

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

For the period ended 30 September 2016

	<i>Note</i>	<b>3rd Quarter</b> <b>3 months ended</b>		<b>Period-to-date</b> <b>9 months ended</b>	
		<b>30.09.2016</b> <i>RM'000</i>	<b>30.09.2015</b> <i>RM'000</i>	<b>30.09.2016</b> <i>RM'000</i>	<b>30.09.2015</b> <i>RM'000</i>
Revenue		<u>1,736,551</u>	<u>1,016,321</u>	<u>4,612,294</u>	<u>3,019,439</u>
Operating expenses		(1,544,668)	(950,242)	(4,144,648)	(2,675,590)
Other operating income/(expenses)		<u>10,398</u>	<u>1,384</u>	<u>132,229</u>	<u>(110,959)</u>
<b>Profit from operations</b>		<b>202,281</b>	<b>67,463</b>	<b>599,875</b>	<b>232,890</b>
Finance costs		(50,401)	(25,691)	(112,828)	(78,887)
Share of profit from associate		<u>660</u>	<u>520</u>	<u>1,907</u>	<u>1,360</u>
<b>Profit before tax</b>		<b>152,540</b>	<b>42,292</b>	<b>488,954</b>	<b>155,363</b>
Taxation	<i>B5</i>	<u>(11,698)</u>	<u>(12,245)</u>	<u>(44,854)</u>	<u>(35,560)</u>
<b>Profit for the period</b>		<b><u>140,842</u></b>	<b><u>30,047</u></b>	<b><u>444,100</u></b>	<b><u>119,803</u></b>
Attributable to :					
Equity holders of the parent		123,042	29,508	363,675	97,371
Non-controlling interest		<u>17,800</u>	<u>539</u>	<u>80,425</u>	<u>22,432</u>
		<b><u>140,842</u></b>	<b><u>30,047</u></b>	<b><u>444,100</u></b>	<b><u>119,803</u></b>
Basic earnings per share (sen)	<i>B11(a)</i>	9.42	2.27	27.93	7.69
Diluted earnings per share (sen)	<i>B11(b)</i>	8.85	2.13	26.24	7.18

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2015.

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

For the period ended 30 September 2016

	3rd Quarter		Period to-date	
	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM' 000	RM'000
<b>Profit for the period</b>	<b>140,842</b>	<b>30,047</b>	<b>444,100</b>	<b>119,803</b>
Other comprehensive income, net of tax				
-Foreign currency translation differences for foreign operations	1,460	11,266	(30,828)	49,963
-Cash Flow Hedge	(36,413)	(291,627)	121,344	(291,627)
<b>Total comprehensive income for the period</b>	<b>105,889</b>	<b>(250,314)</b>	<b>534,616</b>	<b>(121,861)</b>
Attributable to :				
Equity holders of the parent	95,372	(192,528)	429,922	(85,968)
Non-controlling interest	10,517	(57,786)	104,694	(35,893)
	<b>105,889</b>	<b>(250,314)</b>	<b>534,616</b>	<b>(121,861)</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2015.

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

At 30 September 2016

	<i>Note</i>	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,256,129	5,194,390
Investment properties		5,934	6,335
Goodwill		11,525	10,497
Investment in associates		43,544	41,637
Other investments		1,803	1,803
Deferred tax assets		84,392	99,434
<b>Total non-current assets</b>		<u>5,403,327</u>	<u>5,354,096</u>
<b>Current assets</b>			
Inventories		826,541	869,889
Trade receivables		595,758	651,690
Other receivables, deposits and prepayments		162,891	185,479
Current tax assets		10,423	7,783
Deposits, cash and bank balances		443,503	305,120
<b>Total current assets</b>		<u>2,039,116</u>	<u>2,019,961</u>
<b>Total Assets</b>		<u>7,442,443</u>	<u>7,374,057</u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		656,522	649,416
Reserves		91,856	17,082
Retained profit		1,538,522	1,272,659
		<u>2,286,900</u>	<u>1,939,157</u>
<b>Non-controlling interest</b>		511,017	428,560
<b>Total equity</b>		<u>2,797,917</u>	<u>2,367,717</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Hire purchase & finance lease liabilities		2,293	17,719
Long term borrowings	<i>B8</i>	1,794,362	1,972,163
Deferred tax liabilities		139,165	129,277
<b>Total non-current liabilities</b>		<u>1,935,820</u>	<u>2,119,159</u>
<b>Current liabilities</b>			
Trade payables		688,226	545,211
Other payables and accruals		532,179	914,621
Hire purchase & finance lease liabilities		25,239	17,092
Overdraft & short term borrowings	<i>B8</i>	1,456,810	1,407,777
Taxation		6,252	2,480
		<u>2,708,706</u>	<u>2,887,181</u>
<b>Total liabilities</b>		<u>4,644,526</u>	<u>5,006,340</u>
<b>Total equity and liabilities</b>		<u>7,442,443</u>	<u>7,374,057</u>
Net assets per share (RM)		1.74	1.49

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2015.

PRESS METAL BERHAD  
(Company No: 153208-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2016

	Attributable to equity holders of the parent										
	Share Capital RM'000	Share Premium RM'000	Share Translation Reserve RM'000	Non-Distributable	RCSLS Reserve RM'000	Warrants Reserve RM'000	Hedging Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 January 2015	550,397	4,164	20,369	8,766	36,113	1,256,922	1,876,731	304,042	2,180,773		
Exchange difference	-	-	49,963	-	-	-	49,963	-	49,963	-	
Conversion of RCSLS	96,300	75,077	-	(8,669)	-	-	162,708	-	162,708	-	
Redemption of RCSLS	-	-	-	(97)	-	97	-	-	-	-	
Exercise of warrants	2,719	4,607	-	-	(1,352)	-	5,974	-	5,974	-	
Subscription of shares in subsidiary	-	-	-	-	-	-	-	-	132,916	-	
Cash Flow Hedge	-	-	-	-	-	(233,302)	(233,302)	-	(58,325)	-	
Proposed dividend	-	-	-	-	-	-	-	(38,788)	-	-	
- Fourth interim 2014	-	-	-	-	-	-	-	(38,788)	-	-	
- First interim 2015	-	-	-	-	-	-	-	(38,953)	-	-	
- Second interim 2015	-	-	-	-	-	-	-	(19,483)	-	-	
Net profit for the period	-	-	-	-	-	97,371	97,371	22,432	119,803	-	
<b>At 30 September 2015</b>	<b>649,416</b>	<b>83,848</b>	<b>70,332</b>	<b>-</b>	<b>34,761</b>	<b>1,257,166</b>	<b>1,862,221</b>	<b>401,065</b>	<b>2,263,286</b>		
At 1 January 2016	649,416	83,816	48,262	-	34,795	1,272,659	1,939,157	428,560	2,367,717		
Exchange differences	-	-	(30,828)	-	-	-	(30,828)	-	(30,828)	-	
Conversion of warrants	7,106	11,970	-	-	(3,443)	-	15,633	-	15,633	-	
Cash Flow Hedge	-	-	-	-	-	97,075	97,075	24,269	121,344	-	
Acquisition of shares in subsidiary	-	-	-	-	-	-	-	(2,237)	(2,237)	-	
Dividend payable to non controlling interest	-	-	-	-	-	-	-	(20,000)	(20,000)	-	
Proposed dividend	-	-	-	-	-	-	-	(19,483)	-	-	
- Fourth interim 2015	-	-	-	-	-	-	-	(38,984)	-	-	
- First interim 2016	-	-	-	-	-	-	-	(39,345)	-	-	
- Second interim 2016	-	-	-	-	-	363,675	363,675	80,425	444,100	-	
Net profit for the period	-	-	-	-	-	363,675	363,675	80,425	444,100	-	
<b>At 30 September 2016</b>	<b>656,522</b>	<b>95,786</b>	<b>17,434</b>	<b>-</b>	<b>31,352</b>	<b>1,538,522</b>	<b>2,286,900</b>	<b>511,017</b>	<b>2,797,917</b>		

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

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

For the period ended 30 September 2016

	9 months ended	
	30.09.2016	30.09.2015
	<i>RM'000</i>	<i>RM'000</i>
<b>Cash flows from operating activities</b>		
Profit before tax	488,954	155,363
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	238,921	168,780
Finance and other income	(803)	(751)
Finance costs	112,828	78,887
Loss on disposal of property, plant and equipment	331	1,265
Share of profit of equity accounted associate, net of tax	(1,907)	(1,360)
Unrealised derivative gain	-	(17,269)
Unrealised foreign exchange (gain)/loss	(6,588)	113,638
Property, plant and equipment written off	-	62,301
<b>Operating profit before changes in working capital</b>	<b>831,736</b>	<b>560,854</b>
Changes in working capital		
Inventories	43,348	(241,038)
Trade and other receivables	85,108	(212,470)
Trade and other payables	(259,427)	849,914
Cash generated from operations	700,765	957,260
Income tax paid	(15,935)	(9,579)
<b>Net cash from operating activities</b>	<b>684,830</b>	<b>947,681</b>
<b>Cash flows from investing activities</b>		
Acquisition of properties, plant and equipment	(267,200)	(1,359,092)
Acquisition of non-controlling interest	(3,265)	-
Proceeds from subscription of shares in a subsidiary	-	132,916
Dividend received from an associates	859	859
<b>Net cash used in investing activities</b>	<b>(269,606)</b>	<b>(1,225,317)</b>
<b>Cash flows from financing activities</b>		
Interest paid on loans and borrowings	(112,828)	(78,887)
Dividend paid to the owners of the Company	(97,811)	(97,224)
Redemption of RCLS	-	(1,322)
Proceeds from issue shares via exercise of warrants	15,633	5,974
Drawdown of banking facilities	(128,768)	454,204
(Repayment)/Drawdown of finance lease liabilities	(7,279)	9,769
<b>Net cash (used in)/from financing activities</b>	<b>(331,053)</b>	<b>292,514</b>
Net increase in cash and cash equivalents	84,171	14,878
Effect of exchange rate fluctuations on cash held	55,703	(37,815)
Cash and cash equivalents at 1 January	227,421	318,465
<b>Cash and cash equivalents at 30 September</b>	<b>367,295</b>	<b>295,528</b>

## PRESS METAL BERHAD

(Company No: 153208-W)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2016

#### Cash and cash equivalents

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

	30.09.2016	30.09.2015
	<i>RM'000</i>	<i>RM'000</i>
Deposits (exclude deposits pledged)	90,936	15,365
Cash and bank balances	276,359	284,526
Bank overdrafts	-	(4,363)
	<hr/>	<hr/>
	367,295	295,528

#### Deposits, cash and bank balances

	30.09.2016	30.09.2015
	<i>RM'000</i>	<i>RM'000</i>
Deposits placed with licence bank	167,144	46,758
Cash and bank balances	276,359	284,526
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	443,503	331,284

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.



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## **NOTES TO THE QUARTERLY REPORT** **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

### **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 2015, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2016.

- 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*
- 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: Bearer Plants*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Annual Improvements to MFRs 2012-2014 Cycle

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



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## **NOTES TO THE QUARTERLY REPORT** **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

### **A1. Basis of preparation (cont'd)**

#### **Hedge Accounting**

##### **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.

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.





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## **NOTES TO THE QUARTERLY REPORT** **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

### **A1. Basis of preparation (cont'd)**

#### **Standards issued but not yet effective**

#### **i) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018**

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers

#### **ii) MFRSs, Interpretations and amendments effective for a date yet to be confirmed**

- Amendment 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 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.

### **A2. Auditors' report**

The auditors' report of the audited financial statements for the financial year ended 2015 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 flow during the financial quarter under review.



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## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

### 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

	Tax exempt (sen)	Total amount (RM'000)	Date of payment
Fourth interim 2015	1.5	19,483	25.03.2016
First interim 2016	3.0	38,984	31.05.2016
Second interim 2016	3.0	39,345	20.09.2016

### A8. Segmental information

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

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.



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## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

### A8. Segmental information – *continued*

<i>Business Segments</i>						
RM'000	Smelting and extrusion	Others	Elimination	Total		
Revenue from external customers	4,531,125	81,169	-	4,612,294		
Inter-segment revenue	933,486	44,419	(977,905)	-		
<b>Total revenue</b>	<b>5,464,611</b>	<b>125,588</b>	<b>(977,905)</b>	<b>4,612,294</b>		
<b>Segment results</b>	<b>599,909</b>	<b>(34)</b>		<b>599,875</b>		
Share of associate's profit				1,907		
Financing cost				(112,828)		
Profit before tax				488,954		
Taxation				(44,854)		
<b>Profit after tax</b>				<b>444,100</b>		
<i>Geographical Segments</i>						
	Malaysia	Asia Region	Europe Region	American Region	Elimination	Total
Revenue from external Customers	4,435,485	867,146	213,480	74,088	(977,905)	4,612,294
Segment assets by location	8,871,585	1,962,832	104,580	16,854	(3,556,952)	7,398,899
Investment in associate	43,544					43,544
	8,915,129	1,962,832	104,580	16,854	(3,556,952)	7,442,443



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## **NOTES TO THE QUARTERLY REPORT** **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

### **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 2016, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditures not provided for in the financial statements	50,000
	=====

### **A14. Related Party Transactions**

<u>The Group</u>	RM'000
With the affiliated companies – PMB Technology Berhad Group sales of aluminium products	111,597
Purchase of fabricated aluminium products and building materials	18,026
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## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

### Review of performance

#### **B1. Q3 2016 vs Q3 2015**

The Group registered a higher revenue of RM1.74 billion in Q3 2016 as compared to RM1.02 billion in Q3 2015, represents an increase of RM720.2 million or 70.9%. Increase in revenue was mainly due to the additional output contributed by the new second phase facilities at Samalaju and full production from phase 1 smelter for the current quarter as compared to the last year corresponding quarter which was affected by the fire incident.

Profit before tax (PBT) for the Group also increased substantially from RM42.3 million in Q3 2015 to RM152.5 million in Q3 2016, represents an increase of RM110 million or 260.7%. Higher PBT was mainly contributed by the increase in revenue as compared to the corresponding quarter last year.

#### **B2. Q3 2016 vs Q2 2016**

PBT for Q3 2016 and Q2 2016 were RM152.5 million and RM199.2 million respectively. Excluding the exceptional items, the PBT would have been restated as follows:-

	Q3 2016 (RM'000)	Q2 2016 (RM'000)
PBT	152,540	199,177
Add: Unrealised forex loss	8,482	-
Less: Insurance claim	-	(45,017)
Less: Unrealised forex gain	-	(3,982)
	<u>161,022</u>	<u>150,178</u>

The increase in PBT was in tandem with the increase in the Group revenue, from RM1.59 billion to RM1.74 billion.



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## **NOTES TO THE QUARTERLY REPORT** **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

### **B3. Current year's prospects**

The global economic conditions still remain in a cautious state as we wind down for the year and preparing to enter into a new year. Demand for this year has held up well with China surprising the market with economic stimulus to boost demand.

Almost all commodities have recovered from the low prices in the first quarter and remain trading at current higher level. Likewise, aluminium price is currently trading at the high level in China and LME price is also trading higher.

Our smelting operations continue to run at full capacity and expect to remain so for the coming year with demand continues to be well supported.

So, barring unforeseen circumstances, the Board expects the Group to have a record profit year for 2016 and high expectation for the next financial year.

### **B4. Profit forecast**

Not applicable as no profit forecast was published.



# PRESS METAL BERHAD

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## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

### B5. Taxation

Taxation comprises the following:

	<b>9 months ended</b> <b>30.09.2016</b> <i>RM'000</i>
Malaysian income tax	14,146
Foreign tax	2,922
Deferred tax	27,786
	-----
	44,854
	=====

### B6. Retained Earnings

	<b>As at</b> <b>30.09.2016</b> <i>RM'000</i>	<b>As at</b> <b>31.12.2015</b> <i>RM'000</i>
Retained earnings:		
Realised	1,709,419	1,431,761
Unrealised	(139,165)	(129,277)
	-----	-----
	1,570,254	1,302,484
Total share of retained earnings of associate:		
Unrealised	(31,732)	(29,825)
	-----	-----
Total Group retained earnings	1,538,522	1,272,659
	=====	=====



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### **NOTES TO THE QUARTERLY REPORT** **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

#### **B7. Status of Corporate Proposals Announced and Pending Completion**

The Board of Directors has on 11 July 2016 announced that the Company intends to undertake the following multiple proposals:

- (I) Proposed Share Split;
- (II) Proposed Bonus Issue;
- (III) Proposed Increase in Authorised Share Capital;
- (IV) Proposed Memorandum & Articles Amendments; and
- (V) Proposed Internal Reorganisation

On 27 September 2016, the High Court granted leave for the Company to convene meeting with its members and warrant holders in relation to the proposal (V), within 6 months from 27 September 2016.

On 13 October 2016, the proposals (I) to (IV) were approved by members of the Company via an Extraordinary General Meeting held on the even date.

On 25 October 2016, the Company announced the ex-date and the entitlement date for the proposals (I) and (II), being 4 November 2016 and 8 November 2016 respectively.

Save as above, there were no corporate proposals announced but pending completion during the financial quarter.





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## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

### **B8. Group borrowing and debt securities as at 30 September 2016**

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
Long term	1,713,720	80,642	1,794,362
Short term	1,187,645	269,165	1,456,810
	<u>2,901,365</u>	<u>349,807</u>	<u>3,251,172</u>

Borrowings that are denominated in foreign currencies amounting to RM2,959 million are as follow:-

<u>Currency</u>		As at 30.9.2016 <u>million</u>
US Dollar	USD	639
Renminbi	RMB	422
Pound Sterling	GBP	10



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### **NOTES TO THE QUARTERLY REPORT** **FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

#### **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").

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 had on 15 August 2016 upheld the decision of the High Court and Court of Appeal which allowed Etiqa's application for stay of the court proceeding pending reference of the matter to arbitration.

Therefore, PMS's claim against Etiqa for, inter alia, an indemnity in respect of its losses and damages arising from the power outage incident at PMS's smelting plant in Mukah, Sarawak will be referred to arbitration. The solicitors of PMS are of the opinion that PMS has a good case for its claim.



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## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

### **B10. Dividend**

The Board of Directors has approved a third interim single tier dividend of 4% per ordinary share approximates RM36,900,000 for the financial year ending 31 December 2016.

The Book Closure and Payment Dates for the aforesaid dividend are 14 November 2016 and 25 November 2016 respectively.

\* *The third interim dividend of 4% is derived based on the enlarged share capital after the Proposed Share Split and Proposed Bonus Issue as mentioned in Note B7.*

### **B11. Earnings Per Ordinary Share**

#### **(a) Basic earnings per share**

	<b>3rd Quarter</b>		<b>Period-to-date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.16</b>	<b>30.09.15</b>	<b>30.09.16</b>	<b>30.09.15</b>
Profit attributable to shareholders (RM'000)	123,042	29,508	363,675	97,371
Weighted average number of ordinary shares ('000)	1,306,379	1,298,614	1,302,158	1,266,934
Basic earnings per share (sen)	<u>9.42</u>	<u>2.27</u>	<u>27.93</u>	<u>7.69</u>



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## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

### B11. Earnings Per Ordinary Share-*cont'd*

#### (b) Diluted earnings per share

	3rd Quarter 3 months ended		Period-to-date 9 months ended	
	30.09.16	30.09.15	30.09.16	30.09.15
Profit attributable to shareholders (RM'000)	123,042	29,508	363,675	97,371
Weighted average number of ordinary shares ('000)	1,306,379	1,298,614	1,302,158	1,266,934
Warrants C ('000)	83,825	89,696	83,825	89,696
	<u>1,390,204</u>	<u>1,388,310</u>	<u>1,385,983</u>	<u>1,356,630</u>
Diluted earnings per share (sen)	<u>8.85</u>	<u>2.13</u>	<u>26.24</u>	<u>7.18</u>



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## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

### **B12. Note to the Condensed Consolidated Income Statement**

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

	<b>Current Quarter RM'000</b>	<b>Current Financial Period-To-Date RM'000</b>
Interest income	(345)	(803)
Other income including investment income	-	-
Interest expense	50,401	112,828
Depreciation and amortisation	95,429	238,921
Provision for and written off trade receivables	-	522
Provision for and written of inventories	-	-
unquoted investment or properties	-	-
Impairment of assets	-	-
Unrealised foreign exchange loss/ (gain)	8,482	(6,588)
Realised foreign exchange gain	(1,817)	(9,294)
Unrealised (gain)/loss on derivatives	-	-
Realised gain on derivatives	(2,800)	(13,555)
Exceptional item		
-Insurance claim	-	(95,017)

**On behalf of the Board**

**Dato' Koon Poh Keong**  
**Group Chief Executive Officer**  
28 October 2016