>

A14. Related Party Transactions

<u>The Group</u>	RM'000
With the affiliated companies – PMB Technology Berhad Group sales of aluminium products	127,919
Purchase of fabricated aluminium products and building materials	<u> 18,274</u>



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

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

B1. Review of performance

Q3 2015 vs Q3 2014

The Group revenue declined marginally by RM12.4 million or 1.2% even though production from Samalaju Smelting Plant (the "Plant") is significantly reduced after the fire incident as mentioned in Note A4 above. The major contributing factor for our revenue maintaining at about the same level as of last year's corresponding quarter is due to substantially weaker Ringgit versus US Dollar. All of our smelting products sales are denominated in US Dollar and thus, although our sales volume has reduced, our sales value in Ringgit term did not drop as much. In addition, higher revenue generated by the Group's extrusion division and trading activities taken by the Samalaju Smelting Plant in sourcing metal from the open market to fulfill its customers' orders have also helped to mitigate the lost of production volume for the Plant.

Profit before tax (PBT) decreased significantly by RM74.0 million or 63.6% though revenue was maintained. This was mainly due to the fact that the profit margin from its extrusion products and trading activities is relatively lower than the smelting operation.

In addition, PBT for current quarter has included the assets impairment loss of RM29.5 million arising from the fire incident.

However, the Samalaju Smelting Plant has also received an interim compensation amounting to RM20 million from the insurance company and such interim claim has been recognised as other income in this current quarter, partially offset the asset impairment loss.



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

B2. Q3 2015 vs Q2 2015

PBT for Q3 2015 and Q2 2015 were RM42.3 million and RM42.9 million respectively. By excluding the exceptional items, PBT would have been adjusted as follows:-

	Q3 2015 <i>RM' million</i>	Q2 2015 <i>RM' million</i>
PBT	42.3	42.9
Add: Impairment loss	29.5	32.8
Less: Insurance claim	(20.0)	-
Add: Unrealised loss	-	35.3
	-----	-----
Restated PBT	51.8	111.0
	=====	=====

The restated PBT was lower than the preceding quarter by RM59.2 million or 53.3% mainly due to lower production generated by the Samalaju Smelting Plant and lower metal price in Q3 2015 compared to the immediate quarter.

B3. Current year's prospects

Overall commodity prices have declined this year compared to the same period last year. Aluminium is now trading at 6 years low since the global financial crisis period. However, analysts are forecasting metal price should improve for the coming year. As at this current price level, more than half of the world's smelting operations are not profitable and the industry expects more production curtailments will be announced. We, however, as a low cost producer are still able to operate at full capacity in this low price environment.

Further, we have just commissioned our Phase 2 expansion at our Samalaju Smelting Plant and this expansion will give us higher economy of scale which should improve our overall production cost.

Our management will continue to focus on improving its operational efficiency, reducing production cost and producing more value-added products to improve our profit margin.

Barring unforeseen circumstances, the Board will endeavor to achieve a satisfactory result for this financial year.



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

Taxation comprises the following:

	9 months ended 30.09.2015 RM'000
Current taxation	
Malaysian income tax	3,142
Foreign tax	6,692
Deferred tax	25,726

	35,560
	=====

B6. Retained Earnings

	As at 30.09.2015 RM'000	As at 31.12.2014 RM'000
Retained earnings:		
Realised	1,401,182	1,400,813
Unrealised	(116,041)	(117,275)
	-----	-----
	1,285,141	1,283,538
Total share of retained earnings of associate:		
Unrealised	(27,975)	(26,616)
	-----	-----
Total Group retained earnings	1,257,166	1,256,922
	=====	=====



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

B7. Status of Corporate Proposals Announced and Pending Completion

There were no corporate proposals announced but pending completion during the financial quarter.

B8. Group borrowing and debt securities as at 30 September 2015

	<u>Secured</u> <u>(RM'000)</u>	<u>Unsecured</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
Long term	1,463,310	142,933	1,606,243
Short term	1,082,376	320,336	1,402,712
	<u>2,545,686</u>	<u>463,269</u>	<u>3,008,955</u>

Borrowings that are denominated in foreign currencies are as follows, equivalent to RM2,829,409,000.

As at 30.9.15

US Dollar	USD 554,735,000
Renminbi	RMB 499,264,000
Pound Sterling	GBP 6,877,000



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

B9. Material Litigation

The Company had on 17 February 2014 announced that the Company has not reached an acceptable agreement with its insurers on the claims arising from the power outage incident at PMS's smelting plant in Mukah, Sarawak and accordingly, has on the same date served to the lead insurer, a Writ of Summon and Statement of Claim filed vide Kuala Lumpur High Court ("Court") in respect of a suit commenced by PMS through its solicitors ("Suit"). PMS is claiming against, inter alia, an indemnity in respect of all losses and damages arising from the power outage incident at PMS's smelting plant in Mukah, Sarawak and for any other or further relief for PMS which the Court deems just and fit.

The solicitors of PMS are of the opinion that PMS has a good case for its claims.

For the financial year ended 2013, PMS has provided an estimated RM90 million for both operating losses and assets written off.

No accrual of insurance claim has been made in the Group income statement for the financial year ended 31 December 2013.

On 12 June 2014, the Court allowed Etiqa's application for stay of proceeding for reference of the matter to Arbitration.

After seeking legal advice from its solicitors, PMS filed an appeal to the Court of Appeal against the Court's decision allowing the said application for a stay of proceedings pending arbitration. The Court of Appeal dismissed PMS' appeal on 30 October 2014. Subsequently, PMS filed the motion for Leave to Appeal to the Federal Court on 28 November 2014. The leave application was successful where the Federal Court granted PMS Leave to Appeal on 26 March 2015. The Notice of Appeal to the Federal Court has thereafter been filed on the 2 April 2015 and the Federal Court has proceeded with the hearing of the Appeal on 17 September 2015. The Federal Court has reserved its decision to a date to be fixed.



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

B10. Dividend

The Board of Directors has approved a third interim single tier dividend of 3% per ordinary share or approximately RM19,483,000 for the financial year ending 31 December 2015.

The Book Closure and Payment Dates for the aforesaid dividend are 14 December 2015 and 28 December 2015 respectively.

B11. Earnings Per Ordinary Share

(a) Basic earnings per share

	3rd Quarter		Period-to-date	
	3 months ended		9 months ended	
	30.09.15	30.09.14	30.09.15	30.09.14
Profit attributable to shareholders (RM'000)	29,508	82,653	97,371	170,710
Weighted average number of ordinary shares ('000)	1,298,614	527,006	1,266,934	524,830
Basic earnings per share (sen)	<u>2.27</u>	<u>15.68</u>	<u>7.69</u>	<u>32.53</u>



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

B11. Earnings Per Ordinary Share-cont'd

(b) Diluted earnings per share

	3rd Quarter 3 months ended		Period-to-date 9 months ended	
	30.09.15	30.09.14	30.09.15	30.09.14
Profit attributable to shareholders (RM'000)	29,508	82,653	97,371	170,710
Weighted average number of ordinary shares ('000)	1,298,614	527,006	1,266,934	524,830
Redeemable Convertible Loan Stock ("RCSLS") ('000)	-	97,291	-	97,291
Warrants C ('000)	89,696	75,338	89,696	75,338
	<u>1,388,310</u>	<u>699,635</u>	<u>1,356,630</u>	<u>697,459</u>
Diluted earnings per share (sen)	<u>2.13</u>	<u>11.81</u>	<u>7.18</u>	<u>24.48</u>



PRESS METAL BERHAD

(Company No.: 153208W)

Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S

Setia Alam Seksyen U13, 40170 Shah Alam, Selangor D.E.

Tel. : 603-3362-2188. Fax. : 603-3362-2003.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

B12. Note to the Condensed Consolidated Income Statement

Profit before tax is arrived at after charging/ (crediting) the following items:

	Current Quarter RM'000	Current Financial Period-To-Date RM'000
Interest income	(677)	(751)
Other income including investment income	-	-
Interest expense	25,691	78,887
Depreciation and amortisation	58,475	168,780
Provision for and written off trade receivables	244	600
Provision for and written off inventories	-	-
(Gain)/ loss on disposal of quoted or unquoted investment or properties	-	-
Impairment of assets	29,501	62,301
Unrealised foreign exchange loss	-	113,638
Realised foreign exchange loss	69,117	91,197
Unrealised gain on derivatives	(2,134)	(17,269)
Realised gain on derivatives	(29,855)	(63,492)
Exceptional item		
-Insurance claim	(20,000)	(20,000)

On behalf of the Board

Dato' Koon Poh Keong
Group Chief Executive Officer
26 November 2015