

PRESS METAL ALUMINIUM HOLDINGS BERHAD (“PRESS METAL” OR THE COMPANY”)

- POWER PURCHASE AGREEMENT ENTERED WITH SYARIKAT SESCO BERHAD

1. INTRODUCTION

The Board of Directors of the Company is pleased to announce that the Company had on 31 July 2019 executed a Power Purchase Agreement (“the PPA”) with Syarikat SESCO Berhad (“SESCO”) for the sale and purchase of electric power of up to 500MW for a proposed third aluminium smelter plant at Samalaju Industrial Park, Sarawak. The power is expected to be drawn in 2 stages, with the 300MW tranche to commence first drawdown by October 2020 and lasts for 15 years and the balance 200MW tranche as and when the same is made available, on a reasonable endeavour basis, by SESCO.

2. INFORMATION ON SYARIKAT SESCO BERHAD (“SESCO”)

SESCO is a wholly-owned subsidiary of Sarawak Energy Berhad. SESCO is principally involved in transmission and distribution of electricity in Sarawak.

3. RATIONALE

The PPA provides for the supply and delivery of electric power to the proposed third smelter which will increase smelting capacity of the Group and enhance Press Metal’s position as the region’s largest integrated aluminium producer and a key global player in this industry.

4. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS

None of the Directors, Major Shareholders, and persons connected with Directors or Major Shareholders of the Company have any interests, direct or indirect, in the PPA.

The PPA contains major commercial terms that both parties have negotiated and agreed, and are commercially confidential in nature.

This announcement is dated 31 July 2019.