



## MEDIA RELEASE

Company No: 1198171-H

Press Metal Aluminium Holdings Berhad

Press Release : Fourth Quarter 2017 Results

### **PRESS METAL'S NET PROFIT JUMPS 25% FROM LAST YEAR, ACQUIRING LEADER UNIVERSAL ALUMINIUM FOR VALUE-ADDED BUSINESS EXPANSION**

Press Metal Aluminium Holdings Berhad (PMETAL-8869), the largest Aluminium smelter in South East Asia closed its Financial Year Ended ("FYE") 31 December 2017 with record net profit of RM602.8 million as compared to RM483.6 million in FYE 31 December 2016. Excluding insurance claims and other non-recurring items, core profit actually increased by 38% year-on-year. Full year revenue increased by 23% to RM8.2 billion, from preceding year's RM6.6 billion. The increase was mainly due to additional production output generated by its Samalaju Phase 2 smelting plant and higher metal price. For the fourth quarter FYE 2017, net profit was RM150.2 million, up 14% from the fourth quarter FYE 2016.

With its smelters operating at full capacity, Press Metal is now on firm footing to embark on inorganic growth. It has announced the proposed acquisition of 100% equity interest in Leader Universal Aluminium Sdn Bhd ("LUA") by its 80% owned subsidiary, Press Metal Bintulu Sdn Bhd from HNG Capital Sdn Bhd, for a cash consideration of RM96 million. LUA is an alloy rod producer in Malaysia with facilities located in Tampoi, Johor and Nilai, Negeri Sembilan, and produces high quality aluminium Electrical Conductor ("EC") and alloy rods for the domestic and international markets. For the FYE 31 December 2016, LUA registered an audited profit after tax of RM15.5 million, implying an acquisition price-to-earnings multiple of 6.2 times. The proposed acquisition will be funded by internally generated funds.

Group Chief Executive Officer, Tan Sri Paul Koon expressed: "While we are satisfied with our results for FYE 2017, we acknowledge the rise in anode prices which cannot be hedged may be unexpectedly prolonged. The strengthening of the Ringgit has also worked against us as most of our primary products are traded in US Dollars. These will partially offset the increase in aluminium prices that we have seen. Barring unforeseen circumstances, we are cautiously optimistic that we should be able to achieve satisfactory results for this current financial year. We are also looking out for expansion opportunities via merger and acquisitions for us to continue to expand our business reach.

The proposed acquisition of LUA provides us a platform equipped with technical expertise and additional capacity to strengthen our position as a player in the aluminium rods market. Our rods capacity is currently at 48,000 tonnes per year and the additional 100,000 tonnes per year from this acquisition will immediately enhance our international presence in the aluminium rods market. We are confident that this synergistic acquisition of LUA when streamlined, will further elevate our contribution target for value-added products.”

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### **About Press Metal Aluminium Holdings Berhad**

Press Metal Aluminium Holdings Berhad is a Malaysian-based aluminium company with an extensive global presence. From a modest beginning as a privately-owned local aluminium extrusion company in 1986, it has grown into a globally integrated aluminium corporation. With a smelting capacity of 760,000 tonnes and an extrusion capacity of 160,000 tonnes per annum, Press Metal Aluminium Holdings Berhad is the largest integrated aluminium producer in South East Asia.