

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For the period ended 30 September 2022

	3rd Quarter			Period-to-date		
	3 months ended		Changes %	9 months ended		Changes %
	30.09.2022	30.09.2021		30.09.2022	30.09.2021	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,845,189	2,886,830	33.2	11,773,725	7,628,370	54.3
Operating expenses	(3,375,539)	(2,492,866)	35.4	(10,117,062)	(6,486,492)	56.0
Other operating (expenses)/income	(1,787)	18,331	(109.7)	1,983	2,528	(21.6)
<b>Profit from operations</b>	<b>467,863</b>	<b>412,295</b>	<b>13.5</b>	<b>1,658,646</b>	<b>1,144,406</b>	<b>44.9</b>
Net finance costs	(53,882)	(38,592)	39.6	(170,315)	(116,420)	46.3
Share of profit from associates	35,521	20,297	75.0	136,071	31,057	338.1
<b>Profit before tax</b>	<b>449,502</b>	<b>394,000</b>	<b>14.1</b>	<b>1,624,402</b>	<b>1,059,043</b>	<b>53.4</b>
Taxation	<i>B5</i> (57,332)	(22,795)	151.5	(186,085)	(92,137)	102.0
<b>Profit for the period</b>	<b>392,170</b>	<b>371,205</b>	<b>5.6</b>	<b>1,438,317</b>	<b>966,906</b>	<b>48.8</b>
Attributable to :						
Equity holders of the parent	315,804	283,333	11.5	1,145,995	744,632	53.9
Non-controlling interest	76,366	87,872	(13.1)	292,322	222,274	31.5
	<b>392,170</b>	<b>371,205</b>	<b>5.6</b>	<b>1,438,317</b>	<b>966,906</b>	<b>48.8</b>
Basic earnings per share (sen)	<i>B11</i> 3.83	3.51	9.3	14.01	9.22	51.9

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 30 September 2022

	3rd Quarter 3 months ended			Period-to-date 9 months ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
<b>Profit for the period</b>	<b>392,170</b>	<b>371,205</b>	<b>5.6</b>	<b>1,438,317</b>	<b>966,906</b>	<b>48.8</b>
Other comprehensive income/(expenses), net of tax						
-Foreign currency translation differences for foreign operations	(5,013)	(13,084)	(61.7)	(440)	14,025	(103.1)
-Cash flow hedge	(68,761)	(354,274)	(80.6)	186,179	(1,298,384)	(114.3)
<b>Total comprehensive income/(expense) for the period</b>	<b>318,396</b>	<b>3,847</b>	<b>8,176.5</b>	<b>1,624,056</b>	<b>(317,453)</b>	<b>(611.6)</b>
Attributable to :						
Equity holders of the parent	257,007	(40,004)	(742.5)	1,356,575	(385,495)	(451.9)
Non-controlling interest	61,389	43,851	40.0	267,481	68,042	293.1
	<b>318,396</b>	<b>3,847</b>	<b>8,176.5</b>	<b>1,624,056</b>	<b>(317,453)</b>	<b>(611.6)</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 September 2022

	<b>Note</b>	<b>As at 30.09.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		7,114,633	7,108,872
Right-of-use assets		513,519	499,105
Investment properties		57,606	59,326
Intangible assets		67,026	63,506
Investments in associates		1,507,802	1,341,665
Other investments		1,803	1,803
Derivative financial assets		72,483	85,690
Deferred tax assets		19,897	23,667
Other receivables & prepayments		7,238	8,254
<b>Total non-current assets</b>		<b>9,362,007</b>	<b>9,191,888</b>
<b>Current assets</b>			
Inventories		2,854,274	2,733,527
Trade receivables		1,187,978	1,416,106
Other receivables, deposits and prepayments		595,408	384,079
Contract assets		91	115
Derivative financial assets		137,883	16,729
Current tax assets		3,813	9,965
Deposits, cash and bank balances		806,650	458,501
<b>Total current assets</b>		<b>5,586,097</b>	<b>5,019,022</b>
<b>Total assets</b>		<b>14,948,104</b>	<b>14,210,910</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		2,053,040	1,088,487
Reserves		(483,279)	(693,859)
Retained earnings		4,289,777	3,477,930
		<b>5,859,538</b>	<b>3,872,558</b>
<b>Non-controlling interest</b>		<b>1,162,476</b>	<b>1,047,295</b>
<b>Total equity</b>		<b>7,022,014</b>	<b>4,919,853</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings	<i>B7</i>	3,481,335	3,573,239
Derivative financial liabilities		375,087	393,838
Deferred tax liabilities		414,758	372,294
Provisions		189,159	185,347
Lease liabilities		202,128	192,058
<b>Total non-current liabilities</b>		<b>4,662,467</b>	<b>4,716,776</b>
<b>Current liabilities</b>			
Trade payables		849,473	894,098
Other payables and accruals		458,133	496,550
Provisions		9,703	9,164
Contract liabilities		267	286
Derivative financial liabilities		338,780	527,401
Short term borrowings & overdraft	<i>B7</i>	1,521,194	2,582,968
Lease liabilities		22,314	21,942
Current tax liabilities		63,759	41,872
<b>Total current liabilities</b>		<b>3,263,623</b>	<b>4,574,281</b>
<b>Total liabilities</b>		<b>7,926,090</b>	<b>9,291,057</b>
<b>Total equity and liabilities</b>		<b>14,948,104</b>	<b>14,210,910</b>
Net assets per share (RM)		<b>0.71</b>	<b>0.48</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the period ended 30 September 2022

	----- 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				
<b>At 1 January 2021</b>	<b>1,088,487</b>	<b>51,002</b>	<b>99,873</b>	<b>2,755,663</b>	<b>3,995,025</b>	<b>894,864</b>	<b>4,889,889</b>	
Exchange differences	-	17,518	-	-	17,518	(3,493)	14,025	
Cash flow hedge	-	-	(1,147,645)	-	(1,147,645)	(150,739)	(1,298,384)	
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)	
Net profit for the period	-	-	-	744,632	744,632	222,274	966,906	
<b>At 30 September 2021</b>	<b>1,088,487</b>	<b>68,520</b>	<b>(1,047,772)</b>	<b>3,308,486</b>	<b>3,417,721</b>	<b>962,906</b>	<b>4,380,627</b>	
<b>At 1 January 2022</b>	<b>1,088,487</b>	<b>82,360</b>	<b>(776,219)</b>	<b>3,477,930</b>	<b>3,872,558</b>	<b>1,047,295</b>	<b>4,919,853</b>	
Issuance of shares via private placement	964,553	-	-	-	964,553	-	964,553	
Exchange differences	-	(3,533)	-	-	(3,533)	3,093	(440)	
Cash flow hedge	-	-	214,113	-	214,113	(27,934)	186,179	
Dividend to owners to the Company								
- Fourth interim 2021	-	-	-	(80,762)	(80,762)	-	(80,762)	
- First interim 2022	-	-	-	(123,593)	(123,593)	-	(123,593)	
- Second interim 2022	-	-	-	(144,193)	(144,193)	-	(144,193)	
Dividend to non-controlling interest	-	-	-	-	-	(135,900)	(135,900)	
Adjustment in purchase consideration on partial disposal of a subsidiary in previous year	-	-	-	14,400	14,400	(14,400)	-	
Reduction of share capital of a subsidiary	-	-	-	-	-	(2,000)	(2,000)	
Net profit for the period	-	-	-	1,145,995	1,145,995	292,322	1,438,317	
<b>At 30 September 2022</b>	<b>2,053,040</b>	<b>78,827</b>	<b>(562,106)</b>	<b>4,289,777</b>	<b>5,859,538</b>	<b>1,162,476</b>	<b>7,022,014</b>	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 30 September 2022

	<b>9 months ended</b>	
	<b>30.09.2022</b>	<b>30.09.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	1,624,402	1,059,043
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	424,239	301,482
Finance income	(7,745)	(4,072)
Finance costs	178,060	120,492
Share of profit of equity accounted associates, net of tax	(136,071)	(31,057)
Loss on disposal of property, plant and equipment	131	144
Property, plant and equipment written off	7,393	1,409
Unrealised foreign exchange loss	12,372	7,260
<b>Operating profit before changes in working capital</b>	<b>2,102,781</b>	<b>1,454,701</b>
Changes in working capital		
Inventories	(120,139)	(575,173)
Trade and other receivables	37,118	(645,593)
Trade and other payables and provisions	(230,792)	301,863
Cash generated from operations	1,788,968	535,798
Net income tax paid	(105,420)	(26,520)
<b>Net cash from operating activities</b>	<b>1,683,548</b>	<b>509,278</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(418,719)	(741,877)
Acquisition of an indirect subsidiary, net of cash and cash equivalent acquired	(4,210)	-
Finance costs for capital expenditures	-	(47,897)
Acquisition of an associate	-	(284,469)
Conversion of warrants of an associate	(32,214)	-
Dividend received from an associate	2,148	430
Proceeds from disposal of property, plant and equipment	1,496	3,443
Interest received from Irredeemable Convertible Secured Loan Stocks from an associate	1,765	1,765
Interest received from fixed deposits	5,980	2,307
<b>Net cash used in investing activities</b>	<b>(443,754)</b>	<b>(1,066,298)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(348,548)	(191,809)
Net (repayment)/drawdown of banking facilities	(1,389,572)	716,516
Net proceeds from issuance of shares via private placement	964,553	-
Increase/ (decrease) in amount due to an associate	375	(471)
Interest paid on loans and borrowings	(178,060)	(120,492)
Payment of lease liabilities	(20,068)	(19,304)
<b>Net cash (used in)/from financing activities</b>	<b>(971,320)</b>	<b>384,440</b>
<b>Net cash flows from/(to) operating, investing and financing activities</b>	<b>268,474</b>	<b>(172,580)</b>
Exchange differences on translation of the financial statements of foreign operations	5,933	5,177
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>274,407</b>	<b>(167,403)</b>
Effect of exchange rate fluctuations on cash held	9,135	7,139
Cash and cash equivalents at 1 January	435,429	553,384
<b>Cash and cash equivalents at 30 September</b>	<b>718,971</b>	<b>393,120</b>

## PRESS METAL ALUMINIUM HOLDINGS BERHAD

Company No. 201601027232 (1198171-H)

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

For the period ended 30 September 2022

#### Cash and cash equivalents

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

	<b>As at 30.09.2022 RM'000</b>	<b>As at 30.09.2021 RM'000</b>
Deposits (exclude deposits pledged)	144,377	4,474
Cash and bank balances	579,589	388,783
Bank overdrafts	(4,995)	(137)
	<hr/> 718,971	<hr/> 393,120

#### Deposits, cash and bank balances

	<b>As at 30.09.2022 RM'000</b>	<b>As at 30.09.2021 RM'000</b>
Deposits placed with licence banks	227,061	22,653
Cash and bank balances	579,589	388,783
	<hr/> 806,650	<hr/> 411,436

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 2021, except for the adoption of the following Amendments which are effective for the annual periods beginning on or after 1 January 2022.

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

- 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*

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

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 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*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendments to MFRS 16, *Leases* – *Lease Liability in a Sale and Leaseback*

***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 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 the Group.



**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**A1. Basis of preparation - *cont'd***

The Group plans to apply the abovementioned accounting standards, interpretations and amendments: (*cont'd*)

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual period beginning on or after 1 January 2024.

**A2. Auditors' report**

The auditors' report of the audited financial statements for the financial year ended 31 December 2021 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 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**

On 21 March 2022, the Company proposed to undertake a private placement of up to 163,398,700 new ordinary shares ("Placement"). The issue price was at RM5.94 per share on 28 March 2022 and the Placement was completed on 8 April 2022 following the listing and quotation of the 163,398,700 new ordinary shares on the Main Market of Bursa Malaysia Securities Berhad. The total gross proceeds raised was RM970,588,278 with an estimated expenses of RM8.0 million.

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

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 2021	1.00	80,762	31.03.2022
First interim 2022	1.50	123,593	27.06.2022
Second interim 2022	1.75	144,193	29.09.2022

**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 2022**

**A8. Segmental information - (cont'd)**

<i>Business Segments</i>						
<i>RM'000</i>	<b>Smelting</b>	<b>Extrusion</b>	<b>Refinery</b>	<b>Contracting and others</b>	<b>Elimination</b>	<b>Total</b>
Revenue from external customers	9,721,992	1,764,055	256,782	30,896	-	11,773,725
Inter-segment revenue	398,408	718,424	-	1,499,250	(2,616,082)	-
<b>Total revenue</b>	<b>10,120,400</b>	<b>2,482,479</b>	<b>256,782</b>	<b>1,530,146</b>	<b>(2,616,082)</b>	<b>11,773,725</b>
<b>Segment results</b>	<b>1,513,123</b>	<b>113,434</b>	<b>30,319</b>	<b>1,770</b>		<b>1,658,646</b>
Share of associates' profit						136,071
Net finance costs						(170,315)
Profit before tax						1,624,402
Taxation						(186,085)
<b>Profit after tax</b>						<b>1,438,317</b>
<i>Geographical Segments</i>						
<i>RM'000</i>	<b>Malaysia</b>	<b>Asia Region</b>	<b>Europe Region</b>	<b>American Region</b>	<b>Elimination</b>	<b>Total</b>
Revenue from external customers	12,243,780	1,436,390	372,755	336,882	(2,616,082)	11,773,725
Segment assets by location	18,565,871	2,803,239	175,837	102,158	(8,206,803)	13,440,302
Investments in associates	193,816	1,313,986	-	-	-	1,507,802
	18,759,687	4,117,225	175,837	102,158	(8,206,803)	14,948,104

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 2022, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	180,000
	=====

**A14. Related party transactions**

	<b>9 months ended</b>
	<b>30.09.2022</b>
<u>The Group</u>	RM'000
With the associated companies – PMB Technology Berhad Group:-	
- Sales of aluminium products	25,803
- Purchase of silicon, fabricated aluminium products and building materials	47,891
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**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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

**Review of performance**

**B1. Q3 2022 vs Q3 2021**

The Group’s revenue increased from RM2.89 billion in Q3 2021 to RM3.85 billion in Q3 2022, showing an increase of RM958.36 million or 33.2%. Higher revenue was mainly due to the stronger US Dollar (“USD”) and higher production output as its Phase 3 smelter in Bintulu achieved full operations in October 2021 despite lower metal price in Q3 2022.

In tandem with the higher revenue, the Group’s profit before tax (“PBT”) has also increased from RM394.00 million in Q3 2021 to RM449.50 million in Q3 2022, representing an increase of RM55.50 million or 14.1%. Higher contribution from its associated companies engaged in alumina, silicon and carbon anode manufacturing has also partially supported the increase in PBT.

**9M 2022 vs 9M 2021**

The Group’s revenue and PBT for the current year 9 months period increased by RM4.15 billion or 54.3% and RM565.36 million or 53.4% respectively. Higher revenue and PBT were mainly attributable to the higher production output, higher metal price and the strengthening of USD during 9M 2022, coupled with the higher profit generated by its associates.

**B2. Q3 2022 vs Q2 2022**

The Group’s PBT was lower than the preceding quarter by RM116.70 million or 20.6% mainly due to the lower metal price as compared to the previous quarter.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**B3. Current year's prospects**

Press Metal continues to deliver satisfactory financial results despite market challenges from the external environment. Apart from weakened aluminium price, our third quarter results were impacted by relatively high anode price and raw materials inventory with high freight costs contracted earlier. Although macroeconomic uncertainties and recession fears are weighing on demand, we continue to stay vigilant in managing our operation efficiency, focusing on preserving financial discipline and pursuing our strategic growth agenda. Our strong cashflow generation enables us to bolster our balance sheet further in preparation for any future opportunities.

Going forward, high energy cost and power shortages experienced in certain countries will continue to put global supply of aluminium in check even though demand has softened due to recession fear. Meanwhile, electric vehicles growth and renewable energy adoption such as solar and wind will remain as key drivers for demand of aluminum.

Barring unforeseen circumstances, the Board expects the Group to achieve a satisfactory result for financial year 2022.

**B4. Profit forecast**

Not applicable as no profit forecast was published.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**B5. Taxation**

Taxation comprises the following:

	<b>9 months ended</b> <b>30.09.2022</b> <b>RM'000</b>
Malaysian income tax	108,733
Foreign tax	21,312
Deferred tax	56,040
	-----
	186,085*
	=====

*\*The effective tax rate of the Group was lower than the prevailing statutory tax rate due to the tax incentives granted to its subsidiaries*

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 30 September 2022**

	<u>Secured</u> <u>(RM'000)</u>	<u>Unsecured</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
Long term	740,132	2,741,203	3,481,335
Short term	256,659	1,264,535	1,521,194
	-----	-----	-----
	996,791	4,005,738	5,002,529
	=====	=====	=====

\* Included in the Group borrowings are the Islamic facilities and Islamic Sukuk bond amounting to RM4,188,344,000.

Borrowings that are denominated in foreign currencies amounting to RM4,848,000,000 are as follows: -

<u>Currency</u>		As at 30.09.2022 <u>RM'million</u>
US Dollar	USD	4,599
Renminbi	RMB	182
Pound Sterling	GBP	47
Australian Dollar	AUD	20



**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**B8. Derivative Financial Instruments**

(a) Details of derivative financial instruments

Details of derivative financial instruments that are outstanding as at 30 September 2022 are as follows:

	Nominal value RM'000	Fair value assets/(liabilities) RM'000
Commodity swaps		
- Less than 1 year	4,773,243	(18,471)
- 1 year to 3 years	2,212,509	26,382
- More than 3 years	-	-
	----- 6,985,752 =====	----- 7,911 =====
Forward exchange contracts		
- Less than 1 year	2,976,136	(182,426)
- 1 year to 3 years	4,158,918	(134,074)
- More than 3 years	7,736,520	(96,698)
	----- 14,871,574 =====	----- (413,198) =====
Cross currency swaps		
- Less than 1 year	-	-
- 1 year to 3 years	1,562,500	(82,578)
- More than 3 years	1,050,000	(15,636)
	----- 2,612,500 =====	----- (98,214) =====

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 have been no changes made to the accounting policies associated with those derivatives since the end of the previous financial year ended 31 December 2021.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 30.09.2022 RM'000	Current period-to-date 30.09.2022 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	237,813	916,389
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	(216,201)	(493,740)
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	(35,202)	(107,330)

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 1.75 sen per ordinary share, amounting approximately of RM144,200,000 for the financial year ending 31 December 2022.

The book closure and payment dates for the aforesaid dividend are 15 December 2022 and 30 December 2022 respectively.

**B11. Earnings per ordinary share**

**Basic earnings per share**

	<b>3rd Quarter</b>		<b>Period-to-date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.22</b>	<b>30.09.21</b>	<b>30.09.22</b>	<b>30.09.21</b>
Profit attributable to shareholders (RM'000)	315,804	283,333	1,145,995	744,632
Weighted average number of ordinary shares ('000)	8,239,618	8,076,220	8,182,160	8,076,220
Basic earnings per share (sen)	3.83	3.51	14.01	9.22
	=====	=====	=====	=====

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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	(3,762)	(7,745)
Other income including investment income	-	-
Interest expense	57,644	178,060
Depreciation and amortisation	144,085	424,239
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	52	131
Impairment of assets	-	-
Realised foreign exchange loss	6,759	742
Unrealised foreign exchange loss	6,064	12,372
Property, plant and equipment written off	3,175	7,393
(Gain)/Loss on derivatives	-	-
Exceptional items	-	-

**B13. Comparative figures**

The prior year's financial statements have been restated to reflect the audited financial statements for the financial year ended 31 December 2021.

**On behalf of the Board**

**Tan Sri Dato' Koon Poh Keong**  
**Group Chief Executive Officer**  
 29 November 2022