

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For the period ended 31 March 2020

	1st Quarter 3 months ended			Period-to-date 3 months ended		
	31.03.2020 RM'000	31.03.2019 RM'000	Changes %	31.03.2020 RM'000	31.03.2019 RM'000	Changes %
Revenue	1,830,016	2,171,253	(15.7)	1,830,016	2,171,253	(15.7)
Operating expenses	(1,647,465)	(1,990,587)	(17.2)	(1,647,465)	(1,990,587)	(17.2)
Other operating income	1,321	14,661	(91.0)	1,321	14,661	(91.0)
<b>Profit from operations</b>	<b>183,872</b>	<b>195,327</b>	<i>(5.9)</i>	<b>183,872</b>	<b>195,327</b>	<i>(5.9)</i>
Net finance costs	(42,502)	(42,468)	0.1	(42,502)	(42,468)	0.1
Share of profit from associates	2,246	2,711	(17.2)	2,246	2,711	(17.2)
<b>Profit before tax</b>	<b>143,616</b>	<b>155,570</b>	<i>(7.7)</i>	<b>143,616</b>	<b>155,570</b>	<i>(7.7)</i>
Taxation	<i>B5</i> (13,361)	(12,229)	9.3	(13,361)	(12,229)	9.3
<b>Profit for the period</b>	<b>130,255</b>	<b>143,341</b>	<i>(9.1)</i>	<b>130,255</b>	<b>143,341</b>	<i>(9.1)</i>
Attributable to :						
Equity holders of the parent	102,565	115,107	(10.9)	102,565	115,107	(10.9)
Non-controlling interest	27,690	28,234	(1.9)	27,690	28,234	(1.9)
	<b>130,255</b>	<b>143,341</b>	<i>(9.1)</i>	<b>130,255</b>	<b>143,341</b>	<i>(9.1)</i>
Basic earnings per share (sen)	<i>B12(a)</i> 2.54	2.89	(12.1)	2.54	2.89	(12.1)
Diluted earnings per share (sen)	<i>B12(b)</i> 2.54	2.88	(11.8)	2.54	2.88	(11.8)

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 31 March 2020

	1st Quarter			Period-to-date		
	31.03.2020	31.03.2019	Changes	31.03.2020	31.03.2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit for the period</b>	<b>130,255</b>	<b>143,341</b>	<b>(9.1)</b>	<b>130,255</b>	<b>143,341</b>	<b>(9.1)</b>
Other comprehensive income, net of tax						
-Foreign currency translation differences for foreign operations	(102,276)	21,332	(579.4)	(102,276)	21,332	(579.4)
-Cash flow hedge	(401,768)	(13,688)	2,835.2	(401,768)	(13,688)	2,835.2
<b>Total comprehensive income/(expenses) for the period</b>	<b>(373,789)</b>	<b>150,985</b>	<b>(347.6)</b>	<b>(373,789)</b>	<b>150,985</b>	<b>(347.6)</b>
Attributable to :						
Equity holders of the parent	(352,799)	141,968	(348.5)	(352,799)	141,968	(348.5)
Non-controlling interest	(20,990)	9,017	(332.8)	(20,990)	9,017	(332.8)
	<b>(373,789)</b>	<b>150,985</b>	<b>(347.6)</b>	<b>(373,789)</b>	<b>150,985</b>	<b>(347.6)</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 March 2020

	<i>Note</i>	<b>As at 31.03.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,864,635	5,589,680
Right-of-use assets		521,146	530,412
Investment properties		22,182	22,318
Intangible assets		64,330	64,330
Investments in associates		762,318	138,345
Other investments		1,803	1,803
Derivative financial assets		79,390	82,918
Deferred tax assets		4,052	3,752
Other receivables & prepayments		155,059	249,634
<b>Total non-current assets</b>		<b>7,474,915</b>	<b>6,683,192</b>
<b>Current assets</b>			
Inventories		1,368,928	1,421,374
Trade receivables		743,659	813,793
Other receivables, deposits and prepayments		233,629	235,541
Contract assets		109	74
Derivative financial assets		237,663	132,003
Current tax assets		15,970	10,770
Deposits, cash and bank balances		401,107	363,818
<b>Total current assets</b>		<b>3,001,065</b>	<b>2,977,373</b>
<b>Total assets</b>		<b>10,475,980</b>	<b>9,660,565</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		1,088,487	1,088,487
Reserves		(332,612)	122,752
Retained profits		2,506,865	2,454,776
		<b>3,262,740</b>	<b>3,666,015</b>
<b>Non-controlling interest</b>		792,711	813,701
<b>Total equity</b>		<b>4,055,451</b>	<b>4,479,716</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings	<i>B8</i>	3,679,216	3,030,223
Derivative financial liabilities		345,085	56,355
Deferred tax liabilities		223,015	231,257
Provisions		73,492	78,712
Lease liabilities		185,192	199,236
<b>Total non-current liabilities</b>		<b>4,506,000</b>	<b>3,595,783</b>
<b>Current liabilities</b>			
Trade payables		643,663	639,025
Other payables and accruals		233,277	278,643
Provisions		7,718	8,382
Contract liabilities		2,362	10
Derivative financial liabilities		199,885	20,919
Overdraft & short term borrowings	<i>B8</i>	802,576	611,759
Lease liabilities		18,184	19,926
Taxation		6,864	6,402
<b>Total current liabilities</b>		<b>1,914,529</b>	<b>1,585,066</b>
<b>Total liabilities</b>		<b>6,420,529</b>	<b>5,180,849</b>
<b>Total equity and liabilities</b>		<b>10,475,980</b>	<b>9,660,565</b>
Net assets per share (RM)		<b>0.81</b>	<b>0.91</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the period ended 31 March 2020

	←----- Attributable to equity holders of the parent ----->					Total	Non-controlling Interest	Total Equity
	←----- Non-Distributable ----->			Distributable				
	Share Capital RM'000	Translation Reserve RM'000	Warrants Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2019</b>	<b>1,046,903</b>	<b>39,272</b>	<b>7,614</b>	<b>(34,668)</b>	<b>2,177,593</b>	<b>3,236,714</b>	<b>790,871</b>	<b>4,027,585</b>
Exchange differences	-	21,332	-	-	-	21,332	334	21,666
Exercise of warrants	33,305	-	(6,048)	-	-	27,257	-	27,257
Cash flow hedge	-	-	-	5,863	-	5,863	(19,551)	(13,688)
Net profit for the period	-	-	-	-	115,107	115,107	28,234	143,341
<b>At 31 March 2019</b>	<b>1,080,208</b>	<b>60,604</b>	<b>1,566</b>	<b>(28,805)</b>	<b>2,292,700</b>	<b>3,406,273</b>	<b>799,888</b>	<b>4,206,161</b>
<b>At 1 January 2020</b>	<b>1,088,487</b>	<b>30,248</b>	<b>-</b>	<b>92,504</b>	<b>2,454,776</b>	<b>3,666,015</b>	<b>813,701</b>	<b>4,479,716</b>
Exchange differences	-	(102,551)	-	-	-	(102,551)	275	(102,276)
Cash flow hedge	-	-	-	(352,813)	-	(352,813)	(48,955)	(401,768)
Proposed dividend - Fourth interim 2019	-	-	-	-	(50,476)	(50,476)	-	(50,476)
Net profit for the period	-	-	-	-	102,565	102,565	27,690	130,255
<b>At 31 March 2020</b>	<b>1,088,487</b>	<b>(72,303)</b>	<b>-</b>	<b>(260,309)</b>	<b>2,506,865</b>	<b>3,262,740</b>	<b>792,711</b>	<b>4,055,451</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

**PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 31 March 2020

	<b>3 months ended</b>	
	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	143,616	155,570
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	102,169	91,406
Finance income	(2,180)	(1,719)
Finance costs	44,682	44,187
Share of profit of equity accounted associates, net of tax	(2,246)	(2,711)
Gain on disposal of property, plant and equipment	(84)	(3,364)
Property, plant and equipment written off	1,894	4,398
Unrealised foreign exchange loss/(gain)	1,544	(5,485)
<b>Operating profit before changes in working capital</b>	<b>289,395</b>	<b>282,282</b>
Changes in working capital		
Inventories	52,446	177,369
Trade and other receivables	73,174	(56,518)
Trade and other payables	(63,307)	(195,838)
Cash generated from operations	351,708	207,295
Income tax paid	(3,923)	(1,681)
<b>Net cash from operating activities</b>	<b>347,785</b>	<b>205,614</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(389,420)	(62,547)
Acquisition of an associate	(563,783)	(433,243)
Loan to an associate	-	(314,312)
Dividend received from an associate	430	890
Proceeds from disposal of property, plant and equipment	194	1,058
Interest received from fixed deposits	2,180	1,719
<b>Net cash used in investing activities</b>	<b>(950,399)</b>	<b>(806,435)</b>
<b>Cash flows from financing activities</b>		
Dividend paid to owners of the Company	(50,478)	-
Net drawdown of banking facilities	687,826	525,109
Increase/(Decrease) in amount due to an associate	20,836	(15,134)
Interest paid on loans and borrowings	(44,682)	(44,187)
Proceeds from issue of shares via exercise of warrants	-	27,257
Repayment of loan from an associate	-	28,960
Finance lease payments	(1,978)	(1,121)
<b>Net cash from financing activities</b>	<b>611,524</b>	<b>520,884</b>
Net increase/(decrease) in cash and cash equivalents	8,910	(79,937)
Effect of exchange rate fluctuations on cash held	28,280	(1,255)
Cash and cash equivalents at 1 January	360,780	193,880
<b>Cash and cash equivalents at 31 March</b>	<b>397,970</b>	<b>112,688</b>

## PRESS METAL ALUMINIUM HOLDINGS BERHAD

Company No. 201601027232 (1198171-H)

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

For the period ended 31 March 2020

#### Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Deposits (exclude deposits pledged)	47,542	6,061
Cash and bank balances	350,647	107,061
Bank overdrafts	(219)	(434)
	<hr/>	<hr/>
	397,970	112,688

#### Deposits, cash and bank balances

	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Deposits placed with licence banks	50,460	105,977
Cash and bank balances	350,647	107,061
	<hr/>	<hr/>
	401,107	213,038

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**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 2019, 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 2020.

***MFRSs, 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*

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:

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- MFRS 17, *Insurance Contracts*

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**A1. Basis of preparation - cont'd**

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments 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, interpretations and amendments from the annual period beginning on 1 January 2022 for the amendment that is effective for annual periods beginning on or after 1 January 2022. 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.

**A2. Auditors' report**

The auditors' report of the audited financial statements for the financial year ended 31 December 2019 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 period-to-date.



**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**A6. Debt and equity securities**

There were no other debt and equity securities issued during the current financial period-to-date.

**A7. Dividends paid**

	<u>Tax exempt (sen per share)</u>	<u>Total amount (RM'000)</u>	<u>Date of payment</u>
Fourth interim 2019	1.25	50,476	30.03.2020

**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**  
Manufacturing and marketing of upstream aluminium products.
- (ii) **Extrusion**  
Manufacturing and trading of downstream aluminium extrusion products.
- (iii) **Refinery**  
Refinery of alumina.
- (iv) **Contracting and others**  
Contracting of aluminium and stainless steel products.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**A8. Segmental information – (cont'd)**

<i>Business Segments</i>						
<i>RM'000</i>	<b>Smelting</b>	<b>Extrusion</b>	<b>Refinery</b>	<b>Contracting and others</b>	<b>Elimination</b>	<b>Total</b>
Revenue from external Customers	1,395,378	339,767	76,843	18,028	-	1,830,016
Inter-segment revenue	201,006	246,767	-	68,137	(515,910)	-
<b>Total revenue</b>	<b>1,596,384</b>	<b>586,534</b>	<b>76,843</b>	<b>86,165</b>	<b>(515,910)</b>	<b>1,830,016</b>
<b>Segment results</b>	<b>175,579</b>	<b>5,943</b>	<b>14,872</b>	<b>(12,522)</b>		<b>183,872</b>
Share of associates' profit						2,246
Net finance costs						(42,502)
Profit before tax						143,616
Taxation						(13,361)
Profit after tax						130,255
<i>Geographical Segments</i>						
<i>RM'000</i>	<b>Malaysia</b>	<b>Asia Region</b>	<b>Europe Region</b>	<b>American Region</b>	<b>Elimination</b>	<b>Total</b>
Revenue from external Customers	1,941,674	262,869	83,758	57,625	(515,910)	1,830,016
Segment assets by location	14,644,056	2,222,193	118,684	47,258	(7,318,529)	9,713,662
Investments in associates	107,825	654,493	-	-	-	762,318
	14,751,881	2,876,686	118,684	47,258	(7,318,529)	10,475,980

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**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 period 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 March 2020, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditures not provided for in the financial statements	1,300,000
	=====

**A14. Related party transactions**

	<b>3 months ended</b>
	<b>31.03.2020</b>
<u>The Group</u>	RM'000
With the affiliated companies – PMB Technology Berhad Group:-	
-Sales of aluminium products	4,235
-Purchase of fabricated aluminium products and building materials	43,814
	=====

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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

**Review of performance**

**B1. Q1 2020 vs Q1 2019**

The Group registered a revenue of RM1.83 billion in Q1 2020 as compared to RM2.17 billion in Q1 2019. Revenue declined by RM341.24 million or 15.7% mainly due to lower aluminium price during the current quarter under review.

In tandem with the lower revenue, the Group's profit before tax ("PBT") has also reduced by RM11.95 million or 7.7% from RM155.57 million in Q1 2019 to RM143.62 million in Q1 2020. Nevertheless, the percentage of reduction in PBT was lower than that of revenue mainly due to the savings from lower raw material costs following the normalisation of alumina and carbon anode prices since 2H 2019.

**B2. Q1 2020 vs Q4 2019**

The Group PBT in Q1 2020 was also lower than Q4 2019 by RM41.10 million or 22.3% following the softening of aluminium price during the current quarter under review.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**B3. Current year's prospects**

The Group was faced with a challenging start to the year due to the escalation of Covid-19 which became a pandemic, affecting all countries. Majority of the world economy was halted or severely disrupted by enforced quarantines, lock downs and travel restrictions. With reduced economic activities and shutdowns in industries, both the aluminium demand and prices were impacted. However, we have partially locked in some favourable pricing from our forward hedging which mitigated some of the impacts from the prevailing low-price environment.

The Group expects a recovery in prices should the situation improve without a new wave from the virus spread. Prices of key raw materials such as alumina have also normalised to a more reasonable level compared to 2019.

Despite temporary setback from the pandemic, we are confident of our low-cost model and remain committed to execute our expansion as planned. We are targeting to commission our Phase 3 smelter in January 2021, increasing capacity by 42% from 760,000 up to 1,080,000 tonnes per annum. The progress of our investment in an alumina refinery in Indonesia is also moving as planned and we expect Phase 1 commissioning by end of 2020. We are confident that our strategies will enable us to emerge stronger from this when the global economic environment improves.

**B4. Profit forecast**

Not applicable as no profit forecast was published.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**B5. Taxation**

Taxation comprises the following:

	<b>3 months ended</b> <b>31.03.2020</b> <b>RM'000</b>
Malaysian income tax	968
Foreign tax	1,728
Deferred tax	10,665
	-----
	13,361
	=====

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**

	<b>As at</b> <b>31.03.2020</b> <b>RM'000</b>	<b>As at</b> <b>31.12.2019</b> <b>RM'000</b>
Retained earnings:		
Realised	2,766,945	2,721,282
Unrealised	(223,015)	(231,257)
	-----	-----
	2,543,930	2,490,025
Total share of retained earnings of associates:		
Unrealised	(37,065)	(35,249)
	-----	-----
Total Group retained earnings	2,506,865	2,454,776
	=====	=====

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**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 March 2020**

	<u>Secured</u> <u>(RM'000)</u>	<u>Unsecured</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
Long term	665,114	3,014,102	3,679,216
Short term	65,166	737,410	802,576
	----- 730,280 =====	----- 3,751,512 =====	----- 4,481,792 =====

Borrowings that are denominated in foreign currencies amounting to RM4,287 million are as follow: -

<u>Currency</u>		<u>As at</u> <u>31.03.2020</u> <u>RM'million</u>
US Dollar	USD	4,226
Reminbi	RMB	19
Pound Sterling	GBP	43

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**B9. Derivative Financial Instruments**

(a) Details of derivative financial instruments

Details of derivative financial instruments that are outstanding as at 31 March 2020 are as follows:

	Nominal value RM'000	Fair value assets/(liabilities) RM'000
Commodity swaps		
- Less than 1 year	1,287,591	147,907
- 1 year to 3 years	1,444,786	(4,714)
- More than 3 years	-	-
	----- 2,732,377 =====	----- 143,193 =====
Forward exchange contracts		
- Less than 1 year	2,686,228	(110,128)
- 1 year to 3 years	3,428,944	(106,358)
- More than 3 years	5,662,655	(156,005)
	----- 11,777,827 =====	----- (372,491) =====
Cross currency swaps		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	1,000,000	1,381
	----- 1,000,000 =====	----- 1,381 =====



**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**B9. Derivative Financial Instruments (cont'd)**

(a) Details of derivative financial instruments (*cont'd*)

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 2019.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**B9. Derivative Financial Instruments -cont'd**

(b) Fair value changes in financial liabilities

The gain/(loss) arising from fair value changes of financial liabilities for the current quarter and financial period-to-date are as follows: -

Type of financial liabilities	Basis of fair value measurement	Reason for gain	Fair value gain/(loss)	
			Current quarter 31.03.2020 RM'000	Current period-to-date 31.03.2020 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	104,709	104,709
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	(431,201)	(431,201)
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	(39,072)	(39,072)
<b>Total</b>			<b>(365,564)</b>	<b>(365,564)</b>

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**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 first interim single tier dividend of 1.0 sen per ordinary share, amounting approximately of RM40,381,100 for the financial year ending 31 December 2020.

The book closure and payment dates for the aforesaid dividend are 19 June 2020 and 3 July 2020 respectively.

**B12. Earnings per ordinary share**

**(a) Basic earnings per share**

	<b>1st Quarter</b>		<b>Period-to-date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.20</b>	<b>31.03.19</b>	<b>31.03.20</b>	<b>31.03.19</b>
Profit attributable to shareholders (RM'000)	102,565	115,107	102,565	115,107
Weighted average number of ordinary shares ('000)	4,038,110	3,979,564	4,038,110	3,979,564
Basic earnings per share (sen)	2.54	2.89	2.54	2.89
	=====	=====	=====	=====

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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

**(b) Diluted earnings per share**

	<b>1st Quarter</b>		<b>Period-to-date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.20</b>	<b>31.03.19</b>	<b>31.03.20</b>	<b>31.03.19</b>
Profit attributable to shareholders (RM'000)	102,565	115,107	102,565	115,107
Weighted average number of ordinary shares ('000)	4,038,110	3,979,564	4,038,110	3,979,564
Warrants C ('000)	-	16,491	-	16,491
	-----	-----	-----	-----
	4,038,110	3,996,055	4,038,110	3,996,055
	=====	=====	=====	=====
Diluted earnings per share (sen)	2.54	2.88	2.54	2.88
	=====	=====	=====	=====

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**B13. Note to the Condensed Consolidated Income Statement**

Profit before tax is arrived at after charging/(crediting) the following items:

	<b>Current Quarter RM'000</b>	<b>Current Financial Period-To-Date RM'000</b>
Interest income	(2,180)	(2,180)
Other income including investment income	-	-
Interest expense	44,682	44,682
Depreciation and amortisation	102,169	102,169
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	(84)	(84)
Impairment on assets	-	-
Realised foreign exchange loss	1,982	1,982
Unrealised foreign exchange loss	1,544	1,544
Gain on derivatives	-	-
Property, plant and equipment written off	1,894	1,894
Exceptional item	-	-

**B14. Comparative figures**

The prior year's financial statements have been restated to reflect the audited financial statements for the financial year ended 31 December 2019.

**On behalf of the Board**

**Tan Sri Dato' Koon Poh Keong**  
**Group Chief Executive Officer**  
 4 June 2020