

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the period ended 30 September 2021

	3rd Quarter			Period-to-date		
	3 months ended			9 months ended		
	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	2,886,830	1,862,063	55.0	7,628,370	5,422,630	40.7
Operating expenses	(2,492,866)	(1,654,989)	50.6	(6,486,492)	(4,864,684)	33.3
Other operating income/(expenses)	18,331	2,620	599.7	2,528	(3,509)	(172.0)
Profit from operations	412,295	209,694	96.6	1,144,406	554,437	106.4
Net finance costs	(38,592)	(38,134)	1.2	(116,420)	(118,902)	(2.1)
Share of profit from associates	20,297	1,356	1,396.8	31,057	5,913	425.2
Profit before tax	394,000	172,916	127.9	1,059,043	441,448	139.9
Taxation	<i>B5</i> (22,795)	(19,268)	18.3	(92,137)	(41,267)	123.3
Profit for the period	371,205	153,648	141.6	966,906	400,181	141.6
Attributable to :						
Equity holders of the parent	283,333	121,975	132.3	744,632	314,605	136.7
Non-controlling interest	87,872	31,673	177.4	222,274	85,576	159.7
	371,205	153,648	141.6	966,906	400,181	141.6
Basic earnings per share (sen)	<i>B11</i> 3.51	1.51	132.3	9.22	3.90	136.7

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2021

	3rd Quarter 3 months ended			Period-to-date 9 months ended		
	30.09.2021 RM'000	30.09.2020 RM'000	Changes %	30.09.2021 RM'000	30.09.2020 RM'000	Changes %
Profit for the period	371,205	153,648	141.6	966,906	400,181	141.6
Other comprehensive income/(expense), net of tax						
-Foreign currency translation differences for foreign operations	(13,084)	51,231	(125.5)	14,025	1,211	1,058.1
-Cash flow hedge	(354,274)	326,827	(208.4)	(1,298,384)	(108,417)	1,097.6
Total comprehensive income/(expense) for the period	3,847	531,706	(99.3)	(317,453)	292,975	(208.4)
Attributable to :						
Equity holders of the parent	(40,004)	451,886	(108.9)	(385,495)	222,733	(273.1)
Non-controlling interest	43,851	79,820	(45.1)	68,042	70,242	(3.1)
	3,847	531,706	(99.3)	(317,453)	292,975	(208.4)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	As at 30.09.2021	As at 31.12.2020
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,952,639	6,448,313
Right-of-use assets	505,989	536,305
Investment properties	59,484	49,941
Intangible assets	63,459	63,922
Investments in associates	1,290,492	975,396
Other investments	1,803	1,803
Derivative financial assets	36,190	399,272
Deferred tax assets	25,319	1,353
Other receivables & prepayments	8,553	9,800
Total non-current assets	8,943,928	8,486,105
Current assets		
Inventories	2,135,395	1,562,478
Trade receivables	1,263,834	749,306
Other receivables, deposits and prepayments	494,165	350,681
Contract assets	142	789
Derivative financial assets	9,910	90,963
Current tax assets	2,449	1,895
Deposits, cash and bank balances	411,436	692,205
Total current assets	4,317,331	3,448,317
Total assets	13,261,259	11,934,422
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	1,088,487	1,088,487
Reserves	(979,252)	150,875
Retained earnings	3,308,486	2,755,663
	3,417,721	3,995,025
Non-controlling interest	962,906	894,864
Total equity	4,380,627	4,889,889
LIABILITIES		
Non-current liabilities		
Long term borrowings	3,163,309	3,303,348
Derivative financial liabilities	678,402	134,665
Deferred tax liabilities	345,908	317,558
Provisions	183,312	206,235
Lease liabilities	201,138	219,236
Total non-current liabilities	4,572,069	4,181,042
Current liabilities		
Trade payables	968,061	785,438
Other payables and accruals	408,569	256,385
Provisions	9,425	9,582
Contract liabilities	253	290
Derivative financial liabilities	507,243	178,215
Overdraft & short term borrowings	2,384,478	1,600,589
Lease liabilities	23,197	25,238
Current tax liabilities	7,337	7,754
Total current liabilities	4,308,563	2,863,491
Total liabilities	8,880,632	7,044,533
Total equity and liabilities	13,261,259	11,934,422
Net assets per share (RM)*	0.42	0.49

* Adjusted for the effect of bonus issue completed in April 2021

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2021

	----- Attributable to equity holders of the parent -----						Non-controlling Interest RM'000	Total Equity RM'000
	----- Non-Distributable -----			Distributable		Total RM'000		
	Share Capital RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Earnings RM'000				
At 1 January 2020	1,088,487	30,248	92,504	2,454,776	3,666,015	813,701	4,479,716	
Exchange differences	-	762	-	-	762	449	1,211	
Cash flow hedge	-	-	(92,634)	-	(92,634)	(15,783)	(108,417)	
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)	
Net profit for the period	-	-	-	314,605	314,605	85,576	400,181	
At 30 September 2020	1,088,487	31,010	(130)	2,638,143	3,757,510	883,943	4,641,453	
At 1 January 2021	1,088,487	51,002	99,873	2,755,663	3,995,025	894,864	4,889,889	
Exchange differences	-	17,518	-	-	17,518	(3,493)	14,025	
Cash flow hedge	-	-	(1,147,645)	-	(1,147,645)	(150,739)	(1,298,384)	
Proposed dividend								
- Fourth interim 2020	-	-	-	(50,476)	(50,476)	-	(50,476)	
- First interim 2021	-	-	-	(60,571)	(60,571)	-	(60,571)	
- Second interim 2021	-	-	-	(80,762)	(80,762)	-	(80,762)	
Net profit for the period	-	-	-	744,632	744,632	222,274	966,906	
At 30 September 2021	1,088,487	68,520	(1,047,772)	3,308,486	3,417,721	962,906	4,380,627	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2021

	9 months ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,059,043	441,448
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	301,482	309,552
Finance income	(4,072)	(4,608)
Finance costs	120,492	123,510
Share of profit of equity accounted associates, net of tax	(31,057)	(5,913)
Loss on disposal of property, plant and equipment	144	329
Property, plant and equipment written off	1,409	7,889
Unrealised foreign exchange loss/(gain)	7,260	(17,788)
Operating profit before changes in working capital	1,454,701	854,419
Changes in working capital		
Inventories	(575,173)	29,153
Trade and other receivables	(645,593)	480,257
Trade and other payables	301,863	(156,763)
Cash generated from operations	535,798	1,207,066
Income tax paid	(26,520)	(3,280)
Net cash from operating activities	509,278	1,203,786
Cash flows from investing activities		
Acquisition of property, plant and equipment	(741,877)	(1,034,873)
Finance costs for capital expenditures	(47,897)	-
Acquisition of an associate	(284,469)	(761,978)
Dividend received from an associate	430	1,074
Proceeds from disposal of property, plant and equipment	3,443	3,001
Interest received from an associate	1,765	1,770
Interest received from fixed deposits	2,307	2,838
Net cash used in investing activities	(1,066,298)	(1,788,168)
Cash flows from financing activities		
Dividend paid to owners of the Company	(191,809)	(131,238)
Net drawdown of banking facilities	716,516	902,139
Redemption of Senior Notes	-	(737,407)
Proceeds from issuance of Sukuk Bond	-	700,000
Decrease in amount due to an associate	(471)	(111)
Interest paid on loans and borrowings	(120,492)	(123,510)
Payment of lease liabilities	(19,304)	(15,479)
Net cash from financing activities	384,440	594,394
Net cash flows (used in)/from operating, investing and financing activities	(172,580)	10,012
Exchange differences on translation of the financial statements of foreign operations	5,177	(7,118)
Net (decrease)/increase in cash and cash equivalents	(167,403)	2,894
Effect of exchange rate fluctuations on cash held	7,139	3,667
Cash and cash equivalents at 1 January	553,384	360,780
Cash and cash equivalents at 30 September	393,120	367,341

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Company No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

For the period ended 30 September 2021

Cash and cash equivalents

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

	9 months ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Deposits (exclude deposits pledged)	4,474	51,129
Cash and bank balances	388,783	316,440
Bank overdrafts	(137)	(228)
	<hr/>	<hr/>
	393,120	367,341

Deposits, cash and bank balances

	9 months ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Deposits placed with licence banks	22,653	77,161
Cash and bank balances	388,783	316,440
	<hr/>	<hr/>
	411,436	393,601

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020.

NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 2020, 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 2021.

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*

The Group had early adopted Amendment to MFRS 16, *Leases– Covid-19-Related Rent Concessions beyond 30 June 2021* and Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use* which will take effect for annual periods beginning on or after 1 April 2021 and 1 January 2022 respectively.

The adoption of the above amendments do not have any material impact to the Group.

NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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: - *cont'd*

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 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

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

A1. Basis of preparation - *cont'd*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2022 for the amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022, except for MFRS 1 and MFRS 141 which are not applicable to the Group.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are 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 2020 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021

A4. Extraordinary and exceptional items

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 period-to-date.

A6. Debt and equity securities

The Company has on 21 April 2021, completed a bonus issue of 4,038,109,539 bonus shares on the basis of one (1) bonus share for every one (1) existing share of the Company.

Save as the above, there were no other debt and equity securities issued during the current financial period-to-date.

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 2020	1.25	50,476	31.03.2021
First interim 2021	0.75	60,571	02.07.2021
Second interim 2021	1.00	80,762	29.09.2021



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NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 THIRD QUARTER ENDED 30 SEPTEMBER 2021

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	6,107,536	1,228,437	260,894	31,503	-	7,628,370
Inter-segment revenue	403,990	1,606,711	-	-	(2,010,701)	-
Total revenue	6,511,526	2,835,148	260,894	31,503	(2,010,701)	7,628,370
Segment results	1,076,049	27,864	48,782	(8,289)		1,144,406
Share of associates' profit						31,057
Net finance costs						(116,420)
Profit before tax						1,059,043
Taxation						(92,137)
Profit after tax						966,906
<i>Geographical Segments</i>						
<i>RM'000</i>	Malaysia	Asia Region	Europe Region	American Region	Elimination	Total
Revenue from external customers	7,907,104	1,241,756	300,929	189,282	(2,010,701)	7,628,370
Segment assets by location	15,686,634	2,786,695	206,012	83,828	(6,792,402)	11,970,767
Investments in associates	119,009	1,171,483	-	-	-	1,290,492
	15,805,643	3,958,178	206,012	83,828	(6,792,402)	13,261,259

NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 period 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 30 September 2021, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	80,000
	=====

A14. Related party transactions

	9 months ended
	30.09.2021
<u>The Group</u>	RM'000
With the affiliated companies – PMB Technology Berhad Group:-	
- Sales of aluminium products	11,518
- Purchase of silicon, fabricated aluminium products and building materials	11,208
	=====



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NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

Review of performance

B1 Q3 2021 vs Q3 2020

The Group's revenue increased from RM1.86 billion in Q3 2020 to RM2.89 billion in Q3 2021, representing an increase of RM1.03 billion or 55.0%. Substantial increase in revenue was mainly due to the higher aluminium price and production output from its new Phase 3 smelter which achieved full commissioning in mid-October 2021.

In tandem with the higher revenue and coupled with the significant increase in contribution from its associated companies, the Group's profit before tax ("PBT") has also increased by RM221.08 million or 127.9%, from RM172.92 million in Q3 2020 to RM394.00 million in Q3 2021.

9M 2021 vs 9M 2020

The Group's revenue and PBT for the 9 months period ended 30 September 2021 increased by RM2.21 billion or 40.7% and RM617.60 million or 139.9% respectively as compared to the same period last year.

Improvement in metal price and increased production output from its Phase 3 smelter have contributed to the significant increase in the Group's revenue and PBT.

B2. Q3 2021 vs Q2 2021

The Group's PBT in Q3 2021 of RM394.00 million was higher than the immediate preceding quarter's RM376.81 million. The PBT increased by RM17.19 million or 4.6% mainly due to the higher metal price.

NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B3. Current year's prospects

Recovery in global demand for aluminium in the first three quarters of 2021 was driven primarily by economic re-opening and supportive fiscal stimulus policies. As a result, aluminium price remained buoyant during the quarter.

However, the positive sentiments from higher aluminium price were partially offset by the increase in our operating costs stemming from higher raw material prices, increase in consumable prices and persistently elevated logistics cost. Power rationing in China poses further uncertainties to global supply chains and raw material prices. On top of this, we were also faced with reduced workforce during the MCO period which had an impact on our overall operating efficiency. We foresee that these operational challenges will continue to be present in the near term.

For the period of 3Q FY2021, the commissioning of our Phase 3 Samalaju smelter (P3) progressed into its final stages after an earlier deceleration in our ramp up due to restrictions and precautionary measures to safeguard our workers' health. Full commissioning of our Phase 3 smelter was achieved in October. Moving forward into 2022, with anticipated increase of production volume, we target to expand into new markets for our value-added products. We want to place high emphasis on strengthening our position within the low-carbon aluminium space while also accentuating the ESG culture into our people and throughout our operations.

Barring unforeseen circumstance, the Board expects the Group to achieve satisfactory results this financial year.

B4. Profit forecast

Not applicable as no profit forecast was published.



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NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B5. Taxation

Taxation comprises the following:

	9 months ended 30.09.2021 RM'000
Malaysian income tax	7,407
Foreign tax	18,143
Deferred tax	66,587

	92,137
	=====

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. Status of Corporate Proposals Announced and Pending Completion

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



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NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B7. Group Borrowings and Debt Securities as at 30 September 2021

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
Long term	872,919	2,290,390	3,163,309
Short term	113,075	2,271,403	2,384,478
	----- 985,994 =====	----- 4,561,793 =====	----- 5,547,787 =====

Borrowings that are denominated in foreign currencies amounting to RM4,490 million are as follows: -

<u>Currency</u>		As at 30.09.2021 <u>RM'million</u>
US Dollar	USD	4,045
Renminbi	RMB	362
Pound Sterling	GBP	74
Australian Dollar	AUD	9

NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B8. Derivative Financial Instruments

(a) Details of derivative financial instruments

Details of derivative financial instruments that are outstanding as at 30 September 2021 are as follows:

	Nominal value RM'000	Fair value assets/(liabilities) RM'000
Commodity swaps		
- Less than 1 year	2,969,232	(502,310)
- 1 year to 3 years	5,493,047	(609,640)
- More than 3 years	-	-
	----- 8,462,279 =====	----- (1,111,950) =====
Forward exchange contracts		
- Less than 1 year	3,251,802	4,977
- 1 year to 3 years	3,814,639	15,053
- More than 3 years	6,974,682	(36,880)
	----- 14,041,123 =====	----- (16,850) =====
Cross currency swaps		
- Less than 1 year	-	-
- 1 year to 3 years	525,000	(12,199)
- More than 3 years	1,700,000	1,454
	----- 2,225,000 =====	----- (10,745) =====

NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B8. 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 2020.

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B8. 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/(loss)	Fair value loss	
			Current quarter 30.09.2021 RM'000	Current period-to-date 30.09.2021 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	(234,988)	(808,323)
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	(107,899)	(419,748)
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	(22,151)	(88,829)
Total			(365,038)	(1,316,900)

NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B9. Material Litigation

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

B10. Dividend

The Board of Directors has approved a third interim single tier dividend of 1.0 sen per ordinary share, amounting approximately of RM80,762,200 for the financial year ending 31 December 2021.

The book closure and payment dates for the aforesaid dividend are 15 December 2021 and 30 December 2021 respectively.

B11. Earnings per ordinary share

Basic earnings per share

	3rd Quarter		Period-to-date	
	3 months ended		9 months ended	
	30.09.21	30.09.20	30.09.21	30.09.20
		Restated		Restated
Profit attributable to shareholders (RM'000)	283,333	121,975	744,632	314,605
Weighted average number of ordinary shares ('000)*	8,076,220	8,076,220	8,076,220	8,076,220
Basic earnings per share (sen)	3.51	1.51	9.22	3.90

* Adjusted for the effect of bonus issue completed in April 2021.



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NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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	(1,301)	(4,072)
Other income including investment income	-	-
Interest expense	39,893	120,492
Depreciation and amortisation	113,568	301,482
Provision for and write off of trade receivables	-	-
Provision for and write off of inventories	-	-
Loss on disposal of quoted or unquoted investment or properties	307	144
Impairment of assets	-	-
Realised foreign exchange (gain)/ loss	(18,716)	3,799
Unrealised foreign exchange loss	1,439	7,260
Property, plant and equipment written off	343	1,409
(Gain)/Loss on derivatives	-	-
Exceptional items	-	-

B13. Comparative figures

The prior year's basic earnings per share and net assets per share have been restated to reflect the effect of bonus issue completed in April 2021 in order to be consistent with the audited financial statements for the financial year ended 31 December 2020.

On behalf of the Board

Tan Sri Dato' Koon Poh Keong
Group Chief Executive Officer
 26 November 2021