

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	4th Quarter 3 months ended			Year-to-date 12 months ended		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Revenue	2,133,502	2,231,979	(4.4)	8,558,734	9,170,122	(6.7)
Operating expenses	(1,898,002)	(1,987,696)	(4.5)	(7,732,391)	(8,157,672)	(5.2)
Other operating (expenses)/income	(7,262)	1,934	(475.5)	(26,360)	41,963	(162.8)
Profit from operations	228,238	246,217	(7.3)	799,983	1,054,413	(24.1)
Net finance costs	(44,112)	(48,888)	(9.8)	(176,719)	(186,269)	(5.1)
Share of profit from associates	590	306	92.8	9,432	2,310	308.3
Profit before tax	184,716	197,635	(6.5)	632,696	870,454	(27.3)
Taxation	<i>B5</i> (18,071)	(24,637)	(26.7)	(53,926)	(97,588)	(44.7)
Profit for the year	166,645	172,998	(3.7)	578,770	772,866	(25.1)
Attributable to :						
Equity holders of the parent	131,526	145,361	(9.5)	471,026	618,934	(23.9)
Non-controlling interest	35,119	27,637	27.1	107,744	153,932	(30.0)
	166,645	172,998	(3.7)	578,770	772,866	(25.1)
Basic earnings per share (sen)	<i>B12(a)</i> 3.26	3.68	(11.4)	11.72	15.89	(26.2)
Diluted earnings per share (sen)	<i>B12(b)</i> 3.26	3.61	(9.7)	11.72	15.57	(24.7)

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	4th Quarter			Year-to-date		
	3 months ended		Changes %	12 months ended		Changes %
	31.12.2019 RM'000	31.12.2018 RM'000		31.12.2019 RM'000	31.12.2018 RM'000	
Profit for the year	166,645	172,998	(3.7)	578,770	772,866	(25.1)
Other comprehensive income, net of tax						
-Foreign currency translation differences for foreign operations	37,804	3,318	1,039.4	(7,992)	(25,384)	(68.5)
-Cash flow hedge	292,839	252,249	16.1	(11,061)	602,941	(101.8)
Total comprehensive income for the year	497,288	428,565	16.0	559,717	1,350,423	(58.6)
Attributable to :						
Equity holders of the parent	416,911	358,125	16.4	484,066	1,184,645	(59.1)
Non-controlling interest	80,377	70,440	14.1	75,651	165,778	(54.4)
	497,288	428,565	16.0	559,717	1,350,423	(58.6)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018.

PRESS METAL ALUMINIUM HOLDINGS BERHAD
Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	<i>Note</i>	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		4,997,920	4,832,298
Prepaid lease payments		9,168	9,946
Investment properties		17,655	17,406
Goodwill		57,776	39,125
Investment in associates		575,014	138,017
Other investments		1,803	1,803
Right-of-use assets		7,764	-
Derivative financial assets		50,629	715
Deferred tax assets		4,011	-
Other receivables		237,994	-
Total non-current assets		5,959,734	5,039,310
Current assets			
Inventories		1,308,549	1,539,499
Trade receivables		820,439	942,809
Other receivables, deposits and prepayments		622,296	380,861
Contract assets		674	94
Derivative financial assets		22,471	229,171
Current tax assets		10,343	10,498
Deposits, cash and bank balances		313,332	199,050
		3,098,104	3,301,982
Asset classified as held for sale		-	235
Total current assets		3,098,104	3,302,217
Total assets		9,057,838	8,341,527
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		1,088,487	1,046,903
Reserves		17,644	12,218
Retained profits		2,437,034	2,177,593
		3,543,165	3,236,714
Non-controlling interest		806,522	790,871
Total equity		4,349,687	4,027,585
LIABILITIES			
Non-current liabilities			
Hire purchase & finance lease liabilities		9,459	8,592
Long term borrowings	<i>B8</i>	3,030,236	2,011,939
Derivative financial liabilities		43,758	21,311
Deferred tax liabilities		199,115	183,962
Lease liabilities		4,401	-
Total non-current liabilities		3,286,969	2,225,804
Current liabilities			
Trade payables		552,389	719,485
Other payables and accruals		208,572	214,406
Contract liabilities		6,252	1,027
Derivative financial liabilities		24,395	181,358
Hire purchase & finance lease liabilities		6,412	5,554
Overdraft & short term borrowings	<i>B8</i>	611,763	958,560
Lease liabilities		3,367	-
Taxation		8,032	7,748
Total current liabilities		1,421,182	2,088,138
Total liabilities		4,708,151	4,313,942
Total equity and liabilities		9,057,838	8,341,527
Net assets per share (RM)		0.88	0.82

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	←----- Attributable to equity holders of the parent ----->					Total	Non-controlling Interest	Total Equity
	Share Capital	Translation Reserve	Warrants Reserve	Hedging Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2018	990,641	64,408	17,830	(625,515)	1,823,281	2,270,645	699,796	2,970,441
Exchange differences	-	(25,136)	-	-	-	(25,136)	(248)	(25,384)
Exercise of warrants	56,262	-	(10,216)	-	-	46,046	-	46,046
Dividend to non-controlling interest	-	-	-	-	-	-	(60,000)	(60,000)
Adjustment in purchase consideration on partial disposal of a subsidiary in previous years	-	-	-	-	(10,644)	(10,644)	(14,703)	(25,347)
Cash flow hedge	-	-	-	590,847	-	590,847	12,094	602,941
Proposed dividend								
- Fourth interim 2017	-	-	-	-	(57,991)	(57,991)	-	(57,991)
- First interim 2018	-	-	-	-	(58,031)	(58,031)	-	(58,031)
- Second interim 2018	-	-	-	-	(58,945)	(58,945)	-	(58,945)
- Third interim 2018	-	-	-	-	(79,011)	(79,011)	-	(79,011)
Net profit for the year	-	-	-	-	618,934	618,934	153,932	772,866
At 31 December 2018	1,046,903	39,272	7,614	(34,668)	2,177,593	3,236,714	790,871	4,027,585
At 1 January 2019	1,046,903	39,272	7,614	(34,668)	2,177,593	3,236,714	790,871	4,027,585
Exchange differences	-	(8,074)	-	-	-	(8,074)	82	(7,992)
Exercise of warrants	41,584	-	(7,614)	-	64	34,034	-	34,034
Cash flow hedge	-	-	-	21,114	-	21,114	(32,175)	(11,061)
Dividend to non-controlling interest	-	-	-	-	-	-	(60,000)	(60,000)
Proposed dividend								
- Fourth interim 2018	-	-	-	-	(60,292)	(60,292)	-	(60,292)
- First interim 2019	-	-	-	-	(50,403)	(50,403)	-	(50,403)
- Second interim 2019	-	-	-	-	(50,477)	(50,477)	-	(50,477)
- Third interim 2019	-	-	-	-	(50,477)	(50,477)	-	(50,477)
Net profit for the year	-	-	-	-	471,026	471,026	107,744	578,770
At 31 December 2019	1,088,487	31,198	-	(13,554)	2,437,034	3,543,165	806,522	4,349,687

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018.

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Registration No. 201601027232 (1198171-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	12 months ended	
	31.12.2019	31.12.2018
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	632,696	870,454
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	362,204	389,464
Finance income	(11,045)	(5,825)
Finance costs	187,764	192,094
Share of profit of equity accounted associates, net of tax	(9,432)	(2,310)
Gain on disposal of property, plant and equipment	(1,586)	937
Impairment loss on property, plant and equipment	-	7,000
Property, plant and equipment written off	22,478	34,107
Unrealised derivative loss	-	436
Unrealised foreign exchange loss/(gain)	6,939	(2,130)
Operating profit before changes in working capital	1,190,018	1,484,227
Changes in working capital		
Inventories	255,050	(324,010)
Trade and other receivables	(25,008)	(15,779)
Trade and other payables	(216,161)	(3,212)
Cash generated from operations	1,203,899	1,141,226
Income tax paid	(41,405)	(31,366)
Net cash from operating activities	1,162,494	1,109,860
Cash flows from investing activities		
Acquisition of property, plant and equipment	(572,316)	(292,787)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(33,967)	(68,554)
Acquisition of investment in an associate	(442,093)	(32,440)
Adjustment of consideration on partial disposal of a subsidiary in previous years	-	(25,347)
Proceeds from disposal of other investment	-	15,000
Subscription of Irredeemable Convertible Unsecured Loan Stock	-	(58,844)
Loan to an associate	(314,312)	-
Dividend received from an associate	2,624	644
Proceeds from disposal of property, plant and equipment	5,851	4,870
Interest received from fixed deposits	7,469	5,825
Net cash used in investing activities	(1,346,744)	(451,633)
Cash flows from financing activities		
Dividend paid to owners of the Company	(211,649)	(253,978)
Dividend paid to non-controlling interest	(60,000)	(60,000)
Net repayment of banking facilities	(340,510)	(232,790)
Increase in amount due to associate	1,514	312
Interest paid on loans and borrowings	(187,764)	(180,760)
Proceeds from issue of shares via exercise of warrants	34,034	46,046
Proceeds from issue of Sukuk bond	1,000,000	-
Repayment of loan from an associate	76,318	-
Interest received from an associate	7,152	-
Finance lease payments	(8,041)	(10,644)
Net cash from/(used in) financing activities	311,054	(691,814)
Net increase/(decrease) in cash and cash equivalents	126,804	(33,587)
Effect of exchange rate fluctuations on cash held	(9,738)	27,870
Cash and cash equivalents at 1 January	193,880	199,597
Cash and cash equivalents at 31 December	310,946	193,880

PRESS METAL ALUMINIUM HOLDINGS BERHAD

Company No. 201601027232 (1198171-H)

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

For the year ended 31 December 2019

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	
	31.12.2019	31.12.2018
	<i>RM'000</i>	<i>RM'000</i>
Deposits (exclude deposits pledged)	55,473	6,729
Cash and bank balances	255,689	187,290
Bank overdrafts	(216)	(139)
	<hr/>	<hr/>
	310,946	193,880

Deposits, cash and bank balances

	12 months ended	
	31.12.2019	31.12.2018
	<i>RM'000</i>	<i>RM'000</i>
Deposits placed with licence banks	57,643	11,760
Cash and bank balances	255,689	187,290
	<hr/>	<hr/>
	313,332	199,050

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A1. Basis of preparation

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 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 2018, 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 2019.

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standard 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A1. Basis of preparation (continued)

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board but have not been adopted by the Group:

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements*
- MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

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

- Amendment 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, amendments and interpretations from the annual period beginning on 1 January 2020 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2020. The Group does not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on 1 January 2021 as it is not applicable to the Group.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A2. Auditors' report

The auditors' report of the audited financial statements for the financial year ended 31 December 2018 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 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

The Company has on 17 October 2019, made its first issuance of Sukuk Wakalah under the Sukuk Programme. The Sukuk Wakalah issued under the Sukuk Programme is for the aggregate nominal value of RM1.0 billion with tenures of 5 years, 7 years and 10 years. The net proceeds from the Sukuk Wakalah has been utilised towards refinancing of existing indebtedness and general corporate purposes.

Save as above, there were no other debt and equity securities issued during the current financial year.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A7. Dividends paid

	<u>Tax exempt (sen per share)</u>	<u>Total amount (RM'000)</u>	<u>Date of payment</u>
Fourth interim 2018	1.50	60,292	02.04.2019
First interim 2019	1.25	50,403	28.06.2019
Second interim 2019	1.25	50,477	24.09.2019
Third interim 2019	1.25	50,477	30.12.2019

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 and extrusion

Manufacturing and marketing of aluminium and other related products.

(ii) Contracting and others

Contracting of aluminium and stainless steel products.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A8. Segmental information – (cont'd)

<i>Business Segments</i>						
<i>RM'000</i>	Smelting	Extrusion	Contracting and others	Elimination	Total	
Revenue from external customers	6,715,630	1,707,187	135,917	-	8,558,734	
Inter-segment revenue	427,215	1,256,239	337,813	(2,021,267)	-	
Total revenue	7,142,845	2,963,426	473,730	(2,021,267)	8,558,734	
Segment results	739,638	88,735	(28,390)		799,983	
Share of associates' profit					9,432	
Net finance costs					(176,719)	
Profit before tax					632,696	
Taxation					(53,926)	
Profit after tax					578,770	
<i>Geographical Segments</i>						
<i>RM'000</i>	Malaysia	Asia Region	Europe Region	American Region	Elimination	Total
Revenue from external customers	8,782,887	1,196,779	401,340	198,995	(2,021,267)	8,558,734
Segment assets by location	14,045,687	1,346,712	139,348	56,276	(7,105,199)	8,482,824
Investment in associates	98,728	476,286	-	-	-	575,014
	14,144,415	1,822,998	139,348	56,276	(7,105,199)	9,057,838

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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 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 2019, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditures not provided for in the financial statements	800,000
	=====

A14. Related party transactions

	12 months ended
	31.12.2019
<u>The Group</u>	RM'000
With the affiliated companies – PMB Technology Berhad Group:-	
-Sales of aluminium products	145,911
-Purchase of fabricated aluminium products and building materials	57,328
	=====

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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

Review of performance

B1. Q4 2019 vs Q4 2018

The Group recorded a revenue of RM2.13 billion in Q4 2019 as compared to RM2.23 billion in Q4 2018 indicating a decrease of RM98.48 million or 4.4%. Decrease in revenue was mainly due to the lower metal price during the current year quarter under review.

In tandem with the lower revenue, the Group's profit before tax ("PBT") has also reduced by RM12.92 million or 6.5% from RM197.64 million in Q4 2018 to RM184.72 million in Q4 2019.

Year on year 2019 vs 2018

The Group recorded a full year revenue of RM8.56 billion in 2019 as compared to RM9.17 billion last year, representing a reduction of RM611.39 million or 6.7%. Lower revenue was mainly due to the softening of metal price during the current year.

As a result of the lower metal price, PBT reduced by RM237.76 million or 27.3% from RM870.45 million (included an exceptional insurance claim amounting to RM60.00 million) in year 2018 to RM632.70 million in year 2019.

B2. Q4 2019 vs Q3 2019

The current year quarter PBT has improved from RM168.94 million to RM184.72 million, increased by RM15.78 million or 9.34%. The improved profitability was mainly due to the further stabilisation of alumina and carbon anode prices during the current year quarter as compared to the immediate preceding quarter.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B3. Current year's prospects

Facing turbulent market conditions in 2019 arising from macroeconomic uncertainties and trade wars, we acted to further strengthen the Group's core business with various significant investments. Our Phase 3 smelter is currently on-schedule to meet targeted commissioning in 4Q 2020. This will increase our total capacity by up to 42% from 760,000 up to 1,080,000 tonnes per annum. The progress of our investment in an alumina refinery in Bintan is moving as planned and we expect Phase 1 commissioning by end of 2020.

The coronavirus outbreak that has been ongoing since January 2020 is causing a temporary disruption to global economic activities and dampening aluminium prices. There should be a recovery in prices if the situation improves.

We plan to further expand our presence in Southeast Asia as this region is poised to enjoy growth with strong inflows of foreign investment. Strengthening our foothold here is advantageous due to our close proximity and experience in this region. With additional capacity coming on-stream and contributions from strategic investments, we expect improvements in our performance for this coming year.

B4. Profit forecast

Not applicable as no profit forecast was published.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B5. Taxation

Taxation comprises the following:

	12 months ended 31.12.2019 RM'000
Malaysian income tax	8,558
Foreign tax	33,354
Deferred tax	12,014

	53,926
	=====

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. Retained earnings

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Retained earnings:		
Realised	2,665,974	2,396,476
Unrealised	(199,115)	(183,962)
	-----	-----
	2,466,859	2,212,514
Total share of retained earnings of associates:		
Unrealised	(29,825)	(34,921)
	-----	-----
Total Group retained earnings	2,437,034	2,177,593
	=====	=====

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B7. Status of Corporate Proposals Announced and Pending Completion

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

B8. Group borrowings and debt securities as at 31 December 2019

	<u>Secured</u> <u>(RM'000)</u>	<u>Unsecured</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
Long term	22,761	3,007,475	3,030,236
Short term	82,282	529,481	611,763
	----- 105,043	----- 3,536,956	----- 3,641,999
	=====	=====	=====

Borrowings that are denominated in foreign currencies amounting to RM3,391 million are as follow: -

<u>Currency</u>		As at 31.12.2019 <u>RM'million</u>
US Dollar	USD	3,102
Renminbi	RMB	225
Pound Sterling	GBP	64

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B9. Derivative Financial Instruments

(a) Details of derivative financial instruments

Details of derivative financial instruments that are outstanding as at 31 December 2019 are as follows:

	Nominal value RM'000	Fair value assets/(liabilities) RM'000
Commodity swaps		
- Less than 1 year	1,832,147	(24,262)
- 1 year to 3 years	1,463,149	(43,758)
- More than 3 years	-	-
	-----	-----
	3,295,296	(68,020)
	=====	=====
Forward exchange contracts		
- Less than 1 year	1,723,486	22,338
- 1 year to 3 years	3,727,832	25,606
- More than 3 years	3,452,824	2,573
	-----	-----
	8,904,142	50,517
	=====	=====
Cross currency swaps		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	1,000,000	22,450
	-----	-----
	1,000,000	22,450
	=====	=====

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B9. 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 2018.

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B9. Derivative Financial Instruments (cont'd)

(b) Fair value changes in financial liabilities

The gain 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	Fair value gain/(loss)	
			Current quarter 31.12.2019 RM'000	Current year-to-date 31.12.2019 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	(27,312)	(80,560)
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	275,430	35,840
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	22,450	22,450
Total			270,568	(22,270)

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B10. Material Litigation

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

B11. Dividend

The Board of Directors has approved a fourth interim single tier dividend of 1.25 sen per ordinary share, amounting approximately of RM50,477,000 for the financial year ended 31 December 2019.

The Book Closure and Payment Dates for the aforesaid dividend are 12 March 2020 and 30 March 2020 respectively.

B12. Earnings per ordinary share

(a) Basic earnings per share

	4th Quarter		Year-to-date	
	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
Profit attributable to shareholders (RM'000)	131,526	145,361	471,026	618,934
Weighted average number of ordinary shares ('000)	4,038,110	3,947,810	4,019,825	3,894,632
Basic earnings per share (sen)	3.26	3.68	11.72	15.89

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B12. Earnings per ordinary share-*cont'd*

(b) Diluted earnings per share

	4th Quarter		Year-to-date	
	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
Profit attributable to shareholders (RM'000)	131,526	145,361	471,026	618,934
Weighted average number of ordinary shares ('000)	4,038,110	3,947,810	4,019,825	3,894,632
Warrants C ('000)	-	80,890	-	80,427
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	4,038,110	4,028,700	4,019,825	3,975,059
	=====	=====	=====	=====
Diluted earnings per share (sen)	3.26	3.61	11.72	15.57
	=====	=====	=====	=====

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B13. 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	(4,544)	(11,045)
Other income including investment income	-	-
Interest expense	48,656	187,764
Depreciation and amortisation	91,501	362,204
Provision for and write off of trade receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investment or properties	1,531	(1,586)
Impairment on assets	-	-
Realised foreign exchange loss	11,946	25,038
Unrealised foreign exchange loss	926	6,939
Gain on derivatives	-	-
Property, plant and equipment written off	9,481	22,478
Exceptional item	-	-

B14. Comparative figures

The prior year's financial statements have been restated to reflect the audit financial statements for the financial year ended 31 December 2018.

On behalf of the Board

Tan Sri Dato' Koon Poh Keong
Group Chief Executive Officer
 24 February 2020