

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad Registration No. 200301033577 (635998-W) ("Bursa Securities") has only perused Part A of this Circular/Statement in respect of the new shareholders' mandate for additional recurrent related party transactions on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.



PRESS METAL ALUMINIUM HOLDINGS BERHAD
[Registration No. 201601027232 (1198171-H)]
(INCORPORATED IN MALAYSIA)

PART A
CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE:

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND

PART B
STATEMENT TO SHAREHOLDERS
IN RELATION TO THE:

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES

The resolutions in respect of the above proposals will be tabled as Special Business at the Fourth Annual General Meeting ("4th AGM") of the Company. Notice convening the 4th AGM of the Company to be held at the Broadcast Venue at Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 11 June 2020 at 10.30 a.m. together with the Proxy Form, are set out in the Annual Report 2019 of the Company which are available to be downloaded from our Company's website at www.pressmetal.com or Bursa Malaysia's website at www.bursamalaysia.com.

In line with the Government's initiative to curb the spread of Coronavirus Disease 2019 ("COVID-19") and the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020, the 4th AGM will be conducted on a **virtual basis through live streaming and online remote voting** via Remote Participation and Voting facilities ("RPV") which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Details of the 4th AGM, which is available to be downloaded from our Company's website at www.pressmetal.com or Bursa Malaysia's website at www.bursamalaysia.com in order to register, participate and vote remotely via the RPV.

In view that the 4th AGM will be conducted on a virtual basis, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Proxy Form. Please complete, sign and return the Proxy Form in accordance with the instructions printed thereon. The completed Proxy Form must be deposited at the office of the Share Registrar of the Company, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 4th AGM or no later than Tuesday, 9 June 2020 at 10.30 a.m.. You may also submit the proxy appointment electronically via Tricor's TIIH Online website at <https://tiih.online> no later than the aforementioned date.

Last date and time for lodging the Form of Proxy : 9 June 2020 at 10.30 a.m.
Date and time of the Annual General Meeting : 11 June 2020 at 10.30 a.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions (in alphabetical order) shall apply throughout this Circular:

- "Act" : Companies Act 2016, as amended from time to time
- "AGM" : Annual General Meeting
- "AMSB" : Alpha Milestone Sdn Bhd [Registration No. 201001032115 (916040-K)]
- "Audit Committee" : Audit Committee of PMAH
- "Board" : Board of Directors of PMAH
- "Bursa Securities" : Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
- "Code" : Malaysian Code on Take-overs and Mergers, 2016 including any amendments thereto that may be made from time to time
- "Director(s)" : Directors of the Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding 6 months from the date on which the terms of the transactions were agreed upon:
- (a) a Director of PMAH or any other company which is its subsidiary or holding company; or
 - (b) a chief executive of PMAH, its subsidiary or holding company
- "EPS" : Earnings per share
- "LPD" : 15 April 2020, being the latest practicable date prior to the issuance of this Circular
- "Listing Requirements" : Main Market Listing Requirements of Bursa Securities, including any amendment thereto that may be made from time to time
- "Major Shareholder" : A person who has an interest(s) in voting share(s) in the Company and the number or aggregate number of those shares is:-
- (a) 10% or more of the total number of voting shares in the Company; or
 - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company;
- and shall include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction was agreed upon, a major shareholder of PMAH, its subsidiary or holding company.
- "Interest" shall have the meaning of "interest in shares" given in Section 8 of the Act
- "Market Day(s)" : A day on which the stock market of Bursa Securities is open for trading of securities
- "Person Connected" : Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
- "PMAH" or "Company" : Press Metal Aluminium Holdings Berhad [Registration No. 201601027232 (1198171-H)]

"PMAH Group" or "Group"	:	PMAH and its subsidiary companies, collectively
"PMAH Share(s)"	:	Ordinary share(s) in PMAH
"Proposed Renewal of Share Buy-Back Authority"	:	Proposed renewal of authority for the Company to purchase its own ordinary shares
"Proposed Shareholders' Mandate"	:	Proposed renewal of shareholders' mandate for the Company and its subsidiaries to enter into Recurrent Related Party Transactions and proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature
"Purchased Shares"	:	Shares purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority
"Recurrent Related Party Transaction(s) or RRPT(s)"	:	Recurrent related party transaction(s) of a revenue or trading nature of PMAH Group and which is in the ordinary course of business of PMAH Group
"Related Party" or "Related Parties"	:	Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SC"	:	Securities Commission Malaysia
"Substantial Shareholder"	:	A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares in the Company
"WAMP"	:	Weighted Average Market Price
"WFSS"	:	Weng Fatt Stainless Steel Sdn Bhd [Registration No. 198301011635 (107025-U)]

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Part A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

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PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED
NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE
OR TRADING NATURE**



PRESS METAL ALUMINIUM HOLDINGS BERHAD
[Registration No. 201601027232 (1198171-H)]
(INCORPORATED IN MALAYSIA)

Registered Office

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Date: 13 May 2020

Directors:

Dato' Wira (Dr.) Megat Abdul Rahman Bin Megat Ahmad
(Independent Non-Executive Chairman)

Koon Poh Ming (Executive Vice Chairman)

Tan Sri Dato' Koon Poh Keong (Group Chief Executive Officer)

Dato' Koon Poh Tat (Executive Director)

Koon Poh Weng (Executive Director)

Koon Poh Kong (Executive Director)

Tan Heng Kui (Senior Independent Non-Executive Director)

Loo Lean Hock (Independent Non-Executive Director)

Noor Alina Binti Mohamad Faiz (Independent Non-Executive Director)

Lim Hun Soon @ David Lim (Independent Non-Executive Director)

To: The Shareholders of Press Metal Aluminium Holdings Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. Introduction

The Company had at the 3rd AGM held on 29 May 2019 obtained approval of its shareholders for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature in the ordinary course of its business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. Such approval shall continue to be in full force until the conclusion of the forthcoming AGM of the Company scheduled on 11 June 2020 unless approval for its renewal is obtained from the shareholders of the Company at the AGM.

On 13 April 2020, the Company announced to Bursa Securities that the Board proposed to seek its shareholders' approval on the following which are necessary for PMAH Group's day-to-day operations and are in the ordinary course of business, which the Group may from time to time enter into in accordance with Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements:

- (i) Proposed renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and
- (ii) Proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature.

The purpose of this Circular is to provide you with details of the Proposed Shareholders' Mandate, to set out the recommendation of the Board thereon and to seek your approval for the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

2. Details of the Proposed Shareholders' Mandate

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2), Part E of Chapter 10 of the Listing Requirements, a listed issuer may seek its shareholders' mandate for the RRPT which are necessary for its day-to-day operations subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
 - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1.0 million or more; or
 - (ii) the percentage ratio of such Recurrent Related Party Transactions is 1% or more,whichever is the higher;
- (c) the issuance of a circular to shareholders by the Company for the shareholders' mandate;
- (d) in a meeting to obtain the shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of the Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the transactions. An interested Director or Major Shareholder must ensure that Person Connected with him abstain from voting on the resolution approving the transactions;
- (e) the Company shall make an immediate announcement to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement;
- (f) the transactions are conducted on normal commercial terms;
- (g) the transactions are not detrimental to the interest of the minority shareholders; and
- (h) the transactions are conducted on arm's length basis.

PMAH is principally an investment holding company whilst the principal activities of its subsidiary companies ("PMAH Group" or "Group") ranging from manufacturing and marketing of aluminium products, marketing of share of alumina produced, trading, contracting, fabricating and installation of aluminium and stainless steel products, marketing of gypsum board and other related products, marketing of all type of aluminium sections, curtain wall cladding system, operation of waste recycling projects and environmental engineering.

It is anticipated that the PMAH Group would, in the ordinary course of its business, enter into the RRPT which are necessary for its day-to-day operations with the Classes of Related Parties which are disclosed in Section 2.3 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board is seeking the shareholders' mandate which would allow the PMAH Group, to enter into the RRPT as specified in Section 2.4 of this Circular with the classes of Related Parties as set out in Section 2.3 of this Circular provided such transactions are necessary for its day-to-day operations, in the ordinary course of its business and are carried out on normal commercial terms and are on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

2.2 Validity period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, will take effect from the date of passing of the proposed ordinary resolution at the forthcoming AGM and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

Thereafter, approval from the shareholders for renewal of the mandate will be sought at each subsequent AGM of the Company if the Board decides that the renewal of the Proposed Shareholders' Mandate is desirable.

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2.3 Classes of Related Parties

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

	Related Party	PMAH's effective equity interest (%)	Principal activities	Interested Directors, Major Shareholders and/or Persons Connected to them
1	PMB Technology Berhad ("PMBT")	20.89	Investment holding	<p>Tan Sri Dato' Koon Poh Keong, Koon Poh Ming, Dato' Koon Poh Tat and Koon Poh Weng who are shareholders and Directors of PMAH are also Directors and shareholders of PMBT.</p> <p>Koon Poh Kong, Dato' Koon Poh Tat, Koon Poh Ming and Koon Poh Weng who are Directors of PMAH are also Major Shareholders of WFSS, a Substantial Shareholder of PMBT, which holds 6.61% equity stake in PMBT.</p> <p>Tan Sri Dato' Koon Poh Keong and Puan Sri Datin Khoo Ee Pheng are Major Shareholders of AMSB which in turn a Major Shareholder of PMAH.</p>
	<u>Subsidiaries of PMBT</u>			
	Everlast Aluminium (M) Sdn Bhd ("EASB")	20.89	Marketing of aluminium and other related products	Koon Poh Ming, Tan Sri Dato' Koon Poh Keong, Dato' Koon Poh Tat and Koon Poh Kong who are shareholders and Directors of PMAH and also Directors of EASB
	PMB Quick Access Sdn Bhd ("PMBQA")	20.89	Manufacturing and rental of scaffolding tower and machinery as well as trading in other related products	Koon Poh Ming, Dato' Koon Poh Tat and Koon Poh Weng who are shareholders and Directors of PMAH and also Directors of PMBQA

Related Party	PMAH's effective equity interest (%)	Principal activities	Interested Directors, Major Shareholders and/or Persons Connected to them
<u>Subsidiaries of PMBT -continued</u>			
Everlast Access Technologies Sdn Bhd ("EATSB")	20.89	Manufacturing and marketing of aluminium and other related products	Dato' Koon Poh Tat, Koon Poh Ming, Tan Sri Dato' Koon Poh Keong and Koon Poh Weng who are shareholders and Directors of PMAH and also Directors of EATSB
PMB Facade Technology Sdn Bhd ("PFTSB")	20.89	Design, fabrication and installation of aluminium curtain wall, cladding systems and manufacturing and trading of aluminium related products	Tan Sri Dato' Koon Poh Keong, Koon Poh Ming and Koon Poh Weng who are shareholders and Directors of PMAH and also Directors of PFTSB
PMB Silicon Sdn Bhd ("PMBS")	20.89	Production and distribution of metallic silicon products as well as trading, distribution and fabrication of aluminium related products	Koon Poh Ming, Dato' Koon Poh Tat and Koon Poh Weng who are shareholders and Directors of PMAH and also Directors of PMBS
2 K3 Metal Service Centre Sdn Bhd ("K3 Metal")	15	General trading	Kwan Yun Hong @ Kuan Onn Hing is a brother of Tan Sri Dato' Koon Poh Keong, Koon Poh Ming, Dato' Koon Poh Tat, Koon Poh Weng and Koon Poh Kong. His spouse, Tan Lam Kiew and son, Kwan Pek Loy, both are the Directors and shareholders of K3 Metal. Press Metal Berhad ("PMB"), a wholly-owned subsidiary of PMAH is also a shareholder of K3 Metal.
<u>Subsidiary of K3 Metal</u>			
K3 Metal Trading (JB) Sdn Bhd ("K3 Metal Trading (JB)")	15	Trading of aluminium extrusions and other related products	Kwan Yun Hong @ Kuan Onn Hing, Kwan Pek Loy and Tan Lam Kiew are Directors of K3 Metal Trading (JB)

	Related Party	Principal activities	Interested Directors, Major Shareholders and/or Persons Connected to them
3	Technovate Holdings Sdn Bhd ("Technovate Holdings")	Investment Holdings	<p>Koon Hoi Chun is the Director and Shareholder of Technovate Holdings. He owns 50% equity interest in Technovate Holdings. He is the son of Koon Poh Kong, one of the Director and shareholder of PMAH.</p> <p>Koon Hon Hong is the Director and Shareholder of Technovate Holdings. He owns 50% equity interest in Technovate Holdings. He is the son of Koon Poh Weng, one of the Director and substantial shareholder of PMAH.</p>

Subsidiary of Technovate Holdings

	Technovate Trading Sdn Bhd ("Technovate Trading")	Trading of carbon anode butts and other waste materials	Technovate Trading is a wholly-owned subsidiary of Technovate Holdings. Koon Hoi Chun is the Director of Technovate Trading and son of Koon Poh Kong who is the Director and shareholder of PMAH.
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The Interested Directors' and Major Shareholders' equity interests in K3 Metal, K3 Metal Trading (JB), WFSS and Technovate Trading are as follows:

Name	K3 Metal				K3 Metal Trading (JB)				WFSS				Technovate Trading			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	No. of Ordinary Shares	%	No. of Ordinary Shares	%	No. of Ordinary Shares	%	No. of Ordinary Shares	%	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Kwan Yun Hong @ Kuan Onn Hing	-	-	4,250,000#	85%	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri Dato' Koon Poh Keong	-	-	750,000@	15%	-	-	30,000*	15%	-	-	-	-	-	-	-	-
Koon Poh Ming	-	-	750,000@	15%	-	-	30,000*	15%	25,000	20%	-	-	-	-	-	-
Koon Poh Weng	-	-	750,000@	15%	-	-	30,000*	15%	25,000	20%	-	-	-	-	500^	50%
Koon Poh Kong	-	-	750,000@	15%	-	-	30,000*	15%	25,000	20%	-	-	-	-	500^	50%
Dato' Koon Poh Tat	-	-	750,000@	15%	-	-	30,000*	15%	25,000	20%	-	-	-	-	-	-

Notes :

- # Deemed interested in the shares held by spouse and son
- @ Deemed interested by virtue of their interests in PMAH
- * Deemed interested by virtue of their interests in K3 Metal
- ^ Deemed interested in the shares held by son

2.4 Nature of the RRPT and estimated value

The RRPT which will be covered by the Proposed Shareholders' Mandate are general transactions by the PMAH group relating to the provisions of or obtaining from, the Related Parties, products and services in the ordinary course of business of the PMAH Group which are as follows:

(i) Proposed renewal of shareholders' mandate

Company	Transacting party	Nature of transactions	#Estimated Value in current Proposed Shareholders' Mandate (RM'000)	Actual Value Transacted from preceding year's shareholders' mandate up to LPD [^] RM'000 (A)	Estimated Value as disclosed in the Circular to Shareholders dated 30 April 2019 RM'000 (B)	Reason for deviation where (A) exceeds (B) by 10% or more*
Subsidiaries of PMAH namely Press Metal Berhad ("PMB"), Angkasa Jasa Sdn Bhd, Press Metal UK Limited, Press Metal International Limited, Press Metal Sarawak Sdn Bhd ("PM Sarawak"), Press Metal Aluminium Australia Pty Ltd and Press Metal Bintulu Sdn Bhd ("PM Bintulu")	PMBT and its subsidiary companies namely EASB, PMBQA, EATSB and PFTSB	Sale of aluminium extrusions, aluminium ingot, fabrication, and other aluminium products to PMBT and its subsidiaries Purchase of raw materials, fabrication and plaster board, fabricated aluminium products, building materials and other aluminium related products from PMBT and its subsidiaries	120,000	89,323	250,000	N/A
			30,000	7,442	55,000	N/A

Company	Transacting party	Nature of transactions	#Estimated Value in current Proposed Shareholders' Mandate (RM'000)	Actual Value Transacted from preceding year's shareholders' mandate up to LPD RM'000 (A)	Estimated Value as disclosed in the Circular to Shareholders dated 30 April 2019 RM'000 (B)	Reason for deviation where (A) exceeds (B) by 10% or more*
PMB	K3 Metal and its subsidiary, K3 Metal Trading (JB) Sdn Bhd	Sale of aluminium extrusions, aluminium flatsheets and other aluminium products to K3 Metal and its subsidiary Purchase of raw materials, fabrication and aluminium products from K3 Metal and its subsidiary	3,000 500	529 -	3,000 500	N/A N/A
Press Metal North America Inc.	PMBT and its subsidiaries as stated above i.e. EASB, PMBQA, EATSB and PFTSB	Purchase of raw materials, fabrication and aluminium products from PMBT and its subsidiaries	5,000	9	6,000	N/A
PMB Development Sdn Bhd	PMBT and its subsidiary as stated above i.e. PFTSB	Provision of construction work from PMBT's subsidiary i.e. PFTSB	50,000	41,453	50,000	N/A
PM Sarawak, PM Bintulu	PMBT and its subsidiaries as stated above, i.e. PMBS	Purchase of metallic silicon	150,000	35,229	130,000	N/A

(ii) Proposed new shareholders' mandate

Company	Transacting party	Nature of transactions	#Estimated Value in current Proposed Shareholders' Mandate RM'000
PMB Klang Sdn Bhd ("PMB Klang"), PMB Central Sdn Bhd ("PMB Central"), PMB Northern Sdn Bhd ("PMBN"), PMB Eastern Sdn Bhd ("PMBE"), Press Aluminium Sabah Sdn Bhd ("PMBAS")	PMBT and its subsidiary companies as stated above, i.e. EASB, PMBQA, EATSB and PFTSB	Sale of aluminium extrusions, aluminium ingot, fabrication, and other aluminium products to PMBT and its subsidiaries Purchase of raw materials, fabrication and plaster board, fabricated aluminium products, building materials and other aluminium related products from PMBT and its subsidiaries	80,000 40,000
PM Sarawak, PM Bintulu	PMBT and its subsidiaries as stated above, i.e. PMBS	Sale of aluminium extrusions, aluminium ingot, fabrication, and other aluminium products to PMBT and its subsidiaries	5,000
PMB Klang	K3 Metal and its subsidiary, K3 Metal Trading (JB) Sdn Bhd	Sale of aluminium extrusions, aluminium flatsheets and other aluminium products to K3 Metal and its subsidiary Purchase of raw materials, fabrication and aluminium products from K3 Metal and its subsidiary	3,000 500
PM Sarawak, PM Bintulu	Technovate Trading	Sale of carbon anode butts to Technovate Trading	70,000

Notes:

- # The estimated value are based on historical records and the extrapolation of the Company's actual turnover figures of 31 December 2019. The estimated value may vary and subject to change.
- * The aggregated actual value of the RRPT did not exceed by 10% or more of the aggregated estimated value as approved under the previous shareholders' mandate granted to the Company at the 3rd AGM held on 29 May 2019.
- ^ The actual value transacted from preceding year's shareholders' mandate included the transacted value of the four (4) acquired subsidiaries i.e. PMB Central, PMBN, PMBE and PMBAS during the period from 29 May 2019 to 19 December 2019.

2.5 Amount Due and Owing Under RRPT

As at the financial year ended 31 December 2019, there were no amounts due and owing to the Company by its Related Parties, which exceeded the credit term given arising from the RRPT as per Section 2.4 of this Circular. The payments were made within the agreed credit terms.

2.6 Rationale for the RRPT

The RRPT to be entered into by the PMAH Group are all in the ordinary course of business and reflect the long term commercial relationship between the parties. The RRPT are undertaken on terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. All the transactions will be conducted on an arm's length basis. It is envisaged that in the normal course of the PMAH Group's business, the RRPT between the PMAH Group and the Related Parties are likely to occur from time to time and it may be impractical to seek shareholders' approval on a case to case basis before entering into such RRPT. The Proposed Shareholders' Mandate and the renewal thereof on an annual basis would eliminate the need to make announcements to Bursa Securities and/or to convene separate general meetings from time to time to seek shareholders' approval as and when the RRPTs occur or arise. This would substantially reduce administrative time, inconvenience and resources associated with the convening of such meetings without compromising the corporate objective or adversely affecting the business opportunities available to the PMAH Group.

2.7 Benefits of the RRPT

The RRPT are between the PMAH Group and the Related Parties. The close commercial relationships that had been established with the Related Parties have created an effective network that the PMAH Group can draw upon to support its operational needs, deriving synergistic and operational benefits to support its marketing, distribution and manufacturing functions. The continuous support that is extended by the Related Parties is important and forms an integral part of the PMAH Group's corporate strategy to operate as an operation in Malaysia and the linkages between the PMAH Group and the Related Parties serves to benefit the Group, which include cost savings as there were no necessity to invest further into the distribution of goods to small retailers, improvements in the allocation and utilisation of resources, the sharing of marketing, sales and distribution strategy and the consistent supply of raw materials and constant availability of skilled personnel.

2.8 Methods or procedures of determining the terms of RRPT

The following are in place to ensure that any transactions entered into by the PMAH Group with Related Party, which are in the ordinary course of business of PMAH Group, are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies and are not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders of the Company:

- (i) A list of Related Parties will be circulated within the Group to notify that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public. These include transacting at prevailing market rates/prices of the service or product provider's usual commercial terms (including where appropriate, similar preferential rates or discounts accorded for bulk purchases as those accorded for third party bulk purchase) or otherwise in accordance with applicable industry norm. Transactions refer to both sales and purchases of the Group.

Wherever practical and/or feasible, at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, for transactions where it is vital that confidentiality is maintained or the nature of the scope of works involve multiple service providers), the Board and the Audit Committee will rely on their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of transactions to be provided/required. Further, the transaction price will be reviewed and determined by the Directors who has no interest in the transaction to ensure that the RRPTs are not detrimental to the Group.

- (ii) Records will be maintained by the Company to capture all RRPTs which are entered into pursuant to the Proposed Shareholders' Mandate.
- (iii) Where any person(s) has an interest in the transactions to be reviewed, such person(s) shall abstain from deliberation and decision making in respect of those transactions.
- (iv) The annual internal audit plan shall incorporate a review of RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
- (v) The Board and the Audit Committee shall review the internal audit reports to ensure that the procedures established to monitor RRPT have been complied with and the review shall be done at every quarter together with the review of quarterly results.
- (vi) The Board and the Audit Committee have reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.
- (vii) There are no specific thresholds for approval of RRPT. All RRPTs will be reviewed by the Audit Committee of the Company on quarterly basis. In their periodic review of such transactions, the Audit Committee may, as it deems fit, request for additional information from independent sources.

2.9 Disclosure of the Proposed Shareholders' Mandate

The breakdown of the aggregate value of the RRPT conducted pursuant to the Proposed Shareholders' Mandate during the financial year ending 31 December 2020 will be disclosed in the annual report of the Company based on the type of the RRPT made, the names of the Related Parties involved in each type of the RRPT entered into and the nature of their relationship with the Company.

2.10 Statement by the Audit Committee

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.8 above on the treatment of RRPT and is satisfied that the procedures as well as the quarterly review to be made by the Audit Committee are adequate to ensure that the RRPTs are:

- monitored, tracked and identified in a timely and orderly manner;
- carried out on terms which are not more favourable to the Related Parties than those generally available to the public;
- not detrimental to the interests of the minority shareholders of the Company;
- on arm's length basis and on normal commercial terms; and
- the pricing of such RRPTs are in accordance with the Group's pricing policy which is consistent with similar type of transactions made by the Group with unrelated third parties.

In addition, the Audit Committee is also of the view that the PMAH Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner and such procedures and processes are reviewed quarterly by the Audit Committee and/or the Management staff.

2.11 Directors' and Major Shareholders' interests

The direct and indirect interest of the interested Directors, Major Shareholders and/or Persons Connected with them as at LPD are as follows:

Name of Interested Directors	Direct		Indirect	
	No. of PMAH Shares	%	No. of PMAH Shares	%
Koon Poh Ming	291,867,258	7.23	78,560,000 ^(a)	1.95
Tan Sri Dato' Koon Poh Keong	586,075,772	14.51	1,015,805,650 ^(b)	25.16
Dato' Koon Poh Tat	135,291,380	3.35	4,214,302 ^(c)	0.10
Koon Poh Weng	192,879,868	4.78	73,510,960 ^(d)	1.82
Koon Poh Kong	93,250,686	2.31	11,056,920 ^(e)	0.27
Name of Interested Major Shareholders	Direct		Indirect	
	No. of PMAH Shares	%	No. of PMAH Shares	%
Tan Sri Dato' Koon Poh Keong	586,075,772	14.51	1,015,805,650 ^(b)	25.16
Puan Sri Datin Khoo Ee Pheng	76,102,320	1.88	1,525,779,102 ^(f)	37.78
AMSB	939,703,330	23.27	-	-

^(a) Deemed interested in the shares held by his spouse, Ong Soo Fan in the Company

^(b) Deemed interested in the shares held by his spouse, Puan Sri Datin Khoo Ee Pheng in the Company and his direct interest in AMSB pursuant to Section 8 of the Act

^(c) Deemed interested in the shares held by his spouse, Datin Chan Hean Heoh in the Company

^(d) Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee in the Company

^(e) Deemed interested in the shares held by his spouse, Lee Sook Ching and his children, Koon Hoi Chun and Koon Xin Hui in the Company

^(f) Deemed interested in the shares held by her spouse, Tan Sri Dato' Koon Poh Keong in the Company and her direct interest in AMSB pursuant to Section 8 of the Act

Name of Persons Connected to Interested Directors and Interested Major Shareholders	Direct		Indirect	
	No. of PMAH Shares	%	No. of PMAH Shares	%
Ong Soo Fan	78,560,000	1.95	291,867,258 ⁽¹⁾	7.23
Puan Sri Datin Khoo Ee Pheng	76,102,320	1.88	1,525,779,102 ⁽²⁾	37.78
Datin Chan Hean Heoh	4,214,302	0.10	135,291,380 ⁽³⁾	3.35
Chan Poh Choo	73,456,080	1.82	192,934,748 ⁽⁴⁾	4.78
Lee Sook Ching	1,006,920	0.02	103,300,686 ⁽⁵⁾	2.56
Koon Sim Ee	54,880	0.00	266,335,948 ⁽⁶⁾	6.60
Koon Hoi Chun	5,050,000	0.13	99,257,606 ⁽⁷⁾	2.46
Koon Xin Hui	5,000,000	0.12	99,307,606 ⁽⁸⁾	2.46
Kwan Yun Hong @ Kuan Onn Hing	4,600,000	0.11	26,584,326 ⁽⁹⁾	0.66
Tan Lam Kiew	26,582,726	0.66	4,601,600 ⁽¹⁰⁾	0.11

- (1) Deemed interested in the shares held by her spouse, Koon Poh Ming in the Company.
- (2) Deemed interested in the shares held by her spouse, Tan Sri Dato' Koon Poh Keong in the company and her direct interest in AMSB pursuant to Section 8 of the Act.
- (3) Deemed interested in the shares held by her spouse, Dato' Koon Poh Tat in the Company
- (4) Deemed interested in the shares held by her spouse, Koon Poh Weng and her daughter, Koon Sim Ee in the Company
- (5) Deemed interested in the shares held by her spouse, Koon Poh Kong and her children, Koon Hoi Chun and Koon Xin Hui in the Company
- (6) Deemed interested in the shares held by her parents, Koon Poh Weng and Chan Poh Choo in the Company
- (7) Deemed interested in the shares held by his parents, Koon Poh Kong and Lee Sook Ching and the shares held by his sister, Koon Xin Hui in the Company
- (8) Deemed interested in the shares held by her parents, Koon Poh Kong and Lee Sook Ching and the shares held by her brother, Koon Hoi Chun in the Company
- (9) Deemed interested in the shares held by his spouse, Tan Lam Kiew and his son, Kwan Pek Loy in the Company
- (10) Deemed interested in the shares held by her spouse, Kwan Yun Hong @ Kuan Onn Hing and her son, Kwan Pek Loy in the Company

By virtue of their directorships and shareholdings in PMAH and the Related Parties as disclosed in Section 2.3 above, the interested Directors have abstained and will continue to abstain from the Board's deliberations and voting. They will also abstain from voting in respect of their direct and/or indirect shareholdings in the Company, on the resolution approving the Proposed Shareholders' Mandate at the forthcoming AGM.

In addition, the interested Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, on the resolution approving the Proposed Shareholders' Mandate at the forthcoming AGM.

The aforesaid interested Directors and interested Major Shareholder have also undertaken and will ensure that the Persons Connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution approving the Proposed Shareholders' Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected to them have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

2.12 Directors' recommendation

The Board of Directors of PMAH (save for the Interested Directors, who have abstained from board deliberation and voting in respect of the Proposed Shareholders' Mandate), after having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the PMAH Group and accordingly recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

3. Approval Required

The Proposed Shareholders' Mandate is subject to approval being obtained from the shareholders of the Company at the forthcoming AGM to be convened.

4. Financial Effects of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate is not expected to have any effect on the issued share capital and substantial shareholding of PMAH and, net assets and earnings of PMAH Group.

5. AGM

The Fourth (4th) AGM of the Company, the Notice of which is enclosed in the Annual Report of PMAH for the financial year ended 31 December 2019, will be conducted fully virtual at the Broadcast Venue at Suite 61 & 62, Setia Avenue, No. 2, Jalan Setia Prima S U13/S, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 11 June 2020 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution on the Proposed Shareholders' Mandate under the agenda of Special Business as set out in the Notice.

The Company will conduct the 4th AGM **on a virtual basis through live streaming and online remote voting** via RPV which are available on Tricor's TIIH Online website at <https://tiih.online>.

The Broadcast Venue of the 4th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. No shareholders/proxies from the public should be physically present at the Broadcast Venue on the day of the 4th AGM.

Since the 4th AGM will be conducted via a virtual meeting, you may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form. You are required to complete, sign and return the Proxy Form, which is enclosed in the Annual Report 2019, in accordance with the instructions printed therein as soon as possible and in any event so as to arrive at the office of the Share Registrar of the Company at Tricor Investor Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the 4th AGM or no later than Tuesday, 9 June 2020 at 10.30 a.m. You may also submit the proxy appointment electronically via Tricor's TIIH Online website at <https://tiih.online> no later than the aforementioned date.

6. Further Information

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of
Press Metal Aluminium Holdings Berhad

Dato' Wira (Dr.) Megat Abdul Rahman Bin Megat Ahmad
Independent Non-Executive Chairman

PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE:
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY
TO PURCHASE ITS OWN ORDINARY SHARES**



PRESS METAL ALUMINIUM HOLDINGS BERHAD

[Registration No. 201601027232 (1198171-H)]
(INCORPORATED IN MALAYSIA)

SHARE BUY-BACK STATEMENT

1. INTRODUCTION

The shareholders of the Company had at the 3rd AGM of the Company held on 29 May 2019, granted approval for the Directors to purchase up to ten per centum (10%) of the total number of issued shares of the Company pursuant to Section 127 of the Act. The said mandate shall, in accordance with Listing Requirements, lapse at the conclusion of the forthcoming AGM unless a fresh mandate is obtained from the shareholders.

On 13 April 2020, the Company announced to Bursa Securities that it proposes to seek its shareholders' approval for the proposed renewal of authority for the Company to purchase its own ordinary shares.

The aforesaid proposal, if approved by the shareholders would become valid immediately upon the passing of the ordinary resolution at the forthcoming AGM and will expire at the conclusion of the next AGM of the Company unless the authority is further renewed by ordinary resolution passed at a general meeting (either unconditionally or subject to conditions) or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting, whichever occurs first.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board proposes to seek the authority from the shareholders of the Company to purchase up to ten per centum (10%) of its total number of issued shares through its stockbroker(s) to be appointed at a later date.

The Company did not purchase any of its shares since its first approval granted at the AGM in year 2018. The total number of issued shares of the Company as at LPD is 4,038,109,539 PMAH Shares.

The Board of Directors proposes to seek a new mandate from its shareholders to purchase up to 403,810,954 PMAH Shares representing 10% of the existing total number of issued shares of 4,038,109,539 PMAH Shares as at LPD.

The approval from the shareholders for the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority at the forthcoming AGM and shall be valid until: -

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first.

The shareholders' approval for the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own shares on Bursa Securities. Rather, the Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the powers of the Company to purchase its own ordinary shares at any time within the abovementioned time period using the internal funds of the Company and/or external borrowings.

The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds and bank borrowings at the time of the purchase(s), actual number of PMAH Shares to be purchased and other relevant cost factors. The actual number of PMAH Shares to be purchased and the timing of such purchases will depend on, amongst others, the prevailing equity market conditions as well as the retained profits and financial resources available to the Company at the time of purchase(s).

The Board proposed to allocate an amount not exceeding the retained profits of the Company for the purchase of the PMAH Shares subject to compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. Based on the audited financial statements for the financial year ended 31 December 2019, the retained profits of PMAH was RM 632,655,000. The retained profits of the Company based on its Management Accounts as at 31 March 2020 was RM640,336,000.

In accordance with Section 127(4) of the Act, the Board of PMAH is able to deal with any Purchased Shares in the following manner:

- (a) to cancel the Purchased Shares;
- (b) to retain the Purchased Shares as treasury shares; or
- (c) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

Where the Purchased Shares are held as treasury shares, the Board may:

- (a) distribute the shares as dividends to shareholders, such dividends to known as "share dividends";
- (b) resell the shares, or any of the shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the shares, or any of the shares for the purposes of or under employees' share scheme;
- (d) transfer the shares, or any of the shares as purchase consideration;
- (e) cancel the shares or any of the shares; or
- (f) sell, transfer or otherwise use the shares for such other purposes as Minister may by order prescribe.

Pursuant to Section 127(8) of the Act, if the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution and otherwise are suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at meetings, in accordance with Section 127(9) of the Act.

The Company will make an immediate announcement to Bursa Securities of any purchase or resale of the PMAH Shares and whether the Purchased Shares will be cancelled or retained as treasury shares or a combination of both.

PMAH will not purchase its own shares or hold any of its own shares as treasury shares if these results in the aggregate shares purchased or held to exceed 10% of the total number of issued shares of the Company.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

- (i) The Proposed Renewal of Share Buy-Back Authority will enable PMAH to have an additional option to utilise its surplus financial resources.
- (ii) In addition, the purchased shares may be held as treasury shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.
- (iii) With the mandate, the Company will also be able to stabilise the supply and demand of PMAH Shares traded on the Bursa Securities and thereby supports its fundamental value, if required.

4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full, and the shares repurchased are cancelled or alternatively retained as treasury shares or both, the effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, net assets, working capital and earnings are set out below:

4.1 Share Capital

- (i) The effect of the Proposed Renewal of Share Buy-Back Authority on the share capital will depend on whether the PMAH Shares purchased are cancelled or retained as treasury shares.
- (ii) In the event that the maximum number of shares authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and retained as treasury shares, there would be no effect on the share capital of PMAH. However, the rights attached to the treasury shares as to voting, dividends and participation in other distribution or otherwise would be suspended. The treasury shares will not be taken into account in calculating the number or percentage of shares, or of a class of shares in the Company for any purpose including substantial shareholdings, take-overs, notices, requisitioning of meetings, quorum for a meeting and result of a vote on a resolution at a meeting.
- (iii) The Proposed Renewal of Share Buy-Back Authority will reduce the issued share capital if the PMAH Shares so purchased are cancelled. The effect of the maximum number of shares to be bought back as permitted under the Proposed Renewal of Share Buy-Back Authority based on the issued share capital as at LPD assuming the PMAH Shares so purchased are cancelled, is illustrated below:-

Total number of issued shares as at the LPD	4,038,109,539
Less:	
Maximum number of Shares that may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	403,810,954

Resultant number of shares in issued	3,634,298,585
	=====

4.2 Net Assets

- (i) The net assets per share of PMAH Group based on the latest audited financial statements as at 31 December 2019 is RM0.91.
- (ii) The effect of the share repurchase on the net assets per share of the PMAH Group is dependent on the number of PMAH Shares which the Company will buy-back, purchase price of the PMAH Shares at the time of buy-back, the treatment of the shares so purchased and the funding cost, if any.
- (iii) If the maximum number of PMAH Shares purchased is cancelled, the share repurchase would reduce the net assets per share of the Group if the purchase price exceeds the net assets per share at the relevant point in time. Conversely, the net assets per share of the Group would increase if the purchase price is less than the net assets per share at the relevant point in time.
- (iv) If the PMAH Shares are retained as treasury shares, the net assets per share would increase/decrease depending on the purchase price of the PMAH Shares. The net assets per share of the Group would reduce if the purchase price exceeds the net assets per share and vice versa.
- (v) If the treasury shares are resold on the Bursa Securities, the net assets per share will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed to shareholders as share dividends, the net assets per share will decrease by the cost of the treasury shares.

4.3 Working capital

- (i) The Proposed Renewal of Share Buy-Back Authority will result in an outflow of cash and thereby reducing the working capital of the PMAH Group, the quantum of which is dependent on the purchase prices of the PMAH Shares and the number of PMAH Shares repurchased and the funding cost, if any. Nevertheless, the Board will be mindful of the interests of PMAH and its shareholders in undertaking the Proposed Share Buy-Back and will assess the working capital needs of the PMAH Group prior to any repurchase of PMAH Shares.
- (ii) In the event the Company purchases its own shares using external borrowings, the Company will ensure that it has sufficient funds to repay the external borrowings.

4.4 Earnings

- (i) The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of the Group are dependent on the purchase prices of PMAH Shares and the effective funding cost to finance such purchases and/or loss in interest income to the Group, if internally generated funds are utilised.
- (ii) For instance, the share repurchase will increase the EPS of the PMAH Group if the effective funding cost and/or loss in income to the Company which is attributable to every repurchased share is lower than the EPS of the PMAH Group and vice versa.
- (iii) If the PMAH Shares so purchased are cancelled, the consolidated EPS of the Group will increase provided the income foregone and interest expense incurred on these PMAH shares is less than the consolidated EPS prior to such purchase.

4.5 Dividends

- (i) Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, the share repurchase will have the effect of increasing the dividend rate per ordinary share of PMAH as a result of a decrease in the number of shares in PMAH which are entitled to participate in the dividends distribution.
- (ii) The Proposed Renewal of Share Buy-Back Authority may have an impact on the Company's dividend policy as it would reduce the cash available for dividend payment, which may otherwise be used for dividend payment. Nonetheless, the PMAH Shares purchased may be distributed as dividends to shareholders of the Company, if the Directors so decide.

5. ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Advantages

- (i) The Proposed Renewal of Share Buy-Back Authority, if implemented, will enable the Company to stabilise the supply and demand of PMAH Shares on Bursa Securities and thereby reducing the volatility of PMAH Shares.
- (ii) The Company would have the opportunity to utilise its financial resources not immediately required for other use to purchase PMAH Shares and may have the opportunities for potential gains if the Purchased Shares which are retained as treasury shares are resold at prices higher than their purchase prices.

Disadvantages

- (i) The Proposed Renewal of Share Buy-Back Authority will reduce the amount of resources available for distribution to the shareholders of the Company and may result in the Group having to forgo feasible investment opportunities that may emerge in the future. However, the financial resources of the Group may increase if the PMAH Shares so purchased held as treasury shares are resold at prices higher than their purchase price.
- (ii) The working capital of the Group will also be affected, as any purchase of PMAH Shares will reduce the Group cashflow depending on the actual number of shares purchased and their purchase price.

The Board will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Renewal of Share Buy-Back Authority.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of PMAH Shares as traded on Bursa Securities for the past 12 months from April 2019 to March 2020 are as follows:-

	High (RM)	Low (RM)
<u>2019</u>		
April	4.79	4.41
May	4.73	4.16
June	4.51	4.27
July	4.69	4.30
August	4.92	4.50
September	4.95	4.74
October	4.88	4.61
November	4.85	4.56
December	4.77	4.56
<u>2020</u>		
January	5.24	4.65
February	5.18	4.41
March	4.86	2.74

Last transacted price on Bursa Securities on 8 May 2020, being the latest practicable date prior to printing of the Statement was RM3.86

(Source: Investing.com)

7. PUBLIC SHAREHOLDING SPREAD

As at the LPD, the public shareholding spread of the Company was approximately 37.72%.

For the purpose of illustration, if the Company purchases up to the maximum of ten per centum (10%) of the total number of issued shares of PMAH Shares and assuming the number of PMAH Shares currently held by the Directors, the Substantial Shareholders or associates of the Directors and/or Substantial Shareholders remain unchanged, the proforma public shareholding spread of the Company, based on the Record of Depositors as at the LPD is expected to be approximately 30.81%. The Board is mindful of the requirement that any purchase of PMAH Shares by the Company must not result in the public shareholding spread of PMAH falling below 25% of its issued share capital.

8. SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' SHAREHOLDINGS

(i) Substantial Shareholders

Based on the Register of Substantial Shareholders of PMAH as at the LPD and assuming the purchase by PMAH of its own shares pursuant to the Proposed Renewal of Share Buy-Back Authority is carried out in full on the basis that all the PMAH Shares are purchased from shareholders other than the substantial shareholders of PMAH, and all such shares purchased are cancelled, the effects of such purchase on the shareholdings of the existing substantial shareholders of PMAH are as follows:

Substantial Shareholders	Shareholding as at the LPD #			After the Proposed Renewal of Share Buy-Back Authority *				
	<-- Direct -->		<- Indirect ->	<-- Direct -->		<- Indirect ->		
	No. of shares held	% of share capital	No. of shares held	% of share capital	No. of shares held	% of share capital		
Koon Poh Ming	291,867,258	7.23	78,560,000 ^(a)	1.95	291,867,258	8.03	78,560,000 ^(a)	2.16
Tan Sri Dato' Koon Poh Keong	586,075,772	14.51	1,015,805,650 ^(b)	25.16	586,075,772	16.13	1,015,805,650 ^(b)	27.95
Ong Soo Fan	78,560,000	1.95	291,867,258 ^(c)	7.23	78,560,000	2.16	291,867,258 ^(c)	8.03
Puan Sri Datin Khoo Ee Pheng	76,102,320	1.88	1,525,779,102 ^(d)	37.78	76,102,320	2.09	1,525,779,102 ^(d)	41.98
AMSB	939,703,330	23.27	-	-	939,703,330	25.86	-	-
Koon Poh Weng	192,879,868	4.78	73,510,960 ^(e)	1.82	192,879,868	5.31	73,510,960 ^(e)	2.02
Chan Poh Choo	73,456,080	1.82	192,934,748 ^(f)	4.78	73,456,080	2.02	192,934,748 ^(f)	5.31

Notes:

Calculated based on 4,038,109,539 PMAH Shares as at the LPD.

* Calculated based on 3,634,298,585 PMAH Shares, excluding 403,810,954 PMAH Shares (being the maximum number of PMAH Shares of not more than 10% of the total number of issued shares of PMAH as at the LPD) purchased pursuant to the Proposed Share Buy-Back Renewal and subsequently cancelled or retained as treasury shares.

(a) Deemed interested in the shares held by his spouse, Ong Soo Fan in the Company.

(b) Deemed interested in the shares held by his spouse, Puan Sri Datin Khoo Ee Pheng in the company and his direct interest in AMSB pursuant to Section 8 of the Act.

(c) Deemed interested in the shares held by her spouse, Koon Poh Ming in the Company.

(d) Deemed interested in the shares held by her spouse, Tan Sri Dato' Koon Poh Keong in the Company and her direct interest in AMSB pursuant to Section 8 of the Act.

(e) Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee in the Company.

(f) Deemed interested in the shares held by her spouse, Koon Poh Weng and her daughter, Koon Sim Ee in the Company.

(ii)

Directors' Shareholdings

Based on the Register of Directors' shareholdings of PMAH as at the LPD and assuming the purchase by PMAH of its own shares pursuant to the Proposed Share Buy-Back Renewal is carried out in full on the basis that all the PMAH Shares are purchased from shareholders other than the Directors of PMAH, and all such shares purchased are cancelled, the effects of such purchase on the shareholdings of the Directors of PMAH are as follows:

Directors	Shareholding as at the LPD#				After the Proposed Renewal of Share Buy-Back Authority *			
	<-- Direct -->		<- Indirect ->		<-- Direct -->		<- Indirect ->	
	No. of shares held	% of share capital	No. of shares held	% of share capital	No. of shares held	% of share capital	No. of shares held	% of share capital
Dato' Wira (Dr.) Megat Abdul Rahman Bin Megat Ahmad	280,000	0.01	0	0	280,000	0.01	0	0
Koon Poh Ming	291,867,258	7.23	78,560,000 ^(a)	1.95	291,867,258	8.03	78,560,000 ^(a)	2.16
Tan Sri Dato' Koon Poh Keong	586,075,772	14.51	1,015,805,650 ^(b)	25.16	586,075,772	16.13	1,015,805,650 ^(b)	27.95
Dato' Koon Poh Tat	135,291,380	3.35	4,214,302 ^(c)	0.10	135,291,380	3.72	4,214,302 ^(c)	0.12
Koon Poh Weng	192,879,868	4.78	73,510,960 ^(d)	1.82	192,879,868	5.31	73,510,960 ^(d)	2.02
Koon Poh Kong	93,250,686	2.31	11,056,920 ^(e)	0.27	93,250,686	2.57	11,056,920 ^(e)	0.30
Tan Heng Kui	801,640	0.02	0	0	801,640	0.02	0	0
Loo Lean Hock	0	0	0	0	0	0	0	0
Noor Alina Binti Mohamad Faiz	0	0	0	0	0	0	0	0
Lim Hun Soon @ David Lim	0	0	0	0	0	0	0	0

Notes:

Calculated based on 4,038,109,539 PMAH Shares as at the LPD.

* Calculated based on 3,634,298,585 PMAH Shares, excluding 403,810,954 PMAH Shares (being the maximum number of PMAH Shares of not more than 10% of the total number of issued shares of PMAH as at the LPD) purchased pursuant to the Proposed Share Buy-Back Renewal and subsequently cancelled or retained as treasury shares.

(a) Deemed interested in the shares held by his spouse, Ong Soo Fan in the Company.

(b) Deemed interested in the shares held by his spouse, Puan Sri Datin Khoo Ee Pheng in the Company and his direct interest in AMSB pursuant to Section 8 of the Act.

(c) Deemed interested in the shares held by his spouse, Datin Chan Hean Heoh in the Company.

(d) Deemed interested in the shares held by his spouse, Chan Poh Choo and his daughter, Koon Sim Ee in the Company.

(e) Deemed interested in the shares held by his spouse, Lee Sook Ching and his children, Koon Hoi Chun and Koon Xin Hui in the Company.

9. IMPLICATIONS RELATING TO THE CODE

In the event that the Company acquires the full amount of the PMAH Shares authorised under the Proposed Share Buy-Back and all the PMAH Shares so acquired are held as treasury shares, the equity interest of the Substantial Shareholders and their respective parties acting in concert triggering the obligation to undertake a mandatory offer under Paragraph 15(2) of the General Principle 12 of the Code and Paragraph 4.01 of Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions. However, an application to the SC will be submitted for an exemption from having undertake a mandatory offer under Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions before the relevant block purchase is made that will result in the triggering of the mandatory offer.

For illustration, if the equity interest of any one of the Substantial Shareholders and their respective parties acting in concert increases to more than 33% but less than 50% of the voting shares of PMAH and such that their shareholdings of PMAH increases in a period of six (6) months from the dates of purchase by more than 2%, the affected Substantial Shareholder and parties acting in concert would be obliged to undertake a mandatory offer for the remaining PMAH Shares not held by the said affected Substantial Shareholder and parties acting in concert.

SC may grant a waiver to undertake a mandatory offer under Practice Note 9 of the Code, subject to the affected Substantial Shareholder and parties acting in concert complying with certain conditions, if obligation is triggered as a result of any action outside its direct participation. The Substantial Shareholders of PMAH as disclosed in Section 8(i) herein have indicated that they intend to apply for the proposed exemption under Paragraph 4.15 of Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, if the obligation is expected to be triggered as a result of the Proposed Share Buy-Back. The effects of the Proposed Share Buy-Back on their shareholdings are set out in Section 8(i) herein.

10. PURCHASE / RESALE PRICE

Pursuant to Paragraph 12.17 of the Listing Requirements, PMAH shall only purchase its own ordinary shares at a price, which is not more than fifteen per centum (15%) above the weighted average market price for the five (5) Market Days immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell any treasury shares on Bursa Securities or transfer treasury shares pursuant to Section 127(7) of the Act at:

- (a) a price which is not less than the weighted average market price of PMAH Shares for the five (5) Market Days immediately before the date of the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price of PMAH Shares for the five (5) Market Days immediately before the date of the resale or transfer, provided that:
 - (i) the resale or transfer takes place not earlier than 30 days from the date of the purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the PMAH Shares being resold or transferred.

11. PURCHASE, RESALE, TRANSFER AND/OR CANCELLATION OF PMAH SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

The Company has not made any purchase, resale, transfer and/or cancellation of its own shares in the twelve (12) months preceding the date of this Statement.

12. DIRECTORS' RECOMMENDATION

The Board have considered all aspects of the Proposed Renewal of Share Buy-Back Authority is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the PMAH Group and accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

13. INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacities as the shareholders of the Company pursuant to the Proposed Renewal of Share Buy-Back Authority, none of the Directors and/or Major Shareholders of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

14. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of
Press Metal Aluminium Holdings Berhad

Dato' Wira (Dr.) Megat Abdul Rahman Bin Megat Ahmad
Independent Non-Executive Chairman

FURTHER INFORMATION**1. Directors' responsibility statement**

This Circular has been seen and approved by the Directors of PMAH and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which, would make any statement herein misleading.

2. Material litigations, Claims and Arbitration

PMAH Group is not involved in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of PMAH Group and the Company is not aware of any proceedings, pending or threatened against PMAH Group or of any facts which is likely to give rise to any proceedings which may materially and adversely affect the financial position or business of PMAH Group.

3. Material contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by PMAH and its subsidiaries within the past two (2) years immediately preceding the date of this Circular:-

- (a) PM Bintulu had on 17 October 2018 entered into an Asset Sale Agreement ("ASA") with ITOCHU Minerals & Energy of Australia Pty. Ltd. ("IMEA") and ITOCHU Corporation, the holding company of IMEA, for the acquisition of 50.00% equity interest in Japan Alumina Associates (Australia) Pty. Ltd. ("JAA") for a total cash purchase consideration of AUD250.0 million (equivalent to approximately RM739.0 million), subject to the terms and conditions as stipulated in the ASA ("Proposed Acquisition").

The Proposed Acquisition was completed on 28 February 2019. JAA has become a 50.00% joint operation company of PM Bintulu.

- (b) The Company had on 31 May 2019, entered into a MOU with PT Bintan Alumina Indonesia ("PT BAI") and its direct and indirect shareholders, which are Shandong Nanshan Aluminium Co. Ltd., Redstone Alumina International Pte. Ltd., and PT Mahkota Karya Utama ("PT MKU").

PT BAI is principally involved in the production of non-ferrous metals. PT BAI is currently in the midst of constructing an alumina refinery plant together with the necessary facilities in Galang Batang ("Construction").

The MOU set out the principles for the parties to further discuss the proposed capital injection by PMAHB into PT BAI via a subscription of approximately 25% of PT BAI shares by the Company (the "Proposed Subscription").

Subsequently, the Company had on 15 November 2019 entered into a share subscription agreement with PT MKU and PT BAI ("SSA") and a shareholders' agreement with PT MKU, Global Aluminium International Pte. Ltd. and PT BAI ("SHA").

The Proposed Subscription entails the subscription by the Company of 908,533 newly issued and allotted ordinary shares of PT BAI having a nominal value of IDR1,000,000 per share, representing 25% equity interest in PT BAI, for a total cash consideration of USD80,232,000.

- (c) PMB (Klang) Sdn Bhd, the subsidiary of the Company, had on 29 October 2019 entered into the following agreements:-
- (i) Conditional sale and purchase agreement(s) with Everlast Aluminium (M) Sdn Bhd, a wholly-owned subsidiary of PMB Technology Berhad, for the proposed acquisition of the following companies for a total aggregate cash consideration of RM43,182,000:-
 - (a) 2,000,000 ordinary shares in PMB Central Sdn Bhd, representing the entire equity interest in PMB Central Sdn Bhd, for a cash consideration of RM24,958,000;
 - (b) 1,000,000 ordinary shares in PMB Northern Sdn Bhd, representing the equity interest in PMB Northern Sdn Bhd, for a cash consideration of RM9,858,000;
 - (c) 500,000 ordinary shares in PMB Eastern Sdn Bhd, representing the entire equity interest in PMB Eastern Sdn Bhd, for a cash consideration of RM8,366,000; and
 - (ii) A conditional sale and purchase agreement with PMB Technology Berhad for the proposed acquisition 200,000 ordinary shares in PMB Aluminium Sabah Sdn Bhd, for a cash consideration of RM1,204,000

(collectively referred to as "Proposed Acquisition")

The Proposed Acquisition was completed on 19 December 2019. PMB Central Sdn Bhd, PMB Northern Sdn Bhd, PMB Eastern Sdn Bhd and PMB Aluminium Sabah Sdn Bhd have become wholly-owned subsidiaries of PMB (Klang) Sdn Bhd, which in turn are subsidiaries of the Company.

4. Documents available for inspection

Copies of the following documents are available for inspection at the registered office of the Company at 12th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming AGM:

- (a) Constitution of PMAH;
- (b) Audited consolidated financial statements of PMAH Group for the past two (2) financial years ended 31 December 2018 and 31 December 2019; and
- (c) Material contracts referred to in Section 3 of this Appendix I.

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