

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

	4th Quarter 3 months ended			Year-to-date 12 months ended		
	31.12.2021 RM'000	31.12.2020 RM'000	Changes %	31.12.2021 RM'000	31.12.2020 RM'000	Changes %
Revenue	3,365,858	2,053,685	63.9	10,994,228	7,476,315	47.1
Operating expenses	(2,991,417)	(1,852,275)	61.5	(9,477,909)	(6,716,959)	41.1
Other operating income	10,002	54,790	(81.7)	12,530	51,281	(75.6)
Profit from operations	384,443	256,200	50.1	1,528,849	810,637	88.6
Net finance costs	(45,966)	(54,219)	(15.2)	(162,386)	(173,121)	(6.2)
Share of profit from associates	51,173	11,218	356.2	82,230	17,131	380.0
Profit before tax	389,650	213,199	82.8	1,448,693	654,647	121.3
Taxation	<i>B5</i> (24,097)	(26,474)	(9.0)	(116,234)	(67,741)	71.6
Profit for the year	365,553	186,725	95.8	1,332,459	586,906	127.0
Attributable to :						
Equity holders of the parent	285,815	145,245	96.8	1,030,447	459,850	124.1
Non-controlling interest	79,738	41,480	92.2	302,012	127,056	137.7
	365,553	186,725	95.8	1,332,459	586,906	127.0
Basic earnings per share (sen)	<i>B11</i> 3.54	1.80	96.8	12.76	5.69	124.1

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 year ended 31 December 2021

	4th Quarter			Year-to-date		
	3 months ended			12 months ended		
	31.12.2021	31.12.2020	Changes	31.12.2021	31.12.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the year	365,553	186,725	95.8	1,332,459	586,906	127.0
Other comprehensive income/(expense), net of tax						
-Foreign currency translation differences for foreign operations	6,978	25,990	(73.2)	21,003	27,201	(22.8)
-Cash flow hedge	315,064	127,153	147.8	(983,320)	18,736	(5,348.3)
Total comprehensive income for the year	687,595	339,868	102.3	370,142	632,843	(41.5)
Attributable to :						
Equity holders of the parent	563,728	265,239	112.5	178,234	487,973	(63.5)
Non-controlling interest	123,867	74,629	66.0	191,908	144,870	32.5
	687,595	339,868	102.3	370,142	632,843	(41.5)

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 31 December 2021

	<i>Note</i>	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		7,083,759	6,448,313
Right-of-use assets		504,533	536,305
Investment properties		59,326	49,941
Intangible assets		63,450	63,922
Investments in associates		1,341,666	975,396
Other investments		1,803	1,803
Derivative financial assets		85,690	399,272
Deferred tax assets		38,908	1,353
Other receivables & prepayments		8,252	9,800
Total non-current assets		9,187,387	8,486,105
Current assets			
Inventories		2,733,228	1,562,478
Trade receivables		1,537,919	749,306
Other receivables, deposits and prepayments		265,920	350,681
Contract assets		115	789
Derivative financial assets		25,493	90,963
Current tax assets		7,530	1,895
Deposits, cash and bank balances		459,156	692,205
Total current assets		5,029,361	3,448,317
Total assets		14,216,748	11,934,422
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		1,088,487	1,088,487
Reserves		(701,338)	150,875
Retained earnings		3,527,939	2,755,663
		3,915,088	3,995,025
Non-controlling interest		1,014,972	894,864
Total equity		4,930,060	4,889,889
LIABILITIES			
Non-current liabilities			
Long term borrowings	<i>B7</i>	3,582,379	3,303,348
Derivative financial liabilities		393,838	134,665
Deferred tax liabilities		380,650	317,558
Provisions		185,347	206,235
Lease liabilities		192,924	219,236
Total non-current liabilities		4,735,138	4,181,042
Current liabilities			
Trade payables		885,528	785,438
Other payables and accruals		495,966	256,385
Provisions		9,164	9,582
Contract liabilities		286	290
Derivative financial liabilities		536,165	178,215
Overdraft & short term borrowings	<i>B7</i>	2,584,653	1,600,589
Lease liabilities		22,090	25,238
Current tax liabilities		17,698	7,754
Total current liabilities		4,551,550	2,863,491
Total liabilities		9,286,688	7,044,533
Total equity and liabilities		14,216,748	11,934,422
Net assets per share (RM)*		0.48	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 year ended 31 December 2021

	----- Attributable to equity holders of the parent -----						Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Translation Reserve RM'000	Hedging Reserve RM'000	Retained Earnings RM'000	Total 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	-	20,754	-	-	20,754	6,447	27,201	
Exercise of warrants	-	-	-	-	-	-	-	
Cash flow hedge	-	-	7,369	-	7,369	11,367	18,736	
Dividend to owners to the Company								
- Fourth interim 2019	-	-	-	(50,477)	(50,477)	-	(50,477)	
- First interim 2020	-	-	-	(40,381)	(40,381)	-	(40,381)	
- Second interim 2020	-	-	-	(40,381)	(40,381)	-	(40,381)	
- Third interim 2020	-	-	-	(40,381)	(40,381)	-	(40,381)	
Dividend to non-controlling interest	-	-	-	-	-	(44,000)	(44,000)	
Acquisition of additional interest in a subsidiary from non-controlling interest	-	-	-	(1,743)	(1,743)	(5,307)	(7,050)	
Adjustment in purchase consideration on partial disposal of a subsidiary in previous year	-	-	-	14,400	14,400	(14,400)	-	
Net profit for the period	-	-	-	459,850	459,850	127,056	586,906	
At 31 December 2020	1,088,487	51,002	99,873	2,755,663	3,995,025	894,864	4,889,889	
At 1 January 2021	1,088,487	51,002	99,873	2,755,663	3,995,025	894,864	4,889,889	
Exchange differences	-	23,879	-	-	23,879	(2,876)	21,003	
Cash flow hedge	-	-	(876,092)	-	(876,092)	(107,228)	(983,320)	
Dividend to owners to the Company								
- 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)	
- Third interim 2021	-	-	-	(80,762)	(80,762)	-	(80,762)	
Dividend to non-controlling interest	-	-	-	-	-	(57,400)	(57,400)	
Adjustment in purchase consideration on partial disposal of a subsidiary in previous year	-	-	-	14,400	14,400	(14,400)	-	
Net profit for the period	-	-	-	1,030,447	1,030,447	302,012	1,332,459	
At 31 December 2021	1,088,487	74,881	(776,219)	3,527,939	3,915,088	1,014,972	4,930,060	

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 year ended 31 December 2021

	12 months ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,448,693	654,647
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	430,767	411,260
Finance income	(5,808)	(8,075)
Finance costs	168,194	181,196
Share of profit of equity accounted associates, net of tax	(82,230)	(17,131)
Loss on disposal of property, plant and equipment	444	995
Loss on disposal of subsidiaries	-	117
Impairment loss on property, plant and equipment	-	11,652
Property, plant and equipment written off	6,018	20,854
Unrealised derivative loss	-	67
Unrealised foreign exchange loss	1,347	(75,367)
Operating profit before changes in working capital	1,967,425	1,180,215
Changes in working capital		
Inventories	(1,172,824)	(141,104)
Trade and other receivables	(691,209)	139,278
Trade and other payables and provisions	311,025	215,669
Cash generated from operations	414,417	1,394,058
Net income tax paid	(33,407)	(6,302)
Net cash from operating activities	381,010	1,387,756
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,001,348)	(1,152,374)
Finance costs for capital expenditures	(47,897)	-
Acquisition of an associate	(284,469)	(761,978)
Dividend received from an associate	430	1,073
Proceeds from disposal of property, plant and equipment	3,651	8,737
Proceeds from disposal of investment in subsidiaries	-	1,370
Interest received from Irredeemable Convertible Secured Loan Stocks from an associate	1,770	1,770
Interest received from fixed deposits	4,038	6,305
Change in pledge deposits	92,616	(138,589)
Net cash used in investing activities	(1,231,209)	(2,033,686)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(272,571)	(131,239)
Dividends paid to non-controlling interests of subsidiaries	(57,400)	(44,000)
Net drawdown of banking facilities	622,972	2,245,810
Proceeds from issuance of Islamic Medium-Terms Notes	600,000	700,000
Redemption of Senior Notes	-	(1,660,461)
(Decrease)/Increase in amount due to an associate	(754)	143
Accretion of interests in a subsidiary	-	(7,050)
Interest paid on loans and borrowings	(168,194)	(204,271)
Payment of lease liabilities	(27,246)	(19,427)
Net cash from financing activities	696,807	879,505
Net cash flows (used in)/from operating, investing and financing activities	(153,392)	233,575
Exchange differences on translation of the financial statements of foreign operations	9,004	(49,339)
Net (decrease)/increase in cash and cash equivalents	(144,388)	184,236
Effect of exchange rate fluctuations on cash held	(824)	5,546
Cash and cash equivalents at 1 January	553,384	363,602
Cash and cash equivalents at 31 December	408,172	553,384

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Company No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

For the year ended 31 December 2021

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	
	31.12.2021	31.12.2020
	RM'000	RM'000
Deposits (exclude deposits pledged)	6,002	12,376
Cash and bank balances	407,182	350,647
Bank overdrafts	(5,012)	(232)
	<hr/>	<hr/>
	408,172	362,791

Deposits, cash and bank balances

	12 months ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
Deposits placed with licence banks	51,974	150,965
Cash and bank balances	407,182	541,240
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	459,156	692,205

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 FOURTH QUARTER ENDED 31 DECEMBER 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 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 amendment do not have any material impact to the Group.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A1. Basis of preparation - cont'd

The following are accounting standards, amendments and interpretations of the MFRSs 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 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 Examples 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 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9- Comparative Information*
- 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 FOURTH QUARTER ENDED 31 DECEMBER 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 period beginning on or after 1 January 2022, except for amendments to MFRS 1 and amendments to 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 period beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are 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 FOURTH QUARTER ENDED 31 DECEMBER 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 year.

A6. Debt and equity securities

Bonus Issue

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.

Sukuk Wakalah

The Company has on 7 December 2021, made its third issuance of Sukuk Wakalah under the Sukuk Programme. The Sukuk Wakalah issued under the Sukuk Programme is for a nominal value of RM600.0million with tenures of 6 years and 7 years. The net proceeds from the Sukuk Wakalah has been utilised towards refinancing of existing indebtedness.

Save as the above, 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 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
Third interim 2021	1.00	80,762	30.12.2021

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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	8,856,851	1,734,710	359,162	43,505	-	10,994,228
Inter-segment revenue	588,449	1,055,464	-	-	(1,643,913)	-
Total revenue	9,445,300	2,790,174	359,162	43,505	(1,643,913)	10,994,228
Segment results	1,451,067	29,122	76,725	(28,065)		1,528,849
Share of associates' profit						82,230
Net finance costs						(162,386)
Profit before tax						1,448,693
Taxation						(116,234)
Profit after tax						1,332,459
<i>Geographical Segments</i>						
<i>RM'000</i>	Malaysia	Asia Region	Europe Region	American Region	Elimination	Total
Revenue from external customers	10,194,051	1,781,179	398,361	264,550	(1,643,913)	10,994,228
Segment assets by location	17,061,144	2,883,137	247,727	100,438	(7,417,364)	12,875,082
Investments in associates	144,443	1,197,223	-	-	-	1,341,666
	17,205,587	4,080,360	247,727	100,438	(7,417,364)	14,216,748

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 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 2021, 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
	31.12.2021
<u>The Group</u>	RM'000
With the associated 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 FOURTH QUARTER ENDED 31 DECEMBER 2021

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

Review of performance

B1. Q4 2021 vs Q4 2020

The Group's revenue increased by RM1.31 billion or 63.9% from RM2.05 billion in Q4 2020 to RM3.36 billion in Q4 2021. Significant increase in the revenue was mainly due to the higher aluminium price and additional production output from its Phase 3 smelter which achieved full commissioning in October 2021.

Profit before tax ("PBT") has also increased substantially from RM213.20 million in Q4 2020 to RM389.65 million in Q4 2021. The increase in PBT by RM176.45 million or 82.8% was mainly contributed by the higher metal price and production output.

Higher PBT was also partially contributed by the higher return from its associate companies which engaged in the manufacturing of silicon, alumina and carbon anode.

12M 2021 vs 12M 2020

On the full year basis, the Group revenue increased from RM7.48 billion in FY2020 to RM10.99 billion in FY2021, represents an increase of RM3.51 billion or 47.1%. The substantial increase in revenue was mainly due to the improving metal price and higher production output.

PBT for the year increased by RM794.05 million or 121.3% from RM654.65 million in FY2020 to RM1.45 billion in FY2021 in tandem with the higher metal price and production output, as well as higher contribution from its associated companies.

B2. Q4 2021 vs Q3 2021

Despite an accrual for state sales tax amounting to RM50.00 million in Q4 2021, the Group achieved PBT of RM389.65 million in Q4 2021 as against RM394.00 million in Q3 2021.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B3. Current year's prospects

In Q4 2021, the Group witnessed higher aluminium prices compared to the preceding quarters as a result of supply constraints and dwindling inventories. Energy crises have forced smelter closure in Europe and production curtailments in China which limits new supply. On the other hand, demand for low carbon aluminium in modern applications is expected to rise amidst the tight supply environment. The Group is in a favourable position as ESG adoption across industries is tilting demand towards such low carbon aluminium.

Like most businesses in 2021, the Group was not spared the challenges from the pandemic and lockdowns. Operations were pressured by extreme logistic costs, increasing material prices and higher human capital expenses. Supply chain disruptions inevitably inflated direct and indirect operating expenses on numerous fronts. To mitigate business risks, the Group incurred additional costs to ensure operational health. It is anticipated that this will persist in the near term.

With full commissioning of the Phase 3 Samalaju smelter, the Group moved into 2022 with increased production capacity. Work is continuing to further enhance value added capabilities and extrusion products portfolio with the aim of increasing the Group's presence in consumer product related sectors.

Barring unforeseen circumstances, the Board expects the Group to achieve favorable results for financial year 2022.

B4. Profit forecast

Not applicable as no profit forecast was published.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B5. Taxation

Taxation comprises the following:

	12 months ended 31.12.2021 RM'000
Malaysian income tax	11,976
Foreign tax	25,740
Deferred tax	78,518

	116,234*
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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.*

The Company had on 25 November 2021 announced that Press Metal Bintulu Sdn Bhd (“PM Bintulu”), a subsidiary of the Company, had received notices of additional assessment dated 25 November 2021 from the Inland Revenue Board (“IRB”) for the years of assessment 2014 to 2019 (collectively referred to as “**Notices of Additional Assessment**”) amounting in aggregate to RM106,059,655.47 (inclusive of penalties) (“**Additional Income Tax Payable**”).

The IRB has imposed the Additional Income Tax Payable based on its view that certain income does not fall under pioneer status exemption approved by Malaysian Investment Development Authority (“MIDA”).

Based on legal advice obtained from our tax solicitors, PM Bintulu is of the view that there are reasonable grounds to challenge the Notices of Additional Assessment raised by IRB.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B6. Status of Corporate Proposals Announced and Pending Completion

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

B7. Group Borrowings and Debt Securities as at 31 December 2021

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
Long term	812,878	2,769,501	3,582,379
Short term	168,167	2,416,486	2,584,653
	-----	-----	-----
	981,045	5,185,987	6,167,032
	=====	=====	=====

Borrowings that are denominated in foreign currencies amounting to RM5,021 million are as follows: -

<u>Currency</u>		As at 31.12.2021 <u>RM'million</u>
US Dollar	USD	4,606
Renminbi	RMB	331
Pound Sterling	GBP	76
Australian Dollar	AUD	8

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B8. Derivative Financial Instruments

(a) Details of derivative financial instruments

Details of derivative financial instruments that are outstanding as at 31 December 2021 are as follows:

	Nominal value RM'000	Fair value assets/(liabilities) RM'000
Commodity swaps		
- Less than 1 year	5,090,079	(535,056)
- 1 year to 3 years	2,916,477	(380,070)
- More than 3 years	7,779	(6,997)
	----- 8,014,335 =====	----- (922,123) =====
Forward exchange contracts		
- Less than 1 year	2,866,899	24,383
- 1 year to 3 years	3,728,853	56,684
- More than 3 years	6,556,788	13,120
	----- 13,152,540 =====	----- 94,187 =====
Cross currency swaps		
- Less than 1 year	-	-
- 1 year to 3 years	1,050,000	(1,036)
- More than 3 years	1,750,000	10,152
	----- 2,800,000 =====	----- 9,116 =====

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 and trading houses 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.

NOTES TO THE QUARTERLY REPORT
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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	
			Current quarter 31.12.2021 RM'000	Current year-to-date 31.12.2021 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	189,827	(618,496)
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	111,037	(308,711)
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	19,861	(68,968)
Total			320,725	(996,175)

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B9. Material Litigation

Save for note B5, there was no pending material litigation as at the date of this report.

B10. Dividend

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

The book closure and payment dates for the aforesaid dividend are 15 March 2022 and 31 March 2022 respectively.

B11. Earnings per ordinary share

Basic earnings per share

	4th Quarter		Year-to-date	
	3 months ended		12 months ended	
	31.12.21	31.12.20	31.12.21	31.12.20
		Restated		Restated
Profit attributable to shareholders (RM'000)	285,815	145,245	1,030,447	459,850
Weighted average number of ordinary shares ('000)*	8,076,220	8,076,220	8,076,220	8,076,220
Basic earnings per share (sen)	3.54	1.80	12.76	5.69

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

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 Year-To-Date RM'000
Interest income	(1,736)	(5,808)
Other income including investment income	-	-
Interest expense	47,702	168,194
Depreciation and amortisation	129,285	430,767
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	300	444
Impairment of assets	-	-
Realised foreign exchange gain	(5,792)	(1,993)
Unrealised foreign exchange (gain)/loss	(5,913)	1,347
Property, plant and equipment written off	4,609	6,018
(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
 25 February 2022