

PRESS METAL BERHAD

**(Company No. 153208-W)
(Incorporated in Malaysia)**

SUMMARY OF KEY MATTERS DISCUSSED AT THE 31ST ANNUAL GENERAL MEETING

**VENUE: TOPAZ BALLROOM, LEVEL G, ONE WORLD HOTEL
FIRST AVENUE, BANDAR UTAMA CITY CENTRE
48000 PETALING JAYA, SELANGOR DARUL EHSAN**

DATE: THURSDAY, 15 JUNE 2017

TIME: 10.30 A.M.

CHAIRMAN

The Chairman, Dato' Wira (Dr.) Megat Abdul Rahman Bin Megat Ahmad called the Meeting to order at 10.30 a.m. and welcomed all members, proxies and invitees present to the Meeting.

The Chairman thereafter introduced the Board of Directors, Company Secretary and the External Auditors of the Company to all present.

QUORUM

The Secretary, Ms Te Hock Wee, confirmed that a quorum was present for the Meeting.

NOTICE

The Notice convening the Meeting, having been circulated within the prescribed period, was with the consent of the members present, taken as read.

As part of good governance, the Chairman informed the members that the Company had received in total 338 proxy forms from shareholders for a total of 2,190,591,888 ordinary shares representing 58.68% of the total number of issued shares of the Company.

The Chairman informed that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of General Meeting will be voted by poll. The Chairman, in his capacity as Chairman of the Meeting, demanded for a poll to be taken on all the resolutions set out in the Notice of the 31st Annual General Meeting ("31st AGM") in pursuance to Article 55 of the Company's Articles of Association.

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The Chairman further informed the Meeting that the Company has appointed Tricor Investor & Issuing House Services Sdn Bhd, the Company's Share Registrar as Poll Administrator to conduct the poll voting electronically and Coopers Professional Scrutineers Sdn Bhd as the independent scrutineer to verify the poll results. The polling process would be conducted upon the conclusion of the deliberations of all items on the Agenda.

QUESTION AND ANSWER SESSION

The Chairman invited questions from the floor in respect of the Audited Financial Statements for the financial year ended 31 December 2016. The salient issues raised were as follows:-

1. Outlook for continued growth in revenue.

PMB's response:

The Company should continue to record growth in revenue following the completion of Samalaju Phase 2 smelter plant.

2. Reasons for substantial increase in finance costs.

PMB's response:

The increase was mainly due to the borrowing costs for Samalaju Phase 2 smelter project.

3. Annual production capacity of Mukah smelter and Samalaju smelter.

PMB's response:

Mukah smelter and Samalaju smelter both are running at full capacity. Presently, 30% of its capacity is "value added" aluminium products. Management plans to increase it to 50% of total production by end of 2017.

4. Products and manufacturing bases of extrusion plant located in Guangzhou, China.

PMB's response:

The China extrusion plant is involved in downstream extrusion business.

5. How the commodities prices affect the profit margin of the Company.

PMB's response:

The aluminium price for 2017 is strong and steady compared to last year. The increase in aluminium price was driven by production curbs in China as to reduce air pollution over the winter. As such, the market is expecting that the demand and supply for the year will tilt towards a deficit situation.

6. Clarification on source of “other income” and reasons for foreign exchange loss for the quarter ended 31 March 2017.

PMB’s response:

“Other income” was mainly derived from the insurance claim for the fire incident at Samalaju smelting plant coupled with unrealised foreign exchange gain. The insurance claim for Mukah smelting plant due to power outage is still in progress.

The foreign exchange loss recorded in the first quarter ended 31 March 2017 was due to foreign exchange fluctuations.

7. Reasons for increasing derivative loss and outlook on aluminium industry.

PMB’s response:

The increasing derivative loss was due to loan repayment denominated in USD. Nonetheless, the Company had in last year adopted a hedging policy as further weakness in Ringgit Malaysia compelled the Company to book another mark-to-market unrealised net foreign exchange loss on its USD denominated loans.

Aluminium industry is unique wherein it needs a corresponding power supply in order to scale up. Both Mukah and Samalaju smelting plants are using hydropower which is more cost effective compared to other producers. With that, Management is confident that the Group will remain competitive.

8. Rationale for the Internal Reorganisation by way of a members’ scheme of arrangement.

PMB’s response:

The rationale of the Internal Reorganisation is to separate Press Metal Aluminium Holdings Berhad (“Newco”) from operational activities and streamlining of business segments as and when opportunities arise. The Company had on 1 June 2017 obtained the sanction of the High Court of Malaya for the securities exchange. The listing of and quotation for the new Newco securities is tentatively on 10 July 2017.

9. Dividend payout ratio.

PMB’s response:

Dividend payout is very much dependent on the financial performance of the Company. Nevertheless, Management is always looking at various ways to strengthen the financial position of the Company as to increase shareholders’ return.

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10. Level of participation of foreign investors and local institutional investors in the Company.

PMB's response:

Following the road shows in Singapore and Hong Kong, the Company managed to raise awareness and attract foreign investors. The Management also took cognisance of the importance of investor relations activities and continuous engagement with investors, both local and foreign.

The following suggestions raised from the floor were also noted by the Management:-

- (i) Consider having a video presentation during the AGM in order for the shareholders to have better understanding on the business operations of the Group;
- (ii) To have a structured communication programmes in East Malaysia such as road shows and briefings; and
- (iii) Considering the issuance of secured loan stocks (instead of bank borrowings) as to raise working capital.

POLL PROCEDURE

After going through all the motions set out in the Notice of the 31st AGM, the representative from the Company's Share Registrar briefed the floor on the polling procedures before the commencement of e-polling.

POLL RESULTS

The shareholders had duly received the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of Directors and Auditors thereon.

All the resolutions as set out in the Notice of the 31st AGM were duly passed by the shareholders of the Company :

Resolutions
Ordinary Resolution 1 <ul style="list-style-type: none">• Approval of Directors' Fees for the financial year ended 31 December 2016
Ordinary Resolution 2 <ul style="list-style-type: none">• Approval of Directors' Fees and benefits payable to the Directors up to an aggregate amount of RM357,000 for the financial year ending 31 December 2017
Ordinary Resolution 3 <ul style="list-style-type: none">• Re-election of Dato' Wira (Dr.) Megat Abdul Rahman Bin Megat Ahmad as Director
Ordinary Resolution 4 <ul style="list-style-type: none">• Re-election of Tan Heng Kui as Director

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Resolutions
<p>Ordinary Resolution 5</p> <ul style="list-style-type: none"> • Re-election of Loo Lean Hock as Director
<p>Ordinary Resolution 6</p> <ul style="list-style-type: none"> • Re-election of Noor Alina Binti Mohamad Faiz
<p>Ordinary Resolution 7</p> <ul style="list-style-type: none"> • Re-appointment of KPMG PLT as Auditors of the Company
<p>Ordinary Resolution 8</p> <ul style="list-style-type: none"> • Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares
<p>Ordinary Resolution 9</p> <ul style="list-style-type: none"> • Authority for Dato’ Wira (Dr.) Megat Abdul Rahman Bin Megat Ahmad to continue in office as Independent Non-Executive Chairman
<p>Ordinary Resolution 10</p> <ul style="list-style-type: none"> • Authority for Tan Heng Kui to continue in office as Independent Non-Executive Director
<p>Ordinary Resolution 11</p> <ul style="list-style-type: none"> • Authority for Loo Lean Hock to continue in office as Independent Non-Executive Director
<p>Ordinary Resolution 12</p> <ul style="list-style-type: none"> • Proposed Renewal of Shareholders’ Mandate for Press Metal Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)
<p>Ordinary Resolution 13</p> <ul style="list-style-type: none"> • Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

CONCLUSION

There being no other matters, the Meeting concluded at 12.45 p.m. with a vote of thanks to the Chair.

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