

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

	4th Quarter 3 months ended			Year-to-date 12 months ended		
	31.12.2020 RM'000	31.12.2019 RM'000	Changes %	31.12.2020 RM'000	31.12.2019 RM'000	Changes %
Revenue	2,116,851	2,197,854	(3.7)	7,539,481	8,804,572	(14.4)
Operating expenses	(1,869,179)	(1,950,066)	(4.1)	(6,733,863)	(7,944,162)	(15.2)
Other operating expenses	(21,713)	(18,768)	15.7	(25,222)	(36,983)	(31.8)
Profit from operations	225,959	229,020	<i>(1.3)</i>	780,396	823,427	<i>(5.2)</i>
Net finance costs	(28,316)	(50,957)	(44.4)	(147,218)	(194,656)	(24.4)
Share of profit from associates	11,076	1,709	548.1	16,989	2,446	594.6
Profit before tax	208,719	179,772	<i>16.1</i>	650,167	631,217	<i>3.0</i>
Taxation	<i>B5</i> (27,878)	(10,221)	172.8	(69,145)	(49,541)	39.6
Profit for the year	180,841	169,551	<i>6.7</i>	581,022	581,676	<i>(0.1)</i>
Attributable to :						
Equity holders of the parent	142,597	134,468	6.0	457,202	473,968	(3.5)
Non-controlling interest	38,244	35,083	9.0	123,820	107,708	15.0
	180,841	169,551	<i>6.7</i>	581,022	581,676	<i>(0.1)</i>
Basic earnings per share (sen)	<i>B12</i> 3.53	3.33	6.0	11.32	11.79	(4.0)

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	4th Quarter 3 months ended			Year-to-date 12 months ended		
	31.12.2020 RM'000	31.12.2019 RM'000	Changes %	31.12.2020 RM'000	31.12.2019 RM'000	Changes %
Profit for the year	180,841	169,551	6.7	581,022	581,676	(0.1)
Other comprehensive income/(expenses), net of tax						
-Foreign currency translation differences for foreign operations	25,377	36,855	(31.1)	26,588	(8,941)	(397.4)
-Cash flow hedge	189,142	420,911	(55.1)	80,725	117,011	(31.0)
Total comprehensive income for the year	395,360	627,317	(37.0)	688,335	689,746	(0.2)
Attributable to :						
Equity holders of the parent	321,092	524,961	(38.8)	544,267	592,116	(8.1)
Non-controlling interest	74,268	102,356	(27.4)	144,068	97,630	47.6
	395,360	627,317	(37.0)	688,335	689,746	(0.2)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

PRESS METAL ALUMINIUM HOLDINGS BERHAD
Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	<i>Note</i>	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		6,371,578	5,589,680
Right-of-use assets		548,653	530,412
Investment properties		23,006	22,318
Intangible assets		64,206	64,330
Investments in associates		974,612	138,345
Other investments		1,803	1,803
Derivative financial assets		406,430	82,918
Deferred tax assets		3,543	3,752
Other receivables & prepayments		9,800	249,634
Total non-current assets		8,403,631	6,683,192
Current assets			
Inventories		1,475,925	1,421,374
Trade receivables		729,294	813,793
Other receivables, deposits and prepayments		308,059	235,541
Contract assets		169	74
Derivative financial assets		117,709	132,003
Current tax assets		1,756	10,770
Deposits, cash and bank balances		408,967	363,818
Total current assets		3,041,879	2,977,373
Total assets		11,445,510	9,660,565
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		1,088,487	1,088,487
Reserves		209,831	122,752
Retained profits		2,793,397	2,454,776
		4,091,715	3,666,015
Non-controlling interest		894,048	813,701
Total equity		4,985,763	4,479,716
LIABILITIES			
Non-current liabilities			
Long term borrowings	<i>B8</i>	3,305,167	3,030,223
Derivative financial liabilities		117,237	56,355
Deferred tax liabilities		301,968	231,257
Provisions		151,892	78,712
Lease liabilities		211,041	199,236
Total non-current liabilities		4,087,305	3,595,783
Current liabilities			
Trade payables		607,376	639,025
Other payables and accruals		206,358	278,643
Provisions		9,582	8,382
Contract liabilities		212	10
Derivative financial liabilities		199,657	20,919
Overdraft & short term borrowings	<i>B8</i>	1,318,770	611,759
Lease liabilities		22,763	19,926
Taxation		7,724	6,402
Total current liabilities		2,372,442	1,585,066
Total liabilities		6,459,747	5,180,849
Total equity and liabilities		11,445,510	9,660,565
Net assets per share (RM)		1.01	0.91

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	<----- Attributable to equity holders of the parent ----->							Non-controlling Interest RM'000	Total Equity RM'000
	<----- Non-Distributable ----->				Distributable		Total		
	Share Capital RM'000	Translation Reserve RM'000	Warrants Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	RM'000			
At 1 January 2019	1,046,903	39,272	7,614	(34,668)	2,177,593	3,236,714	790,871	4,027,585	
Exchange differences	-	(9,024)	-	-	-	(9,024)	83	(8,941)	
Exercise of warrants	41,584	-	(7,550)	-	-	34,034	-	34,034	
Cash flow hedge	-	-	-	127,172	-	127,172	(10,161)	117,011	
Proposed dividend									
- Fourth interim 2018	-	-	-	-	(60,292)	(60,292)	-	(60,292)	
- First interim 2019	-	-	-	-	(50,403)	(50,403)	-	(50,403)	
- Second interim 2019	-	-	-	-	(50,477)	(50,477)	-	(50,477)	
- Third interim 2019	-	-	-	-	(50,477)	(50,477)	-	(50,477)	
Dividend to non-controlling interest	-	-	-	-	-	-	(60,000)	(60,000)	
Adjustment in purchase consideration on partial disposal of a subsidiary in previous years	-	-	-	-	14,800	14,800	(14,800)	-	
Transfer of lapsed warrants not exercised	-	-	(64)	-	64	-	-	-	
Net profit for the year	-	-	-	-	473,968	473,968	107,708	581,676	
At 31 December 2019	1,088,487	30,248	-	92,504	2,454,776	3,666,015	813,701	4,479,716	
At 1 January 2020	1,088,487	30,248	-	92,504	2,454,776	3,666,015	813,701	4,479,716	
Exchange differences	-	26,595	-	-	-	26,595	(7)	26,588	
Cash flow hedge	-	-	-	60,484	-	60,484	20,241	80,725	
Proposed dividend									
- Fourth interim 2019	-	-	-	-	(50,476)	(50,476)	-	(50,476)	
- First interim 2020	-	-	-	-	(40,381)	(40,381)	-	(40,381)	
- Second interim 2020	-	-	-	-	(40,381)	(40,381)	-	(40,381)	
Dividend to non-controlling interest	-	-	-	-	-	-	(44,000)	(44,000)	
Adjustment in purchase consideration on partial disposal of a subsidiary in previous years	-	-	-	-	14,400	14,400	(14,400)	-	
Acquisition of additional interest in a subsidiary from non-controlling interest	-	-	-	-	(1,743)	(1,743)	(5,307)	(7,050)	
Net profit for the year	-	-	-	-	457,202	457,202	123,820	581,022	
At 31 December 2020	1,088,487	56,843	-	152,988	2,793,397	4,091,715	894,048	4,985,763	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	12 months ended	
	31.12.2020	31.12.2019
	<i>RM'000</i>	<i>RM'000</i>
Cash flows from operating activities		
Profit before tax	650,167	631,217
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	420,755	403,616
Finance income	(5,988)	(8,869)
Finance costs	153,206	203,525
Share of profit of equity accounted associates, net of tax	(16,989)	(2,446)
Gain on dilution of interest in an associate	-	(7,114)
Loss/(Gain) on disposal of property, plant and equipment	1,264	(3,222)
Property, plant and equipment written off	18,942	25,624
Impairment loss on property, plant and equipment	4,564	-
Unrealised derivative loss	-	112
Unrealised foreign exchange (gain)/loss	(66,081)	3,505
Operating profit before changes in working capital	1,159,840	1,245,948
Changes in working capital		
Inventories	(54,573)	204,515
Trade and other receivables	174,441	168,672
Trade and other payables	(10,704)	(124,906)
Cash generated from operations	1,269,004	1,494,229
Income tax paid	(9,405)	(34,794)
Net cash from operating activities	1,259,599	1,459,435
Cash flows from investing activities		
Acquisition of a joint operation, net of cash and cash equivalents acquired	-	(381,262)
Acquisition of property, plant and equipment	(1,078,702)	(736,584)
Finance costs for capital expenditures	(57,113)	-
Acquisition of an associate	(761,978)	(58,374)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(33,967)
Accretion of equity interest in a subsidiary	(7,050)	-
Dividend received from an associate	1,074	859
Proceeds from disposal of a subsidiary	1,370	-
Proceeds from disposal of property, plant and equipment	4,511	10,571
Interest received from an associate	1,770	1,765
Interest received from fixed deposits	4,218	7,104
Change in pledged deposit	(17,202)	2,209
Net cash used in investing activities	(1,909,102)	(1,187,679)
Cash flows from financing activities		
Dividend paid to owners of the Company	(131,238)	(211,649)
Dividend paid to non-controlling interests of subsidiaries	(44,000)	(60,000)
Net drawdown/(repayment) of banking facilities	1,982,948	(665,214)
Redemption of senior notes	(1,661,727)	-
Proceeds from issuance of Sukuk Bond	700,000	1,000,000
Increase in amount due to an associate	99	1,513
Interest paid on loans and borrowings	(153,206)	(182,369)
Proceeds from issue of shares via exercise of warrants	-	34,034
Payment of lease liabilities	(19,972)	(17,945)
Net cash from/(used in) financing activities	672,904	(101,630)
Net increase in cash and cash equivalents	23,401	170,126
Effect of exchange rate fluctuations on cash held	4,531	(3,226)
Cash and cash equivalents at 1 January	360,780	193,880
Cash and cash equivalents at 31 December	388,712	360,780

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Company No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(cont'd)*

For the year ended 31 December 2020

Cash and cash equivalents

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

	12 months ended	
	31.12.2020	31.12.2019
	<i>RM'000</i>	<i>RM'000</i>
Deposits (exclude deposits pledged)	10,369	23,059
Cash and bank balances	378,575	337,937
Bank overdrafts	(232)	(216)
	<hr/>	<hr/>
	388,712	360,780

Deposits, cash and bank balances

	12 months ended	
	31.12.2020	31.12.2019
	<i>RM'000</i>	<i>RM'000</i>
Deposits placed with licence banks	30,392	25,881
Cash and bank balances	378,575	337,937
	<hr/>	<hr/>
	408,967	363,818

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A1. Basis of preparation

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (MFRSs) 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 2016 in Malaysia.

Significant Accounting Policies

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with those adopted for the financial year ended 31 December 2019, except for the adoption of the following Amendments and Annual Improvements to Standards which are effective for the annual periods beginning on or after 1 January 2020.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements*
- MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*
- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

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

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A1. Basis of preparation - cont'd

The following are accounting standards, amendments and interpretations that have been issued by Malaysian Accounting Standards Board but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Example accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A1. Basis of preparation - cont'd

MFRSs, interpretations and amendments effective for annual periods beginning on or after 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 plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2021 for the amendments that are effective for annual periods beginning on or after 1 January 2021.
- from the annual period beginning on 1 January 2022 for the amendments that are effective for annual periods beginning on or after 1 January 2022, except for MFRS 141 which is not applicable to the Group.
- from the annual period beginning on 1 January 2023 for the amendment that is effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to Group.

A2. Auditors' report

The auditors' report of the audited financial statements for the financial year ended 31 December 2019 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.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A4. Extraordinary and exceptional items

Save for the premium paid on senior bond redemption as mentioned in B1, there were no other unusual items affecting assets, liabilities, equity, net income or cash flow during the financial quarter under review.

A5. Changes in estimates

There were no changes in estimates during the financial quarter under review and financial year.

A6. Debt and equity securities

There were no other debt and equity securities issued during the current financial year.

A7. Dividends paid

	<u>Tax exempt</u> <u>(sen per share)</u>	<u>Total amount</u> <u>(RM'000)</u>	<u>Date of</u> <u>payment</u>
Fourth interim 2019	1.25	50,476	30.03.2020
First interim 2020	1.00	40,381	03.07.2020
Second interim 2020	1.00	40,381	28.09.2020
Third interim 2020	1.00	40,381	06.01.2021

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A8. Segmental information

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

The Group comprises the following main business segments:

- (i) **Smelting**
Manufacturing and marketing of upstream aluminium products.
- (ii) **Extrusion**
Manufacturing and trading of downstream aluminium extrusion products.
- (iii) **Refinery**
Refinery of alumina.
- (iv) **Contracting and others**
Contracting of aluminium and stainless steel products.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A8. Segmental information - (cont'd)

<i>Business Segments</i>						
<i>RM'000</i>	Smelting	Extrusion	Refinery	Contracting and others	Elimination	Total
Revenue from external customers	5,812,560	1,363,555	281,306	82,060	-	7,539,481
Inter-segment revenue	477,811	566,288	-	450,828	(1,494,927)	-
Total revenue	6,290,371	1,929,843	281,306	532,888	(1,494,927)	7,539,481
Segment results	785,404	39,727	31,805	(76,540)		780,396
Share of associates' profit						16,989
Net finance costs						(147,218)
Profit before tax						650,167
Taxation						(69,145)
Profit after tax						581,022
<i>Geographical Segments</i>						
<i>RM'000</i>	Malaysia	Asia Region	Europe Region	American Region	Elimination	Total
Revenue from external customers	7,342,785	1,228,408	266,113	197,102	(1,494,927)	7,539,481
Segment assets by location	15,026,276	2,606,533	102,415	64,464	(7,328,790)	10,470,898
Investments in associates	110,242	864,370	-	-	-	974,612
	15,136,518	3,470,903	102,415	64,464	(7,328,790)	11,445,510

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

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 on its property, plant and equipment.

A10. Material events subsequent to the balance sheet date

There were no material events subsequent to the end of the financial year to the date of issue of this report.

A11. Changes in the composition of the Group

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

A12. Contingent liabilities and contingent assets

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

A13. Capital commitments

As at 31 December 2020, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	150,000
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A14. Related party transactions

	12 months ended
	31.12.2020
<u>The Group</u>	RM'000
With the affiliated companies – PMB Technology Berhad Group:-	
- Sales of aluminium products	17,256
- Purchase of silicon, fabricated aluminium products and building materials	71,779
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NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

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

Review of performance

B1. Q4 2020 vs Q4 2019

The Group registered a revenue of RM2.12 billion in Q4 2020 as compared to RM2.20 billion in Q4 2019, representing a decrease of RM81.00 million or 3.7%. Decline in revenue was mainly due to the lower extrusion products sales in Q4 2020.

Despite lower revenue recorded, the Group generated a profit before tax (“PBT”) of RM208.72 million for the quarter as compared to RM179.77 million in Q4 2019, indicating an increase of RM28.95 million or 16.1%. Higher PBT was mainly attributable to the lower raw material costs and finance costs incurred in Q4 2020.

12M 2020 vs 12M 2019

On a full year basis, revenue of RM7.54 billion for FY2020 declined by 14.4% compared to RM8.80 billion in FY2019. This was mostly due to the softer aluminium prices in the first half of 2020 during the height of the pandemic.

Despite the 14.4% decline in revenue, PBT improved by 3.0% to RM650.17 million as compared to RM631.22 million for FY2019 mainly due to cost benefits derived from lower alumina and carbon anode prices. During the year, early redemption of the USD Bond led to a one-off exceptional redemption expenses of RM22.1 million. Our performance would have been stronger if not for this exceptional expense.

B2. Q4 2020 vs Q3 2020

The Group’s PBT of RM208.72 million was higher than the immediate preceding quarter’s RM172.92 million by RM35.80 million or 20.70% mainly due to the higher metal price in Q4 2020.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B3. Current year's prospects

During the fourth quarter, global industrial production continued to recover from its contraction earlier in the year. Weaker US dollar, improving manufacturing data, optimism surrounding vaccine rollouts and further US economic stimulus package continued to support commodity prices. Spurred on by all these positive sentiment, aluminium price rallied and currently trades above the USD 2,000/tonne levels. We aim to continue our prudent practice of forward hedging by partially locking-in aluminium prices at favourable levels to minimise our downside risks.

With its outstanding recyclability feature, we believe aluminium will be one of the most preferred metals for industries of the future such as electric vehicles, solar energy infrastructure, railway transportation and Ultra High Voltage (UHV) transmission lines.

We have much to look forward to in 2021. Our Phase 3 smelter commenced production in late December 2020 and we anticipate to operate in full capacity come the second half of 2021. As the pandemic is not fully behind us, we remain vigilant in safeguarding our operations and the health and safety of our employees.

Barring unforeseen circumstances, we expect the results for financial year 2021 will be better.

B4. Profit forecast

Not applicable as no profit forecast was published.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B5. Taxation

Taxation comprises the following:

	12 months ended 31.12.2020 RM'000
Malaysian income tax	12,397
Foreign tax	7,367
Deferred tax	49,381

	69,145
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The effective tax rate of the Group was lower than the prevailing statutory tax rate due to the tax incentives granted to its subsidiaries.

B6. Retained earnings

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Retained earnings:		
Realised	3,142,820	2,721,282
Unrealised	(301,968)	(231,257)
	-----	-----
	2,840,852	2,490,025
Total share of retained earnings of associates:		
Unrealised	(47,455)	(35,249)
	-----	-----
Total Group retained earnings	2,793,397	2,454,776
	=====	=====

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B7. Status of Corporate Proposals Announced and Pending Completion

There were no other Corporate Proposals announced and pending completion during the financial quarter.

B8. Group Borrowings and Debt Securities as at 31 December 2020

	<u>Secured</u> <u>(RM'000)</u>	<u>Unsecured</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
Long term	663,760	2,641,407	3,305,167
Short term	2,185	1,316,585	1,318,770
	-----	-----	-----
	<u>665,945</u>	<u>3,957,992</u>	<u>4,623,937</u>

Borrowings that are denominated in foreign currencies amounting to RM4,417 million are as follow: -

<u>Currency</u>		As at 31.12.2020 <u>RM'million</u>
US Dollar	USD	4,203
Reminbi	RMB	175
Pound Sterling	GBP	30
Australia Dollar	AUD	9

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B9. Derivative Financial Instruments

(a) Details of derivative financial instruments

Details of derivative financial instruments that are outstanding as at 31 December 2020 are as follows:

	Nominal value RM'000	Fair value assets/(liabilities) RM'000
Commodity swaps		
- Less than 1 year	4,226,422	(199,305)
- 1 year to 3 years	2,824,965	(117,237)
- More than 3 years	-	-
	----- 7,051,387	----- (316,542)
	=====	=====
Forward exchange contracts		
- Less than 1 year	1,997,797	86,493
- 1 year to 3 years	3,590,098	153,363
- More than 3 years	5,744,583	195,464
	----- 11,332,478	----- 435,320
	=====	=====
Cross currency swaps		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	2,300,000	88,467
	----- 2,300,000	----- 88,467
	=====	=====

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B9. Derivative Financial Instruments (*cont'd*)

(a) Details of derivative financial instruments

The Group entered into commodity swaps to hedge its highly probable forecast physical aluminium delivery that are expected to occur at various dates in the future. The commodity swaps have maturity dates which match the expected occurrence of these transactions.

The Group entered into the forward exchange contracts to hedge its highly probable forecast transactions denominated in foreign currency expected to occur in the future. Such contracts have maturity dates that match the expected occurrence of these transactions.

These financial instruments are stated at fair value based on the financial institutions' quote.

All the derivatives were contracted with creditworthy financial institutions to mitigate the credit risk, market risk and liquidity risk associated with the derivatives.

There is no cash requirement for these derivatives other than the repayment obligation for the bank borrowings.

There have been no changes made to the accounting policies associated with those derivatives since the end of the previous financial year ended 31 December 2019.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B9. Derivative Financial Instruments -cont'd

(b) Fair value changes in financial liabilities

The gain/(loss) arising from fair value changes of financial liabilities for the current quarter and financial year are as follows: -

Type of financial liabilities	Basis of fair value measurement	Reason for gain	Fair value gain/(loss)	
			Current quarter 31.12.2020 RM'000	Current year-to-date 31.12.2020 RM'000
Commodity swaps	Difference between the commodity swaps contracted price and the market forward price	Commodity price differential between the contracted price and market forward price which have moved in favour/(not in favour) of the Group	(309,865)	(355,026)
Forward exchange contracts	Difference between the contracted foreign exchange rates and the market forward rate	Foreign exchange rate differential between the contracted rate and the market forward rate which have moved in favour/(not in favour) of the Group	419,044	376,610
Cross currency swaps	Difference between the contracted interest rates and the fixed rates	Interest rate differential between the contracted rate and the fixed rate which have moved in favour/(not in favour) of the Group	71,888	48,014
Total			181,067	69,598

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B10. Material Litigation

There was no pending material litigation as at the date of this report.

B11. Dividend

The Board of Directors has approved a fourth interim single tier dividend of 1.25 sen per ordinary share, amounting approximately of RM50,476,500 for the financial year ending 31 December 2020.

The book closure and payment dates for the aforesaid dividend are 15 March 2021 and 31 March 2021 respectively.

B12. Earnings per ordinary share

Basic earnings per share

	4th Quarter		Year-to-date	
	3 months ended		12 months ended	
	31.12.20	31.12.19	31.12.20	31.12.19
Profit attributable to shareholders (RM'000)	142,597	134,468	457,202	473,968
Weighted average number of ordinary shares ('000)	4,038,110	4,038,110	4,038,110	4,019,823
Basic earnings per share (sen)	3.53	3.33	11.32	11.79

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B13. 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 Year-To-Date RM'000
Interest income	(1,380)	(5,988)
Other income including investment income	-	-
Interest expense	29,696	153,206
Depreciation and amortisation	111,203	420,755
Provision for and write off of trade receivables	7,504	7,504
Provision for and write off of inventories	-	-
Loss on disposal of quoted or unquoted investment or properties	935	1,264
Realised foreign exchange (gain)/loss	(20,371)	4,236
Unrealised foreign exchange gain	(48,293)	(66,081)
Property, plant and equipment written off	11,053	18,942
Impairment of assets	4,564	4,564
Exceptional item		
-Premium paid on senior bond redemption	22,054	22,054

B14. Comparative figures

The prior year's financial statements have been restated to reflect the audited financial statements for the financial year ended 31 December 2019.

On behalf of the Board

Tan Sri Dato' Koon Poh Keong
Group Chief Executive Officer
 24 February 2021