THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your ordinary shares in Press Metal Berhad ("**PMB**"), you should at once hand this Abridged Prospectus together with the Notice of Provisional Allotment ("**NPA**") and the Rights Subscription Form ("**RSF**") to the agent through whom you effected the sale or transfer for onward transmission to the purchaser of transferee. All enquiries concerning the Rights Issue (as defined herein) should be addressed to our Share Registrar, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

This Abridged Prospectus, together with the NPA and RSF (collectively, the "**Documents**"), are only to be despatched to the ordinary shareholders of our Company whose names appear in our Record of Depositors as at 5.00 p.m. on 29 July 2011 ("**Entitled Shareholders**") at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 29 July 2011. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia, are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their renouncees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional adviser as to whether the acceptance or renunciation (as the case may be) of their entitlements to the RCSLS (as defined herein) with Warrants (as defined herein), application for excess RCSLS with Warrants, or the subscription, offer, sale, resale, pledge or other transfer of the RCSLS with Warrants would result in the contravention of any law of such countries or jurisdictions. Neither we nor any of our Joint Principal Advisers and Joint Lead Arrangers for the Rights Issue namely, Alliance Investment Bank Berhad ("**Alliance**") and Maybank Investment Bank Berhad ("**Maybank IB**") shall accept any responsibility or liability in the event that any acceptance and/or renunciation of provisional allotment of RCSLS with Warrants made by the Entitled Shareholders and/or their renouncees (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders and/or their renouncees (if applicable) are residents.

A copy of this Abridged Prospectus has been registered with the Securities Commission Malaysia ("**SC**"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has been lodged with the Registrar of Companies of Malaysia who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue has been obtained from our shareholders at our Extraordinary General Meeting held on 29 June 2011. Approval for the issue of Warrants to non-resident shareholders pursuant to the Rights Issue has been obtained from Bank Negara Malaysia on 12 May 2011. Approval for the issuance of the RCSLS has been obtained from the SC vide its letter dated 30 May 2011. Approval has been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") via its letter dated 10 June 2011 for the admission of the RCSLS and Warrants to the Official List of Bursa Securities and the listing of and quotation for the RCSLS, Warrants and new PMB Shares (as defined herein) arising from the conversion of the RCSLS and exercise of Warrants on the Main Market of Bursa Securities. The official listing of and quotation for such new securities will commence after, among others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd that all the Central Depository System accounts of the successful Entitled Shareholders and/or their renouncees (if applicable) have been duly credited and notices of allotment have been despatched to them. Admission of the RCSLS and Warrants to the Official List of Bursa Securities and quotation for the RCSLS, Warrants and new PMB Shares pursuant to the conversion of the RCSLS and exercise of the Warrants on Bursa Securities are in no way reflective of the merits of the Rights Issue. Bursa Securities does not take any responsibility for the correctness of any statement made or opinion expressed in this Abridged Prospectus.

Our Directors have seen and approved the Documents and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

Alliance and Maybank IB, being our Joint Principal Advisers and Joint Lead Arrangers for the Rights Issue, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

Unless otherwise stated, the unit of currency used in this Abridged Prospectus is Ringgit Malaysia (or "RM" in abbreviation) and sen.

PRESS METAL

PRESS METAL BERHAD
(Company No.: 153208-W)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO RM323,735,042 NOMINAL VALUE OF EIGHT (8)-YEAR 6% REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("RCSLS") AT 100% OF ITS NOMINAL VALUE TOGETHER WITH UP TO 147,152,292 FREE DETACHABLE NEW WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) RM2.20 NOMINAL VALUE OF RCSLS TOGETHER WITH ONE (1) WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM0.50 EACH HELD IN PRESS METAL BERHAD ("PMB") AS AT 5.00 P.M. ON 29 JULY 2011 ("RIGHTS ISSUE")

Joint Principal Advisers and Joint Lead Arrangers

ALLIANCE INVESTMENT BANK
Alliance Investment Bank Berhad (21605-D)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Maybank Investment Bank
Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Rating Agency

Malaysian Rating Corporation Berhad had assigned a A- rating to PMB's RCSLS

Trustee and Security Trustee

Mayban Trustees
Mayban Trustees Berhad (5004-P)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement date	: 29 July 2011 at 5.00 p.m.
Last dates and times for:	
Sale of provisional allotment of rights	: 5 August 2011 at 5.00 p.m.
Transfer of provisional allotment of rights	: 10 August 2011 at 4.00 p.m.
Acceptance and payment	: 15 August 2011 at 5.00 p.m.*
Excess application and payment	: 15 August 2011 at 5.00 p.m.*

** Or such later date and time as the Board of Directors of PMB , Joint Principal Advisers and Joint Lead Arrangers in their absolute discretion may decide and announce not less than two (2) market days before the stipulated date and time.*

This Abridged Prospectus is dated 29 July 2011

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD CAREFULLY READ THIS ABRIDGED PROSPECTUS IN ITS ENTIRETY ON THE MERITS AND RISKS PERTAINING TO AN INVESTMENT IN THE RCSLS WITH WARRANTS AND OUR COMPANY BEFORE DECIDING ON WHETHER TO ACCEPT OR APPLY FOR THE RCSLS WITH WARRANTS. YOU SHOULD ALSO CAREFULLY CONSIDER THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND THE RIGHTS ISSUE IN LIGHT OF YOUR PERSONAL CIRCUMSTANCES (INCLUDING FINANCIAL AND TAXATION AFFAIRS).

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DELIVERY OF THIS ABRIDGED PROSPECTUS SHALL NOT, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF OUR GROUP SINCE THE DATES HEREOF.

WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

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Company No.: 153208-W

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

"Act"	:	Companies Act, 1965 and any amendments made thereto from time to time
"Additional Undertaking"	:	The irrevocable written undertaking provided by AMSB to our Company that it will subscribe for additional RCSLS and Warrants (inclusive of Entitlement Undertaking) of up to RM300,000,000 nominal value of RCSLS with up to 136,363,636 Warrants attached not taken up by other Entitled Shareholders under the Rights Issue to enable us to meet the Minimum Subscription Level
"Alliance"	:	Alliance Investment Bank Berhad (21605-D)
"AMSB"	:	Alpha Milestone Sdn Bhd (916040-K)
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of PMB
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	The Central Depository System governed under Central Depositories Act
"CDS Account"	:	The account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
"Central Depositories Act"	:	Securities Industry (Central Depositories) Act, 1991, as amended from time to time
"CMSA"	:	Capital Markets & Services Act 2007 and any amendments made thereto from time to time
"Code"	:	The Malaysian Code on Take-Overs and Mergers 2010 and any amendments made thereto from time to time
"EGM"	:	Extraordinary General Meeting
"Entitled Shareholder(s)"	:	Shareholder(s) of PMB whose name(s) appear in the Record of Depositors of our Company on the Entitlement Date
"Entitlement Date"	:	29 July 2011 at 5.00 p.m., being the date and time at which the names of PMB shareholders must appear in the Record of Depositors of our Company, in order to be entitled to participate in the Rights Issue
"Entitlement Undertaking"	:	The irrevocable written undertaking provided by AMSB to our Company that it will subscribe for the Renounced Entitlements under the Rights Issue by the closing date for acceptance and payment for the Rights Issue
"EPS"	:	Earnings per share
"ESOS"	:	Employees Share Option Scheme

DEFINITIONS (Cont'd)

"ESOS Option(s)"	:	Options under the ESOS
"FYE/FPE"	:	Financial year/period ending/ended, as the case may be
"Joint Principal Advisers and Joint Lead Arrangers"	:	Alliance and Maybank IB, collectively
"Koon Brothers"	:	Dato' Koon Poh Keong and Koon Poh Ming, collectively
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities and any amendments made thereto from time to time
"LPD"	:	30 June 2011, being the latest practicable date prior to the printing of this Abridged Prospectus
"Market Day"	:	A day on which Bursa Securities is open for trading in securities
"Maximum Scenario"	:	Assuming full exercise of the Outstanding ESOS Options on or prior to the Entitlement Date and all Entitled Shareholders subscribe for their respective entitlements, the Rights Issue would entail the maximum issuance of RM323,735,042 nominal value of RCSLS together with 147,152,292 Warrants
"Maybank IB"	:	Maybank Investment Bank Berhad (15938-H)
"Minimum Scenario"	:	Assuming none of the Outstanding ESOS Options are exercised on or prior to the Entitlement Date and all Entitled Shareholders subscribe for their respective entitlements, the Rights Issue would entail the minimum issuance of RM322,060,109 nominal value of RCSLS together with 146,390,959 Warrants
"Minimum Subscription Level"	:	Minimum level of subscription for the Rights Issue of RM300,000,000 nominal value of RCLS at 100% of its nominal value together with 136,363,636 Warrants
"MT"	:	Metric tonnes
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment pursuant to the Rights Issue
"Official List"	:	A list specifying all securities listed on the Main Market of Bursa Securities
"Outstanding ESOS Options"	:	The 2,284,000 outstanding ESOS Options as at the LPD that may be exercisable into 2,284,000 new PMB Shares
"PMB" or "Company"	:	Press Metal Berhad (153208-W)
"PMB Group" or "Group"	:	PMB and its subsidiary companies, collectively
"PMB Shares"	:	Ordinary shares of RM0.50 each in PMB
"PMBSB"	:	Press Metal Bintulu Sdn Bhd (918822-X)
"RCSLS"	:	8-year 6% Redeemable Convertible Secured Loan Stocks

DEFINITIONS (Cont'd)

"Record of Depositors"	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
"Renounced Entitlements"	:	The irrevocable written undertaking provided by Koon Brothers that they will renounce their respective entitlements to the RCSLS with Warrants as at the Entitlement Date to AMSB
"Rights Issue"	:	Renounceable rights issue of up to RM323,735,042 nominal value of RCSLS at 100% of its nominal value together with up to 147,152,292 Warrants on the basis of one (1) RM2.20 nominal value of RCSLS together with one (1) Warrant for every three (3) existing PMB Shares held
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form pursuant to the Rights Issue
"Rules of Bursa Depository"	:	The rules of a central depository as defined in the Securities Industry (Central Depositories) Act, 1991
"SC"	:	Securities Commission Malaysia
"Security Documents"	:	Means collectively the following: (i) Deed of guarantee and indemnity dated 20 July 2011 made between PMB and the Trustee and Security Trustee; (ii) Assignment of PMB's account dated 20 July 2011 made between PMB and the Trustee and Security Trustee; (iii) Priority and security sharing agreement dated 20 July 2011 made between PMBSB, PMB, Maybank IB and the Trustee and Security Trustee; (iv) Land charge dated 20 July 2011 over Lot 36, Block 1, Kemena Land District, Samalaju Industrial Park, Bintulu, State of Sarawak executed by PMBSB in favour of the Trustee and Security Trustee; (v) Debenture dated 20 July 2011 executed by PMBSB in favour of the Trustee and Security Trustee; (vi) Assignment of contracts dated 20 July 2011 executed by PMBSB in favour of the Trustee and Security Trustee; (vii) Assignment of income dated 20 July 2011 executed by PMBSB in favour of the Trustee and Security Trustee; (viii) Assignment of insurances dated 20 July 2011 executed by PMBSB in favour of the Trustee and Security Trustee; and (ix) Assignment of designated accounts dated 20 July 2011 executed by PMBSB in favour of the Trustee and Security Trustee
"Trustee and Security Trustee"	:	Mayban Trustees Berhad (5004-P)
"Undertakings"	:	The Entitlement Undertaking and Additional Undertaking, collectively
"VWAP"	:	Volume weighted average price

DEFINITIONS (Cont'd)

"Warrant(s)"	:	Free detachable new warrants to be issued together with the RCSLS pursuant to the Rights Issue

References to "we", "us", "our" and "ourselves" are to our Company, and where the context otherwise requires, our subsidiaries.

All references to "you" in this Abridged Prospectus are to the Entitled Shareholders.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

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APPENDICES

CORPORATE DIRECTORY

PRESS METAL

PRESS METAL BERHAD
(Company No. 153208-W)
(Incorporated in Malaysia under the Act)

BOARD OF DIRECTORS

Name (Designation)	Address	Nationality	Occupation
Dato' Megat Abdul Rahman Bin Megat Ahmad *(Independent Non-Executive Chairman)*	575, Jalan 17/15 46400 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Koon Poh Ming *(Executive Vice Chairman)*	No 19, Jalan SS3/41 Taman Subang 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Dato' Koon Poh Keong *(Group Chief Executive Officer)*	No 17, Jalan SS3/41 Taman Subang 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Koon Poh Tat *(Executive Director)*	20, Jalan 29 Taman Overseas Union Off Jalan Kelang Lama 58200 Kuala Lumpur	Malaysian	Director
Koon Poh Weng *(Executive Director)*	No 3, Jalan Sri Petaling 4 Bandar Baru Sri Petaling 57000 Kuala Lumpur	Malaysian	Director
Koon Poh Kong *(Executive Director)*	804, Block B Tiara Kelana Condo SS7/19, Taman Sri Kelana Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Tuan Haji Mohamad Faiz Bin Abdul Hamid *(Independent Non-Executive Director)*	79, Persiaran Impian Gemilang Saujana Impian 43000 Kajang Selangor Darul Ehsan	Malaysian	Director
Loo Lean Hock *(Independent Non-Executive Director)*	11, Jalan PJU 3/15A Damansara Indah 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Tan Heng Kui *(Independent Non-Executive Director)*	2nd Floor, Lot 10 Fortuna Commercial Center Lorong Seroja 2 P.O. Box 14242 88848 Kota Kinabalu Sabah	Malaysian	Director

CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Tuan Haji Mohamad Faiz Bin Abdul Hamid	Chairman	Independent Non-Executive Director
Loo Lean Hock	Member	Independent Non-Executive Director
Tan Heng Kui	Member	Independent Non-Executive Director

COMPANY SECRETARIES	:	Tan Yit Chan (MAICSA 7009143) 56, Jalan SS 22/29 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan Tan Ai Ning (MAICSA 7015852) 7-6-3, Menara Hartamas Jalan Sri Hartamas 3 50480 Kuala Lumpur
REGISTERED OFFICE	:	Lot 6.05, Level 6, KPMG Tower 8 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel: +603-7720 1188 Fax: +603-7720 1111
CORPORATE OFFICE	:	Lot 6464, Batu 5 3/4, Jalan Kapar, Sementa 42100 Klang Selangor Darul Ehsan Tel: +603-3291 3188 Fax: +603-3291 3637
SHARE REGISTRAR AND PAYING AGENT	:	Tricor Investor Services Sdn Bhd (118401-V) Level 17, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: +603-2264 3883 Fax: +603-2282 1886
AUDITORS AND REPORTING ACCOUNTANTS	:	KPMG (AF: 0758) Chartered Accountants Level 10, KPMG Tower 8, First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel: +603-7721 3388 Fax: +603-7721 3399

CORPORATE DIRECTORY (Cont'd)

SOLICITORS FOR THE RIGHTS ISSUE	:	Messrs Wong & Partners Level 21, Suite 21.01 The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: +603-2298 7888 Fax: +603-2282 2669
JOINT PRINCIPAL ADVISERS AND JOINT LEAD ARRANGERS	:	Alliance Investment Bank Berhad (21605-D) Level 3, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: +603-2692 7788 Fax: +603-2692 8787 Maybank Investment Bank Berhad (15938-H) 33rd Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel: +603-2059 1888 Fax: +603-2078 4194
PRINCIPAL BANKERS	:	Malayan Banking Berhad (3813-K) Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel: +603-2070 8833 Fax: +603-2070 4988 Alliance Bank Malaysia Berhad (88103-W) 3rd Floor, Menara Multi-Purpose Capital Square No. 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: +603-2694 8800 Fax: +603-2730 2607 RHB Islamic Bank Berhad (6171-M) Menara Yayasan Tun Razak 200 Jalan Bukit Bintang Kuala Lumpur Tel: +603-2171 5000 Fax: +603-2171 5001 Standard Chartered Bank Malaysia Berhad (115793-P) Menara Standard Chartered 30 Jalan Sultan Ismail 50250 Kuala Lumpur Tel: +603-2117 7777 Fax: +603-2117 7610
RATING AGENCY	:	Malaysian Rating Corporation Berhad (364803-V) 5th Floor Bangunan Malaysian Re No.17 Lorong Dungun Damansara Heights 50490 Kuala Lumpur Tel: +603-2082 2200 Tel: +603-2093 9308

CORPORATE DIRECTORY (Cont'd)

TRUSTEE AND SECURITY TRUSTEE	:	Mayban Trustees Berhad (5004-P) Level 34, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel: +603-2078 8363 Fax: +603-2070 9387
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

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Company No.: 153208-W

PRESS METAL

PRESS METAL BERHAD
(Company No.: 153208-W)
(Incorporated in Malaysia under the Act)

Registered Office:

Lot 6.05, Level 6, KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

29 July 2011

Our Board of Directors:

Dato' Megat Abdul Rahman Bin Megat Ahmad *(Independent Non-Executive Chairman)*
Koon Poh Ming *(Executive Vice Chairman)*
Dato' Koon Poh Keong *(Group Chief Executive Officer)*
Koon Poh Tat *(Executive Director)*
Koon Poh Weng *(Executive Director)*
Koon Poh Kong *(Executive Director)*
Tuan Haji Mohamad Faiz Bin Abdul Hamid *(Independent Non-Executive Director)*
Loo Lean Hock *(Independent Non-Executive Director)*
Tan Heng Kui *(Independent Non-Executive Director)*

To: The Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO RM323,735,042 NOMINAL VALUE OF RCSLS AT 100% OF ITS NOMINAL VALUE TOGETHER WITH UP TO 147,152,292 WARRANTS ON THE BASIS OF ONE (1) RM2.20 NOMINAL VALUE OF RCSLS TOGETHER WITH ONE (1) WARRANT FOR EVERY THREE (3) EXISTING PMB SHARES HELD AS AT 5.00 P.M. ON 29 JULY 2011 ("RIGHTS ISSUE")

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1. INTRODUCTION

1.1 Our Board is pleased to inform that at the EGM held on 29 June 2011, our shareholders had approved the renounceable rights issue of up to RM323,735,042 nominal value of RCSLS at 100% of its nominal value together with up to 147,152,292 Warrants on the basis of one (1) RM2.20 nominal value of RCSLS together with one (1) Warrant for every three (3) existing PMB Shares held on the Entitlement Date.

The details of the Rights Issue were set out in our Company's circular to shareholders dated 14 June 2011. A certified true extract of the ordinary resolution approving the Rights Issue at the aforesaid EGM is attached in Appendix I of this Abridged Prospectus.

1.2 On 16 May 2011, the Joint Principal Advisers and Joint Lead Arrangers, on behalf of our Board, announced that BNM had vide its letter dated 12 May 2011, approved the issuance of Warrants to the Entitled Shareholders who are non-residents pursuant to the Rights Issue, without imposing any conditions.

1.3 On 30 May 2011, the Joint Principal Advisers and Joint Lead Arrangers, on behalf of our Board further announced that the SC had, vide its letter dated 30 May 2011, approved the issuance of up to RM323,735,042 nominal value of RCSLS at 100% of its nominal value, subject to the following conditions:

No.	Conditions imposed	Status of compliance
1.	Alliance and Maybank IB must submit the following information and documents to the SC via email prior to the issue date of the RCSLS: (i) Date of issue, size of issue and tenure of issue; and (ii) Soft copy of the following documents (clean version in 'PDF' format): (a) Executed Trust Deed; and (b) Principal Terms and Conditions of the RCSLS ("**PTC**") in the following format: - Font: Arial - Font size: 11 - Margins (Top, Down, Right, Left): 1.25" - Spacing: Single;	To be complied.
2.	Alliance and Maybank IB must also submit a hard copy of the following information and documents to the SC prior to the issue date of the RCSLS: (i) Date of issue; (ii) Size of issue; (iii) Tenure of issue; (iv) Mode of issue; (v) Coupon/interest rate of the issue; (vi) Names of the primary subscriber(s)/place(s)/ investor(s) and the respective amounts subscribed, primary subscription rate/yield-to-maturity; (vii) Utilisation of proceeds from the issue; (viii) A certified true copy of the executed trust deed; and (ix) A copy of the rating report.	To be complied.

No.	Conditions imposed *(Cont'd)*	Status of compliance
3.	Confirmation from Alliance and Maybank IB that:	
	(i) Designated account(s), if any, has/have been duly established and the authorised signatory(ies) to those accounts has/have undertaken/agreed to administer the designated account(s) in accordance with the provisions stated in the PTC of the proposal;	To be complied.
	(ii) Prospective investors and relevant parties have been informed of any instance where a conflict of interest situation might arise together with the relevant mitigating measures, including the agreement from the Board of Directors of the Issuer to proceed with such arrangements; and	Complied with in the circular to shareholders dated 14 June 2011 and Section 6 of Appendix VII of this Abridged Prospectus.
	(iii) All other conditions of approval that may be imposed by the SC has been/will be complied with.	

1.4 On 13 June 2011, the Joint Principal Advisers and Joint Lead Arrangers, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 10 June 2011, granted its approval-in-principle for the admission to the Official List of Bursa Securities and the listing of and quotation for up to RM323,735,042 nominal value of RCSLS at 100% of its nominal value and up to 147,152,292 Warrants to be issued pursuant to the Rights Issue and the listing of and quotation for up to 294,304,584 new PMB Shares to be issued pursuant to the conversion of the RCSLS and exercise of the Warrants on the Main Market of Bursa Securities subject to the following conditions:

No.	Conditions imposed	Status of compliance
1.	PMB and its advisers must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue.	Noted.
2.	PMB and its advisers to inform Bursa Securities upon the completion of the Rights Issue.	To be complied.
3.	PMB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed.	To be complied.
4.	Payment of additional listing fees pertaining to the conversion of RCSLS and exercise of Warrants. In this respect, PMB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of RCSLS and exercise of Warrants respectively as at the end of each quarter together with details of computation of listing fees payable.	To be complied.

The RCSLS and Warrants will be admitted to the Official List of the Main Market of Bursa Securities, and the listing of and quotation for the RCSLS and Warrants will take place two (2) Market Days upon the receipt of an application for quotation of the RCSLS and Warrants as specified under the Listing Requirements, which will include, *inter alia*, confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited. The Warrants will be detached from the RCSLS immediately upon issuance and traded separately on Bursa Securities.

On 15 July 2011, the Joint Principal Advisers and Joint Lead Arrangers, had on behalf of our Board, announced that the Entitlement Date has been fixed on 29 July 2011.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by us, our Joint Principal Advisers and Joint Lead Arrangers in connection with the Rights Issue.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Basis and number of RCSLS with Warrants

The Rights Issue involves the issuance of up to RM323,735,042 nominal value of RCSLS at 100% of its nominal value together with up to 147,152,292 Warrants on the basis of one (1) RM2.20 nominal value of RCSLS together with one (1) Warrant for every three (3) existing PMB Shares held by the Entitled Shareholders on the Entitlement Date.

As at the LPD, the issued and paid-up share capital of our Company is RM219,586,438.50 comprising 439,172,877 PMB Shares and there are Outstanding ESOS Options, that may be exercised into 2,284,000 new PMB Shares. There will be no further granting of ESOS Options, other than those already granted as at 11 April 2011, until the completion of the Rights Issue.

Assuming none of the Outstanding ESOS Options are exercised on or prior to the Entitlement Date and all Entitled Shareholders subscribe for their respective entitlements, the Rights Issue would entail the minimum issuance of RM322,060,109 nominal value of RCSLS together with 146,390,959 Warrants.

Assuming full exercise of the Outstanding ESOS Options on or prior to the Entitlement Date and all Entitled Shareholders subscribe for their respective entitlements, the Rights Issue would entail the maximum issuance of RM323,735,042 nominal value of RCSLS together with 147,152,292 Warrants.

Entitled Shareholders may subscribe for their respective entitlements of the RCSLS in full or in part as the Rights Issue is renounceable. Warrants will only be issued to the Entitled Shareholders who subscribe for the RCSLS. Entitled Shareholders who renounce all or any part of their entitlements to the RCSLS provisionally allotted to them under the Rights Issue will simultaneously relinquish their corresponding entitlement to the Warrants. The RCSLS and Warrants are not separately renounceable. Any unsubscribed RCSLS shall be offered to the other Entitled Shareholders under the excess RCSLS application. It is the intention of our Board to allocate the excess RCSLS in a fair and equitable manner as set out in Section 10.5 of this Abridged Prospectus.

Any fractional entitlements under the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion think expedient or in the best interest of our Company, including inter-alia, in a manner so as to minimise the number of odd lots of RCSLS arising therefrom.

The Warrants will be detached from the RCSLS immediately upon issuance and traded separately on Bursa Securities. For the RCSLS and Warrants to be listed, there must be at least 100 holders holding not less than one (1) board lot each of the respective security.

As you are an Entitled Shareholders, you will find enclosed with this Abridged Prospectus, a NPA setting out the number of RCSLS which you are entitled to subscribe together with the number of Warrants which you are entitled to receive under the terms of the Rights Issue and a RSF which is to be used for the acceptance of the RCSLS with Warrants provisionally allotted to you, and for the application of any RCSLS with Warrants pursuant to the excess application, should you wish to do so.

The RCSLS with Warrants which are not taken up or allotted for any reason shall first be made available for excess application by the Entitled Shareholders and/or their renouncee(s). In the event that there is still unsubscribed RCSLS with Warrants available after taking into consideration all excess application made by the Entitled Shareholders and/or their renouncee(s), the Additional Undertaking will be called upon to achieve the Minimum Subscription Level.

Upon allotment and issued by our Company, the RCSLS and Warrants will be credited directly into the respective CDS Accounts of the Entitled Shareholders and/or their renouncee(s) and no physical share certificates be issued for the new PMB Shares to be issued pursuant to the conversion of the RCSLS and/or exercise of the Warrants.

The salient terms of the RCSLS and Warrants are set out in Section 2.4 of this Abridged Prospectus.

2.2 Basis of arriving at the conversion price of the RCSLS and exercise price of the Warrants

The RCSLS shall be issued at 100% of its nominal value. The conversion price of the RCSLS has been fixed at RM2.20 for one (1) new PMB Share. The conversion price represents 22 sen or 9.09% discount to RM2.42, being the five (5)-day VWAP of PMB Shares up to 14 April 2011, being the latest practicable date prior to the date of the announcement on 15 April 2011.

The Warrants are attached to the RCSLS without any cost and will be issued only to shareholders of PMB who subscribe for the RCSLS under the Rights Issue, and are exercisable into new PMB Shares. Each Warrant will entitle its holder to subscribe for one (1) new PMB Share at the exercise price. The exercise price of the Warrants has been fixed at RM2.20 for one (1) new PMB Share. The exercise price represents 22 sen or 9.09% discount to RM2.42, being the five (5)-day VWAP of PMB Shares up to 14 April 2011, being the latest practicable date prior to the date of the announcement on 15 April 2011.

The conversion of the RCSLS and exercise price of the Warrants of RM2.20 (which represents a 9.09% discount to the 5-day VWAP of PMB Shares up to 14 April 2011 of RM2.42) was determined by our Board which had resolved to fix the conversion and exercise price at a discount to the five (5)-day VWAP of PMB Shares prior to the announcement of the Rights Issue to entice entitled shareholders to subscribe for the RCSLS and after taking into consideration, amongst others, the share price of our Company, the prevailing market conditions and the historical share price movement of PMB Shares.

2.3 Ranking of the new PMB Shares arising from the conversion of the RCSLS and exercise of the Warrants

The new PMB Shares to be issued arising from the conversion of the RCSLS and exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the existing issued and fully paid-up PMB Shares, save and except that they shall not be entitled to any dividend, right, allotment and/or other distribution, the entitlement date of which is prior to the allotment date of the new PMB Shares to be issued pursuant to the conversion of the RCSLS or the exercise of the Warrants.

2.4 Salient terms of the RCSLS and Warrants

The salient terms of the RCSLS are set out below:

Issuer	:	PMB
Issue Size	:	Up to RM323,735,042 RCSLS at nominal value of RM2.20 per RCSLS.
Issue Price	:	100% of the nominal value of RCSLS.
Form and Denomination	:	The RCSLS will be issued in registered form in denominations and multiples of RM2.20 each.
Tenure	:	Eight (8) years from and inclusive of the date of issue of the RCSLS.
Maturity Date	:	The date preceding the eighth (8th) anniversary of the date of issuance of the RCSLS.
Basis of Allotment	:	One (1) RM2.20 nominal value of RCSLS together with one (1) Warrant for every three (3) existing PMB Shares held on the Entitlement Date.
Coupon Rate	:	6% per annum computed based on the nominal value of RCSLS. Coupon is payable quarterly in arrears.
Security	:	The RCSLS shall be secured and supported by among others:

To be shared on a pari passu basis with the lenders (**"Lenders"**) providing a syndicated term loan facility of RM400 million to PMBSB to fund the Samalaju Smelting Project (**"Syndicated Term Loan"**) and to the extent approved by the Lenders, to be shared on a pari passu basis with such lenders providing banking facilities to PMBSB in relation to Phase 2B of the Samalaju Smelting Project:

(i) Third party legal charge over the industrial land, industrial premises/buildings, aluminium smelting plant and related machineries and other facilities presently or from time to time erected thereon in relation to the Samalaju Smelting Project.

(ii) Third party debenture over PMBSB's entire fixed and floating, present and future assets. The floating charge created over the Current Assets pursuant to the debenture will, to the extent approved by the Lenders, be shared on a pari passu basis with PMBSB's future lenders which provide working capital facilities to PMBSB.

"Current Assets" shall mean collectively the whole of and any part of the raw materials which are required for PMBSB's operation and business, all the finished goods produced by PMBSB from or manufactured with such raw materials and the stock in trade of PMBSB in its ordinary course of business, wheresover situated, present and future, together with all rights for the time being comprised in, accruing to or attached thereto.

(iii) Third party legal charge and assignment over the revenue account and the operating account of the Samalaju Smelting Project to be opened and maintained by PMBSB.

(iv) Third party assignment over the entire rights of PMBSB, under the construction contract with the contractor(s), supplier(s) and other party(ies) as advised by the solicitors, including but not limited to any performance bonds given by the contractor(s), supplier(s) and/or, any other party(ies) as advised by the solicitor in relation to the development of the Samalaju Smelting Project.

(v) Third party assignment over PMBSB's interest and rights in the insurance policies in relation to the Samalaju Smelting Project and the insurance policies shall be endorsed by the Lenders/Security Trustee as Loss Payee.

(vi) Third party assignment over the revenues and income to be received by PMBSB, including but not limited to revenues and income to be generated from the Samalaju Smelting Project.

(vii) Any other security provided for the Syndicated Term Loan, where applicable.

To be shared on a pari passu basis amongst RCSLS holders only:

(i) Corporate Guarantee by PMBSB; and

(ii) Charge and assignment over the sinking fund account, disbursement account and the debt service reserve account.

Conversion Rights	:	The RCSLS holder shall have the right to surrender the RCSLS for conversion into new PMB Shares during the Conversion Period at the Conversion Price. Any fraction of a share resulting from such conversion shall be disregarded and the Board reserves the right to deal with such new ordinary shares, which represents fractional interests in such manner, and on such terms they deem beneficial to PMB.
Conversion Period	:	The RCSLS holder may exercise the right to surrender the RCSLS for conversion into new PMB Shares at any time commencing from and inclusive of the first (1st) anniversary of the issue date of the RCSLS and ending on the Maturity Date (both dates inclusive), unless previously converted or redeemed.
Conversion Price/Ratio	:	RM2.20 nominal value of the RCSLS for one (1) new PMB Share, or such adjusted price as may for the time being be applicable in accordance with the conditions of the Trust Deed.
Mode of Conversion	:	The RCSLS are convertible into new ordinary shares of PMB by surrendering for cancellation a corresponding nominal value of the RCSLS to the Conversion Price for every one (1) new PMB Share at any time during the Conversion Period. Any fraction remaining held by the RCSLS holders resulting from such conversion will be disregarded and PMB shall not be required to pay the value of such fraction to the RCSLS holder.

Ranking of RCSLS	:	The RCSLS will constitute direct, unsubordinated, unconditional and secured obligations of the Issuer and will at all times rank pari-passu and without any preference or priority among themselves and rank at least pari passu with all the other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding save and except for liabilities which are preferred solely by law and not by reason of any security interest.
Ranking of new PMB Shares to be issued pursuant to the conversion of the RCSLS	:	The new PMB Shares to be issued upon conversion of the RCSLS shall, upon allotment and issue, rank pari passu in all respects with the existing PMB Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution, the entitlement date of which is prior to the allotment date of the new PMB Shares to be issued pursuant to the conversion of the RCSLS.
Redemption	:	Unless previously converted or redeemed (subject to the terms and conditions of the RCSLS), the RCSLS will be redeemed by the Issuer via the debt service reserve account in accordance with the Redemption Schedule. All redemption shall be in the same proportion in relation to each RCSLS holder and shall be made in direct order of the Redemption Schedule.
Redemption Schedule	:	The redemption schedule shall be as follows:

End of year	% of issue size* redeemed
1	-
2	-
3	10
4	15
5	15
6	20
7	20
8	20
	100

** Subject to adjustment in the event of early redemption.*

Redemption shall be made semi-annually.

Semi-Annual Redemption Amount

$$= 50\% \times \text{Total RCSLS unit outstanding} \times \frac{\text{Scheduled \% for the year}}{\text{Total remaining \% per schedule inclusive of \% for the year}}$$

Redemption amount per RCSLS unit at each semi-annual redemption point

$$= \frac{\text{Semi-Annual Redemption Amount}}{\text{Total RCSLS units outstanding}}$$

The actual Semi-Annual Redemption Amount shall be calculated based on the outstanding RCSLS in issue on the book closing date and the redemption procedure shall be in accordance with the provisions of the Trust Deed.

Redemption Rate	:	100% of the nominal value of the RCSLS.
Early Redemption	:	PMB may make an early redemption of the RCSLS in whole or in part (but always in the same proportion in relation to each holder) at any time subject always to equal and proportionate early payment of the Syndicated Term Loan. In the event of early redemption, the following adjustment shall apply to the redemption schedule: (i) Compute the early redemption amount as a percentage (%) of issue size (**"Said %"**); (ii) Deduct the Said % from the Redemption Schedule in inverse order. The early redemption will be based on the nominal value of the RCSLS plus the accrued interest up to the early redemption date. Mandatory early redemption shall apply in the event there is divestment of equity interest in PMBSB by PMB to Sumitomo Corporation or any other third party. The proceeds from such divestment shall be channeled to prepay on an equal and proportionate basis the Syndicated Term Loan and also for the early redemption of the RCSLS.
Rights of RCSLS holders	:	The RCSLS holders are not entitled to participate in any distribution and/or offer of securities in our Company until and unless such RCSLS holders convert the RCSLS into PMB Shares.
Rights in an event of default, winding up or liquidation	:	The Trustee may declare (by giving a written notice to the Issuer) that the outstanding RCSLS is immediately due and repayable, and the RCSLS then outstanding shall become immediately due and repayable at their nominal amounts together with accrued interest up to and including the date of repayment.
Adjustments in the conversion price of RCSLS in the event of alteration of share capital	:	Subject to the provisions in the Trust Deed, the Conversion Price shall be adjusted by the Board in consultation with the adviser and certification of the external auditors, in the event of alteration to the share capital of our Company whether by way of rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being affected.
Amendments to the RCSLS holders' rights	:	Save as otherwise provided in the Trust Deed, a special resolution of the holders of the RCSLS is required to sanction any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the holders of the RCSLS against our Company.
Listing	:	Approval has been obtained from Bursa Securities for the admission to the Official List and the listing of and quotation for the RCSLS on the Main Market of Bursa Securities and the listing of and quotation for the new PMB Shares to be issued pursuant to the conversion of the RCSLS on the Main Market of Bursa Securities.
Board lot	:	The RCSLS will be tradable in board lots of 100 units of RCSLS upon listing on the Main Market of Bursa Securities.
Rating	:	A-* (by Malaysian Rating Corporation Berhad).

Trust Deed	:	The RCSLS is constituted by the Trust Deed dated 20 July 2011 executed by PMB and Mayban Trustees for the benefit of the RCSLS holders.
Governing Law	:	The laws of Malaysia.

Note:

* *Rating "A" indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings. Long-term ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories.*

The salient terms of the Warrants are set out below:

Issuer	:	PMB
Issue Size and Detachability	:	Up to 147,152,292 Warrants are to be issued together with the RCSLS. The Warrants are issued at no cost and are immediately detached from the RCSLS and shall be separately traded on Bursa Securities.
Deed Poll	:	The Warrants is constituted by a Deed Poll dated 20 July 2011 executed by PMB.
Exercise Price	:	Subject to the approvals and adjustments under certain circumstances in accordance with the provisions of Deed Poll during the Exercise Period, the Exercise Price is payable upon the exercise of each Warrant by tendering a cash payment of RM2.20 for every new PMB Share in the form of banker's draft or cashier's order or money order or postal order in RM drawn on a bank or post office operating in Malaysia.
Expiry Date	:	At the close of business on the maturity date of the Warrants, being a date falling eight (8) years from the date of issue of the Warrants. Any Warrant which has not been exercised and delivered to the Registrar will thereafter lapse and cease to be valid for any purpose. If the maturity date is not a business day, the expiry date shall be on the business day immediately preceding that date.
Exercise Period	:	The Warrants can be exercised at any time on or after the date of issue of the Warrants up to the Expiry Date (both dates inclusive).
Exercise Rights	:	Each Warrant entitles the registered holder during the Exercise Period to subscribe for one (1) new PMB Share in the share capital of our Company at the Exercise Price (as defined above), subject to the adjustments in accordance with the provisions of the Deed Poll.
Mode of exercise	:	The registered holder of the Warrants is required to lodge an exercise form, as set out in the Deed Poll, with the Registrar, duly completed, signed and stamped together with payment of the Exercise Price for the new PMB Shares subscribed for by banker's draft or cashier's order or money order or postal order in RM drawn on a bank or post office operating in Malaysia.

Ranking of new PMB Shares to be issued pursuant to the exercise of the Warrants	:	The new PMB Shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing PMB Shares except that they will not be entitled to any dividend, right, allotment and/or other distribution, the entitlement date of which is prior to the allotment date of the new PMB Shares to be issued pursuant to the exercise of the Warrants.
Adjustments in the Exercise Price and/or number of Warrants held by the Warrant holders in the event of alteration to the share capital	:	Subject to the provisions in the Deed Poll, the Exercise Price and/or the number of Warrants held by each Warrant holder shall be adjusted by the Board in consultation with the adviser and certification of the external auditors, in the event of alteration to the share capital of our Company whether by way of rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being affected.
Rights of Warrant holders	:	The Warrant holders are not entitled to participate in any distribution and/or offer of securities in our Company until and unless such Warrant holders exercise the Warrant into PMB Shares together with the payment of the relevant Exercise Price.
Rights of Warrant holders in the event of winding-up	:	If a resolution is passed for a members' voluntary winding-up of PMB or a scheme of arrangement, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of Warrants in PMB. All Exercise Rights which have not been exercised within six (6) weeks of the passing of such resolution shall lapse and the Warrants will cease to be valid for any purpose. If PMB is wound up other than by way of members' voluntary winding-up, all Exercise Rights which have not been exercised prior to the date of commencement of the winding-up shall lapse and the Warrants will cease to be valid for any purpose.
Amendment to the Warrant holders' rights	:	Save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant holders.
Board Lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants will be 100 Warrants carrying the rights to subscribe for 100 new PMB Shares or in such other denominations as permitted by Bursa Securities from time to time.
Listing	:	Approval has been obtained from Bursa Securities for the admission to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and the new PMB Shares to be issued arising from the exercise of the Warrants, subject to there being the minimum number of holders as required by the Bursa Securities for listing purposes.
Governing law	:	The laws of Malaysia.

2.5 Adjustment to Outstanding ESOS Options

Any necessary adjustments to the Outstanding ESOS Options as a result of the Rights Issue will be made in accordance with the provisions of the by-laws governing the ESOS on the Entitlement Date and will be effective on the next market day following the Entitlement Date. The rights of the Outstanding ESOS Options will remain unchanged save for the said adjustments.

3. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue will enable us to raise and advance such funds to PMBSB to part finance the Samalaju Smelting Project. Buoyed by the current positive outlook in the aluminium market, we are looking at opportunities to grow and enhance the earnings of our Group. The advancement of funds to part finance the Samalaju Smelting Project is part of our expansion plan to meet the growing demand for aluminium raw material in this region.

PMBSB, our wholly-owned subsidiary was incorporated on 19 October 2010 in Malaysia under the Act. The authorised share capital of PMBSB is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each while the issued and paid-up share capital is RM2.00 comprising two (2) ordinary shares of RM1.00 each. The principal activities of PMBSB are manufacturing and trading of aluminium products.

PMBSB has received the approval from Sarawak State Planning Authority to develop a smelting plant in Samalaju Industrial Park, Bintulu, Sarawak with an initial capacity of 240,000 MT per annum and barring any unforeseen circumstances, the smelting plant is expected to be completed by end of 2012. The project, which is expected to cost a minimum of RM1.00 billion, will be financed through internally generated funds, the Rights Issue and bank borrowings, the details of which are provided in Section 4 of this Abridged Prospectus.

After due consideration of the various fund raising options available, our Board is of the view that the Rights Issue is currently the most appropriate option of raising funds for our Group after taking into consideration the following factors:

(i) the issuance of RCSLS minimises the immediate dilution effect on the EPS of our Group, which would otherwise arise from a full equity issue;

(ii) the RCSLS will enable our Group to secure its cost of funds during the tenure of the RCSLS thereby reducing our Group's exposure to any fluctuation in interest rates;

(iii) upside potential from future capital appreciation of the RCSLS, Warrants and PMB Shares. Given the current low interest rate environment, the RCSLS bearing a coupon of six percent (6%) per annum will also serve as an attractive investment alternative for our shareholders;

(iv) any conversion of the RCSLS and exercise of the Warrants will further strengthen our Group's capital base and hence improve its gearing levels for a more optimal capital structure as well as increase the liquidity of PMB Shares; and

(v) the Warrants attached to the RCSLS are expected to enhance the attractiveness of the RCSLS. It provides our shareholders with the option to further participate in the equity of our Company at a pre-determined price and would enable them to benefit from the future growth of our Company and any potential capital appreciation arising thereof.

4. UTILISATION OF PROCEEDS

The Rights Issue is expected to raise cash proceeds of approximately RM322.06 million and RM323.74 million under the Minimum Scenario and Maximum Scenario, respectively (**"Rights Issue Proceeds"**).

The details of the utilisation of gross proceeds to be raised from the Rights Issue are as follows:

Utilisation of proceeds[(1)]	Proceeds to be raised Minimum Scenario	 Maximum Scenario	Expected time frame for utilisation of proceeds from date of listing of the RCSLS
	RM'000	RM'000	
For advancement of funds to PMBSB, a wholly-owned subsidiary of our Company, to part finance the design, construction and completion of 120,000 MT capacity aluminium smelting plant and infrastructure building cost to cater for additional 120,000 MT capacity in Samalaju, Sarawak (hereinafter referred to as the **"Samalaju Smelting Project"**)[(2)]	316,660	318,235	Within 2 years
Estimated expenses for the Rights Issue[(3)]	5,400	5,500	Within 1 month
Total	322,060	323,735	

Notes:

(1) In the event that the Rights Issue is undertaken based on the Minimum Subscription Level as stated in Section 5.2 of this Abridged Prospectus, the proceeds received will firstly be utilised to defray the estimated expenses for the Rights Issue and the balance will then be utilised for the Samalaju Smelting Project.

(2) The construction of the Samalaju Smelting Project has commenced in June 2011 with target completion by end of 2012. Thereafter, the business operations at the aluminium smelting plant is expected to commence in early-2013. The Samalaju Smelting Project shall be built on a piece of land measuring approximately 480 acres with a built-up area of approximately 5.30 million square feet located in the Samalaju Industrial Park, Bintulu, Sarawak.

The estimated total costs relating to the Samalaju Smelting Project (exclusive of interest and commitment fees during construction), total a minimum of RM1.00 billion, and is to be funded in the following manner:

(i) RM400.00 million, to be financed by bank borrowings;
(ii) RM300.00 million, to be financed by the Rights Issue; and
(iii) RM300.00 million, to be funded by PMB/PMBSB from internally generated funds.

The principle market for the aluminium to be produced by the Samalaju smelting plant are the Asia regional countries. Alumina, being the main raw material for producing aluminium, is mainly sourced from Australia. Aluminium has various applications in industries such as the manufacturing of transportation equipment (e.g. engines, bodywork and radiators), household appliances and furniture (e.g. cooking utensils, electrical household appliances and furniture parts), construction materials (e.g. windows and doors) and packaging (e.g. beverage cans and pharmaceutical packaging).

(3) The expenses relating to the Rights Issue comprising professional advisers' fees, fees payable to relevant authorities, trustee's fees, printing costs, advertising and miscellaneous expenses are estimated at up to RM5.50 million. If the actual expenses are higher than budgeted, the deficit will be funded out of the portion allocated for the Samalaju Smelting Project. Conversely, if the actual expenses are lower than budgeted, the excess will be utilised for the Samalaju Smelting Project.

Proceeds to be raised from the exercise of Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants based on the exercise price of the Warrants. Such proceeds, if and when exercised, will be used for working capital purposes.

5. UNDERTAKING FROM SUBSTANTIAL SHAREHOLDERS AND MINIMUM SUBSCRIPTION LEVEL

5.1 Undertaking from substantial shareholders

Under the Rights Issue, the Koon Brothers, who are Directors and substantial shareholders of our Company, will renounce their respective entitlements to the RCSLS and Warrants as at the Entitlement Date to AMSB. Thereafter, AMSB will subscribe for the RCSLS and Warrants to be renounced to it by the Koon Brothers, by the closing date of acceptance and payment for the Rights Issue.

AMSB was incorporated in Malaysia as a private limited company under the Act on 28 September 2010 under its present name. As at the LPD, AMSB has an authorised share capital of RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares of RM1.00 each have been issued and credited as fully paid-up. The principal activity of AMSB is investment holding and it does not have any subsidiary companies. As a newly incorporated investment holding company, it does not have any past experience in the aluminium industry. The directors and sole shareholders of AMSB are the Koon Brothers, each holding 50% equity interests in AMSB. As at the LPD, AMSB does not hold any shares in PMB.

The Koon Brothers and AMSB have respectively provided irrevocable unconditional written undertakings to our Group that:

(i) The Koon Brothers will renounce their respective entitlements to the RCSLS with Warrants based on their shareholdings in our Company as at the Entitlement Date to AMSB. As at the LPD, Dato' Koon Poh Keong and Koon Poh Ming's shareholdings in our Company amount to 78,998,406 PMB Shares and 30,472,439 PMB Shares, representing 17.99% and 6.94% equity interest in PMB respectively. For illustration purposes and based on said shareholdings, the Koon Brothers will in aggregate renounce RM80,278,620 nominal value of RCSLS and 36,490,282 Warrants to AMSB; and

(ii) AMSB will subscribe to the Renounced Entitlements by the closing date for acceptance and payment for the Rights Issue as follows:

	Renounced Entitlement to the RCSLS		Renounced Entitlement to the Warrants	
	Nominal value of RCSLS	[(2)]%	No. of PMB Warrants	[(3)]%
	RM'000		'000	
AMSB	[(1)]80,279	24.80	36,490	24.80

Notes:

(1) Based on aggregate direct shareholdings of 109,470,845 PMB Shares of the Koon Brothers which is 24.93% of total PMB Shares as at the LPD.

(2) Based on the maximum issuance of RM323,735,042 nominal value of RCSLS.

(3) Based on the maximum issuance of 147,152,292 Warrants.

5.2 Minimum Subscription Level

The Rights Issue will be undertaken on a Minimum Subscription Level basis. The minimum subscription level is RM300,000,000 nominal value of RCSLS and will raise gross proceeds of RM300.00 million. The Minimum Subscription Level was determined based on, among others, the funding requirements of our Group, the ability of our Group to raise financing, the Minimum Scenario and the undertaking given by AMSB.

The shareholdings of the Koon Brothers as at the LPD and after the Rights Issue (under Minimum Scenario) are as tabulated below:

	Existing as at the LPD				**After the Rights Issue**			
	Direct		**Indirect**		**Direct**		**Indirect**	
	No. of PMB Shares held	**% held**	**No. of PMB Shares held**	**% held**	**No. of PMB Shares held**	**% held**	**No. of PMB Shares held**	**% held**
	'000		**'000**		**'000**		**'000**	
Dato' Koon Poh Keong	78,998	17.99	(1)10,230	2.33	78,998	17.99	(1)10,230	2.33
Koon Poh Ming	30,472	6.94	(1)1,000	0.23	30,472	6.94	(1)1,000	0.23

Note:

(1) Deemed interested by virtue of their spouses' shareholdings in our Company pursuant to Section 6A of the Act.

In addition, to enable our Company to meet the Minimum Subscription Level, AMSB has also provided an irrevocable written undertaking that, it will subscribe for Additional Undertaking, only after the allocation of excess RCSLS and Warrants to applicants who applied for excess RCSLS and Warrants. As such, no underwriting is required for the Rights Issue.

AMSB has confirmed via the Undertakings, and Alliance and Maybank IB have verified, to the extent possible, that AMSB has sufficient financial resources to fulfill the Undertakings.

Koon Brothers are the directors and substantial shareholders of AMSB, each holding 50% equity interest respectively in AMSB. As such, Koon Brothers are deemed as persons acting in concert with AMSB for the Rights Issue. The Rights Issue will not result in AMSB, Koon Brothers and/or other persons acting in concert with them triggering a mandatory general offer under the Code for the remaining ordinary shares and convertible securities of our Company not already held by them (**"Offer"**) as there is no issuance of new PMB Shares to AMSB, Koon Brothers and/or persons acting in concert with them under the Rights Issue.

The Offer will only be triggered if the conversion and/or exercise of RCSLS, Warrants and/or ESOS Options (collectively referred to as "**Convertibles**") by AMSB, Koon Brothers and/or other persons acting in concert with them resulting in any of its/his/their shareholdings in our Company to:

(i) exceed 33% (if the shareholding prior to conversion and/or exercise of Convertibles is less than 33%); or

(ii) increase by more than 2% in any six (6) months period (if the shareholding prior to conversion and/or exercise of the Convertibles is more than 33% but less than 50%).

Based on the proforma effects of the substantial shareholders' shareholdings (Minimum Scenario) illustrated in Section 8.2 of this Abridged Prospectus, AMSB, Koon Brothers and/or other persons acting in concert may trigger an Offer assuming the Additional Undertaking is called upon to meet the Minimum Subscription Level and thereafter AMSB fully converts/exercises its RCSLS and Warrants issued under the Rights Issue. In respect of the above, AMSB, Koon Brothers and/or other persons acting in concert have undertaken that they shall abide by the provisions of the Code and if necessary, an application for an exemption from undertaking the Offer arising from the conversion and/or exercise of the Convertibles shall be made before the intended conversion and/or exercise date.

6. RISK FACTORS

You should carefully consider, in addition to other information contained in this Abridged Prospectus, the following risk factors (which may not be exhaustive) before subscribing for or investing in the RCSLS with Warrants. There may be additional risk factors, which are not disclosed below, that are not presently known to us or that we currently deem to be less significant, which may materially and adversely affect our business, financial condition, results of operations and prospects.

6.1 Risks relating to the Rights Issue

(i) Investment risk

The market price of the RCSLS and Warrants, like all listed securities traded on Bursa Securities, is subject to the fluctuations and will influenced by, among others, the market price of PMB Shares, the remaining conversion period of the RCSLS and exercise period of the Warrants, the volatility of PMB Shares and any payments of dividends.

Market price of PMB Shares will be influenced by, among others, the prevailing market sentiments, operating results of our Group, material business and financial developments of our Group.

As the RCSLS shall be issued at 100% of its nominal value, there can be no assurance that the market price of the RCSLS, upon or subsequent to their listing, will remain at or above the issue price, or that the RCSLS can be disposed of at or above the issue price.

In addition, there are no assurances that the conversion price of the RCSLS and exercise price of the Warrants will be in-the-money during the tenure of the RCSLS and Warrants, respectively. Notwithstanding the above, it should be noted that our Group's financial performance is not dependent on the performance of PMB Shares, the RCSLS and Warrants.

(ii) No prior market for RCSLS and Warrants

There is no established trading market for the RCSLS and Warrants. As such, no assurance can be given that the Warrants and RCSLS will be actively or traded upon the listing of the RCSLS and Warrants on Bursa Securities. Furthermore, if the RCSLS and Warrants are actively traded, there is no assurance that such market and trading pattern will be sustainable.

In addition to the fundamentals of PMB Shares, the future price performance of the RCSLS and/or Warrants will also depend on various external factors such as prospects of the industries in which our Group operates, the economic and political conditions of the country, market sentiments in the local and regional stock market.

(iii) Credit risk of the RCSLS

The tenure of the RCSLS is for a period of up to eight (8) years and may be subjected to other risk such as risk of default due to the inability of our Group to redeem the RCSLS as per the Redemption Schedule as compared to investors depositing their funds in fixed deposit offered by financial institutions.

In addition, the coupon rate of the RCSLS is fixed for the entire tenure of the RCSLS whilst the fixed deposit rates offered by financial institutions are subject to change in line with market rates.

(iv) Delay in or abortion of the Rights Issue

The risk on the listing of the RCSLS with Warrants is exposed to, among others, the occurrences of the following events:

(a) events/circumstances which are beyond the control of our Company or Group prior to the implementation of the Rights Issue;

(b) AMSB, who has given its Undertakings, fails to fulfil its obligations; and

(c) our inability to meet the public spread requirements for the RCSLS and/or the Warrants as stipulated under the Listing Requirements.

Although our Company will exercise the best endeavour to ensure the successful listing of the RCSLS and Warrants, there can be no assurance that the above events will not occur and cause a delay in or abortion of the listing of the RCSLS and Warrants. In the event the listing of RCSLS and Warrants is aborted, our Company will return in full without interest, of all monies paid in respect of the accepted application for the subscription of the RCSLS and Warrants.

6.2 Risks relating to our Group

(i) Business risk

The performance of our Group is dependent on the performance and growth of the economy and political conditions in Malaysia and the countries we operate in as well as the countries where we source our raw materials and market our products. Any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of our Group. We may be affected by changes in the political leadership and/or government policies in Malaysia. Such political or regulatory changes include, but are not limited to, the introduction of new laws and regulations which impose and/or increase restrictions on imports, the conduct of business, the repatriation of profits, the imposition of capital controls and changes in interest rates. Other political uncertainties include the risks of wars, terrorism, nationalisation and expropriation.

The aluminium extrusion industry in Malaysia and China is subject to governmental regulations. Such regulations include those affecting land and title acquisitions, development planning, design and construction as well as financing. There is no assurance that any changes in such regulations or policies imposed by the Malaysian government from time to time will not have an adverse effect on our business, financial performance, our future growth and prospects.

(iii) Interest rate risk and covenant in borrowings

Any fluctuations in interest rates could materially affect the interest charges incurred on our borrowings and hence, affect our profitability in the future. We have obtained borrowings to finance, among others, our expansion and growth as well as its day-to-day operations.

As with many agreements relating to loan facilities by financial institutions, there may be certain positive and negative covenants, fixed assets charges, pledges and/ or liens imposed. Any failure by our Group to meet the timely repayment of such facilities may result in its default, which could materially affect the operating and financing capabilities of our Group.

In this respect, we constantly monitor our financial resources and liquidity closely, taking necessary precautions to prevent any breach of covenants set out in our loan arrangements.

However, we do not foresee, in any immediate future, any financial-related risks in its business operations and potential events of default to arise.

Notwithstanding the above, there can be no assurance that any fluctuation in interest rates will not adversely affect our Group.

(iv) Dependence on key management

The continued success of our Group is dependent upon the abilities and continued efforts of its existing directors and key management personnel. Any loss of key members of the Board and management personnel may adversely affect our Group's continued ability to compete in its core industries.

To mitigate any negative affects arising from the loss of key management personnel, our Group will strive to promote loyalty among its employees and further, provide a conducive working environment for the continuous growth of the Group. In addition, the Group has also in place, employee development incentives which, among others, include competitive remuneration packages, ESOS as well as training and development opportunities for our employees.

Although our Group seeks to limit the dependence of and to retain its key members of the Board and management personnel through the efforts mentioned above, no assurance can be given that any changes in the management structure will not have a material adverse effect on our Group's future performance.

(v) Availability and cost of materials

The prices of most metals, including aluminium ingots, which is a major raw material sourced by our Group is volatile and are determined by the demand and supply in the world markets. As such, our ability to manage the price volatility of metals is restricted hedging. Further, if there are any shortages of metal, we may find it difficult to obtain the amount of materials required at prices that are commercially acceptable.

In instances of cost fluctuations, we believe we are able to address such costs increase by adjusting the selling price accordingly, and we are also able to procure sufficient amounts of raw materials from our long-term suppliers.

However, there is no assurance that any changes to these factors will not have a material adverse effect on our business.

(vi) Foreign exchange fluctuations

As we source our raw materials from local and overseas suppliers, we are exposed to the risk of fluctuation of the currency rates used for our transactions. As our imports and exports are denominated in foreign currencies, it provides hedging opportunities against the exchange rate risk, which will depend on, among others, the ratio of foreign currency exports against imports.

It is noted that there can be no assurance that any significant changes in exchange rate fluctuations and foreign exchange control regulations will not have an adverse impact on our Group's revenue and financial position. Any increase in raw material prices by the suppliers may affect the profit margins of our Group. However, any costs arising from fluctuations in foreign currency may be absorbed by customers through increases in the price of the end-products.

(vii) Competition

Our Group faces constant competition from other aluminium extrusion manufacturers, consisting of large and small players, which may have an impact on our Group's existing market share.

Given the long business track record and experience of our Group, together with our reputation, the quality our products, provision of after-sales services and long standing business relationship with our customers and suppliers, our Group believes that we are able to maintain our competitive edge. We have been constantly upgrading our manufacturing processes and technology to further enhance the quality of our products as well as to improve our level of production whilst keeping production lead time to a minimal.

6.3 Forward-looking statements and other information

Certain statements in this Abridged Prospectus are based on historical data which may not be reflective of future results and others are forward-looking in nature which are subject to uncertainties and contingencies. All forward-looking statements are based on the estimates and assumptions made by our Company, unless stated otherwise, and although our Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, but are not limited to, those set out in this Abridged Prospectus. In view of this and other uncertainties, the inclusion of any forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by our Company, Joint Principal Advisers and Joint Lead Arrangers, and/or other advisers that the plans and objectives of our Group will be achieved.

Further, and save as required by law or relevant rules and regulations, none of our Directors, Joint Principal Advisers and Joint Lead Arrangers, and/or any other advisers are under any obligation to update any forward-looking statements included in this Abridged Prospectus, or to publicly announce any revision to those forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

Certain information in this Abridged Prospectus are extracted or derived from available Government or industry publications. Neither we nor our Joint Principal Advisers and Joint Lead Arrangers, and/or any other advisers have independently verified such information.

7. INDUSTRY REVIEW AND FUTURE PROSPECTS

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a growth rate of 4.6% in the first quarter of 2011 (4Q 2010: 4.8%). The expansion in domestic demand was supported by higher private sector spending, while external demand also recorded a stronger growth during the quarter, mainly as a result of regional demand for commodities and non-electrical and electronic products. On the supply side, all major economic sectors, except the primary commodity sector, continued to expand during the quarter, albeit at a more moderate pace.

Domestic demand grew by 6.6% in the first quarter (4Q 2010: 5.9%), supported mainly by the expansion in private sector spending and public consumption. Private consumption registered a strong growth of 6.7% (4Q 2010: 6.4%) supported by favorable labour market conditions, positive consumer sentiments and continued income growth. Public consumption increased by 6.1% (4Q 2010: 0.1%), due to higher expenditure on emoluments and supplies and services. Growth in gross fixed capital formation (6.5%; 4Q 2010: 10%) was driven by private sector capital spending amid high capacity utilisation rates and the implementation of planned capital investment projects. Public sector capital investment was channeled mainly into the transportation, education and industrial sectors.

On the supply side, most major economic sectors recorded continued expansion during the first quarter. Growth in the services sector was sustained at 5.9% (4Q 2010: 6.1%) with favorable expansion across most sub-sectors, supported by the improvement in domestic and external demand conditions. The manufacturing sector expanded by 5.4% (4Q 2010: 6.2%), supported mainly by growth in the export-oriented industries and the sustained performance of selected domestic-oriented industries. The construction sector registered growth of 3.8% (4Q 2010: 5.6%), supported by continued expansion across all sub-sectors. Output in the agriculture sector fell at a slower pace of -0.3% in the first quarter (4Q 2010: -3.9%), reflecting the decline in crude palm oil output given continued unfavorable weather conditions. Meanwhile the mining sector contracted further by 3% (4Q 2010: -1.2%) following lower production of crude oil due to scheduled maintenance and upgrading works.

The global economic recovery continued to strengthen in the first quarter of the year. Growth however continues to be highly uneven. More recently, several developments in the global economic environment and the international financial system have highlighted the fragility of global growth. However, in the event of higher commodity prices being sustained over an extended period, the escalation of fiscal conditions in the advanced economies and possible global supply disruptions following the developments in Japan, the downside risks to growth may increase. The growth prospects in the emerging economies continue to remain positive. These economies however are confronted with increasing challenges from rising inflationary pressures and continued large and volatile capital flows.

The sustained expansion in the first quarter underscores the steady pace of growth of the Malaysian economy, underpinned by the continued expansion of domestic demand amid improving external demand arising from higher commodity exports and stronger regional demand. Going forward, growth is expected to be sustained. Growth in private consumption will continue to be firm, given the favorable employment conditions and income growth, while private investment is expected to strengthen further amid an improving outlook for the domestic economy and the further expansion of new growth industries. Being a highly open economy however, the domestic economy may be affected by developments in the global environment. Nevertheless, Malaysia's strong economic fundamentals and policy flexibility have increased our resilience and improved our ability to manage these challenges.

(Source: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2011, Bank Negara Malaysia)

7.2 Overview and outlook of the aluminium industry

Aluminium with its unique qualities of extraordinary strength yet light in weight has a wide array of possible applications, from transport, packaging, electrical application, buildings, construction, furniture and other home appliances. The unique quality of this metal has made it possible for commercial air travel industry. Further, in today's environmental conscious society, aluminium is the preferred material for the production of transport applications, where weight reduction to reduce fuel consumption and to increase load carrying capacity is fundamental.

In addition to the above unique qualities, aluminium does not rust and therefore making it the perfect metal for building construction. Once exposed to outdoor air, the surface of aluminium will quickly develop a thin, microscopic layer of oxide over its top, which will render the metal almost completely resistant to corrosion.

Due to the fact that aluminium is not corrosive and by far the lightest packaging material, its application has grown tremendously for food, beverage as well as pharmaceutical products. The aluminium material helps keep the contents fresh and protects them from external influences, thereby guaranteeing a longer shelf-life.

The world aluminium consumption has recovered substantially from year 2009 to over 16% or 5.7 million to 40 million with the increased consumption driven by China. In addition, the restocking in many industries also witnessed good pick up in consumption in the United States of America as well as the European markets. The aluminium consumption is also projected to grow at a compounded annual growth rate of 6.9% for the period from year 2011 to year 2015. The primary growth drivers are from greater Asia, namely China, India and the rest of Asia.

Aluminium smelting is the process of extracting aluminium from alumina and is extremely energy intensive, which is why most primary aluminium smelters are located where there is ready access to abundant energy/power resources. As at the LPD, our Group's existing Mukah smelting plant is one of only two aluminium smelting plants operating within ASEAN, which together with China, has an estimated base consumption of approximately 20 million tonnes (or circa half of global aluminium demand).

(Source: Management of our Company)

7.3 Prospects of our Group

Our Group, being the first aluminium smelting operator in Malaysia, is determined to continue its vertical integration with the expansion of its smelting capacity. The completion of the second half of the Phase 1 development of the Mukah Smelting Plant will increase our Group's annual capacity to 120,000 MT.

On 5 April 2011, our Group announced that the Phase 2 expansion of our aluminium smelting operation will be located at the new Samalaju Industrial Park, Bintulu, Sarawak and has received approval from the Sarawak State Planning Authority to develop smelting plant with an initial capacity of 240,000 MT per annum. This expansion strategy is in cognizance of the economic growth in this region. With the continuous support of the State and Federal government, our Group should be able to achieve this objective and put Malaysia at the forefront as a leading primary aluminium producer in Asia besides China. Subsequent to the aforementioned announcement, our Group also signed a power purchase agreement term sheet with Sarawak Energy Berhad for the supply of electricity for the Samalaju smelting plant.

In view of the proposed capacity expansion by our Group and the industry outlook as set out above, our Board believes that the prospects of our Group are positive.

(Source: Management of our Company)

8. EFFECTS OF THE RIGHTS ISSUE

For illustration purposes, the effects of the Rights Issue on our Company's share capital, NA, gearing, earnings, substantial shareholders' shareholdings and existing convertible securities shall be based on two (2) scenarios below:

Minimum Scenario:
Assuming none of the Outstanding ESOS Options are exercised on or prior to the Entitlement Date and all Entitled Shareholders subscribe for their respective entitlements.

Maximum Scenario:
Assuming full exercise of the Outstanding ESOS Options on or prior to the Entitlement Date and all Entitled Shareholders subscribe for their respective entitlements.

Note:
There will be no further granting of ESOS Options, other than those already granted as at 11 April 2011, until the completion of the Rights Issue.

8.1 Share capital

For illustrative purposes, the proforma effects of the Rights Issue, assuming all the RCSLS are converted and all the Warrants are exercised, on our issued and paid-up share capital are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of PMB Shares	**Share Capital**	**No. of PMB Shares**	**Share Capital**
	'000	**RM'000**	**'000**	**RM'000**
Existing as at the LPD	439,173	219,586	439,173	219,586
Assuming full exercise of the Outstanding ESOS Options	-	-	2,284	1,142
	439,173	219,586	441,457	220,728
To be issued pursuant to full conversion of the RCSLS	146,391	73,195	147,152	73,576
	585,564	292,781	588,609	294,304
To be issued pursuant to full exercise of the Warrants	146,391	73,195	147,152	73,576
Enlarged issued and paid-up share capital	731,955	365,976	735,761	367,880

The Rights Issue will not have an immediate effect on the existing issued and paid-up share capital of our Company. The issued and paid-up share capital of our Company will increase progressively depending on the number of new PMB Shares issued pursuant to the conversion of the RCSLS and exercise of the Warrants.

8.2 Substantial shareholders' shareholdings

For illustrative purposes, the proforma effects of the Rights Issue, assuming all the RCSLS are converted and all the Warrants are exercised, on the substantial shareholders' shareholdings in our Company are as follows:

Minimum scenario - *Assuming the Additional Undertaking is called upon to meet the Minimum Subscription Level, resulting in potential maximum shareholdings of our substantial shareholders*

	Existing as at the LPD				(I) After the Rights Issue				(II) After (I) and full conversion of RCSLS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	[2]% held	No. of PMB Shares held	[2]% held
	'000		'000		'000		'000		'000		'000	
Dato' Koon Poh Keong	78,998	17.99	[1]10,230	2.33	78,998	17.99	[1]10,230	2.33	78,998	13.73	[3]146,594	25.47
Koon Poh Ming	30,472	6.94	[1]1,000	0.23	30,472	6.94	[1]1,000	0.23	30,472	5.29	[3]137,364	23.87
Datin Khoo Ee Pheng	10,230	2.33	[1]78,998	17.99	10,230	2.33	[1]78,998	17.99	10,230	1.78	[4]215,362	37.42
Ong Soo Fan	1,000	0.23	[1]30,472	6.94	1,000	0.23	[1]30,472	6.94	1,000	0.17	[4]166,836	28.99
AMSB	-	-	-	-	-	-	-	-	136,364	23.69	-	-

	After (II) and full exercise of Warrants			
	Direct		Indirect	
	No. of PMB Shares held	[5]% held	No. of PMB Shares held	[5]% held
	'000		'000	
Dato' Koon Poh Keong	78,998	11.10	[3]282,957	39.75
Koon Poh Ming	30,472	4.28	[3]273,727	38.45
Datin Khoo Ee Pheng	10,230	1.44	[4]351,725	49.41
Ong Soo Fan	1,000	0.14	[4]303,199	42.59
AMSB	272,727	38.31	-	-

Notes:

(1) Deemed interested by virtue of their spouses' shareholdings in our Company pursuant to Section 6A of the Act.

(2) Based on enlarged issued and paid up share capital of 575.54 million PMB Shares, assuming Additional Undertaking is called upon to meet the Minimum Subscription Level and after full conversion of RM300.00 million nominal value of RCSLS into 136.36 million new PMB Shares.

(3) Deemed interested by virtue of their spouses' shareholdings in our Company and their direct shareholdings in AMSB pursuant to Section 6A of the Act.

(4) Deemed interested by virtue of their spouses' shareholdings in our Company and AMSB pursuant to Section 6A of the Act.

(5) Based on enlarged issued and paid up share capital of 711.90 million PMB Shares, after full conversion of RM300.00 million nominal value of RCSLS and full exercise of 136.36 million Warrants into 272.73 million new PMB Shares.

Maximum scenario – *Assuming only the Entitlement Undertaking is called upon (i.e. all shareholders fully subscribe for their respective entitlements under the Rights Issue), resulting in potential minimum shareholdings of our substantial shareholders*

	Existing as at the LPD				(I) After full exercise of Outstanding ESOS Options (excluding exercise of ESOS Options by our substantial shareholders)				(II) After (I) and the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	[2]% held	No. of PMB Shares held	[2]% held	No. of PMB Shares held	[2]% held	No. of PMB Shares held	[2]% held
	'000		'000		'000		'000		'000		'000	
Dato' Koon Poh Keong	78,998	17.99	[1]10,230	2.33	78,998	17.90	[1]10,230	2.32	78,998	17.90	[1]10,230	2.32
Koon Poh Ming	30,472	6.94	[1]1,000	0.23	30,472	6.90	[1]1,000	0.23	30,472	6.90	[1]1,000	0.23
Datin Khoo Ee Pheng	10,230	2.33	[1]78,998	17.90	10,230	2.32	[1]78,998	17.90	10,230	2.32	[1]78,998	17.90
Ong Soo Fan	1,000	0.23	[1]30,472	6.94	1,000	0.23	[1]30,472	6.90	1,000	0.23	[1]30,472	6.90
AMSB	-	-	-	-	-	-	-	-	-	-	-	-

	(III) After (II) and full conversion of RCSLS				After (III) and full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	[3]% held	No. of PMB Shares held	[3]% held	No. of PMB Shares held	[6]% held	No. of PMB Shares held	[6]% held
	'000		'000		'000		'000	
Dato' Koon Poh Keong	78,998	13.43	[4]50,130	8.52	78,998	10.74	[4]90,030	12.24
Koon Poh Ming	30,472	5.18	[4]37,823	6.43	30,472	4.14	[4]74,647	10.15
Datin Khoo Ee Pheng	13,640	2.32	[5]115,488	19.63	17,050	2.32	[5]151,978	20.66
Ong Soo Fan	1,333	0.23	[5]66,962	11.38	1,667	0.23	[5]103,452	14.07
AMSB	36,490	6.20	-	-	72,980	9.92	-	-

Notes:

(1) Deemed interested by virtue of their spouses' shareholdings in our Company pursuant to Section 6A of the Act.

(2) Based on enlarged issued and paid up share capital of 441.31 million PMB Shares, after full exercise of Outstanding ESOS Options excluding exercise of ESOS Options held by our substantial shareholders who collectively hold 150,000 outstanding ESOS Options.

(3) Based on enlarged issued and paid up share capital of 588.41 million PMB Shares, after full conversion of RM323.62 million nominal value of RCSLS into 147.10 million new PMB Shares.

(4) Deemed interested by virtue of their spouses' shareholdings in our Company and their direct shareholdings in AMSB pursuant to Section 6A of the Act.

(5) Deemed interested by virtue of their spouses' shareholdings in our Company and AMSB pursuant to Section 6A of the Act.

(6) Based on enlarged issued and paid up share capital of 735.51 million PMB Shares, after full conversion of RM323.62 million nominal value of RCSLS and full exercise of 147.10 million Warrants into 294.20 million new PMB Shares.

8.3 NA and gearing

Based on the audited consolidated balance sheet of our Company for the FYE 31 December 2010, the proforma effects of the Rights Issue on the consolidated NA and gearing of our Company are as follows:

Minimum Scenario

			(I)	(II)	
	Audited as at 31.12.10	**After adjusting for ESOS Options exercised from 01.01.11 to the LPD**	**After Rights Issue**	**After (I) and full conversion of RCSLS**	**After (II) and full exercise of Warrants**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Share capital	215,031	219,587	219,587	292,782	365,978
Translation reserve	(7,101)	(7,101)	(7,101)	(7,101)	(7,101)
Share premium	3,982	16,284	16,284	265,149	617,635
Share option reserve	5,166	1,976	1,976	1,976	1,976
Retained profits	584,286	584,286	584,286	475,263	475,263
Warrant reserve	-	-	77,716	77,716	-
RCSLS – estimated equity component	-	-	14,642	-	-
Shareholders' funds/NA	801,364	815,032	907,390	1,105,785	1,453,751
Number of PMB Shares in issue ('000)	430,060	439,172	439,172	585,563	731,953
Interest bearing borrowings (RM'000)	1,361,063	1,361,063	(1)1,554,578	1,361,063	1,361,063
NA per PMB Share (RM)	1.86	1.86	2.07	1.89	1.99
Gearing (times)	1.70	1.67	1.71	1.23	0.94

Note:

(1) Includes the estimated liability component of the RCSLS of RM193.52 million. The estimated cost of undertaking the Rights Issue, which is RM5.40 million under the Minimum Scenario, will be set-off against the RCSLS liability component at the point of issue and subsequently charged to retained profits upon full conversion of RCSLS.

Maximum Scenario

	Audited as at 31.12.10	After adjusting for ESOS Options exercised from 01.01.11 to the LPD	(I) (1)After full exercise of Outstanding ESOS Options	(II) After (I) and Rights Issue	(III) After (II) and full conversion of RCSLS	After (III) and full exercise of Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	215,031	218,298	220,729	220,729	294,305	367,881
Translation reserve	(7,101)	(7,101)	(7,101)	(7,101)	(7,101)	(7,101)
Share premium	3,982	12,804	19,368	19,368	269,527	623,847
Share option reserve	5,166	2,878	1,176	1,176	1,176	1,176
Retained profits	584,286	584,286	584,286	584,286	474,624	474,624
Warrant reserve	-	-	-	78,121	78,121	-
RCSLS – estimated equity component	-	-	-	14,718	-	-
Shareholders' funds/NA	801,364	811,165	818,458	911,297	1,110,652	1,460,427
Number of PMB Shares in issue ('000)	430,060	436,594	441,456	441,456	588,608	735,760
Interest bearing borrowings (RM'000)	1,361,063	1,361,063	1,361,063	(2)1,555,512	1,361,063	1,361,063
NA per PMB Share (RM)	1.86	1.86	1.85	2.06	1.89	1.98
Gearing (times)	1.70	1.68	1.66	1.71	1.23	0.93

Notes:

(1) Assuming exercise of all Outstanding ESOS Options into new PMB Shares prior to the Entitlement Date at the exercise price of RM1.50 per PMB Share.

(2) Includes the estimated liability component of the RCSLS of RM194.45 million. The estimated cost of undertaking the Rights Issue, which is RM5.50 million under the Maximum Scenario, will be set-off against the RCSLS liability component at the point of issue and subsequently charged to retained profits upon full conversion of RCSLS.

8.4 Earnings

The Rights Issue is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2011 as it is expected to be completed by the third quarter of 2011. The utilisation of the proceeds from the Rights Issue is expected to contribute positively to the earnings of our Group in future financial years.

The EPS of our Company in the future would depend on the returns generated by us from the utilisation of the proceeds arising from the Rights Issue as and when the RCSLS and/or Warrants are being converted and/or exercised into new PMB Shares.

8.5 Existing convertible securities

Save for the Outstanding ESOS Options, we do not have any other existing convertible securities. Any necessary adjustments arising from the Rights Issue to the Outstanding ESOS Options will be governed by the existing by-laws of the ESOS.

A notification to holders of the Outstanding ESOS Options explaining the mechanism of any adjustments to the Outstanding ESOS Options will be issued immediately after the finalisation of the necessary adjustments on the Entitlement Date.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board, is of the opinion that, after taking into account the cash flow position of our Group, the various banking facilities available and the amount to be raised from the Rights Issue, we will have sufficient working capital for a period of twelve (12) months from the date of issue of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, the borrowings of our Group consist of the following:

	(1)Fixed interest rate facilities	(2)Variable interest rate facilities	Total
	RM'000	RM'000	RM'000
Domestic borrowings			
Short term (payable within 12 months)	-	674,586	674,586
Long term (payable after 12 months)	-	279,500	279,500
	-	954,086	954,086
Foreign borrowngs			
Short term:			
United States Dollar ("**USD**") 64.60 million(3)	115,143	79,936	195,079
Renminbi ("**RMB**") 233.40 million(4)	38,928	70,093	109,021
Euro 4.50 million(5)	-	19,645	19,645
Long Term:			
USD 13.80 million(3)	-	41,673	41,673
RMB 12.20 million(4)	-	5,699	5,699
	154,071	1,171,132	1,325,203

Notes:

(1) As at the LPD, the fixed interest rate ranges from 5.34% to 6.52%.
(2) As at the LPD, the variable interest rate ranges from 4.25% to 6.83%.
(3) As at the LPD, the exchange rate of USD1.0000 : RM3.0198.
(4) As at the LPD, the exchange rate of RMB1.0000 : RM0.4671.
(5) As at the LPD, the exchange rate of Euro1.0000 : RM4.3655.

As at the LPD, PMB have total short term borrowings and long term borrowings of RM998.33 million and RM326.87 million respectively.

We have not defaulted on payments of either principal sums or interests in respect of our borrowings over the past one (1) financial year and the subsequent financial period thereof up to the LPD.

9.3 Contingent liabilities

As at the LPD, the contingent liabilities of our Group consist of the following:

	RM'000
Guarantees given to financial institutions for facilities granted to subsidiaries	505,719

9.4 Material commitments

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by our Company which, upon becoming enforceable, may have an impact on our financial position:

	RM'000
Property, plant and equipment	
Contracted but not provided for	17,000

10. INSTRUCTIONS FOR ACCEPTANCE, EXCESS APPLICATION AND PAYMENT

Full instructions for the acceptance of and payment for the RCSLS with Warrants provisionally allotted to you and/or your renouncee(s) (if applicable) and the procedures to be followed should you and/or your renouncee(s) (if applicable) wish to dispose of all or any part of your entitlements as well as excess application are set out in the RSF. You are advised to read this Abridged Prospectus, the RSF and the notes and instructions therein carefully. The RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptances which do not conform strictly to the terms of this Abridged Prospectus, the RSF and the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of our Board.

10.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted RCSLS with Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue (fractional allotment, if any, shall be dealt with in such manner as our Board shall in its sole and absolute discretion deem expedient or in the best interest of our Company). You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such provisionally allotted RCSLS with Warrants into your CDS Account and the RSF to enable you to subscribe for RCSLS with Warrants provisionally allotted to you, as well as to apply for excess RCSLS with Warrants if you choose to do so. This Abridged Prospectus and the RSF are also available on Bursa Securities' website (http://www.bursamalaysia.com).

10.2 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the RCSLS with Warrants is 5.00 p.m. on 15 August 2011, or such other later date and time as our Board, Joint Principal Advisers and Joint Lead Arrangers in their absolute discretion may decide and announce not less than two (2) Market Days before the stipulated date and time. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

10.3 Procedures for acceptance and payment

If you wish to accept the RCSLS with Warrants provisionally allotted to you either in full or in part, please complete Parts I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF and deliver it together with the appropriate remittance either by ordinary post or delivered by hand in the official envelope provided (at your own risk) to our Share Registrar at the following address:

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

The completed and signed RSF must arrive no later than **5.00 p.m.** on **15 August 2011**, being the last date and time for acceptance and payment, or such later date and time as our Board, Joint Principal Advisers and Joint Lead Arrangers in their absolute discretion may decide and announce not less than two (2) Market Days before the stipulated date and time.

If you do not wish to accept the RCSLS with Warrants provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed/applied for. The minimum number of provisional allotment of RCSLS with Warrants that can be accepted is one (1) provisional allotment of RCSLS with Warrant. Applicants should take note that a trading board lot of the RCSLS and Warrants comprises one hundred (100) RCSLS and one hundred (100) Warrants and one hundred (100) PMB Shares respectively. You have to complete Parts I(a) and II of the RSF by specifying the number of RCSLS with Warrants which you are accepting. The portion of the RCSLS with Warrants that has not been accepted will be allotted to applicants applying for excess application in the manner set out in Section 10.5 of this Abridged Prospectus.

One (1) RSF can only be used for acceptance of the provisionally allotted RCSLS with Warrants standing to the credit of one (1) CDS Account. If you have more than one (1) CDS Account credited with the provisionally allotted RCSLS with Warrants, separate RSF must be used for the acceptance of the provisionally allotted RCSLS with Warrants standing to the credit of each CDS Account. If successful, RCSLS with Warrants subscribed by you will be credited into the respective CDS Accounts in which the provisionally allotted RCSLS with Warrants were standing to the credit.

Acceptance and payment for the RCSLS with Warrants provisionally allotted to you must be made on the RSF issued with this Abridged Prospectus and must be completed in accordance with the notes and instructions printed therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus or the RSF or notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the RCSLS with Warrants accepted in the form of Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made payable to **"PMB RIGHTS ISSUE ACCOUNT"** (crossed **"ACCOUNT PAYEE ONLY"**) and endorsed on the reverse side with your name in block letters, your contact number and your CDS Account number.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RCSLS WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RCSLS WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AT YOUR OWN RISK TO THE ADDRESSES SHOWN IN THE RECORD OF DEPOSITORS WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RCSLS WITH WARRANTS OR SUCH OTHER DATE AS MAY BE PRESCRIBED BY BURSA SECURITIES.

PROOF OF POSTAGE SHALL NOT CONSTITUTE PROOF OF RECEIPT BY OUR SHARE REGISTRAR OR OUR COMPANY.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

If acceptance and payment for the RCSLS with Warrants provisionally allotted to you are received by our Share Registrar, Tricor Investor Services Sdn Bhd, located at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, later than 5.00 p.m. on 15 August 2011, being the last date and time for acceptance and payment, or such later date and time as may be determined and announced by our Board, Joint Principal Advisers and Joint Lead Arrangers in their absolute discretion, the said provisional allotment to you will be deemed to have been declined and will be cancelled and such RCSLS with Warrants not taken up will be allotted to applicants who have applied for excess application.

Our Board reserves the right not to accept any application or to accept in part only any application accompanied by payment other than in the manner prescribed herein or which is otherwise howsoever incomplete or not in order, without assigning any reason thereof.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker(s), Bursa Securities' website (www.bursamalaysia.com), our Share Registrar at the address stated above or our Registered Office.

You should note that all RSF and remittances lodged with our Share Registrar will be irrevocable and cannot subsequently be withdrawn. Where the application is not accepted or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and shall be despatched to you within fifteen (15) Market Days from the last date for acceptance and payment for the RCSLS with Warrants by ordinary post to the address shown in the Record of Depositors at your own risk.

10.4 Procedures for sale and/or transfer of provisional allotment of RCSLS with Warrants

The provisional allotment of RCSLS with Warrants is renounceable and will be traded on Bursa Securities commencing **1 August 2011** up to and including **5 August 2011**. As such, you may sell or transfer all or part of your entitlement to the RCSLS with Warrants.

As the provisional allotment of RCSLS with Warrants are prescribed securities, if you wish to sell or transfer all or part of your entitlement to the RCSLS with Warrants, you may do so immediately through your stockbroker for the period up to the last day of trading of the provisional allotment of RCSLS with Warrants on **5 August 2011,** without first having to request for a split of the provisional RCSLS with Warrants standing to the credit of your CDS Account.

To dispose of all or part of your provisional allotment of RCSLS with Warrants, you may sell such entitlements on Bursa Securities or transfer such entitlements to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your provisional allotment of RCSLS with Warrants, you need not deliver any document (including the RSF) to the stockbroker in respect of the portion of the provisional allotment sold/transferred. However, you must ensure that you have sufficient provisional allotment of RCSLS with Warrants standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

If you have disposed of only part of your entitlements of the RCSLS with Warrants, you may still accept the balance of the entitlements of the RCSLS with Warrants by completing Parts I(a) and II of the RSF and submit the RSF together with the full amount payable on the balance of the RCSLS with Warrants applied for, to our Share Registrar in accordance with the instructions set out in Section 10.3 of this Abridged Prospectus. The minimum number of RCSLS with Warrant that can be accepted or minimum number of excess RCSLS with Warrant which can be applied for is one (1) RCSLS with Warrant.

If you sell/transfer all or part of your provisional allotment of RCSLS with Warrants, you will automatically be disposing of your entitlements to the provisional allotment of RCSLS with Warrants. You cannot dispose of your entitlements in any other proportions other than that stated above.

Entitled shareholders and/or their renouncees are advised to read and adhere to the RSF and the notes and instructions printed therein.

10.5 Procedures for excess RCSLS with Warrants application

If you wish to apply for additional RCSLS with Warrants in excess of those provisionally allotted to you, you may do so by completing Part I(b) (in addition to Parts I (a) and II) of the RSF (a separate remittance for the full amount payable in respect of the excess RCSLS with warrants applied for). Submit each completed and signed RSF together with the relevant payment in the reply envelope provided to our Share Registrar at the following address by ordinary post, courier or delivered by hand (at your own risk):

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

The completed and signed RSF must arrive no later than **5.00 p.m.** on **15 August 2011**, being the closing date.

Payment for the excess RCSLS with Warrants should be made in the same manner described in Section 10.3 of this Abridged Prospectus except that the Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) must be drawn on a bank or post office in Malaysia and made payable to **"PMB EXCESS RIGHTS ISSUE ACCOUNT"** (crossed **"ACCOUNT PAYEE ONLY"**) and **endorsed on the reverse side with your name in block letters, contact number and your CDS Account number.**

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

Our Board reserves the right to allot any excess RCSLS with Warrants applied for under the RSF in such manner as it deems fit and expedient in the best interest of our Company. Our Board also reserves the right to accept any excess RCSLS with Warrants application, in full or in part, without assigning any reason thereof. The allocation of the excess RCSLS with Warrants will be made in a fair and equitable manner.

It is the intention of our Board to allot the excess RCSLS with Warrants in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, the excess RCSLS with Warrants are intended to be allocated on an pro-rata basis and in board lots, based on their respective shareholdings as at the Entitlement Date, subject always to the maximum number of excess RCSLS with Warrants applied for; and

(iii) in the event there are still unsubscribed RCSLS with Warrants after allocating all the excess RCSLS with Warrants applied for, the remaining unsubscribed RCSLS with Warrants will be subscribed for by AMSB in order to meet the Minimum Subscription Level.

NO ACKNOWLEDMENT OF RECEIPT OF THE RSF FOR THE EXCESS RCSLS WITH WARRANTS APPLICATION OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RCSLS WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RCSLS WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AT YOUR OWN RISK TO THE ADDRESSES SHOWN IN THE RECORD OF DEPOSITORS WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RCSLS WITH WARRANTS OR SUCH OTHER DATE AS MAY BE PRESCRIBED BY BURSA SECURITIES.

In respect of unsuccessful or partially successful excess RCSLS with Warrants applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest and shall be despatched by ordinary post to the applicant at their own risk to the address shown in our Record of Depositors within fifteen (15) Market Days from the last date for application and payment for excess RCSLS with Warrants by ordinary post at the address shown in the record of Bursa Depository at your own risk.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain an additional copy from Bursa Securities' website (www.bursamalaysia.com) or our Share Registrar, Tricor Investor Services Sdn Bhd, located at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

10.6 Procedures for renouncees

As a renouncee, the procedures for acceptance, selling or transferring of provisional RCSLS with Warrants and/or applying for excess RCSLS with Warrants as well as payment are the same as that applicable to the Entitled Shareholders as described in Sections 10.3 to 10.5 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to accept the provisional RCSLS with Warrants, you may obtain a copy of this Abridged Prospectus and the RSF from any of the following:

(i) Our Registered Office at:

Lot 6.05, Level 6, KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

(ii) Our Share Registrar at:

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

(iii) Bursa Malaysia Berhad's website at http://www.bursamalaysia.com

Renouncees are advised to read and adhere to the RSF and the notes and instructions printed in the RSF.

10.7 Laws of foreign jurisdiction

This Abridged Prospectus, together with the NPA and RSF, will not be registered under or be made to comply with any applicable securities legislation or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country/jurisdiction other than Malaysia.

This Abridged Prospectus, together with the NPA and RSF, are not intended to be (and will not be) issued, circulated and distributed and the Rights Issue will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to the Entitled Shareholders receiving this Abridged Prospectus and the RSF electronically or otherwise within Malaysia.

Accordingly, this Abridged Prospectus and the accompanying NPA and RSF relating to the Rights Issue will not be dispatched to the Entitled Shareholders and/or their renounces (if applicable) if they do not have a registered address in Malaysia as stated in the Record of Depositors on the Entitlement Date. However, the Entitled Shareholders and/or their renounces (if applicable) may collect this Abridged Prospectus including the accompanying documents from our Registered Office, in which event our Company Secretaries shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Rights Issue.

Our Company would not make or be bound to make any enquiry as to whether the Entitled Shareholders and/or their renounces (if applicable) have a registered address in Malaysia other than as stated in the Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue and the acceptance thereof by the Entitled Shareholders and/or their renouncees (if applicable) would not be in breach of the laws of any jurisdiction. Our Company will further assume that the Entitled Shareholders and/or their renounces (if applicable) have accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

The Entitled Shareholders and/or their transferees and/or their renouncees (if applicable) shall not have any right or claim against our Company, Joint Principal Advisers and Joint Lead Arrangers or any other advisers to the Rights Issue in respect of their rights or entitlements in respect of the Rights Issue or to any proceeds thereof. The Entitled Shareholders may only accept or renounce or transfer (as the case may be) all or part of their entitlement and exercise of any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so, and our Company, Joint Principal Advisers and Joint Lead Arrangers or any other advisers would not be in breach of the laws of any foreign jurisdiction/country to which that the Entitled Shareholders and/or their transferees and/or their renouncees (if applicable) is or may be subject to.

However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements.

If the Entitled Shareholders are or may be subject to the laws or country/jurisdiction other than Malaysia (**"Foreign Shareholders"**), it shall be at the sole responsibility of the Foreign Shareholders to consult their legal and/or other professional advisers as to whether the acceptance or renunciation in any manner whatsoever of your entitlement under the Rights Issue would result in the contravention of any laws of such country/jurisdiction and our Company, Joint Principal Advisers and Joint Lead Arrangers or any other advisers to the Rights Issue shall not accept any responsibility or liability whatsoever to any party in the event that any acceptance or renunciation of the sale or transfer of the provisional allotment of RCSLS with Warrants made to the Foreign Shareholders and/or their transferees and/or their renouncees (if applicable) is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

By signing any of the forms accompanying this Abridged Prospectus, the Foreign Shareholders and/or their transferees and/or their renouncees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) our Company, our Board and officers, our Joint Principal Advisers and Joint Lead Arrangers and any other advisers to the Rights Issue (or if it is a broker-dealer or custodian acting on behalf of its customer, such customer has confirmed to it that such customer has so acknowledged and declared in respect of itself) that:

(i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that Foreign Shareholders and/or their renouncees (if applicable) are or may be subject to;

(ii) the Foreign Shareholders and/or their renouncees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;

(iii) the Foreign Shareholders and/or their renouncees (if applicable) are not a nominee or agent of a person in respect of whom our Company would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) the Foreign Shareholders and/or their renouncees (if applicable) are aware that the provisional allotment of RCSLS with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) the Foreign Shareholder and/or their renouncees (if applicable) have received a copy of this Abridged Prospectus and have read and understood the contents of this Abridged Prospectus; and

(vi) the Foreign Shareholders and/or their renouncees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the RCSLS with Warrrants, and are and will be prepared to bear economic and financial risks of investing in and holding the RCSLS with Warrants.

Persons receiving this Abridged Prospectus, together with the NPA and RSF (including without limitation, custodians, nominees and trustees), must not, in connection with the Rights Issue, offer, distribute or send this Abridged Prospectus, together with the NPA and RSF, into any jurisdiction where it would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, together with the NPA and RSF, are received by any person in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the Rights Issue unless he has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who forwards this Abridged Prospectus, together with the NPA and RSF, to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section, and we reserve the right to reject a purported acceptance of the RCSLS with Warrants from any such application by the Foreign Shareholders and/or their renouncees (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirement.

10.8 CDS Account

Bursa Securities has already prescribed the securities of PMB listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the RCSLS with Warrants are prescribed securities and as such, all dealings in the provisional allotment of RCSLS with Warrants will be by book entry through CDS Accounts and will be governed by the Securities Industry (Central Depository) Act, 1991, the Securities Industry (Central Depository) Amendments Act, 1998 and the Rules of Bursa Depository. You are required to have valid and subsisting CDS Accounts in order to subscribe for the RCSLS with Warrants.

The acceptance of the RCSLS with Warrants by you or any purchaser of the rights thereof shall mean consent to receiving such RCSLS and Warrants as prescribed securities which will be credited accordingly into your or the purchaser's CDS Account.

All excess RCSLS with Warrants allotted shall be credited directly into the CDS Accounts of the successful applicants.

You are required to use one (1) RSF for each CDS Account. Separate RSF must be used if you have more than one (1) CDS Account having been credited with the provisional allotments of RCSLS with Warrants.

10.9 Notice of allotment

Upon allotment of the RCSLS with Warrants in respect of your acceptance and excess application (if any), the RCSLS with Warrants shall be credited into your CDS Account. No physical certificates will be despatched to you in respect of the RCSLS with Warrants. However, a notice of allotment will be despatched to you by ordinary post within eight (8) Market Days from the last date of acceptance and payment of the RCSLS with Warrants and excess application at the address shown in the record of Bursa Depository at your own risk.

Where any application for the RCSLS with Warrants is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and be despatched to you within fifteen (15) Market Days from the last date of acceptance and payment in respect of the RCSLS with Warrants or such date as may be prescribed by the Bursa Securities by ordinary post to the address shown in the record of Bursa Depository at your own risk.

The allotment of the RCSLS with Warrants, despatch of notice of allotment and application to Bursa Securities for the quotation of the RCSLS with Warrants will be made within eight (8) Market Days from the last date for acceptance and payment of the RCSLS with Warrants or such other date as may be prescribed by Bursa Securities.

Please note that a completed RSF and the payment thereof once lodged with our Registered Office cannot subsequently be withdrawn.

The latest time and date for acceptance and payment for the RCSLS with Warrants will be at 5.00 p.m. on 15 August 2011 or such later date and time as our Board, Joint Principal Advisers and Joint Lead Arrangers in their absolute discretion may decide and announce not less than two (2) Market Days before the stipulated date and time.

An application shall not be deemed to have been accepted by reason of the remittance being presented for payment.

11. OTHER CORPORATE EXERCISES APPROVED BUT PENDING COMPLETION

Save for this Rights Issue, there are no outstanding corporate proposals which have been approved and announced by our Company but have yet to be completed prior to the printing of this Abridged Prospectus.

12. TERMS AND CONDITIONS

The issue of RCSLS with Warrants are governed by the terms and conditions set out in this Abridged Prospectus, the accompanying NPA and RSF, Trust Deed and Security Documents, and Deed Poll.

13. FURTHER INFORMATION

You are advised to refer to the attached Appendices for further information.

Yours faithfully,
For and on behalf of the Board
PRESS METAL BERHAD

DATO' MEGAT ABDUL RAHMAN BIN MEGAT AHMAD
Independent Non-Executive Chairman

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 29 JUNE 2011

PRESS METAL BERHAD
(Company No. 153208-W)

CERTIFIED EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, 29 JUNE 2011

ORDINARY RESOLUTION I

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO RM323,735,042 NOMINAL VALUE OF 8-YEAR 6% REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("RCSLS") AT 100% OF ITS NOMINAL VALUE TOGETHER WITH UP TO 147,152,292 FREE DETACHABLE NEW WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) RM2.20 NOMINAL VALUE OF RCSLS TOGETHER WITH ONE (1) WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM0.50 EACH HELD IN PRESS METAL BERHAD ("PMB") ON AN ENTITLEMENT DATE TO BE DETERMINED ("PROPOSED RIGHTS ISSUE")

After dealing with all the questions from the shareholders, on the proposal of Mr Phang Ah Kow and seconded by Madam Tan Phek Quan, it was RESOLVED:-

THAT, approval be and is hereby given to the Company for the Proposed Renounceable Rights Issue of up to RM323,735,042 Nominal Value of 8-Year 6% Redeemable Convertible Secured Loan Stocks ("RCSLS") at 100% of its Nominal Value together with up to 147,152,292 Free Detachable Warrants ("WARRANTS") on the basis of one (1) RM2.20 Nominal Value of RCSLS together with one (1) Warrant for every three (3) existing ordinary shares of RM0.50 each held in Press Metal Berhad on an entitlement date to be determined later.

AND THAT, ANY ONE of the Directors of the Company be and is hereby authorised to give full effect to the Proposed Rights Issue with full powers to assent any conditions, modifications, variations and/or amendments in any manner as may be required by the Bursa Malaysia Securities Berhad and any other relevant authority and to do all such acts as they may consider necessary or expedient to give full effect to the Proposed Rights Issue.

CERTIFIED TRUE COPY

DIRECTOR

DIRECTOR/ SECRETARY

2 9 JUN 2011

INFORMATION ON OUR COMPANY

1. HISTORY OF OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 13 May 1986 as a private limited company under the name of Press Metal Aluminium Industries Sdn Bhd. On 21 January 1993, our Company was converted to a public company and changed its name to Press Metal Aluminium Industries Berhad. On 26 February 1993, Press Metal Aluminium Industries Berhad changed its name to Press Metal Berhad. PMB was listed on the Second Board of the then Kuala Lumpur Stock Exchange on 4 August 1993 and was transferred to the Main Board of the Kuala Lumpur Stock Exchange on 11 August 1999. The Main Board of Kuala Lumpur Stock Exchange is now known as the Main Market of Bursa Securities.

2. PRINCIPAL ACTIVITIES

We are principally engaged in the manufacturing and marketing of aluminium products whilst the principal activities of our subsidiary companies are trading, contracting, fabricating and installation of aluminium and stainless steel products, curtain wall cladding system, project and property development, operation of waste recycling projects and environmental engineering. The principal activities of our subsidiaries and associated companies are set out in Section 6 of this Appendix.

3. SHARE CAPITAL

(a) Authorised and issued and paid-up share capital

Our authorised share capital, and issued and paid-up share capital as at the LPD are as follows:

	No. of shares	Par value	Amount
		RM	RM
Authorised	1,000,000,000	0.50	500,000,000
Issued and paid-up	439,172,877	0.50	219,586,439

(b) Changes in our issued and paid-up share capital

The changes in the issued and paid-up share capital of our Company since its incorporation to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
19.05.1986	5	1.00	Subscribers' shares	5
30.06.1986	460,000	1.00	Otherwise than in cash	460,005
21.06.1990	539,995	1.00	Cash	1,000,000
18.10.1990	200,000	1.00	Cash	1,200,000
04.07.1991	300,000	1.00	Bonus issue of one (1) share for every four (4) shares held	1,500,000

Date of allotment	No. of ordinary shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
15.05.1992	500,000	1.00	Bonus issue of one (1) share for every three (3) shares held	2,000,000
03.05.1993	363,380	1.00	Consideration for the acquisition of shares in Everlast Aluminium (M) Sdn Bhd at RM2.74 per share	2,363,380
03.05.1993	626,039	1.00	Consideration for the acquisition in Angkasa Jasa Sdn Bhd at RM2.60 per share	2,989,419
11.05.1993	5,000,000	1.00	Bonus issue of five (5) shares for every two (2) shares held	7,989,419
11.05.1993	9,000,000	1.00	Rights issue of nine (9) shares for every two (2) shares held at RM1.00 per share	16,989,419
28.12.1995	8,495,000	1.00	Bonus issue of one (1) share for every two (2) shares held	25,484,419
14.02.1996	8,495,000	1.00	Rights issue of one (1) share for every two (2) shares held at RM2.50 per share	33,979,419
18.03.1996	666	1.00	Conversion of Warrants 1995/2005 ("**Warrants A**")	33,980,085
15.04.1996	11,000	1.00	Conversion of Warrants A	33,991,085
06.01.1997	11,000	1.00	Exercise of ESOS options	34,002,085
13.01.1997 - 17.01.1997	14,000	1.00	Exercise of ESOS options	34,016,085
28.01.1997- 03.02.1997	6,000	1.00	Exercise of ESOS options	34,022,085
17.02.1997	4,000	1.00	Exercise of ESOS options	34,026,085
20.02.1997- 03.03.1997	69,000	1.00	Exercise of ESOS options	34,095,085
05.03.1997	15,000	1.00	Exercise of ESOS options	34,110,085
10.03.1997	13,000	1.00	Exercise of ESOS options	34,123,085
13.03.1997- 20.03.1997	115,000	1.00	Exercise of ESOS options	34,238,085
24.03.1997	31,000	1.00	Exercise of ESOS options	34,269,085

INFORMATION ON OUR COMPANY *(Cont'd)*

Date of allotment	No. of ordinary shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
27.03.1997-31.03.1997	58,000	1.00	Exercise of ESOS options	34,327,085
07.04.1997	24,000	1.00	Exercise of ESOS options	34,351,085
11.04.1997	52,000	1.00	Exercise of ESOS options	34,403,085
21.04.1997	5,000	1.00	Exercise of ESOS options	34,408,085
28.04.1997	3,000	1.00	Exercise of ESOS options	34,411,085
05.05.1997	7,000	1.00	Exercise of ESOS options	34,418,085
12.05.1997	2,000	1.00	Exercise of ESOS options	34,420,085
02.06.1997	15,000	1.00	Exercise of ESOS options	34,435,085
11.06.1997	1,000	1.00	Exercise of ESOS options	34,436,085
23.06.1997	16,000	1.00	Exercise of ESOS options	34,452,085
15.08.1997-22.08.1997	1,001	1.00	Conversion of Warrants A	34,453,086
09.07.1999	27,562,469	1.00	Bonus Issue of four (4) shares for every five (5) shares held	62,015,555
24.06.2003	11,000	1.00	Exercise of ESOS options	62,026,555
27.06.2003	3,000	1.00	Exercise of ESOS options	62,029,555
11.07.2003	31,000	1.00	Exercise of ESOS options	62,060,555
16.07.2003	17,000	1.00	Exercise of ESOS options	62,077,055
04.08.2003	44,000	1.00	Exercise of ESOS options	62,121,555
19.08.2003	341,000	1.00	Exercise of ESOS options	62,462,555
05.09.2003	132,000	1.00	Exercise of ESOS options	62,594,555
16.09.2003	5,000	1.00	Exercise of ESOS options	62,599,555
06.10.2003	57,000	1.00	Exercise of ESOS options	62,656,555
20.10.2003	33,000	1.00	Exercise of ESOS options	62,689,555
05.11.2003	97,000	1.00	Exercise of ESOS options	62,786,555
19.11.2003	309,000	1.00	Exercise of ESOS options	62,095,555
03.12.2003	6,000	1.00	Exercise of ESOS options	63,101,555
10.12.2003	204,000	1.00	Exercise of ESOS options	63,305,555
17.12.2003	7,000	1.00	Exercise of ESOS options	63,312,555
07.01.2004	7,000	1.00	Exercise of ESOS options	63,319,555

Date of allotment	No. of ordinary shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
20.01.2004	5,000	1.00	Exercise of ESOS options	63,324,555
05.02.2004	11,000	1.00	Exercise of ESOS options	63,335,555
18.02.2004	12,000	1.00	Exercise of ESOS options	63,347,555
05.03.2004	7,000	1.00	Exercise of ESOS options	63,354,555
19.03.2004	10,000	1.00	Exercise of ESOS options	63,364,555
07.04.2004	11,000	1.00	Exercise of ESOS options	63,375,555
20.04.2004	13,000	1.00	Exercise of ESOS options	63,388,555
14.06.2004	202,000	1.00	Exercise of ESOS options	63,590,555
07.07.2004	1,000	1.00	Exercise of ESOS options	63,591,555
30.07.2004	1,000	1.00	Exercise of ESOS options	63,592,555
20.08.2004	207,000	1.00	Exercise of ESOS options	63,799,555
03.09.2004	12,000	1.00	Exercise of ESOS options	63,811,555
20.09.2004	15,000	1.00	Exercise of ESOS options	63,826,555
07.10.2004	10,000	1.00	Exercise of ESOS options	63,836,555
18.10.2004	1,000	1.00	Exercise of ESOS options	63,837,555
01.12.2004	1,000	1.00	Exercise of ESOS options	63,838,555
20.12.2004	31,000	1.00	Exercise of ESOS options	63,869,555
07.01.2005	15,500	1.00	Exercise of ESOS options	63,885,055
19.01.2005	39,000	1.00	Exercise of ESOS options	63,924,055
03.02.2005	16,000	1.00	Exercise of ESOS options	63,940,055
06.04.2005	10,000	1.00	Exercise of ESOS options	63,950,055
*28.06.2005	42,000	0.50	Exercise of ESOS options	63,971,055
09.08.2005	18,000	0.50	Conversion of Warrants A	63,980,055
30.09.2005	63,980,055	0.50	Bonus issue of one (1) new share for every two (2) existing held	95,970,082.50
30.09.2005	127,960,110	0.50	Two-call rights issue of shares with warrants on the basis of two (2) new shares for every three (3) existing shares held at RM0.50 per share	159,950,137.50
07.12.2005	8,000	0.50	Conversion of Warrants A	159,954,137.50

Date of allotment	No. of ordinary shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
12.12.2006	301,000	0.50	Exercise of ESOS options	160,104,637.50
27.12.2006	218,000	0.50	Exercise of ESOS options	160,213,637.50
09.01.2007	125,000	0.50	Exercise of ESOS options	160,276,137.50
18.01.2007	194,000	0.50	Exercise of ESOS options	160,373,137.50
18.01.2007	25,000,000	0.50	Private Placement	172,873,137.50
22.01.2007	104,000	0.50	Exercise of ESOS options	172,925,137.50
30.01.2007	340,000	0.50	Exercise of ESOS options	173,095,137.50
02.02.2007	6,990,800	0.50	Private Placement	176,590,537.50
07.02.2007	797,000	0.50	Exercise of ESOS options	176,989,037.50
28.02.2007	339,000	0.50	Exercise of ESOS options	177,158,537.50
07.03.2007	610,000	0.50	Exercise of ESOS options	177,463,537.50
21.03.2007	131,000	0.50	Exercise of ESOS options	177,529,037.50
04.04.2007	369,000	0.50	Exercise of ESOS options	177,713,537.50
10.04.2007	811,000	0.50	Exercise of ESOS options	178,119,037.50
19.04.2007	387,000	0.50	Exercise of ESOS options	178,312,537.50
20.04.2007	1,210,000	0.50	Exercise of ESOS options	178,917,537.50
14.05.2007	411,000	0.50	Exercise of ESOS options	179,123,037.50
22.05.2007	1,429,000	0.50	Exercise of ESOS options	179,837,537.50
28.05.2007	4,803,000	0.50	Exercise of ESOS options	182,239,037.50
30.05.2007	25,000	0.50	Conversion of Warrants (B)	182,251,537.50
27.11.2007	50	0.50	Exercise of ESOS options	182,251,562.50
14.12.2007	16,000	0.50	Exercise of ESOS options	182,259,562.50
28.12.2007	12,000	0.50	Exercise of ESOS options	182,265,562.50
04.01.2008	8,000	0.50	Exercise of ESOS options	182,269,562.50
24.01.2008	33,000	0.50	Conversion of Warrants (B)	182,286,062.50
09.07.2009	4,000	0.50	Conversion of Warrants (B)	182,288,062.50
06.08.2009	8,900	0.50	Conversion of Warrants (B)	182,295,012.50
11.08.2009	5,000	0.50	Conversion of Warrants (B)	182,308,512.50
17.08.2009	27,000	0.50	Conversion of Warrants (B)	182,363,512.50
19.08.2009	110,000	0.50	Conversion of Warrants (B)	182,368,512.50

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
25.08.2009	10,000	0.50	Conversion of Warrants (B)	182,380,562.50
03.09.2009	24,100	0.50	Conversion of Warrants (B)	182,382,562.50
17.09.2009	4,000	0.50	Conversion of Warrants (B)	182,383,562.50
18.09.2009	2,000	0.50	Conversion of Warrants (B)	182,393,862.50
24.09.2009	20,600	0.50	Conversion of Warrants (B)	182,417,112.50
02.10.2009	46,500	0.50	Conversion of Warrants (B)	182,590,562.50
06.10.2009	346,900	0.50	Conversion of Warrants (B)	182,630,562.50
23.10.2009	80,000	0.50	Conversion of Warrants (B)	182,658,262.50
05.11.2009	55,400	0.50	Conversion of Warrants (B)	182,668,112.50
11.11.2009	19,700	0.50	Conversion of Warrants (B)	182,678,912.50
07.12.2009	21,600	0.50	Conversion of Warrants (B)	182,693,912.50
22.12.2009	30,000	0.50	Conversion of Warrants (B)	182,704,762.50
15.01.2010	21,700	0.50	Conversion of Warrants (B)	182,729,762.50
25.01.2010	50,000	0.50	Conversion of Warrants (B)	182,741,712.50
08.02.2010	23,900	0.50	Conversion of Warrants (B)	182,743,715.50
16.03.2010	4,000	0.50	Conversion of Warrants (B)	182,748,712.50
22.03.2010	10,000	0.50	Conversion of Warrants (B)	182,748,737.50
26.03.2010	50	0.50	Conversion of Warrants (B)	182,758,487.50
05.04.2010	19,500	0.50	Conversion of Warrants (B)	182,758,487.50
19.04.2010	545,001	0.50	Conversion of Warrants (B)	183,030,988.00
21.04.2010	103,000	0.50	Conversion of Warrants (B)	183,082,488.00
26.04.2010	76,000	0.50	Conversion of Warrants (B)	183,120,488.00
30.04.2010	247,000	0.50	Conversion of Warrants (B)	183,243,988.00
04.05.2010	356,701	0.50	Conversion of Warrants (B)	183,422,338.50
07.05.2010	178,800	0.50	Conversion of Warrants (B)	183,511,738.50
12.05.2010	209,000	0.50	Conversion of Warrants (B)	183,616,238.50
14.05.2010	61,000	0.50	Conversion of Warrants (B)	183,646,738.50
18.05.2010	50,000	0.50	Conversion of Warrants (B)	183,671,738.50
24.05.2010	37,000	0.50	Conversion of Warrants (B)	183,690,238.50
31.05.2010	96,000	0.50	Conversion of Warrants (B)	183,738,238.50

Date of allotment	No. of ordinary shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
03.06.2010	23,000	0.50	Conversion of Warrants (B)	183,749,738.50
08.06.2010	83,000	0.50	Conversion of Warrants (B)	183,791,238.50
15.06.2010	257,000	0.50	Conversion of Warrants (B)	183,919,738.50
21.06.2010	11,800	0.50	Conversion of Warrants (B)	183,925,638.50
24.06.2010	39,000	0.50	Conversion of Warrants (B)	183,945,138.50
02.07.2010	95,000	0.50	Conversion of Warrants (B)	183,992,638.50
06.07.2010	23,733	0.50	Conversion of Warrants (B)	184,004,505.00
09.07.2010	4,600	0.50	Conversion of Warrants (B)	184,006,805.00
13.07.2010	109,500	0.50	Conversion of Warrants (B)	184,061,555.00
15.07.2010	3,500	0.50	Conversion of Warrants (B)	184,063,305.00
19.07.2010	7,000	0.50	Conversion of Warrants (B)	184,066,805.00
26.07.2010	8,200	0.50	Conversion of Warrants (B)	184,070,905.00
30.07.2010	158,300	0.50	Conversion of Warrants (B)	184,150,055.00
04.08.2010	13,000	0.50	Conversion of Warrants (B)	184,456,555.00
05.08.2010	85,400	0.50	Conversion of Warrants (B)	184,199,255.00
10.08.2010	30,000	0.50	Conversion of Warrants (B)	184,214,255.00
12.08.2010	261,400	0.50	Conversion of Warrants (B)	184,344,955.00
13.08.2010	66,000	0.50	Conversion of Warrants (B)	184,377,955.00
16.08.2010	41,900	0.50	Conversion of Warrants (B)	184,398,905.00
18.08.2010	20,000	0.50	Conversion of Warrants (B)	184,408,905.00
18.08.2010	86,800	0.50	Conversion of Warrants (B)	184,452,305.00
24.08.2010	381,500	0.50	Conversion of Warrants (B)	184,643,055.00
27.08.2010	10,000	0.50	Conversion of Warrants (B)	184,648,055.00
01.09.2010	439,800	0.50	Conversion of Warrants (B)	184,867,955.00
03.09.2010	190,300	0.50	Conversion of Warrants (B)	184,963,105.00
07.09.2010	467,900	0.50	Conversion of Warrants (B)	185,197,055.00
13.09.2010	610,000	0.50	Conversion of Warrants (B)	185,502,055.00
14.09.2010	485,900	0.50	Conversion of Warrants (B)	185,745,005.50
17.09.2010	250,000	0.50	Conversion of Warrants (B)	185,870,005.00
20.09.2010	1,537,700	0.50	Conversion of Warrants (B)	186,638,855.00

Date of allotment	No. of ordinary shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
22.09.2010	489,400	0.50	Conversion of Warrants (B)	186,883,555.00
24.09.2010	704,519	0.50	Conversion of Warrants (B)	187,408,558.00
28.09.2010	345,487	0.50	Conversion of Warrants (B)	187,056,298.50
27.09.2010	2,976,971	0.50	Conversion of Warrants (B)	188,897,043.50
29.09.2010	9,432,156	0.50	Conversion of Warrants (B)	193,875,171.50
30.09.2010	40,266,534	0.50	Conversion of Warrants (B)	214,008,438.50
27.10.2010	5,000	0.50	Exercise of ESOS	214,010,938.50
03.11.2010	83,000	0.50	Exercise of ESOS	214,052,438.50
08.11.2010	36,000	0.50	Exercise of ESOS	214,070,438.50
19.11.2010	923,000	0.50	Exercise of ESOS	214,531,938.50
03.12.2010	268,000	0.50	Exercise of ESOS	214,665,938.50
27.12.2010	614,000	0.50	Exercise of ESOS	214,972,938.50
28.12.2010	105,000	0.50	Exercise of ESOS	215,025,438.50
07.01.2011	1,148,000	0.50	Exercise of ESOS	215,599,438.50
21.01.2011	510,000	0.50	Exercise of ESOS	215,854,438.50
07.02.2011	24,000	0.50	Exercise of ESOS	215,866,438.50
21.02.2011	66,000	0.50	Exercise of ESOS	215,899,438.50
04.03.2011	81,000	0.50	Exercise of ESOS	215,939,938.50
18.03.2011	25,000	0.50	Exercise of ESOS	215,952,438.50
06.04.2011	155,000	0.50	Exercise of ESOS	216,029,938.50
20.04.2011	200,000	0.50	Exercise of ESOS	216,129,938.50
10.05.2011	657,000	0.50	Exercise of ESOS	216,458,438.50
23.05.2011	59,000	0.50	Exercise of ESOS	216,487,938.50
08.06.2011	3,619,000	0.50	Exercise of ESOS	218,297,438.50
16.06.2011	1,040,000	0.50	Exercise of ESOS	218,817,438.50
21.06.2011	182,000	0.50	Exercise of ESOS	218,908,438.50
22.06.2011	1,356,000	0.50	Exercise of ESOS	219,586,438.50

Note:

* *On 28 June 2005, our Company had completed a share split involving the subdivision of each ordinary share of RM1.00 each held in PMB into two (2) ordinary shares of RM0.50 each.*

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on our Record of Depositors as at the LPD, the proforma effects of the Rights Issue on our substantial shareholders' shareholdings in our Company are as follows:

Minimum scenario - *Assuming the Additional Undertaking is called upon to meet the Minimum Subscription Level, resulting in potential maximum shareholdings of our substantial shareholders*

	Existing as at the LPD				(I) After the Rights Issue				(II) After (I) and full conversion of RCSLS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	(2)% held	No. of PMB Shares held	(2)% held
	'000		'000		'000		'000		'000		'000	
Dato' Koon Poh Keong	78,998	17.99	(1)10,230	2.33	78,998	17.99	(1)10,230	2.33	78,998	13.73	(3)146,594	25.47
Koon Poh Ming	30,472	6.94	(1)1,000	0.23	30,472	6.94	(1)1,000	0.23	30,472	5.29	(3)137,364	23.87
Datin Khoo Ee Pheng	10,230	2.33	(1)78,998	17.99	10,230	2.33	(1)78,998	17.99	10,230	1.78	(4)215,362	37.42
Ong Soo Fan	1,000	0.23	(1)30,472	6.94	1,000	0.23	(1)30,472	6.94	1,000	0.17	(4)166,836	28.99
AMSB	-	-	-	-	-	-	-	-	136,364	23.69	-	-

	After (II) and full exercise of Warrants			
	Direct		Indirect	
	No. of PMB Shares held	(5)% held	No. of PMB Shares held	(5)% held
	'000		'000	
Dato' Koon Poh Keong	78,998	11.10	(3)282,957	39.75
Koon Poh Ming	30,472	4.28	(3)273,727	38.45
Datin Khoo Ee Pheng	10,230	1.44	(4)351,725	49.41
Ong Soo Fan	1,000	0.14	(4)303,199	42.59
AMSB	272,727	38.31	-	-

Notes:

(1) Deemed interested by virtue of their spouses' shareholdings in our Company pursuant to Section 6A of the Act.

(2) Based on enlarged issued and paid up share capital of 575.54 million PMB Shares, assuming Additional Undertaking is called upon to meet the Minimum Subscription Level and after full conversion of RM300.00 million nominal value of RCSLS.

(3) Deemed interested by virtue of their spouses' shareholdings in our Company and their direct shareholdings in AMSB pursuant to Section 6A of the Act.

(4) Deemed interested by virtue of their spouses' shareholdings in our Company and AMSB pursuant to Section 6A of the Act.

(5) Based on enlarged issued and paid up share capital of 711.90 million PMB Shares, after full conversion of RM300.00 million nominal value of RCSLS and full exercise of 136.36 million Warrants into 272.73 million new PMB Shares.

Maximum scenario – *Assuming only the Entitlement Undertaking is called upon (i.e. all shareholders fully subscribe for their respective entitlements under the Rights Issue), resulting in potential minimum shareholdings of our substantial shareholders*

	Existing as at the LPD				(I) After full exercise of Outstanding ESOS Options (excluding exercise of ESOS Options by our substantial shareholders)				(II) After (I) and the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	[2]% held	No. of PMB Shares held	[2]% held	No. of PMB Shares held	[2]% held	No. of PMB Shares held	[2]% held
	'000		'000		'000		'000		'000		'000	
Dato' Koon Poh Keong	78,998	17.99	[1]10,230	2.33	78,998	17.90	[1]10,230	2.32	78,998	17.90	[1]10,230	2.32
Koon Poh Ming	30,472	6.94	[1]1,000	0.23	30,472	6.90	[1]1,000	0.23	30,472	6.90	[1]1,000	0.23
Datin Khoo Ee Pheng	10,230	2.33	[1]78,998	17.99	10,230	2.32	[1]78,998	17.90	10,230	2.32	[1]78,998	17.90
Ong Soo Fan	1,000	0.23	[1]30,472	6.94	1,000	0.23	[1]30,472	6.90	1,000	0.23	[1]30,472	6.90
AMSB	-	-	-	-	-	-	-	-	-	-	-	-

	(III) After (II) and full conversion of RCSLS				(IV) After (III) and full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	[3]% held	No. of PMB Shares held	[3]% held	No. of PMB Shares held	[6]% held	No. of PMB Shares held	[6]% held
	'000		'000		'000		'000	
Dato' Koon Poh Keong	78,998	13.43	[4]50,130	8.52	78,998	10.74	[3]90,030	12.24
Koon Poh Ming	30,472	5.18	[4]37,823	6.43	30,472	4.14	[3]74,647	10.15
Datin Khoo Ee Pheng	13,640	2.32	[5]115,488	19.63	17,050	2.32	[4]151,978	20.66
Ong Soo Fan	1,333	0.23	[5]66,962	11.38	1,667	0.23	[4]103,452	14.07
AMSB	36,490	6.20	-	-	72,980	9.92	-	-

Notes:

(1) *Deemed interested by virtue of their spouses' shareholdings in our Company pursuant to Section 6A of the Act.*

(2) *Based on enlarged issued and paid up share capital of 441.31 million PMB Shares, after full exercise of Outstanding ESOS Options excluding exercise of ESOS Options held by our substantial shareholders who collectively hold 150,000 outstanding ESOS Options.*

(3) *Based on enlarged issued and paid up share capital of 588.41 million PMB Shares, after full conversion of RM323.62 million nominal value of RCSLS.*

(4) *Deemed interested by virtue of their spouses' shareholdings in our Company and their direct shareholdings in AMSB pursuant to Section 6A of the Act.*

(5) *Deemed interested by virtue of their spouses' shareholdings in our Company and AMSB pursuant to Section 6A of the Act.*

(6) *Based on enlarged issued and paid up share capital of 735.51 million PMB Shares, after full conversion of RM323.62 million nominal value of RCSLS and full exercise of 147.10 million Warrants into 294.20 million new PMB Shares.*

5. DIRECTORS

The details of our Directors as at the LPD are as follows:

Name (Designation)	Age	Address	Nationality	Occupation
Dato' Megat Abdul Rahman Bin Megat Ahmad *(Independent Non-Executive Chairman)*	72	575, Jalan 17/15 46400 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Koon Poh Ming *(Executive Vice Chairman)*	55	No 19, Jalan SS3/41 Taman Subang 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Dato' Koon Poh Keong *(Group Chief Executive Officer)*	50	No 17, Jalan SS3/41 Taman Subang 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Koon Poh Tat *(Executive Director)*	52	20, Jalan 29 Taman Overseas Union Off Jalan Kelang Lama 58200 Kuala Lumpur	Malaysian	Director
Koon Poh Weng *(Executive Director)*	56	No 3, Jalan Sri Petaling 4 Bandar Baru Sri Petaling 57000 Kuala Lumpur	Malaysian	Director
Koon Poh Kong *(Executive Director)*	58	804, Block B Tiara Kelana Condo SS7/19, Taman Sri Kelana Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Tuan Haji Mohamad Faiz Bin Abdul Hamid *(Independent Non-Executive Director)*	71	79, Persiaran Impian Gemilang Saujana Impian 43000 Kajang Selangor Darul Ehsan	Malaysian	Director
Loo Lean Hock *(Independent Non-Executive Director)*	52	11, Jalan PJU 3/15A Damansara Indah 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Tan Heng Kui *(Independent Non-Executive Director)*	54	2nd Floor, Lot 10 Fortuna Commercial Center Lorong Seroja 2 P.O. Box 14242 88848 Kota Kinabalu Sabah	Malaysian	Director

The directors of PMB and their shareholdings based on the Register of Directors' Shareholdings as at the LPD and after the Rights Issue are as follows:

Minimum scenario - *Assuming the Additional Undertaking is called upon to meet the Minimum Subscription Level, resulting in potential maximum shareholdings of our substantial shareholders*

	Existing as at the LPD				(I) After the Rights Issue				(II) After (I) and full conversion of RCSLS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	(4)% held	No. of PMB Shares held	(4)% held
	'000		'000		'000		'000		'000		'000	
Dato' Megat Abdul Rahman Bin Megat Ahmad	14,857	3.38	(1)787	0.18	14,857	3.38	(1)787	0.18	14,857	2.58	(1)787	0.14
Koon Poh Ming	30,472	6.94	(2)1,000	0.23	30,472	6.94	(2)1,000	0.23	30,472	5.29	(5)137,364	23.87
Dato' Koon Poh Keong	78,998	17.99	(2)10,230	2.33	78,998	17.99	(2)10,230	2.33	78,998	13.73	(5)146,594	25.47
Koon Poh Kong	11,251	2.56	(2)3	^	11,251	2.56	(2)3	^	11,251	1.95	(2)3	^
Koon Poh Weng	12,920	2.94	(3)578	0.13	12,920	2.94	(3)578	0.13	12,920	2.24	(3)578	0.10
Koon Poh Tat	11,446	2.61	(2)400	0.09	11,446	2.61	(2)400	0.09	11,446	1.99	(2)400	0.07
Tuan Haji Mohamad Faiz Bin Abdul Hamid	142	0.03	-	-	142	0.03	-	-	142	0.02	-	-
Loo Lean Hock	40	0.01	-	-	40	0.01	-	-	40	0.01	-	-
Tan Heng Kui	109	0.02	-	-	109	0.02	-	-	109	0.02	-	-

	After (II) and full exercise of Warrants			
	Direct		Indirect	
	No. of PMB Shares held	(6)% held	No. of PMB Shares held	(6)% held
	'000		'000	
Dato' Megat Abdul Rahman Bin Megat Ahmad	14,857	2.09	(1)787	0.11
Koon Poh Ming	30,472	4.28	(5)273,727	38.45
Dato' Koon Poh Keong	78,998	11.10	(5)282,957	39.75
Koon Poh Kong	11,251	1.58	(2)3	^
Koon Poh Weng	12,920	1.81	(3)578	0.08
Koon Poh Tat	11,446	1.61	(2)400	0.06
Tuan Haji Mohamad Faiz Bin Abdul Hamid	142	0.02	-	-
Loo Lean Hock	40	0.01	-	-
Tan Heng Kui	109	0.02	-	-

Notes:

^ *Negligible.*

(1) *Deemed interested by virtue of his spouse's shareholdings in our Company and his direct shareholdings in JOEM Sdn Bhd pursuant to Section 6A of the Act.*

(2) *Deemed interested by virtue of their spouses' shareholdings in our Company pursuant to Section 6A of the Act.*

(3) *Deemed interested by virtue of his spouse's and his daughter's shareholdings in our Company pursuant to Section 6A of the Act.*

(4) *Based on enlarged issued and paid up share capital of 575.54 million PMB Shares, assuming Additional Undertaking is called upon to meet the Minimum Subscription Level and after full conversion of RM300.00 million nominal value of RCSLS into 136.36 million new PMB Shares.*

(5) *Deemed interested by virtue of their spouses' shareholdings in our Company and their direct shareholdings in AMSB pursuant to Section 6A of the Act.*

(6) *Based on enlarged issued and paid up share capital of 711.90 million PMB Shares, after full conversion of RM300.00 million nominal value of RCSLS and full exercise of 136.36 million Warrants into 272.73 million new PMB Shares.*

Maximum scenario – *Assuming only the Entitlement Undertaking is called upon (i.e. all shareholders fully subscribe for their respective entitlements under the Rights Issue), resulting in potential minimum shareholdings of our substantial shareholders*

	Existing as at the LPD				(I) After full exercise of Outstanding ESOS Options (excluding exercise of ESOS Options by our substantial shareholders[1])				(II) After (I) and the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	% held	No. of PMB Shares held	% held	No. of PMB Shares held	[4]% held	No. of PMB Shares held	[4]% held	No. of PMB Shares held	[4]% held	No. of PMB Shares held	[4]% held
	'000		'000		'000		'000		'000		'000	
Dato' Megat Abdul Rahman Bin Megat Ahmad	14,857	3.38	[1]787	0.18	14,857	3.37	[1]787	0.18	14,857	3.37	[1]787	0.18
Koon Poh Ming	30,472	6.94	[2]1,000	0.23	30,472	6.90	[2]1,000	0.23	30,472	6.90	[2]1,000	0.23
Dato' Koon Poh Keong	78,998	17.99	[2]10,230	2.34	78,998	17.90	[2]10,230	2.32	78,998	17.90	[2]10,230	2.32
Koon Poh Kong	11,251	2.56	[2]3	^	11,251	2.55	[2]3	^	11,251	2.55	[2]3	^
Koon Poh Weng	12,920	2.94	[3]578	0.13	12,920	2.93	[3]578	0.13	12,920	2.93	[3]578	0.13
Koon Poh Tat	11,446	2.61	[2]400	0.09	11,446	2.59	[2]400	0.09	11,446	2.59	[2]400	0.09
Tuan Haji Mohamad Faiz Bin Abdul Hamid	142	0.03	-	-	142	0.03	-	-	142	0.03	-	-
Loo Lean Hock	40	0.01	-	-	40	0.01	-	-	40	0.01	-	-
Tan Heng Kui	109	0.02	-	-	109	0.02	-	-	109	0.02	-	-

	(III) After (II) and full conversion of RCSLS				After (III) and full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of PMB Shares held	[5]% held	No. of PMB Shares held	[5]% held	No. of PMB Shares held	[7]% held	No. of PMB Shares held	[7]% held
	'000		'000		'000		'000	
Dato' Megat Abdul Rahman Bin Megat Ahmad	19,809	3.37	[1]1,049	0.18	24,762	3.37	[1]1,312	0.18
Koon Poh Ming	30,472	5.18	[6]37,823	6.43	30,472	4.14	[6]74,647	10.15
Dato' Koon Poh Keong	78,998	13.43	[6]50,130	8.52	78,998	10.74	[6]90,030	12.24
Koon Poh Kong	15,001	2.55	[2]4	^	18,752	2.55	[2]5	^
Koon Poh Weng	17,227	2.93	[3]771	0.13	21,533	2.93	[3]963	0.13
Koon Poh Tat	15,261	2.59	[2]533	0.09	19,077	2.59	[2]667	0.09
Tuan Haji Mohamad Faiz Bin Abdul Hamid	189	0.03	-	-	237	0.03	-	-
Loo Lean Hock	53	0.01	-	-	67	0.01	-	-
Tan Heng Kui	145	0.02	-	-	182	0.02	-	-

Notes:

^ *Negligible.*

(1) *Deemed interested by virtue of his spouse's shareholdings in our Company and his direct shareholdings in JOEM Sdn Bhd pursuant to Section 6A of the Act.*

(2) *Deemed interested by virtue of their spouses' shareholdings in our Company pursuant to Section 6A of the Act.*

(3) *Deemed interested by virtue of his spouse's and his daughter's shareholdings in our Company pursuant to Section 6A of the Act.*

(4) *Based on enlarged issued and paid up share capital of 441.31 million PMB Shares, after full exercise of Outstanding ESOS Options excluding exercise of ESOS Options held by our substantial shareholders who collectively hold 150,000 outstanding ESOS Options.*

(5) *Based on enlarged issued and paid up share capital of 588.41 million PMB Shares, after full conversion of RM323.62 million nominal value of RCSLS into 147.10 million new PMB Shares.*

(6) *Deemed interested by virtue of their spouses' shareholdings in our Company and their direct shareholdings in AMSB pursuant to Section 6A of the Act.*

(7) *Based on enlarged issued and paid up share capital of 735.51 million PMB Shares, after full conversion of RM323.62 million nominal value of RCSLS and full exercise of 147.10 million Warrants into 294.20 million new PMB Shares.*

6. SUBSIDIARIES AND ASSOCIATED COMPANIES

Our subsidiaries and associated companies as at the LPD are as follows:

Company	Date/ place of incorporation	Issued and paid-up share capital	Effective equity interest	Principal activities
		RM (unless otherwise stated)	%	
Direct subsidiaries				
Angkasa Jasa Sdn Bhd	29 November 1983/ Malaysia	10,000,000	100	Contracting and fabrication of aluminium and stainless steel products
PMB Development Sdn Bhd	1 June 1990/ Malaysia	1,000,000	100	Property Development and building and contracting of construction work
PMB Recycling Management Sdn Bhd	10 April 1996/ Malaysia	4,200,000	100	Recycling of waste, operation maintenance, construction of waste recycling projects and trading of waste treatment and recycling equipment
Wesama Sdn Bhd	4 April 1990/ Malaysia	25,000	100	Provision of general drafting services and construction project management
ACE Extrusion Sdn Bhd	10 May 1999/ Malaysia	30,560,000	100	Manufacturing and trading of aluminium products
PMB Marketing Sdn Bhd	8 August 1989/ Malaysia	500,000	100	Investment holding
PMB Marketing (H.K.) Limited	18 January 2002/ Hong Kong	49,000	100	Trading of garments and accessories
Press Metal UK Limited	24 November 1998/ United Kingdom	6,917,000	100	Marketing of aluminium products
BI-PMB Waste Management Sdn Bhd	18 September 1990/ Malaysia	1,800,000	100	Provision of a common waste water treatment plant to treat toxic waste
PMS Marketing Sdn Bhd	13 September 1990/ Malaysia	17,000,000	100	Trading of aluminium products
Press Metal Aluminium (Australia) Pty. Ltd	30 November 1998/ Australia	3,558,000	70	Marketing, retailing and trading of aluminium related materials
Press Metal Hong Kong Limited	21 April 2005/ Hong Kong	8,765,000	100	Investment holding
Press Metal International Limited	27 May 2005/ China	129,067,000	100	Manufacturing and trading of aluminium products
PMH Aluminium Extrusion Co., Ltd	5 May 2008/ China	22,515,000	100	Manufacturing and trading of aluminium products

INFORMATION ON OUR COMPANY *(Cont'd)*

Company	Date/ place of incorporation	Issued and paid-up share capital	Effective equity interest	Principal activities
		RM (unless otherwise stated)	%	
Press Metal Sarawak Sdn Bhd	30 March 2007/ Malaysia	352,000,000	80	Manufacturing and trading of aluminium products
Press Metal Bintulu Sdn Bhd	19 October 2010/ Malaysia	1,050,000	100	Manufacturing and trading of aluminium products
PMB Spectrum Sdn Bhd	29 August 1996/ Malaysia	5,000,000	60	Development projects.

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7. PROFIT AND DIVIDEND RECORD

Our profit record based on our Group's audited consolidated financial statements for the past three (3) FYE 31 December 2008 to 2010, and unaudited consolidated financial statements for the three (3)-months FPE 31 March 2011 are as follows:

	<--------Audited FYE 31 December ------->			Unaudited three (3)-months FPE
	2008	**2009**	**2010**	**31 March 2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	1,160,713	1,133,181	1,698,839	471,586
Gross profit	213,483	171,200	243,875	73,600
Other income	3,105	27,696	52,482	4,528
Share of profit of associate	2,126	1,430	1,996	360
Earnings before interest, taxation, depreciation and amortization ("EBITDA")	136,803	168,303	238,291	68,868
Add/(Less):				
Depreciation	(61,095)	(82,021)	(83,485)	(20,420)
Interest expense	(41,971)	(38,211)	(51,789)	(15,165)
Interest income	1,008	58	560	-
Amortisation	-	(8,004)	(262)	(60)
Profit before taxation ("PBT")	34,745	40,125	103,315	33,223
Taxation	(26,208)	(11,430)	(13,705)	(8,847)
Profit after taxation ("PAT")	8,537	28,695	89,610	24,376
Minority interest	1,939	(1,219)	(6,117)	(2,887)
Profit after tax and minority interest ("PATMI")	10,476	27,476	83,493	21,489
Weighted average no. of shares ('000)				
- Basic	364,550	364,747	381,791	431,804
- Diluted	-	-	393,187	444,647
Net EPS (sen)				
- Basic	2.87	7.53	21.87	4.98
- Diluted	-	-	21.23	4.83
Gross profit margin (%)	18.39	15.11	14.36	15.61
PATMI margin (%)	0.90	2.42	4.91	4.56
Gross dividend per share (sen)	1.75	1.75	2.00	-

Commentaries:

FYE 31 December 2008 as compared to FYE 31 December 2007

For the FYE 31 December 2008, our Group's revenue had decreased by 12.62% to RM1,160.71 million as compared to RM1,328.35 million as reported in the previous year. The decline was due to the domino effect of the sub-prime financial crisis in the United States of America which spilled over globally. Despite the decline in revenue, our Group managed to generate an EBITDA of RM136.80 million which provided a strong cash flow for our Group to continue its expansion plans.

Furthermore, our Group recorded lower PBT of RM34.75 million as compared to the previous year of RM107.13 million (not including the one-off negative goodwill of RM336.99 million), due to the decline in revenue as well as the high cost of raw materials for the greater part of the year. The result was also negatively affected by the substantial fluctuation of several major currencies that our Group has substantial business dealings.

The auditors' report on the consolidated financial statements of our Group for the FYE 31 December 2008 was not subject to any qualification.

FYE 31 December 2009 as compared to FYE 31 December 2008

For FYE 31 December 2009, our Group recorded a revenue of RM1.13 billion, which was a slight decline of 2.59% as compared to the previous financial year of RM1.16 billion.

Despite lower revenue achieved, our Group's PBT for the FYE 31 December 2009 was higher than the previous year by about 15.48%, generating RM40.13 million in the FYE 31 December 2009 as compared to RM34.75 million in the previous year. This was mainly due to the lower operating expenses incurred as a result of our Group's cost control measures undertaken during the year.

The auditors' report on the consolidated financial statements of our Group for the FYE 31 December 2009 was not subject to any qualification.

FYE 31 December 2010 as compared to FYE 31 December 2009

Our Group's revenue for the FYE 31 December 2010 increased by approximately 49.92% to RM1,698.84 million as compared to RM1,133.18 million as reported in the previous year.

PBT also increased by about 157.46% from RM40.13 million to RM103.32 million in the FYE 31 December 2010.

The higher revenue and PBT recorded were mainly due to the full year contribution from our Group's aluminium smelting plant operating in Mukah, Sarawak which was commissioned in November 2009.

The auditors' report on the consolidated financial statements of our Group for the FYE 31 December 2010 was not subject to any qualification.

Unaudited three (3)-months FPE 31 March 2011

Our Group's recorded revenue of RM471.59 million in the current year quarter, representing an increase of RM76.58 million or 19.39% compared to RM395.01 million in the corresponding quarter last year. The higher revenue was due to the higher demand for both upstream and downstream operations.

Correspondingly, our Group's PBT has also increased to RM33.22 million during the current year quarter as compared to RM22.58 million (excluding a RM18.00 million negative goodwill) in the same quarter last year.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of PMB Shares traded on Bursa Securities for the past twelve (12) months preceding the date of this Abridged Prospectus are as follows:

	LOW	HIGH
	RM	RM
2010		
July	1.24	1.35
August	1.35	1.55
September	1.37	1.55
October	1.45	1.82
November	1.75	2.61
December	2.01	2.72
2011		
January	2.27	2.80
February	2.08	2.43
March	2.02	2.44
April	2.33	2.78
May	2.33	2.58
June	2.16	2.49

Last transacted market price for PMB Shares on 14 April 2011, being the Market Day immediately prior to the announcement of the Rights Issue	RM2.38
The last transacted market price for PMB Shares as at the LPD	RM2.18
The last transacted market price for PMB Shares on 26 July 2011, being the Market Day immediately prior to the ex-date for the Rights Issue	RM2.28

(Source: Bloomberg (Malaysia) Sdn Bhd)

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OUR PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2010 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER DATED 19 JULY 2011 THEREON

KPMG

KPMG (Firm No. AF 0758)
Chartered Accountants
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8, First Avenue, Bandar Utama
47800 Petaling Jaya
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The Board of Directors
Press Metal Berhad
Lot 6464, Batu ¾
Jalan Kapar, Sementa
42100 Klang,
Selangor Darul Ehsan

19 July 2011

Dear Sirs

Press Metal Berhad and its subsidiaries
Reporting Accountants' letter on the pro forma consolidated statement of financial position as at 31 December 2010

In connection with the proposed renounceable rights issue of Redeemable Convertible Secured Loan Stocks ("RCSLS") together with free detachable new warrants with an issuance size of up to RM323,735,042, we report on the pro forma consolidated statement of financial position of Press Metal Berhad and its subsidiaries (collectively defined as "PMetal Group") as at 31 December 2010 which have been prepared for illustrative purposes only, for which the Board of Directors are solely responsible, as set out in Appendix I (which we have stamped for the purpose of identification).

The proposal entails the proposed renounceable rights issue of RCSLS up to RM323,735,042 nominal value of 8 year, 6% RCSLS at 100% of its nominal value together with up to 147,152,292 free detachable new warrants on the basis of one (1) RM2.20 nominal value of RCSLS together with one (1) warrant for every three (3) existing ordinary shares of RM0.50 each held in PMetal on an entitlement date to be determined ("Proposed Rights Issue").

Directors' Responsibilities

It is the responsibility solely of the Board of Directors of the Company to prepare the pro forma consolidated statement of financial position in accordance with the requirements of the Bursa Malaysia's Listing Guidelines (the "Guidelines") for Main Market in respect of the proposal.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Guidelines, as to the proper compilation of the pro forma consolidated statement of financial position. In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma consolidated statement of financial position nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

KPMG

Press Metal Berhad and its subsidiaries
Reporting Accountants' letter on the pro forma consolidated statement of financial position as at 31 December 2010
19 July 2011

Basis of Opinion

We conducted out work in accordance with International Standard on Assurance Engagements 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, including the adjustments to PMetal Group's accounting policies, nor of the pro forma assumptions stated in the notes to the pro forma consolidated statement of financial position, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the pro forma adjustments and discussing the pro forma consolidated statement of financial position with PMetal Group's Board of Directors. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma consolidated statement of financial position have been properly compiled on the basis stated and that such basis is consistent with the accounting policies of PMetal Group and materially in compliance with Financial Reporting Standards in Malaysia.

The pro forma consolidated statement of financial position are prepared for illustrative purposes only, such information, because of their nature, do not give a true picture of the effects of the Proposals on the financial position of PMetal Group had the transactions or events occurred at the end of the reporting date. Further, such financial information from the proforma consolidated statement of financial position does not purport to predict PMetal Group's future financial position.

Opinion

In our opinion,

- the pro forma consolidated statement of financial position have been properly prepared in accordance with the basis stated in Note 1 of Appendix II using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies of PMetal Group;
- each material adjustment made to the information used in the preparation of the pro forma consolidated statement of financial position is appropriate for the purpose of preparing the pro forma consolidated statement of financial position.

Other Matters

The pro forma consolidated statement of financial position has been prepared for inclusion in the Abridged Prospectus to be dated 29 JUL 2011 in connection with the proposed exercise and should not be relied upon for any other purposes.

Yours faithfully,

KPMG
Firm No. AF 0758
Chartered Accountants

Appendix 1

PRESS METAL BERHAD
AND ITS SUBSIDIARIES
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

Scenario A (Minimum Scenario) - Issuance of up to RM322,060,109

The pro forma consolidated statement of financial position of PMetal Group as at 31 December 2010 as set out below are provided for illustrative purposes only to show the effects had the proposal referred to in the notes took place at 31 December 2010 and based on the assumption that it entails the proposed renounceable rights issue of RCSLS up to RM322,060,109 together with up to 146,390,109 free new detachable warrants. This proposal will be implemented before the exercise of 2,284,000 outstanding ESOS Options exercisable as at and up to the Latest Practicable Date of 30 June 2011 ("LPD"):-

		(I)	(II)	(III)	(IV)
	Audited statement of financial position at 31 December 2010 *RM'000*	Actual exercise of ESOS Options up to the LPD (Stage 1) *RM'000*	After Pro forma I and the issuance of RCSLS with detachable warrants (Stage 2) *RM'000*	After Pro forma II and the conversion of RCSLS (Stage 3) *RM'000*	After Pro forma III and the exercise of warrants (Stage 4) *RM'000*
Assets					
Property, plant and equipment	1,476,086	1,476,086	1,476,086	1,476,086	1,476,086
Goodwill	13,187	13,187	13,187	13,187	13,187
Investment properties	5,797	5,797	5,797	5,797	5,797
Investment in an associate	28,003	28,003	28,003	28,003	28,003
Other investments	6,477	6,477	6,477	6,477	6,477
Deferred tax assets	1,042	1,042	1,042	1,042	1,042
Total non-current assets	1,530,592	1,530,592	1,530,592	1,530,592	1,530,592
Trade and other receivables	704,052	704,052	704,052	704,052	704,052
Inventories	327,165	327,165	327,165	327,165	327,165
Current tax assets	2,520	2,520	2,520	2,520	2,520
Cash and cash equivalents	201,211	214,879	531,538	531,538	853,598
Total current assets	1,234,948	1,248,616	1,565,275	1,565,275	1,887,335
Total assets	2,765,540	2,779,208	3,095,867	3,095,867	3,417,927

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OUR PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2010 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER DATED 19 JULY 2011 THEREON *(Cont'd)*

Appendix 1

Scenario A (Minimum Scenario) - Issuance of up to RM322,060,109 (continued)

		(I)	(II)	(III)	IV)
	Audited statement of financial position at 31 December 2010 *RM'000*	**Actual exercise of ESOS Options up to the LPD (Stage 1)** *RM'000*	**After Pro forma I and the issuance of RCSLS with detachable warrants (Stage 2)** *RM'000*	**After Pro forma II and the conversion of RCSLS (Stage 3)** *RM'000*	**After Pro forma III and the exercise of warrants (Stage 4)** *RM'000*
Equity					
Share capital	215,031	219,587	219,587	292,782	365,978
Translation reserve	(7,101)	(7,101)	(7,101)	(7,101)	(7,101)
Share premium	3,982	16,284	16,284	265,149	617,635
Share option reserve	5,166	1,976	1,976	1,976	1,976
Retained profits	584,286	584,286	584,286	475,263	475,263
Warrant reserve	-	-	77,716	77,716	-
RCSLS- equity component	-	-	14,642	-	-
Total equity attributable to equity holders of the Company	801,364	815,032	907,390	1,105,785	1,453,751
Minority interests	126,210	126,210	126,210	126,210	126,210
Total equity	927,574	941,242	1,033,600	1,231,995	1,579,961
Liabilities					
Trade and other payables	106,049	106,049	106,049	106,049	106,049
Loans and borrowings	396,125	396,125	396,125	396,125	396,125
RCSLS- liability component	-	-	193,515	-	-
Deferred tax liabilities	104,710	104,710	135,496	130,616	104,710
Total non-current liabilities	606,884	606,884	831,185	632,790	606,884
Trade and other payables	262,394	262,394	262,394	262,394	262,394
Loans and borrowings	964,938	964,938	964,938	964,938	964,938
Current tax liabilities	3,750	3,750	3,750	3,750	3,750
Total current liabilities	1,231,082	1,231,082	1,231,082	1,231,082	1,231,082
Total liabilities	1,837,966	1,837,966	2,062,267	1,863,872	1,837,966
Total equity and liabilities	2,765,540	2,779,208	3,095,867	3,095,867	3,417,927
No. of shares in issue ('000)	430,060	439,172	439,172	585,563	731,953
Net asset per share (RM)	1.86	1.86	2.07	1.89	1.99
Total loans and borrowings + RCSLS liability component	1,361,063	1,361,063	1,554,578	1,361,063	1,361,063
Gearing (times)	1.70	1.67	1.71	1.23	0.94

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Appendix 1

PRESS METAL BERHAD
AND ITS SUBSIDIARIES
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

Scenario B (Maximum Scenario) - Issuance of up to RM323,735,042

The pro forma consolidated statement of financial position of PMetal Group as at 31 December 2010 as set out below are provided for illustrative purposes only to show the effects had the proposal referred to in the notes took place at 31 December 2010 and based on the assumption that the it entails the proposed renounceable rights issue of RCSLS up to RM323,735,042 together with up to 147,152,292 free new detachable warrants. This proposal will be implemented after the full exercise of 2,284,000 outstanding ESOS Options exercisable as at and up to the Latest Practicable Date of 30 June 2011 ("LPD"):-

		(I)	(II)	(III)	(IV)	(V)
	Audited statement of financial position at 31 December 2010 *RM'000*	**Actual exercise of ESOS Options up to LPD (Stage 1)** *RM'000*	**After Pro forma I and the full conversion of outstanding and potential ESOS Options (Stage 1.1)** *RM'000*	**After Pro forma II and the issuance of RCSLS with detachable warrants (Stage 2)** *RM'000*	**After Pro forma III and the full conversion of RCSLS (Stage 3)** *RM'000*	**After Pro forma IV and the exercise of warrants (Stage 4)** *RM'000*
Assets						
Property, plant and equipment	1,476,086	1,476,086	1,476,086	1,476,086	1,476,086	1,476,086
Goodwill	13,187	13,187	13,187	13,187	13,187	13,187
Investment properties	5,797	5,797	5,797	5,797	5,797	5,797
Investment in an associate	28,003	28,003	28,003	28,003	28,003	28,003
Other investments	6,477	6,477	6,477	6,477	6,477	6,477
Deferred tax assets	1,042	1,042	1,042	1,042	1,042	1,042
Total non-current assets	1,530,592	1,530,592	1,530,592	1,530,592	1,530,592	1,530,592
Trade and other receivables	704,052	704,052	704,052	704,052	704,052	704,052
Inventories	327,165	327,165	327,165	327,165	327,165	327,165
Current tax assets	2,520	2,520	2,520	2,520	2,520	2,520
Cash and cash equivalents	201,211	211,012	218,305	536,539	536,539	860,274
Total current assets	1,234,948	1,244,749	1,252,042	1,570,276	1,570,276	1,894,011
Total assets	2,765,540	2,775,341	2,782,634	3,100,868	3,100,868	3,424,603

OUR PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2010 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER DATED 19 JULY 2011 THEREON *(Cont'd)*

Scenario B (Maximum Scenario) - Issuance of up to RM323,735,042 (continued)

Appendix 1

		(I)	(II)	(III)	(IV)	(V)
	Audited statement of financial position at 31 December 2010 *RM'000*	**After the exercise of ESOS Options up to LPD (Stage 1)** *RM'000*	**After Pro forma I and the full conversion of outstanding and potential ESOS Options (Stage 1.1)** *RM'000*	**After Pro forma II and the issuance of RCSLS with detachable warrants (Stage 2)** *RM'000*	**After Pro forma III and the full conversion of RCSLS (Stage 3)** *RM'000*	**After Pro forma IV and the exercise of warrants (Stage 4)** *RM'000*
Equity						
Share capital	215,031	218,298	220,729	220,729	294,305	367,881
Translation reserve	(7,101)	(7,101)	(7,101)	(7,101)	(7,101)	(7,101)
Share premium	3,982	12,804	19,368	19,368	269,527	623,847
Share option reserve	5,166	2,878	1,176	1,176	1,176	1,176
Retained profits	584,286	584,286	584,286	584,286	474,624	474,624
Warrant reserve	-	-	-	78,121	78,121	-
RCSLS- equity component	-	-	-	14,718	-	-
Total equity attributable to equity holders of the Company	801,364	811,165	818,458	911,297	1,110,652	1,460,427
Minority interests	126,210	126,210	126,210	126,210	126,210	126,210
Total equity	927,574	937,375	944,668	1,037,507	1,236,862	1,586,637
Liabilities						
Trade and other payables	106,049	106,049	106,049	106,049	106,049	106,049
Loans and borrowings	396,125	396,125	396,125	396,125	396,125	396,125
RCSLS- liability component	-	-	-	194,449	-	-
Deferred tax liabilities	104,710	104,710	104,710	135,656	130,750	104,710
Total non-current liabilities	606,884	606,884	606,884	832,279	632,924	606,884
Trade and other payables	262,394	262,394	262,394	262,394	262,394	262,394
Loans and borrowings	964,938	964,938	964,938	964,938	964,938	964,938
Current tax liabilities	3,750	3,750	3,750	3,750	3,750	3,750
Total current liabilities	1,231,082	1,231,082	1,231,082	1,231,082	1,231,082	1,231,082
Total liabilities	1,837,966	1,837,966	1,837,966	2,063,361	1,864,006	1,837,966
Total equity and liabilities	2,765,540	2,775,341	2,782,634	3,100,868	3,100,868	3,424,603
No. of shares in issue ('000)	430,060	436,594	441,456	441,456	588,608	735,760
Net asset per share (RM)	1.86	1.86	1.85	2.06	1.89	1.98
Total loans and borrowings + RCSLS liability component	1,361,063	1,361,063	1,361,063	1,555,512	1,361,063	1,361,063
Gearing (times)	1.70	1.68	1.66	1.71	1.23	0.93

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Appendix II

PRESS METAL BERHAD ("PMETAL") AND ITS SUBSIDIARIES ("PMETAL Group)

Notes to the pro forma consolidated statement of financial position as at 31 December 2010

1. Basis of preparation

The pro forma consolidated statement of financial position have been properly prepared in accordance with the basis stated below using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies of PMetal Group. The pro forma consolidated statement of financial position has been prepared solely for illustrative purposes, to show the effects of the following:-

Scenario A

i) The proposal is implemented after taking into account the actual exercised ESOS Options of 9,112,000 at an exercise price of RM1.50 per ordinary share from 31 December 2010 up to the LPD.

ii) The proposal entails the proposed renounceable rights issue of RCSLS up to RM322,060,109 nominal value of 8 year, 6% RCSLS at 100% of its nominal value together with up to 145,531,625 free new detachable warrants on the basis of RM2.20 nominal value of RCSLS together with one (1) warrant for every three (3) existing ordinary shares of RM0.50 each held in PMetal on an entitlement date to be determined.

iii)Full conversion of 146,390,959 RCSLS at a fixed conversion price of RM2.20 each.

iv)Full exercise of 146,390,959 warrants at a fixed conversion price of RM2.20 each.

Scenario B

i) The proposal is implemented after taking into account the actual exercised ESOS Options of 9,112,000 at an exercise price of RM1.50 per ordinary share from 31 December 2010 up to the LPD.

ii) The proposal is implemented after the full exercise of 2,284,000 outstanding ESOS Options up to the LPD at an exercise price of RM1.50 per ordinary share.

iii)The proposal entails the proposed renounceable rights issue of RCSLS up to RM323,735,042 nominal value of 8 year, 6% RCSLS at 100% of its nominal value together with up to 147,152,292 free new detachable warrants on the basis of RM2.20 nominal value of RCSLS together with one (1) warrant for every three (3) existing ordinary shares of RM0.50 each held in PMetal on an entitlement date to be determined.

iv)Full conversion of 147,152,292 RCSLS at a fixed conversion price of RM2.20 each.

v) Full exercise of 147,152,292 warrants at a fixed conversion price of RM2.20 each.

2. Notes to the pro forma consolidated statement of financial position

The foregoing paragraphs are explanatory notes for the effects of the proposal. The effects are illustrated as stages of the pro forma consolidated statement of financial position.

Scenario A

Scenario A incorporates:-

Stage 1 – Actual exercise of ESOS Options up to the LPD

The proposal is implemented after taking into account the actual conversion of ESOS as described in Note 1(i) Scenario A.

Stage 2 – After Stage 1 and Proposed Rights Issue

Stage 2 incorporates the cumulative effects of Stage 1 and the effects of the proposed rights issue as described in Note 1(ii) Scenario A.

The fair value of the RCSLS is assessed and allocated into its liability and equity components. The fair value of the RCSLS equity component of RM14,642,000 is determined based on gross proceeds, net of the following:

i) The liability component of the RCSLS, which is arrived at by discounting the coupon payments over the tenure of 8 years and the RM322,060,109 nominal value of the RCSLS at the maturity date, applying PMetal's effective interest cost of 8% and taking into consideration redemption of the RCSLS from the third year onwards.

ii) The deferred tax liabilities, which are computed based on the statutory rate of 25% on the liability component of the RCSLS; and

iii) The fair value of warrants, which is measured using the Black Scholes model.

iv) The estimated cost of undertaking the proposal, which is RM5,400,000, will be set off against the RCSLS liability component and subsequently charged to profit or loss upon full conversion of RCSLS.

Stage 3 – After Stage 2 and full conversion of RCSLS

Stage 3 incorporates the cumulative effects of Stage 2 and full conversion of 146,390,959 RCSLS which is assumed to be exercised at RM2.20 each.

Stage 4 – After Stage 3 and full exercise of warrants

Stage 4 incorporates the cumulative effects of Stage 3 and the full exercise of 146,390,959 warrants which is assumed to be exercised at RM2.20 each.

Notes to the pro forma consolidated statement of financial position as at 31 December 2010 (continued)

2. Notes to the pro forma consolidated statement of financial position (continued)

<u>**Scenario B**</u>

Scenario B incorporates:-

Stage 1 – Actual exercise of ESOS Options up to the LPD

The proposal is implemented after taking into account the exercise of ESOS as described in Note 1(i) Scenario B.

Stage 1.1 – Assumed outstanding and potential ESOS options fully exercised up to the LPD

The proposal is implemented after taking into account the exercise of the outstanding ESOS options up to the LPD as described in Note 1(ii) Scenario B.

Stage 2 – After Stage 1.1 and Proposed Rights Issue

Stage 2 incorporates the cumulative effects of Stage 1 and the effects of the proposed rights issue as described in Note 1(ii) Scenario B.

The fair value of the RCSLS is assessed and allocated into its liability and equity components. The fair value of the RCSLS equity component of RM14,718,000 is determined based on gross proceeds, net of the following:

i) The liability component of the RCSLS, which is arrived at by discounting the coupon payments over the tenure of 8 years and the RM323,735,042 nominal value of the RCSLS at the maturity date, applying PMetal's effective interest cost of 8% and taking into consideration redemption of the RCSLS from the third year onwards.

ii) The deferred tax liabilities, which are computed based on the statutory rate of 25% on the liability component of the RCSLS; and

iii) The fair value of warrants, which is measured using the Black Scholes model.

iv) The estimated cost of undertaking the proposal, which is RM5,500,000, will be set off against the RCSLS liability component and subsequently charged to profit or loss upon full conversion of RCSLS.

Stage 3 – After Stage 2 and full conversion of RCSLS

Stage 3 incorporates the cumulative effects of Stage 2 and full conversion of 147,152,292 RCSLS which is assumed to be exercised at RM2.20 each.

Stage 4 – After Stage 3 and full exercise of warrants

Stage 4 incorporates the cumulative effects of Stage 3 and the full exercise of 147,152,292 warrants which is assumed to be exercised at RM2.20 each.

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Appendix II

Notes to the pro forma consolidated statement of financial position as at 31 December 2010 (continued)

3. Effect on the pro forma consolidated statement of financial position

a. Movement in cash and cash equivalents

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	201,211	201,211
Effects of Pro forma:-		
Proceeds from actual exercise of ESOS Options up to the LPD	13,669	9,801
Proceeds from full exercise of outstanding ESOS Options up to the LPD	-	7,294
Proposed issue of RCSLS	316,659	318,234
Proceeds from full exercise of warrants	322,059	323,734
Balance after Stage 1, 2, 3 and 4	853,598	860,274

b. Movement in deferred tax liabilities

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	104,710	104,710
Effects of Pro forma:-		
Proposed issue of RCSLS with warrants	30,787	30,946
Full conversion of RCSLS	(4,881)	(4,906)
Full exercise of warrants	(25,906)	(26,040)
Balance after Stage 1, 2, 3 and 4	104,710	104,710

c. Movement in share capital

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	215,031	215,031
Effects of Pro forma:-		
Exercise of ESOS Options up to the LPD	4,557	3,267
Full exercise of outstanding ESOS Options up to the LPD	-	2,431
Full conversion of RCSLS	73,195	73,576
Full exercise of warrants	73,195	73,576
Balance after Stage 1, 2, 3 and 4	365,978	367,881

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Notes to the pro forma consolidated statement of financial position as at 31 December 2010 (continued)

3. Effect on the pro forma consolidated statement of financial position (continued)

d. Movement in share premium

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	3,982	3,982
Effects of Pro forma:-		
Exercise of ESOS Options up to the LPD	12,302	8,822
Full exercise of outstanding ESOS Options up to the LPD	-	6,565
Full conversion of RCSLS	248,864	250,158
Full exercise of warrants	352,487	354,320
Balance after Stage 1, 2, 3 and 4	617,635	623,847

e. Movement in share option reserve

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	5,166	5,166
Effects of Pro forma:-		
Exercise of ESOS Options up to the LPD	(3,190)	(2,288)
Full exercise of outstanding ESOS Options up to the LPD	-	(1,702)
Balance after Stage 1, 2, 3 and 4	1,976	1,176

f. Movement in retained profits

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	584,286	584,286
Effects of Pro forma:-		
Estimated expenses on the exercise charged out upon full conversion of RCSLS	(5,400)	(5,500)
Full conversion of RCSLS	(103,623)	(104,162)
Balance after Stage 1, 2, 3 and 4	475,263	474,624

Notes to the pro forma consolidated statement of financial position as at 31 December 2010 (continued)

3. Effect on the pro forma consolidated statement of financial position (continued)

g. Movement in warrant reserve

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	-	-
Effects of Pro forma:-		
Proposed issue of RCSLS with warrants	77,716	78,121
Full exercise of warrants	(77,716)	(78,121)
Balance after Stage 1, 2, 3 and 4	-	-

h. Movement in RCSLS- equity component

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	-	-
Effects of Pro forma:-		
Proposed issue of RCSLS with warrants	14,642	14,718
Full conversion of RCSLS	(14,642)	(14,718)
Balance after Stage 1, 2, 3 and 4	-	-

i. Movement in RCSLS- liability component

	Scenario A RM'000	Scenario B RM'000
Balance at 31 December 2010	-	-
Effects of Pro forma		
Proposed issue of RCSLS with warrants	193,515	194,449
Full conversion of RCSLS	(193,515)	(194,449)
Balance after Stage 1, 2, 3 and 4	-	-

Press Metal Berhad

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

and its subsidiaries

Financial statements for the year ended 31 December 2010

Press Metal Berhad

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

and its subsidiaries

Directors' report for the year ended 31 December 2010

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2010.

Principal activities

The Company is principally engaged in the manufacturing and marketing of aluminium products, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	83,493	33,988
Minority interests	6,117	-
	89,610	33,988

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

i) a final tax exempt ordinary dividend of 1 sen per ordinary share totalling RM3,679,000 in respect of the year ended 31 December 2009 on 23 July 2010.

ii) an interim tax exempt ordinary dividend of 1 sen per ordinary share totalling RM4,280,000 in respect of the year ended 31 December 2010 on 7 October 2010.

The final tax exempt ordinary dividends recommended by the Directors in respect of the year ended 31 December 2010 is 1 sen per ordinary share totalling RM4,306,000.

Directors of the Company

Directors who served since the date of the last report are:

Dato' Megat Abdul Rahman bin Megat Ahmad
Dato' Koon Poh Keong
Koon Poh Ming
Koon Poh Tat
Koon Poh Kong
Koon Poh Weng
Kuan Shin @ Kuan Nyong Hin
Tuan Haji Mohamad Faiz bin Abdul Hamid
Loo Lean Hock
Tan Heng Kui

Directors' interests in shares

The interests and deemed interests in the ordinary shares, warrants and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
	At 1.1.2010	**Bought/ Conversion of warrants**	**Sold**	**At 31.12.2010**
Interests in the Company:				
Dato' Megat Abdul Rahman bin Megat Ahmad				
- own	14,976,810	151,882	(192,000)	14,936,692
- spouse	350,000	-	(70,000)	280,000
Dato' Koon Poh Keong				
- own	55,710,579	10,737,827	-	66,448,406
- spouse	9,767,400	462,300	-	10,229,700
Koon Poh Kong				
- own	9,125,995	1,585,199	-	10,711,194
- spouse	17,000	17,800	(29,800)	5,000
Koon Poh Ming				
- own	26,971,739	2,600,700	(1,000,000)	28,572,439
- spouse	-	1,000,000	-	1,000,000
Koon Poh Tat				
- own	8,360,000	1,446,000	-	9,806,000
- spouse	332,935	66,587	-	399,522

Directors' interests in shares (continued)

	Number of ordinary shares of RM0.50 each			
	At 1.1.2010	Bought/ Conversion of warrants	Sold	At 31.12.2010
Interests in the Company (continued):				
Koon Poh Weng				
- own	10,100,040	1,780,008	-	11,880,048
- spouse	477,000	95,400	-	572,400
- child	5,000	1,000	-	6,000
Kuan Shin @ Kuan Nyong Hin				
- own	597,805	-	-	597,805
- spouse	855,000	-	(471,000)	384,000
- children	1,850,000	-	-	1,850,000
Tuan Haji Mohamad Faiz bin Abdul Hamid	118,665	23,733	-	142,398
Tan Heng Kui	60,000	9,000	-	69,000
Deemed interests in the Company:				
Dato' Megat Abdul Rahman bin Megat Ahmad #	500,000	7,000	-	507,000
Kuan Shin @ Kuan Nyong Hin*	5,790,610	-	-	5,790,610

Deemed interested by virtue of the Director's interests in JOEM Sdn. Bhd..

* Deemed interested by virtue of the Director's interests in Doitbest Holdings Sdn. Bhd..

By virtue of their interests in the ordinary shares of the Company, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Ming, Koon Poh Tat, Koon Poh Weng and Kuan Shin @ Kuan Nyong Hin, are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Press Metal Berhad has an interest.

Loo Lean Hock did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' interests in shares (continued)

	Number of warrant 'B' of RM0.50 each		
	At 1.1.2010	Exercised/Lapsed	At 31.12.2010
Interests in the warrants of the Company:			
Dato' Megat Abdul Rahman bin Megat Ahmad	2,285,882	(2,285,882)	-
Dato' Koon Poh Keong			
- own	8,563,600	(8,563,600)	-
- spouse	9,736,527	(9,736,527)	-
Koon Poh Kong			
- own	1,585,199	(1,585,199)	-
- spouse	17,800	(17,800)	-
Koon Poh Ming	4,597,274	(4,597,274)	-
Koon Poh Tat			
- own	1,446,000	(1,446,000)	-
- spouse	66,587	(66,587)	-
Koon Poh Weng			
- own	1,780,008	(1,780,008)	-
- spouse	95,400	(95,400)	-
- child	1,000	(1,000)	-
Kuan Shin @ Kuan Nyong Hin	561	(561)	-
Tuan Haji Mohamad Faiz bin Abdul Hamid	23,733	(23,733)	-
Tan Heng Kui	9,000	(9,000)	-
Deemed interests in the warrants of the Company:			
Kuan Shin @ Kuan Nyong Hin ^	22	(22)	-

^ Deemed interested by virtue of the Director's interest in Doitbest Holdings Sdn. Bhd..

Directors' interests in shares (continued)

	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2010	Granted	Exercised	At 31.12.2010
Interests in the Company:				
Dato' Koon Poh Keong	1,750,000	-	-	1,750,000
Koon Poh Ming	1,750,000	-	-	1,750,000
Koon Poh Weng	1,300,000	-	-	1,300,000
Koon Poh Kong	1,300,000	-	-	1,300,000
Koon Poh Tat	1,300,000	-	-	1,300,000
Dato' Megat Abdul Rahman bin Megat Ahmad	150,000	-	-	150,000
Tuan Haji Mohamad Faiz bin Abdul Hamid	50,000	-	-	50,000
Kuan Shin @ Kuan Nyong Hin	50,000	-	(40,000)	10,000
Loo Lean Hock	50,000	-	-	50,000
Tan Heng Kui	50,000	-	-	50,000

Remuneration Committee membership

The members of the Remuneration Committee are as follows:

Dato Megat Abdul Rahman bin Megat Ahmad
Tuan Haji Mohamad Faiz bin Abdul Hamid
Koon Poh Ming

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary if a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of warrants and the Employees' Share Option Scheme.

Issue of shares and debentures

During the financial year, the Company issued:

i) 62,629,000 new ordinary shares of RM0.50 each for cash arising from the conversion of warrants at a weighted average exercise price of RM0.50 per ordinary share.

ii) 2,044,000 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at a weighted average exercise price of RM1.50 per ordinary share.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

There were no other changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

Warrants

Warrants 'B' is in registered form and constituted by a deed poll. The registered holders are entitled to subscribe for one (1) new ordinary share of RM0.50 in the Company at a price of RM0.50 per ordinary share for every warrant held. The conversion ratio is subject to the aforesaid deed poll and can be exercised at any time during the five-year subscription period up to 29 September 2010.

The movement of warrants 'B' during the financial year is as follows:-

Number of warrants over ordinary shares of RM0.50 each				
At 1.1.2010 '000	Granted '000	Exercised '000	Lapsed '000	At 31.12.2010 '000
63,164	-	(62,629)	(535)	-

Options granted over unissued shares (continued)

Employees' Share Option Scheme

At an extraordinary general meeting held on 26 June 2007, the Company's owners approved the establishment of a New ESOS of not more than 10% of the issued share capital of the Company to eligible Directors and Employees of the Group, subsequent to the expiry of the Former ESOS on 5 June 2007.

The salient features of the New ESOS are, *inter alia*, as follows:

(i) any eligible person of the Group shall be eligible to participate in the New ESOS, if at the date of offer, the employee:-

 (a) has attained the age of eighteen (18) years; and
 (b) is a Malaysian and employed by any company within the Group (other than a company which is dormant).

(ii) the option price shall be based on the weighted average market price of the Company's ordinary shares for the five (5) market days preceding the date of offer, with a discount of not more than ten per cent (10%), if deemed appropriate (subject to such adjustments in accordance with rules, terms and conditions of the New ESOS), or the par value of the Company's ordinary shares, whichever is higher.

(iii) the New ESOS shall be in force for a period of five (5) years from the date of offer and may be extended to a duration of ten (10) years or such longer duration as permitted by the relevant authorities.

(iv) the options granted may be exercised according to the following scale based on the discretion of the ESOS committee:

	Percentage of options exercisable				
Number of options granted	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
17,891,754	20%	20%	20%	20%	20%

Options exercisable in a particular year but not exercised could be carried forward to the subsequent years subject to the time limit of the New ESOS.

The options offered to take up unissued ordinary shares of RM0.50 each and the exercise price is as follows:

Date of offer	**Exercise price RM**	**At 1.1.2010 '000**	**Granted '000**	**Lapsed/ Forfeited '000**	**Exercised '000**	**At 31.12.2010 '000**	**Exercisable as at 31.12.2010 '000**
26.6.2007	1.50	17,823	-	(1,025)	(2,044)	14,754	11,396

Options granted over unissued shares (continued)

Employees' Share Option Scheme (continued)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of persons to whom options have been granted during the financial year and details of their holdings as required by Section 169(11) of the Companies Act, 1965. This information has been separately filed with the Companies Commission of Malaysia.

Significant events

i) On 28 January 2010, the Company acquired the remaining 20% equity interests in Press Metal (HK) Limited ("PMHK"), which was previously an 80% owned subsidiary of the Company, from a third party. The acquisition involved a total of 4,000,000 shares of HK$1.00 each, for a total consideration of RMB20,000,000 (approximately RM9,767,000). Subsequent to the acquisition, PMHK became a wholly-owned subsidiary of the Company.

ii) On 28 September 2010, the previous minority interest shareholders of Press Metal Sarawak ("PMS"), an 80% owned subsidiary of the Company, disposed of their 20% equity interests to Sumitomo Corporation Sdn. Bhd. ("Sumitomo"). On 21 December 2010, the Company completed the capitalisation and subscription of RM302 million ordinary shares of RM1.00 each in PMS, via the capitalisation of amount owing by PMS to the Company of RM301,572,000 and cash subscription of RM428,000. Subsequently, the Company disposed of 60.4 million ordinary shares of RM1.00 each in PMS to Sumitomo for a total consideration of RM60.4 million. Pursuant to these transactions, the equity interests of the Company in PMS remained at 80%.

iii) On 19 October 2010, nominees of the Company incorporated a company in Malaysia, Press Metal Bintulu Sdn. Bhd. ("PM Bintulu), which has an issued and paid-up share capital of RM2. Subsequently on 17 December 2010, the Company acquired the entire shares of PM Bintulu from its nominees and PM Bintulu became a wholly-owned subsidiary of the Company.

Other statutory information

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised on the ordinary course of business have been written down to an amount which they might be expected so to realise.

Other statutory information (continued)

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group's and the Company's financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the recognition of negative goodwill arising from the acquisition of the remaining 20% equity interests in PMHK as disclosed in Note 18 and Note 30 to the financial statements and the recognition of unrealised foreign exchange gain and waiver of debts by a creditor as disclosed in Note 18 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2010 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Dato' Koon Poh Keong

....

Koon Poh Tat

Petaling Jaya, Selangor

Date: 12 APR 2011

Press Metal Berhad

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

and its subsidiaries

Statements of financial position as at 31 December 2010

	Note	Group 31.12.2010 RM'000	Group 31.12.2009 RM'000 Restated	Group 1.1.2009 RM'000 Restated	Company 31.12.2010 RM'000	Company 31.12.2009 RM'000
Assets						
Property, plant and equipment	3	1,476,086	1,357,349	1,203,310	114,902	121,195
Goodwill	4	13,187	13,115	12,752	-	-
Investment properties	5	5,797	5,837	5,937	-	-
Investments in subsidiaries	6	-	-	-	485,751	217,484
Investment in an associate	7	28,003	26,289	24,859	11,812	11,812
Other investments	8	6,477	4,313	2,358	750	750
Deferred tax assets	9	1,042	3,919	2,294	-	-
Trade and other receivables	10	-	-	-	-	22,469
Total non-current assets		1,530,592	1,410,822	1,251,510	613,215	373,710
Trade and other receivables	10	704,052	721,999	529,565	543,205	680,294
Inventories	11	327,165	262,576	254,340	21,225	29,096
Current tax assets		2,520	25	33	-	-
Cash and cash equivalents	12	201,211	71,266	97,598	67,694	16,915
Total current assets		1,234,948	1,055,866	881,536	632,124	726,305
Total assets		2,765,540	2,466,688	2,133,046	1,245,339	1,100,015
Equity						
Share capital		215,031	182,694	182,286	215,031	182,694
Reserves		2,047	44,288	51,678	9,148	6,675
Retained earnings		584,286	508,394	485,704	199,855	173,468
Total equity attributable to owners of the Company		801,364	735,376	719,668	424,034	362,837
Minority interests		126,210	87,761	90,317	-	-
Total equity	13	927,574	823,137	809,985	424,034	362,837

Statements of financial position as at 31 December 2010

(continued)

	Note	Group 31.12.2010 RM'000	Group 31.12.2009 RM'000 Restated	Group 1.1.2009 RM'000 Restated	Company 31.12.2010 RM'000	Company 31.12.2009 RM'000
Liabilities						
Trade and other payables, including derivatives	14	106,049	-	-	103,423	60,475
Loans and borrowings	15	396,125	519,089	371,582	69,820	103,560
Deferred tax liabilities	9	104,710	110,305	104,698	16,996	21,780
Total non-current liabilities		606,884	629,394	476,280	190,239	185,815
Trade and other payables, including derivatives	14	262,394	263,194	226,175	112,392	155,138
Loans and borrowings	15	964,938	746,421	613,360	516,834	395,040
Current tax liabilities		3,750	4,542	7,246	1,840	1,185
Total current liabilities		1,231,082	1,014,157	846,781	631,066	551,363
Total liabilities		1,837,966	1,643,551	1,323,061	821,305	737,178
Total equity and liabilities		2,765,540	2,466,688	2,133,046	1,245,339	1,100,015

The notes on pages 21 to 103 are an integral part of these financial statements.

Press Metal Berhad

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

and its subsidiaries

Statements of comprehensive income for the year ended 31 December 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Revenue	17	1,698,839	1,133,181	677,001	556,737
Cost of sales		(1,454,964)	(961,981)	(619,782)	(489,581)
Gross profit		243,875	171,200	57,219	67,156
Other income		52,482	27,696	26,109	23,424
Distribution expenses		(53,598)	(31,244)	(3,399)	(2,302)
Administrative expenses		(71,040)	(66,447)	(12,324)	(10,358)
Other expenses		(19,171)	(26,141)	(9,320)	(21,344)
Results from operating activities		152,548	75,064	58,285	56,576
Finance income		560	58	28	-
Finance costs		(51,789)	(36,427)	(22,733)	(18,519)
Operating profit	18	101,319	38,695	35,580	38,057
Share of profit of equity accounted associate, net of tax		1,996	1,430	-	-
Profit before tax		103,315	40,125	35,580	38,057
Income tax expense	20	(13,705)	(11,430)	(1,592)	(9,205)
Profit for the year		89,610	28,695	33,988	28,852
Foreign currency translation differences for foreign operations		(44,714)	(8,403)	-	-
Total comprehensive income for the year		44,896	20,292	33,988	28,852

Statements of comprehensive income for the year ended 31 December 2010

(continued)

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Profit attributable to:					
Owners of the Company		83,493	27,476	33,988	28,852
Minority interests		6,117	1,219	-	-
Profit for the year		89,610	28,695	33,988	28,852
Total comprehensive income attributable to:					
Owners of the Company		38,779	19,073	33,988	28,852
Minority interests		6,117	1,219	-	-
Total comprehensive income for the year		44,896	20,292	33,988	28,852
Basic earnings per ordinary share (sen)	21	21.87	7.53		
Diluted earnings per ordinary share (sen)	21	21.23	-		

The notes on pages 21 to 103 are an integral part of these financial statements.

Press Metal Berhad
(Company No. 153208 W)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2010

Group	Note	*Attributable to owners of the Company* — *Non-distributable* Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Share option reserve RM'000	*Distributable* Retained earnings RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 January 2009		182,286	1,224	46,016	4,438	485,704	719,668	90,317	809,985
Total comprehensive income for the year		-	-	(8,403)	-	27,476	19,073	1,219	20,292
Conversion of warrants	13	408	-	-	-	-	408	-	408
Share-based payment transactions	16	-	-	-	1,013	-	1,013	-	1,013
Dividends to owners of the Company	22	-	-	-	-	(4,786)	(4,786)	-	(4,786)
Disposal of a subsidiary	30	-	-	-	-	-	-	(3,775)	(3,775)
At 31 December 2009		182,694	1,224	37,613	5,451	508,394	735,376	87,761	823,137

Consolidated statement of changes in equity for the year ended 31 December 2010

(continued)

Group	Note	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
		Attributable to owners of the Company							
		Non-distributable				*Distributable*			
At 1 January 2010		182,694	1,224	37,613	5,451	508,394	735,376	87,761	823,137
Total comprehensive income for the year		-	-	(44,714)	-	83,493	38,779	6,117	44,896
Conversion of warrants	13	31,315	-	-	-	-	31,315	-	31,315
Share options exercised	13	1,022	2,044	-	-	-	3,066	-	3,066
Transfer to share premium for share options exercised		-	714	-	(714)	-	-	-	-
Transfer to retained earnings for share options lapsed		-	-	-	(358)	358	-	-	-
Share-based payment transactions	16	-	-	-	787	-	787	-	787
Dividends to owners of the Company	22	-	-	-	-	(7,959)	(7,959)	-	(7,959)
Acquisition of minority interests	30	-	-	-	-	-	-	(28,068)	(28,068)
Subscription of additional shares in a subsidiary by minority interests shareholders	30	-	-	-	-	-	-	60,400	60,400
At 31 December 2010		215,031	3,982	(7,101)	5,166	584,286	801,364	126,210	927,574

The notes on pages 21 to 103 are an integral part of these financial statements.

Press Metal Berhad

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

Statement of changes in equity for the year ended 31 December 2010

		Non-distributable			*Distributable*	
		Share	**Share**	**Share option**	**Retained**	**Total**
	Note	**capital**	**premium**	**reserve**	**earnings**	**equity**
Company		**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2009		182,286	1,224	4,438	149,402	337,350
Total comprehensive income for the year		-	-	-	28,852	28,852
Conversion of warrants	13	408	-	-	-	408
Share-based payment transactions	16	-	-	1,013	-	1,013
Dividends to owners of the Company	22	-	-	-	(4,786)	(4,786)
At 31 December 2009/ 1 January 2010		182,694	1,224	5,451	173,468	362,837
Total comprehensive income for the year		-	-	-	33,988	33,988
Conversion of warrants	13	31,315	-	-	-	31,315
Share options exercised	13	1,022	2,044	-	-	3,066
Transfer to share premium for share options exercised		-	714	(714)	-	-
Transfer to retained earnings for share options lapsed		-	-	(358)	358	-
Share-based payment transactions	16	-	-	787	-	787
Dividends to owners of the Company	22	-	-	-	(7,959)	(7,959)
At 31 December 2010		215,031	3,982	5,166	199,855	424,034

The notes on pages 21 to 103 are an integral part of these financial statements.

Press Metal Berhad

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

and its subsidiaries

Statements of cash flows for the year ended 31 December 2010

	Group		Company	
	2010 RM'000	2009 RM'000 Restated	2010 RM'000	2009 RM'000
Cash flows from operating activities				
Profit before tax	103,315	40,125	35,580	38,057
Adjustments for:				
Depreciation of investment properties	112	100	-	-
Depreciation of property, plant and equipment	83,373	81,921	14,718	14,691
Derivative loss on forward foreign exchange contracts	2,123	-	2,123	-
Dividend income	-	-	(282)	(362)
Equity settled share-based payment transactions	787	1,013	787	1,013
Finance costs	51,789	36,427	22,733	18,519
Finance income	(560)	(58)	(28)	-
(Gain)/Loss on disposal of property, plant and equipment	(352)	(921)	(20)	39
Impairment loss on goodwill	-	550	-	-
Impairment loss on investment properties	200	-	-	-
Loss/(Gain) on disposal of a subsidiary	-	875	-	(1,652)
Negative goodwill	(18,030)	-	-	-
Property, plant & equipment written off	-	5	-	-
Share of profit of equity accounted associate, net of tax	(1,996)	(1,430)	-	-
Unrealised foreign exchange gain	(20,543)	(19,781)	(20,533)	(19,781)
Waiver of debts by a creditor	(5,000)	-	(5,000)	-
Operating profit before changes in working capital	195,218	138,826	50,078	50,524
Changes in working capital:				
Inventories	(64,589)	(8,236)	7,871	17,230
Trade and other payables	116,182	47,314	(4,480)	(12,774)
Trade and other receivables	(125,294)	(117,605)	(24,996)	57,934
Cash generated from operations	121,517	60,299	28,473	112,914
Income tax paid	(13,947)	(9,699)	(5,721)	(9,400)
Net cash from operating activities	107,570	50,600	22,752	103,514

Statements of cash flows for the year ended 31 December 2010

(continued)

	Group 2010 RM'000	Group 2009 RM'000 Restated	Company 2010 RM'000	Company 2009 RM'000
Cash flows from investing activities				
Acquisition of investment properties	(272)	-	-	-
Acquisition of minority interests	(9,767)	-	-	-
Acquisition of other investments	(2,164)	(182)	-	-
Acquisition of property, plant and equipment	(104,649)	(315,393)	(7,909)	(4,479)
Disposal of a subsidiary, net of cash disposed	-	1,028	-	-
Dividends received from an associate	282	362	282	362
Increase of investments in subsidiaries	-	-	(27,095)	-
Interest received from cash and cash equivalents	560	58	28	-
Proceeds from disposal of investment in a subsidiary	60,400	-	60,400	3,452
Proceeds from disposal of property, plant and equipment	3,522	2,128	220	243
Net cash (used in)/from investing activities	(52,088)	(311,999)	25,926	(422)
Cash flows from financing activities				
Decrease in amount due to an associate	(2,466)	-	-	-
Drawdown/(Repayment) of bankers' acceptances	87,270	66,846	73,476	(11,478)
Dividends paid to owners of the Company	(7,959)	(4,786)	(7,959)	(4,786)
Increase in amounts due from subsidiaries	-	-	(114,476)	(155,662)
Increase in amounts due to subsidiaries	-	-	11,486	79,814
Interest paid on loans and borrowings	(51,789)	(36,427)	(22,733)	(18,519)
(Placement)/Withdrawal of deposits pledged with licensed banks	(3,514)	3,124	-	-
Proceeds from issue of share capital via the new ESOS	3,066	-	3,066	-
Proceeds from issue of share capital via warrants conversion	31,315	408	31,315	408
Proceeds from/(Repayment of) term loans	26,949	131,297	35,517	(8,493)
Repayment of finance lease liabilities	(4,656)	(3,110)	(566)	(479)
(Repayment)/Drawdown of revolving credits	(1,610)	80,392	-	-
Net cash from/(used in) financing activities	76,606	237,744	9,126	(119,195)

Statements of cash flows for the year ended 31 December 2010

(continued)

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000 Restated**	**RM'000**	**RM'000**
Net increase/(decrease) in cash and cash equivalents	132,088	(23,655)	57,804	(16,103)
Effect of exchange rate fluctuations on cash held	1,321	(766)	-	-
Cash and cash equivalents at 1 January	64,231	88,652	9,890	25,993
Cash and cash equivalents at 31 December	197,640	64,231	67,694	9,890

Cash and cash equivalents

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

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits (excluding deposits pledged)	2,391	6,632	391	363
Cash and bank balances	195,296	64,624	67,303	16,552
Bank overdrafts	(47)	(7,025)	-	(7,025)
	197,640	64,231	67,694	9,890

Acquisition of property, plant and equipment

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM257,421,000 (2009 - RM322,643,000) and RM8,625,000 (2009 - RM5,343,000) respectively, of which RM7,390,000 (2009 - RM7,250,000) and RM716,000 (2009 - 864,000), respectively and RM145,382,000 (2009 - Nil) and Nil (2009 - Nil), respectively, were acquired by means of finance lease and reclassified from deposits. The deposits represent amounts paid to contractors in relation to the construction of the aluminium smelting plant in Mukah, Sarawak of a subsidiary.

The notes on pages 21 to 103 are an integral part of these financial statements.

Press Metal Berhad

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

and its subsidiaries

Notes to the financial statements

Press Metal Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its principal place of business and registered office are as follows:

Principal place of business
Lot 6464 Batu 5 ¾
Jalan Kapar, Sementa
42100 Klang
Selangor Darul Ehsan

Registered office
Lot 6.05, Level 6
KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the year ended 31 December 2010 do not include other entities.

The Company is principally engaged in the manufacturing and marketing of aluminium products, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 April 2011.

1. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopter
  - Additional Exemption for First-time Adopters
- Amendments to FRS 7, *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- IC Interpretation 4, *Determining whether an Arrangement contain a Lease*
- IC Interpretation 18, *Transfer of Assets from Customers*
- Improvements to FRS (2010)

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011, except for IC Interpretation 12 which is not applicable to the Group and the Company; and

- from the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012, except for IC Interpretation 15 which is not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption, other than expected changes in accounting policies as discussed below:

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

(i) FRS 3 (revised), *Business Combinations*

FRS 3 (revised) incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transactions costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

FRS 3 (revised), which becomes mandatory for the Group's 2011 consolidated financial statements, will be applied prospectively and therefore will be no impact on prior periods in the Group's 2011 consolidated financial statements.

(ii) FRS 127 (2010), *Consolidated and Separate Financial Statements*

- The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between the group and its minority (will be known as non-controlling) interest holders. Currently, changes in group composition are accounted for in accordance with the accounting policies as described in Note 2(a)(iii).

- The amendments to FRS 127 require all losses attributable to minority interest to be absorbed by minority interest i.e., the excess and any further losses exceeding the minority interest in the equity of a subsidiary are no longer charged against the Group's interest. Currently, such losses are accounted for in accordance with the accounting policies as described in Note 2(a)(iv).

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

IC Interpretation 4, ***Determining whether an Arrangement contains a Lease***

IC Interpretation 4 provides guidance on determining whether certain arrangements are, or contain, leases that are required to be accounted for in accordance with FRS 117, *Leases*. Where an arrangement is within the scope of FRS 117, the Group and the Company apply FRS 117 in determining whether the arrangement is a finance or an operating lease.

The adoption of IC Interpretation 4 will result in a change in accounting policy which will be applied retrospectively in accordance with FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* in which certain arrangements are to be accounted for as a finance lease.

The above changes in accounting policies are not expected to have material impacts to the Group and the Company.

Following the announcement by the MASB on 1 August 2008, the Group's and the Company's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 January 2012.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised or disclosed in the financial statements other than those disclosed in the following notes:

- Note 4 - measurement of the recoverable amounts of cash-generating units
- Note 5 - valuation of investment properties
- Note 27 - contingencies

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, other than those disclosed in the following notes:

- Note 2(c) - Financial instruments
- Note 2(e) - Leased assets
- Note 2(r) - Operating segments

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest including any long-term investments is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investment in an associate is stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale.

(iii) Changes in Group composition

The Group treats all changes in Group composition as equity transactions between the Group and its minority interests holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group's profit or loss.

(iv) Minority interests

Minority interests at the end of the reporting period, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the comprehensive income for the year between minority interests and the owners of the Company.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Minority interests (continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised in other comprehensive income.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR within equity.

(c) Financial instruments

Arising from the adoption of FRS 139, *Financial Instruments: Recognition and Measurement*, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in note 32.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Initial recognition and measurement (continued)

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

All financial assets are subject to review for impairment (see note 2(k)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises derivatives.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy for borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

• Leasehold land	50 - 99 years
• Buildings	50 years
• Renovation	10 years
• Plant and machinery	5 - 25 years
• Office equipment	10 years
• Motor vehicles	5 - 10 years
• Furniture and fittings	10 years
• Moulds and dies	3 - 6 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition of the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2. Significant accounting policies (continued)

(e) Leased assets (continued)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position of the Group or the Company. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments, except for leasehold land classified as investment property.

The Group has adopted the amendment made to FRS 117, *Leases* in 2010 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(f) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represented the excess of the cost of acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

2. Significant accounting policies (continued)

(f) Goodwill (continued)

Amortisation

Goodwill is tested for impairment annually and whenever there is an indication that it may be impaired.

(g) Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Determination of fair value

For the purpose of disclosure, the Directors estimate the fair values of the Group's investment properties without involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The Directors adopted the comparison method in arriving at the market value. The comparison method entails critical analyses of recent evidences of values of comparable properties in the neighbourhood and making adjustment for differences such as differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics.

2. Significant accounting policies (continued)

(g) Investment property (continued)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of investment properties. Freehold land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

- Freehold buildings 50 years
- Leasehold buildings 50 years
- Leasehold land 90 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Receivables

Prior to 1 January 2010, receivables were initially recognised at their costs and subsequently measured at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorised and measured as loans and receivables in accordance with note 2(c).

2. Significant accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy note 2(c).

(k) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries and investment in an associate) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

2. Significant accounting policies (continued)

(k) Impairment (continued)

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. Significant accounting policies (continued)

(l) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's and the Company's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(ii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee share options is measured using a Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2. Significant accounting policies (continued)

(m) Provisions (continued)

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(n) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, traded discount and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

2. Significant accounting policies (continued)

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Following the adoption of FRS 123, *Borrowing Costs*, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

Before 1 January 2010, the Group has already capitalised borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Hence, the adoption of FRS 123, *Borrowing Costs* does not have an impact to the Group.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are interrupted or completed.

(p) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

2. Significant accounting policies (continued)

(p) Income tax (continued)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(r) Operating segments

In the previous years, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, *Operating Segments*, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. Property, plant and equipment

Group	Land RM'000	Buildings and renovation RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Under construction RM'000	Total RM'000
Cost									
At 1 January 2009, restated	97,137	258,325	598,351	21,304	19,140	4,184	112,252	345,931	1,456,624
Additions	10,899	1,070	128,926	4,993	8,895	1,775	22,648	143,437	322,643
Disposals	-	-	(1,247)	(22)	(1,649)	(60)	-	-	(2,978)
Write off	-	-	-	(2)	-	(4)	-	-	(6)
Transfers	-	77,683	48,025	-	-	-	-	(125,708)	-
Reclassification	-	-	-	-	-	-	-	(75,659)	(75,659)
Disposal of a subsidiary	-	-	(372)	(203)	(1,135)	(51)	(17)	-	(1,778)
Effect of movements in exchange rates	(1,861)	(1,828)	(6,169)	88	255	(49)	(589)	(911)	(11,064)
At 31 December 2009, restated/ 1 January 2010	106,175	335,250	767,514	26,158	25,506	5,795	134,294	287,090	1,687,782
Additions	4,117	2,309	177,563	9,071	6,929	202	8,255	48,975	257,421
Disposals	-	(180)	(636)	(294)	(612)	-	-	(2,438)	(4,160)
Write off	-	-	-	(4)	-	-	-	-	(4)
Transfers	-	306,583	(3,832)	4	-	-	-	(302,755)	-
Effect of movements in exchange rates	(1,679)	(21,151)	(32,079)	(815)	(439)	(36)	(3,275)	(4,111)	(63,585)
At 31 December 2010	108,613	622,811	908,530	34,120	31,384	5,961	139,274	26,761	1,877,454

3. Property, plant and equipment (continued)

Group	Land RM'000	Buildings and renovation RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Under construction RM'000	Total RM'000
Depreciation									
At 1 January 2009, restated	1,148	22,417	142,470	10,978	7,380	1,534	67,387	-	253,314
Depreciation for the year	873	10,911	39,387	2,313	2,700	283	25,454	-	81,921
Disposals	-	-	(513)	(19)	(1,189)	(50)	-	-	(1,771)
Write off	-	-	-	(1)	-	-	-	-	(1)
Disposal of a subsidiary	-	-	(131)	(118)	(649)	(18)	(15)	-	(931)
Effect of movements in exchange rates	(11)	(403)	(1,245)	115	84	21	(660)	-	(2,099)
At 31 December 2009, restated/ 1 January 2010	2,010	32,925	179,968	13,268	8,326	1,770	92,166	-	330,433
Depreciation for the year	794	12,827	54,951	2,468	2,903	241	9,189	-	83,373
Disposals	-	(39)	(290)	(264)	(397)	-	-	-	(990)
Write off	-	-	-	(4)	-	-	-	-	(4)
Effect of movements in exchange rates	(86)	(1,915)	(6,973)	(170)	(109)	(20)	(2,171)	-	(11,444)
At 31 December 2010	2,718	43,798	227,656	15,298	10,723	1,991	99,184	-	401,368
Carrying amounts									
At 1 January 2009, restated	95,989	235,908	455,881	10,326	11,760	2,650	44,865	345,931	1,203,310
At 31 December 2009, restated/ 1 January 2010	104,165	302,325	587,546	12,890	17,180	4,025	42,128	287,090	1,357,349
At 31 December 2010	105,895	579,013	680,874	18,822	20,661	3,970	40,090	26,761	1,476,086

3. Property, plant and equipment (continued)

Company	Land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Total RM'000
Cost									
At 1 January 2009	5,910	31,472	2,123	128,384	10,033	4,614	849	71,360	254,745
Additions	-	-	285	1,152	14	148	-	3,744	5,343
Disposals	-	-	-	(384)	-	(112)	-	-	(496)
At 31 December 2009/1 January 2010	5,910	31,472	2,408	129,152	10,047	4,650	849	75,104	259,592
Additions	-	-	94	2,214	102	775	24	5,416	8,625
Disposals	-	(180)	-	(58)	-	(80)	-	-	(318)
At 31 December 2010	5,910	31,292	2,502	131,308	10,149	5,345	873	80,520	267,899
Depreciation									
At 1 January 2009	-	4,479	212	62,495	7,250	2,383	458	46,643	123,920
Depreciation for the year	-	553	241	6,728	590	351	21	6,207	14,691
Disposals	-	-	-	(102)	-	(112)	-	-	(214)
At 31 December 2009/1 January 2010	-	5,032	453	69,121	7,840	2,622	479	52,850	138,397
Depreciation for the year	-	551	250	6,764	520	398	15	6,220	14,718
Disposals	-	(39)	-	(8)	-	(71)	-	-	(118)
At 31 December 2010	-	5,544	703	75,877	8,360	2,949	494	59,070	152,997

3. Property, plant and equipment (continued)

Company	Land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Total RM'000
Carrying amounts									
At 1 January 2009	5,910	26,993	1,911	65,889	2,783	2,231	391	24,717	130,825
At 31 December 2009/1 January 2010	5,910	26,440	1,955	60,031	2,207	2,028	370	22,254	121,195
At 31 December 2010	5,910	25,748	1,799	55,431	1,789	2,396	379	21,450	114,902

3. Property, plant and equipment (continued)

3.1 Security

Property, plant and equipment of the Group with a carrying amount of RM23,166,000 (2009 - RM19,289,000) have been pledged as security for term loans granted to certain subsidiaries (see Note 15).

3.2 Borrowing costs

Included in property, plant and equipment under construction of the Group is interest capitalised for the year at a rate of 1.75% above the Financiers' Islamic Cost of Funds per annum (2009 - 1.75%) amounting to RM12,389,000 (2009 - RM24,249,000).

3.3 Leased plant and machinery and motor vehicles

At 31 December, the net carrying amounts of leased plant and machinery and motor vehicles of the Group and the Company were RM18,944,000 (2009 - RM10,203,000) and RM2,554,000 (2009 - RM1,656,000), respectively.

3.4 Land

Included in the carrying amounts of land are:

	Group			Company	
	31.12.2010 RM'000	31.12.2009 RM'000 Restated	1.1.2009 RM'000 Restated	31.12.2010 RM'000	31.12.2009 RM'000
Freehold land	5,910	5,910	5,910	5,910	5,910
Leasehold land	99,985	98,255	90,079	-	-
	105,895	104,165	95,989	5,910	5,910

The carrying amounts of land at 1 January 2009 and 31 December 2009 have been adjusted following the adoption of the amendments to FRS 117, *Leases*, where leasehold land, in substance is a finance lease, has been reclassified from prepaid lease payments to property, plant and equipment.

4. Goodwill

	Group RM'000
Cost	
At 1 January 2009	12,752
Effect of movements in exchange rates	913
At 31 December 2009/1 January 2010	13,665
Effect of movements in exchange rates	72
At 31 December 2010	13,737
Impairment loss	
At 1 January 2009	-
Impairment loss	550
At 31 December 2009/1 January 2010/31 December 2010	550
Carrying amounts	
At 1 January 2009	12,752
At 31 December 2009/1 January 2010	13,115
At 31 December 2010	13,187

4.1 Impairment loss

In 2009, an impairment loss was provided for one of the business units acquired by the Group following a reduction in value in use to the business unit. The impairment loss was recognised in other expenses.

4.2 Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the business units acquired, at which the goodwill is monitored for internal management purposes.

The recoverable amounts of the business units were based on value in use and were determined by the management.

The goodwill is allocated to subsidiaries in the manufacturing and trading segments.

4. Goodwill (continued)

4.2 Impairment testing for cash-generating units containing goodwill (continued)

Value in use was determined by assessing the budgets of the business units and was based on the following key assumptions:

- The 5 year budgets were arrived at based on actual operating results.
- The principal activities of the business units will not change significantly.
- The business environment or industry in which the business units operate in will not change significantly.
- Discounted based on weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the business units' principal activities and are based on external sources and internal sources (historical data).

The above estimates are not particularly sensitive.

5. Investment properties

	Group RM'000
Cost	
At 1 January 2009, restated/ 31 December 2009, restated/1 January 2010	6,640
Additions	272
At 31 December 2010	6,912
Depreciation and impairment loss	
At 1 January 2009, restated	703
Depreciation for the year	100
At 31 December 2009, restated/1 January 2010	803
Depreciation for the year	112
Impairment loss for the year	200
At 31 December 2010	1,115

5. Investment properties (continued)

	Group RM'000
Carrying amounts	
At 1 January 2009, restated	5,937
At 31 December 2009, restated/1 January 2010	5,837
At 31 December 2010	5,797
Fair values	
At 1 January 2009, restated	6,773
At 31 December 2009, restated/1 January 2010	6,773
At 31 December 2010	8,329

Investment properties comprise of leasehold land, industrial properties on leasehold land and a number of commercial properties. Following the adoption of the amendments to FRS 117, *Leases*, where leasehold land in substance is a finance lease, has been reclassified from prepaid lease payments to investment properties.

The fair values of the investment properties are determined based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

Group	31.12.2010 RM'000	31.12.2009 RM'000 Restated	1.1.2009 RM'000 Restated
Included in the above are:			
Freehold land	812	812	812
Freehold buildings	581	593	605
Leasehold land	583	327	331
Leasehold buildings	3,821	4,105	4,189
	5,797	5,837	5,937

Impairment loss

During the year, the Group assessed the investment properties for impairment and recognised an impairment loss of RM200,000 as a result of a significant decline in market value of a leasehold building of a subsidiary.

5. Investment properties (continued)

The following are recognised in profit or loss in respect of investment properties:

	Group 2010 RM'000	Group 2009 RM'000
Rental income	313	323
Direct operating expenses		
- income generating investment properties	(165)	(162)
- non-income generating investment properties	(17)	-

6. Investments in subsidiaries

	Company 2010 RM'000	Company 2009 RM'000
Unquoted shares, at cost	488,191	219,924
Less: Impairment loss	(2,440)	(2,440)
	485,751	217,484

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2010	Effective ownership interest 2009
Angkasa Jasa Sdn. Bhd.	Malaysia	Contracting and fabrication of aluminium and stainless steel products	100%	100%
PMB Development Sdn. Bhd.	Malaysia	Investment holding	100%	100%
and its subsidiary,				
PMB Spectrum Sdn. Bhd.	Malaysia	Dormant	60%	60%
PMB Recycling Management Sdn. Bhd.	Malaysia	Dormant	100%	100%

6. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2010	Effective ownership interest 2009
Wesama Sdn. Bhd.	Malaysia	Investment holding	100%	100%
and its subsidiary,				
ACE Extrusion Sdn. Bhd.	Malaysia	Manufacturing and trading of aluminium products	100%	100%
PMB Marketing Sdn. Bhd.	Malaysia	Trading of garments and accessories	100%	100%
and its subsidiary,				
PMB Marketing (H.K.) Limited *	Hong Kong	Trading of garments and accessories	100%	100%
BI-PMB Waste Management Sdn. Bhd.	Malaysia	Provision of a common waste water treatment plant to treat toxic waste	100%	100%
PMS Marketing Sdn. Bhd. %	Malaysia	Trading of aluminium product	100%	100%
Press Metal Sarawak Sdn. Bhd. @	Malaysia	Manufacturing and trading of aluminium products	80%	80%
Press Metal Bintulu Sdn. Bhd. **	Malaysia	Dormant	100%	-
Press Metal Aluminium (Australia) Pty. Ltd *	Australia	Marketing, retailing and trading of aluminium related materials	70%	70%
Press Metal UK Limited *	United Kingdom	Marketing of aluminium products	100%	100%
Press Metal Hong Kong Limited *, ^	Hong Kong	Investment holding	100%	80%
and its subsidiary,				
Press Metal International Limited *	China	Manufacturing and trading of aluminium products	80%	80%

6. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2010	2009
Hubei Press Metal Huasheng Aluminium-Electric Co,. Ltd. *	China	Manufacturing and trading of aluminium products	90%	90%
and its subsidiary,				
PMH Aluminium Extrusion Co,. Ltd. *	China	Manufacturing and trading of aluminium products	100%	100%

* Not audited by member firms of KPMG International

% During the year, the Company subscribed an additional 16,900,000 new ordinary shares of RM1.00 each at par for a total cash consideration of RM16,900,000 in PMS Marketing Sdn. Bhd..

@ On 28 September 2010, the previous minority interest shareholders of Press Metal Sarawak ("PMS"), an 80% owned subsidiary of the Company, disposed of their 20% equity interests to Sumitomo Corporation Sdn. Bhd. ("Sumitomo"). On 21 December 2010, the Company completed the capitalisation and subscription of RM302 million ordinary shares of RM1.00 each in PMS, via the capitalisation of amount owing by PMS to the Company of RM301,572,000 and cash subscription of RM428,000. Subsequently, the Company disposed of 60.4 million ordinary shares of RM1.00 each in PMS to Sumitomo for a total consideration of RM60.4 million. Pursuant to these transactions, the equity interests of the Company in PMS remained at 80%.

**On 19 October 2010, nominees of the Company incorporated a company in Malaysia, Press Metal Bintulu Sdn. Bhd. ("PM Bintulu), which has an issued and paid-up share capital of RM2. Subsequently on 17 December 2010, the Company acquired the entire shares of PM Bintulu from its nominees and PM Bintulu became a wholly-owned subsidiary of the Company.

^ On 28 January 2010, the Company acquired the remaining 20% equity interests in PMHK, which was previously an 80% owned subsidiary of the Company, from a third party. The acquisition involved a total of 4,000,000 shares of HK$1.00 each, for a total consideration of RMB20,000,000 (approximately RM9,767,000). Subsequent to the acquisition, PMHK became a wholly-owned subsidiary of the Company.

6. Investments in subsidiaries (continued)

The movements of investments in subsidiaries are as follows:

	Company	
	2010	2009
	RM'000	RM'000
At 1 January	217,484	222,483
Subscription of additional shares	328,667	-
Disposal of shares	(60,400)	(4,999)
At 31 December	485,751	217,484
Satisfied by cash	27,095	-
Net settled against balance due to subsidiary	301,572	-
Total consideration paid for subscription of additional shares	328,667	-

7. Investment in an associate

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Quoted shares in Malaysia, at cost	11,812	11,812	11,812	11,812
Share of post-acquisition reserves	16,191	14,477	-	-
	28,003	26,289	11,812	11,812
Market value:				
Quoted shares in Malaysia	16,751	9,535	16,751	9,535

7. Investment in an associate (continued)

Summary financial information of the associate, which is incorporated in Malaysia, not adjusted for the percentage ownership held by the Group:

	Effective ownership interest	Revenue (100%) RM'000	Profit (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2010					
PMB Technology Berhad	28%	219,436	7,195	243,419	146,194
2009					
PMB Technology Berhad	28%	212,719	5,159	213,395	119,787

8. Other investments

	Group RM'000	Company RM'000
2010		
Non-current		
Available-for-sale financial assets		
At cost:		
Unquoted shares in Malaysia	1,803	750
Unquoted shares outside Malaysia	4,674	-
	6,477	750
2009		
Non-current		
At cost:		
Unquoted shares in Malaysia	1,803	750
Unquoted shares outside Malaysia	2,510	-
	4,313	750

Other investments comprise investments in equity instruments which do not have a quoted market price in an active market and their fair values cannot be reliably measured. Hence, these investments in equity instruments are measured at cost.

The comparative figures as at 31 December 2010 have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given by FRS7.44AA.

9. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2010	2009	2010	2009	2010	2009
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	-	(122,917)	(112,034)	(122,917)	(112,034)
Provisions	591	565	-	-	591	565
Unutilised tax losses	236	3,984	-	-	236	3,984
Unabsorbed capital allowances	18,702	5,811	-	-	18,702	5,811
Other temporary differences	380	-	(660)	(4,712)	(280)	(4,712)
Tax assets/(liabilities)	19,909	10,360	(123,577)	(116,746)	(103,668)	(106,386)
Set off	(18,867)	(6,441)	18,867	6,441	-	-
Net tax assets/(liabilities)	1,042	3,919	(104,710)	(110,305)	(103,668)	(106,386)
Company						
Property, plant and equipment	-	-	(16,336)	(17,069)	(16,336)	(17,069)
Other temporary differences	-	-	(660)	(4,711)	(660)	(4,711)
Net tax liabilities	-	-	(16,996)	(21,780)	(16,996)	(21,780)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2010	2009
	RM'000	RM'000
Other temporary differences	(3,972)	(193)
Unutilised tax losses	11,694	5,741
Unabsorbed capital allowances	8,036	7,881
	15,758	13,429

9. Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

Movement in temporary differences during the year

	At 1.1.2009 RM'000	Recognised in profit or loss (Note 20) RM'000	Effect of movement in exchange rates RM'000	At 31.12.2009 RM'000	Recognised in profit or loss (Note 20) RM'000	Effect of movement in exchange rates RM'000	At 31.12.2010 RM'000
Group							
Property, plant and equipment	(107,110)	(5,369)	445	(112,034)	(16,646)	5,763	(122,917)
Provisions	416	149	-	565	26	-	591
Unutilised tax losses	1,534	2,450	-	3,984	(3,748)	-	236
Unabsorbed capital allowances	-	5,811	-	5,811	12,891	-	18,702
Other temporary differences	2,756	(7,468)	-	(4,712)	4,432	-	(280)
	(102,404)	(4,427)	445	(106,386)	(3,045)	5,763	(103,668)

Company	At 1.1.2009 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.12.2009 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.12.2010 RM'000
Property, plant and equipment	(19,440)	2,371	(17,069)	733	(16,336)
Other temporary differences	1,965	(6,676)	(4,711)	4,051	(660)
	(17,475)	(4,305)	(21,780)	4,784	(16,996)

10. Trade and other receivables

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Non-current					
Non-trade					
Amount due from a subsidiary	10.1	-	-	-	22,469
Current					
Trade					
Trade receivables		295,080	247,242	46,861	43,510
Less: Individual impairment		(4,711)	(14,936)	(411)	(10,218)
		290,369	232,306	46,450	33,292
Amounts due from subsidiaries	10.1	-	-	173,738	159,116
Amount due from an associate	10.1	11,345	6,878	10,995	6,493
		301,714	239,184	231,183	198,901
Non-trade					
Amounts due from subsidiaries	10.1	-	-	298,278	462,905
Amount due from an associate	10.1	1,244	1,650	-	-
Other receivables		13,168	21,214	1,589	328
Deposits	10.2	337,830	423,459	10,046	17,193
Prepayments		50,096	36,492	2,109	967
		402,338	482,815	312,022	481,393
		704,052	721,999	543,205	680,294
	10.3	704,052	721,999	543,205	702,763

10.1 Inter company balances

The trade balances due from subsidiaries and an associate are subject to normal trade terms.

The non-trade balances due from subsidiaries and an associate are unsecured, interest free and are repayable on demand, except for an amount of RM22,469,000 in 2009 due from a subsidiary which was unsecured, interest free and was repayable in more than a year.

10. Trade and other receivables (continued)

10.2 Deposits

Included in deposits of the Group are deposits paid to contractors in relation to the construction of a smelting plant in Mukah, Sarawak amounting to RM326,185,000 (2009 - RM402,687,000).

10.3 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities or the Company are as follows:

		Group		Company	
		2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Functional currency	**Foreign currency**				
RM	AUD	-	-	47,962	36,481
RM	GBP	-	-	115,760	101,863
RM	RMB	-	-	169,229	-
RM	SGD	7,082	3,995	6,096	3,995
RM	USD	31,280	630	16,363	629
RM	EUR	-	-	-	316
RMB	USD	187,084	107,588	-	-
RMB	SGD	5	1,285	-	-
RMB	EUR	552	-	-	-

11. Inventories

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
At cost:				
Raw materials	129,541	105,751	11,800	18,584
Work-in-progress	49,468	32,178	3,518	1,977
Finished goods	101,616	89,858	5,613	4,954
Consumable parts	318	647	294	251
Goods-in-transit	46,222	34,142	-	3,330
	327,165	262,576	21,225	29,096

12. Cash and cash equivalents

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks	5,915	6,642	391	363
Cash and bank balances	195,296	64,624	67,303	16,552
	201,211	71,266	67,694	16,915

Included in the Group's deposits placed with licensed banks is RM3,524,000 (2009 - RM10,000) pledged as security for term loans granted to certain subsidiaries (see Note 15).

Cash and cash equivalents as at year end that are not in the functional currencies of the Group entities or the Company are as follows:

		Group		Company	
		2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Functional currency	**Foreign currency**				
RM	AUD	34	33	34	33
RM	EUR	1	1	1	1
RM	GBP	2,469	438	2,469	438
RM	SGD	1,378	2,069	673	1,665
RM	USD	57,217	7,924	57,174	7,924
RMB	HKD	23	10	-	-

13. Capital and reserves

Share capital	Group and Company			
	Amount 2010 RM'000	Number of shares 2010 '000	Amount 2009 RM'000	Number of shares 2009 '000
Ordinary shares of RM0.50 each:				
Authorised	500,000	1,000,000	500,000	1,000,000
Issued and fully paid:				
Issued at 1 January	182,694	365,387	182,286	364,571
Issue of shares via conversion of warrants	31,315	62,629	408	816
Issue of shares under the employees share option scheme	1,022	2,044	-	-
Issued at 31 December	215,031	430,060	182,694	365,387

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of Group entities with functional currencies other than RM.

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has tax exempt income to frank and distribute approximately RM178,242,000 (2009 - all) of its distributable reserves at 31 December 2010 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2008. As such, the remaining Section 108 tax credit as at 31 December 2010 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

14. Trade and other payables, including derivatives

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Non-current					
Trade					
Trade payables		9,487	-	-	-
Amount due to an associate	14.1	6,890	-	2,955	-
Non-trade					
Amount due to a subsidiary	14.1	-	-	100,468	60,475
Other payables	14.3	89,672	-	-	-
	14.2	106,049	-	103,423	60,475
Current					
Trade					
Trade payables		134,101	102,620	4,680	22,031
Amounts due to subsidiaries	14.1	-	-	92,356	95,836
Amount due to an associate	14.1	4,248	12,001	-	2,815
		138,349	114,621	97,036	120,682
Non-trade					
Amounts due to subsidiaries	14.1	-	-	-	28,507
Amount due to an associate	14.1	23	2,895	-	-
Other payables	14.3	96,080	116,098	8,513	2,235
Accruals		25,819	29,580	4,720	3,714
Financial liabilities at fair value through profit or loss:					
- Derivatives		2,123	-	2,123	-
		124,045	148,573	15,356	34,456
		262,394	263,194	112,392	155,138
	14.4	368,443	263,194	215,815	215,613

14.1 Inter company balances

The trade balances due to subsidiaries and an associate are subject to normal trade terms, except for amounts of RM6,890,000 and RM2,955,000 of the Group and of the Company, respectively, in 2010 which are unsecured, interest free and are repayable in more than a year.

14. Trade and other payables, including derivatives (continued)

14.1 Inter company balances (continued)

The non-trade balances due to subsidiaries and an associate are unsecured, interest free and repayable on demand, except for an amount due to a subsidiary amounting to RM100,468,000 (2009 - RM60,475,000) which is repayable in more than a year.

14.2 Trade and other payables - non-current

During the year, included in non-current trade and other payables of the Group are retention sums payable which are expected to be repayable in more than a year amounting to RM2,334,000 and trade and other payables which have credit terms which are repayable in more than a year amounting to RM103,715,000.

14.3 Other payables

Included in other payables of the Group are:-

(i) amounts due to Directors of Nil (2009 - RM520,000), which are unsecured, interest free and are repayable on demand.

(ii) the remaining 30% of the purchase consideration for the acquisition of a subsidiary, Hubei Press Metal Huasheng Aluminium-Electric Co,. Ltd. amounting to RM50,500,000 (2009 - RM54,205,000).

(iii) an amount payable to contractors of RM17,378,000 (2009 - RM11,743,000) in relation to the construction of an aluminium smelting plant in Mukah, Sarawak.

14.4 Analysis of foreign currency exposure for significant payables

Significant payables that are not in the functional currencies of the Group entities or the Company are as follows:

		Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Functional currency	**Foreign currency**				
RM	RMB	-	-	148,256	60,475
RM	SGD	6,096	11	6,096	11
RM	USD	16,363	15,452	16,363	79,674
RMB	USD	1,773	647	-	-

15. Loans and borrowings

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Non-current				
Term loans (unsecured)	87,748	126,430	68,929	102,724
Term loans (secured)	301,331	387,353	-	-
Finance lease liabilities	7,046	5,306	891	836
	396,125	519,089	69,820	103,560
Current				
Term loans (unsecured)	209,271	128,585	82,731	27,483
Term loans (secured)	104,592	46,437	-	-
Bankers' acceptances (unsecured)	512,438	425,168	388,520	315,044
Revolving credits (unsecured)	131,265	132,523	45,000	45,000
Revolving credits (secured)	3,078	3,430	-	-
Bank overdrafts (unsecured)	47	7,025	-	7,025
Finance lease liabilities	4,247	3,253	583	488
	964,938	746,421	516,834	395,040
	1,361,063	1,265,510	586,654	498,600

15.1 Security

The revolving credits of the Group amounting to RM3,078,000 (2009 - RM3,430,000) is secured by way of irrevocable Standby Letter of Credit issued by a bank.

The securities of term loans are disclosed in Note 15.2.

15. Loans and borrowings (continued)

15.2 Term loans

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Loans of the Company:				
Loan 1 (unsecured)	30,855	54,824	30,855	54,824
Loan 2 (unsecured)	34,600	51,397	34,600	51,397
Loan 3 (unsecured)	16,193	23,985	16,193	23,986
Loan 4 (unsecured)	30,855	-	30,855	-
Loan 5 (unsecured)	39,157	-	39,157	-
Loans of subsidiaries:				
Loan 6 (secured)	351	370	-	-
Loan 7 (secured)	-	3,419	-	-
Loan 8 (secured)	387,000	430,000	-	-
Loan 9 (unsecured)	12,340	20,557	-	-
Loan 10 (unsecured)	9,703	13,562	-	-
Loan 11 (unsecured)	-	25,096	-	-
Loan 12 (unsecured)	69,567	65,595	-	-
Loan 13 (unsecured)	14,020	-	-	-
Loan 14 (secured)	18,572	-	-	-
Loan 15 (unsecured)	14,022	-	-	-
Loan 16 (unsecured)	25,707	-	-	-
	702,942	688,805	151,660	130,207

Securities

Loan 1 and 2	Negative pledge by the Company
Loan 3	Negative pledge and guaranteed by a subsidiary, Press Metal International Ltd.
Loan 4 and 5	No securities
Loan 6	Secured over a building of a subsidiary with a carrying amount of RM964,000 (2009 - RM990,000) and guaranteed by the Company
Loan 7	Secured by debenture over the inventories and receivables of a subsidiary and guaranteed by the Company
Loan 8	Secured over a leasehold land of a subsidiary with a carrying amount of RM22,202,000 (2009 - RM18,299,000), floating charges on other property, plant and equipment and inventories, deposits pledged with a licensed bank of RM3,524,000 (2009 - RM10,000) and guaranteed by the Company
Loan 9 to 13	Guaranteed by the Company
Loan 14	Secured over the inventories of a subsidiary
Loan 15 and 16	Guaranteed by a subsidiary, Hubei Press Metal Huasheng Aluminium-Electric Co. Ltd.

15. Loans and borrowings (continued)

15.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Payments 2010 RM'000	Interest 2010 RM'000	Principal 2010 RM'000	Payments 2009 RM'000	Interest 2009 RM'000	Principal 2009 RM'000
Less than one year	4,821	574	4,247	3,704	451	3,253
Between one and five years	8,037	1,028	7,009	5,995	689	5,306
More than five years	48	11	37	-	-	-
	12,906	1,613	11,293	9,699	1,140	8,559
Company						
Less than one year	668	85	583	552	64	488
Between one and five years	1,019	128	891	951	115	836
	1,687	213	1,474	1,503	179	1,324

15.4 Significant covenants

In connection with the significant term loan facilities of a subsidiary, Press Metal Sarawak Sdn. Bhd., the subsidiary and the Group have agreed on the following significant covenants with the lenders:

i) Project Debt-to-Equity ratio of the subsidiary to be maintained below the ratio of 70:30 at all times; equity is defined to include all subordinated debts and shareholders advances;

ii) Minimum Finance Service Cover Ratio ("FSCR") of 1.25 times, where FSCR equal to the subsidiary's net operating cash flows for the year plus opening cash balance divided by total facility payment due for the current year;

iii) no material change in the business plan of the subsidiary and Press Metal Berhad Group; and

iv) the Company shall maintain its shareholdings in the subsidiary more than or equivalent to 80% throughout the tenure of the facility.

15. Loans and borrowings (continued)

15.5 Analysis of foreign currency exposure for significant loans and borrowings

Significant loans and borrowings outstanding at year end that are not in the functional currencies of the Group entities or the Company are as follows:

		Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Functional currency	**Foreign currency**				
RM	USD	170,232	130,207	151,660	130,207
RM	GBP	24,593	37,315	24,593	37,315
RMB	USD	79,135	97,067	-	-
HKD	USD	12,340	20,557	-	-

16. Employee benefits

Share-based payments

New Employees' Share Option Scheme ("New ESOS")

At an extraordinary general meeting held on 26 June 2007, the Company's owners approved the establishment of a New ESOS of not more than 10% of the issued share capital of the Company to eligible Directors and Employees of the Group, subsequent to the expiry of the Former ESOS on 5 June 2007.

The number and weighted average exercise price of share options are as follows:

	Weighted average exercise price 2010	Number of options 2010 '000	Weighted average exercise price 2009	Number of options 2009 '000
Outstanding at 1 January	1.50	17,823	1.50	17,823
Exercised during the year	1.50	(2,044)	1.50	-
Lapsed/Forfeited during the year	1.50	(1,025)	1.50	-
Outstanding at 31 December	1.50	14,754	1.50	17,823
Exercisable at 31 December	1.50	11,396	1.50	8,941

16. Employee benefits (continued)

Share-based payments (continued)

New Employees' Share Option Scheme ("New ESOS") (continued)

The options outstanding at 31 December 2010 have an exercise price of RM1.50 and a weighted average contractual life of 1.5 years.

During the year, 2,044,000 share options were exercised. The weighted average share price for the year was RM1.52 (2009 - no options exercised).

The fair value of services received in return of share options granted is based on the fair value of share options granted, measured using the Black Scholes model, with the following inputs:

Fair value of share options and assumptions	**2010**	**2009**
Fair value at grant date	RM0.2547	RM0.2832
Weighted average share price	RM1.23	RM1.14
Exercise price	RM1.50	RM1.50
Expected volatility (weighted average volatility)	46.12%	49.65%
Option life (expected weighted average life)	2 years	3 years
Expected dividends	1.93%	2.94%
Risk-free interest rate (based on Malaysian government bonds)	2.64%	3.21%

Value of employee services received for issue of share options		
Expense recognised as share-based payments	787	1,013

17. Revenue

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sale of goods	1,635,790	1,037,308	677,001	556,737
Contracting and fabrication	62,125	94,896	-	-
Rendering of services	924	977	-	-
	1,698,839	1,133,181	677,001	556,737

18. Operating profit

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000 Restated	RM'000	RM'000
Operating profit is arrived at after charging:				
Auditors' remuneration:				
- Statutory audit				
KPMG	278	248	140	110
Other auditors	329	361	-	-
- Other services				
KPMG	35	10	10	10
Affiliates of KPMG	187	-	-	-
Other auditors	60	-	-	-
Bad debts written off	4,264	-	-	-
Depreciation of investment properties	112	100	-	-
Depreciation of property, plant and equipment	83,373	81,921	14,718	14,691
Derivative loss on forward foreign exchange contracts	2,123	-	2,123	-
Finance costs:				
- Bank overdrafts	432	349	385	306
- Term loans	28,053	20,712	4,995	3,718
- Finance lease liabilities	586	408	63	62
- Bankers' acceptances	16,203	10,476	12,883	10,085
- Revolving credits	3,269	3,593	1,592	2,173
- Others	3,246	2,673	2,815	2,175
Impairment loss:				
- Goodwill	-	550	-	-
- Investment properties	200	-	-	-
- Trade receivables	62	7,454	-	5,000
Loss on disposal of a subsidiary	-	875	-	-
Loss on disposal of property, plant and equipment	-	-	-	39
Personnel expenses (including key management personnel)				
- Contributions to Employees' Provident Fund	4,715	3,736	1,248	1,057
- Wages, salaries and others	132,165	103,297	18,112	14,702
Property, plant and equipment written off	-	5	-	-
Realised foreign exchange loss	2,087	11,792	1,241	11,766
Rental expense on equipment and machinery	5,833	6,102	234	229
Rental expense on property leases	4,039	2,872	-	-
Share-based payments	787	1,013	787	1,013

18. Operating profit (continued)

	Group 2010 RM'000	Group 2009 RM'000 Restated	Company 2010 RM'000	Company 2009 RM'000
and after crediting:				
Dividend income from an associate	-	-	282	362
Finance income	560	58	28	-
Gain on disposal of other investments	-	-	-	1,652
Gain on disposal of property, plant and equipment	352	921	20	-
Negative goodwill	18,030	-	-	-
Rental income from properties	313	323	-	-
Recovery of bad debts	-	612	-	-
Reversal of impairment loss of trade receivables	36	-	-	-
Unrealised foreign exchange gain	20,543	19,781	20,533	19,781
Waiver of debts by a creditor	5,000	-	5,000	-

19. Key management personnel compensation

The key management personnel compensations are as follows:

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Directors:				
- Fees	499	241	200	181
- Remuneration	2,655	2,456	1,552	992
- Other short term employee benefits	-	32	-	-
Total short-term employee benefits	3,154	2,729	1,752	1,173
Post employment benefits	283	277	-	-
Other long term benefits	-	34	-	-
Share-based payments	787	1,013	787	1,013
	4,224	4,053	2,539	2,186

Key management personnel comprise Directors of the Group entities, who have authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

20. Income tax expense

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Income tax expense	13,705	11,430	1,592	9,205
Share of tax of equity accounted associate	553	454	-	-
Total income tax expense	14,258	11,884	1,592	9,205
Current tax expense				
Malaysian - current year	7,047	5,916	6,376	5,180
- prior year	81	(285)	-	(280)
Overseas - current year	3,532	1,379	-	-
- prior year	-	(7)	-	-
Total current tax	10,660	7,003	6,376	4,900
Deferred tax expense				
- origination and reversal of temporary differences	9,185	6,223	(577)	6,190
- prior year	(6,140)	(1,796)	(4,207)	(1,885)
Total deferred tax	3,045	4,427	(4,784)	4,305
Share of tax of equity accounted associate	553	454	-	-
Total income tax expense	14,258	11,884	1,592	9,205

20. Income tax expense (continued)

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Reconciliation of tax expense				
Profit before tax	102,762	40,579	35,580	38,057
Income tax calculated using Malaysian tax rate of 25%	25,691	10,145	8,895	9,514
Effect of tax rates in foreign jurisdictions	4	39	-	-
Difference in effective tax rate of equity accounted associate	54	147	-	-
Non-deductible expenses	5,568	5,455	3,978	3,473
Non-taxable income	(10,302)	(908)	(5,794)	(908)
Tax incentives	(1,280)	(858)	(1,280)	(709)
Effect of deferred tax assets not recognised	582	(48)	-	-
Over provided in prior year	(6,059)	(2,088)	(4,207)	(2,165)
	14,258	11,884	1,592	9,205

21. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the year ended 31 December 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group 2010 RM'000	Group 2009 RM'000
Profit for the year attributable to ordinary shareholders	83,493	27,476

21. Earnings per ordinary share (continued)

Basic earnings per ordinary share (continued)

Weighted average number of ordinary shares:

	Group 2010 '000	Group 2009 '000
Issued ordinary shares at 1 January	365,387	364,550
Effect of ordinary shares issued	16,404	197
Weighted average number of ordinary shares at 31 December	381,791	364,747

	Group 2010 Sen	Group 2009 Sen
Basic earnings per ordinary share	21.87	7.53

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 December 2010 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group 2010 RM'000
Profit for the year attributable to ordinary shareholders	83,493

Weighted average number of ordinary shares (diluted):

	Group 2010 '000
Weighted average number of ordinary shares (basic)	381,791
Effect of share options on issue	11,396
Weighted average number of ordinary shares (diluted) at 31 December	393,187

21. Earnings per ordinary share (continued)

Diluted earnings per ordinary share (continued)

	Group 2010 Sen
Diluted earnings per ordinary share	21.23

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

In 2009, the diluted earnings per ordinary share were not shown as the effect of the share options was anti-dilutive.

22. Dividends

Dividends recognised by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2010			
Final 2009 ordinary	1.00	3,679	23 July 2010
Interim 2010 ordinary	1.00	4,280	7 October 2010
2009			
Final 2008 ordinary	0.75	2,734	22 July 2009
Interim 2009 ordinary	0.56	2,052	13 October 2009

After the reporting period, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the owners of the Company.

	Sen per share (net of tax)	Total amount RM'000
Final ordinary	1.00	4,306

23. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Manufacturing and trading*. Includes manufacturing and marketing of aluminium products and garments and accessories.
- *Contracting and fabrication*. Includes contracting and fabrication of aluminium and stainless steel products.

Other non-reportable segments comprise operations related to property development and recycling and waste management.

There are varying levels of integration between reportable segments, the *manufacturing and trading* and *contracting and fabrication* reportable segments. This integration includes transfers of raw materials and shared distribution services, respectively. The accounting policies of reportable segments are the same as described in Note 2(r).

Performance is measured based on segment profit before tax, interest and depreciation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Chief Executive Officer. Hence no disclosure is made on segment liability.

23. Operating segments (continued)

	Manufacturing and trading 2010 RM'000	Manufacturing and trading 2009 RM'000	Contracting and fabrication 2010 RM'000	Contracting and fabrication 2009 RM'000	Total 2010 RM'000	Total 2009 RM'000
Segment profit	136,996	86,149	2,080	2,636	139,076	88,785
Included in the measure of segment profit are:						
Revenue from external customers	1,635,790	1,037,308	62,125	94,896	1,697,915	1,132,204
Inter-segment revenue	1,602,758	811,990	-	21,314	1,602,758	833,304
Impairment of investment properties	-	-	200	-	200	-
Impairment of goodwill	-	550	-	-	-	550
Depreciation	81,412	80,371	1,281	897	82,693	81,268
Segment assets	4,064,499	3,687,425	53,033	84,936	4,117,532	3,772,361
Included in the measure of segment assets are:						
Investment in an associate	28,003	26,289	-	-	28,003	26,289
Additions to non-current assets other than financial instruments and deferred tax assets	256,573	321,400	429	1,243	257,002	322,643

23. Operating segments (continued)

Reconciliation of reportable segment revenues, profit or loss, assets and other material items

	2010 RM'000	2009 RM'000
Revenue		
Total external revenue for reportable segments	1,697,915	1,132,204
Other non-reportable segments	924	977
Consolidated revenue for the year	1,698,839	1,133,181
Profit or loss		
Total profit for reportable segments	139,076	88,785
Other non-reportable segments	(117)	(2,379)
Elimination of inter-segment profits	(4,441)	(11,342)
Negative goodwill	18,030	-
Share of profit of an associate not included in reportable segments	1,996	1,430
Finance income	560	58
Finance costs	(51,789)	(36,427)
Income tax expense	(13,705)	(11,430)
Consolidated profit for the year	89,610	28,695
Total assets		
Total assets for reportable segments	4,117,532	3,798,649
Other non-reportable segments	161,374	29,745
Elimination of inter-segment balances	(1,513,366)	(1,361,706)
Consolidated assets for the year	2,765,540	2,466,688
Depreciation		
Total depreciation for reportable segments	82,693	81,268
Other non-reportable segments	792	753
Consolidated depreciation for the year	83,485	82,021

23. Operating segments (continued)

Reconciliation of reportable segment revenues, profit or loss, assets and other material items (continued)

	2010 RM'000	2009 RM'000
Additions to non-current assets		
Total additions to non-current assets for reportable segments	257,002	322,643
Other non-reportable segments	419	-
Consolidated additions to non-current assets for the year	257,421	322,643

Geographical segments

The *manufacturing and trading* and *contracting and fabrication* segments are managed on a worldwide basis, but operate in three principal geographical areas apart from Malaysia, Singapore, Hong Kong and China for Asia region, Australia for the Oceania region and United Kingdom for the Europe region.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information	Revenue RM'000	Non-current assets RM'000
2010		
Malaysia	436,620	799,443
Asia region	939,529	715,924
Oceania region	77,478	6,179
Europe region	245,212	9,046
	1,698,839	1,530,592
2009		
Malaysia	395,231	664,998
Asia region	483,820	729,608
Oceania region	67,367	5,508
Europe region	186,763	10,708
	1,133,181	1,410,822

23. Operating segments (continued)

Major customers

The Group does not have any customers contributing to equal or more than 10 percent of Group revenue.

24. Financial instruments

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R);
(b) Fair value through profit or loss (FVTPL):
- Held for trading (HFT),
(c) Available-for-sale financial assets (AFS);
(d) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL HFT RM'000	AFS RM'000
2010				
Financial assets				
Group				
Other investments	6,477	-	-	6,477
Trade and other receivables	704,052	704,052	-	-
Cash and cash equivalents	201,211	201,211	-	-
	911,740	905,263	-	6,477
Company				
Other investments	750	-	-	750
Trade and other receivables	543,205	543,205	-	-
Cash and cash equivalents	67,694	67,694	-	-
	611,649	610,899	-	750

24. Financial instruments (continued)

24.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL HFT RM'000	AFS RM'000
Financial liabilities				
Group				
Loans and borrowings	1,361,063	1,361,063	-	-
Trade and other payables, including derivatives	368,443	366,320	2,123	-
	1,729,506	1,727,383	2,123	-
Company				
Loans and borrowings	586,654	586,654	-	-
Trade and other payables, including derivatives	215,815	213,692	2,123	-
	802,469	800,346	2,123	-

24.2 Net gains and losses arising from financial instruments

	Group 2010 RM'000	Company 2010 RM'000
Net gains/(losses) arising on:		
Fair value through profit or loss:		
- Derivatives	(2,123)	(2,123)
Loans and receivables	(1,442)	2,416
Financial liabilities measured at amortised cost	(30,621)	(829)
	(34,186)	(536)

24. Financial instruments (continued)

24.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from their receivables from customers.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through review of trade receivables ageing. Credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 150 days, which are deemed to have higher credit risk, are monitored individually.

24. Financial instruments (continued)

24.4 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral (continued)

The exposure of credit risk for receivables as at the end of the reporting period by geographic region was:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Domestic	445,486	523,752	187,795	364,615
Asia	179,116	129,082	190,766	163,784
Europe	58,076	54,011	922	102,871
North America	1,378	630	115,760	12,543
Oceania	19,996	14,524	47,962	36,481
	704,052	721,999	543,205	680,294

Impairment losses

The ageing of trade receivables (excluding inter company balances) as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
2010			
Not past due	194,662	-	194,662
Past due 0 - 150 days	63,402	(1,283)	62,119
Past due more than 150 days	37,016	(3,428)	33,588
	295,080	(4,711)	290,369
2009			
Not past due	120,303	-	120,303
Past due 0 - 150 days	77,393	(1,376)	76,017
Past due more than 150 days	49,546	(13,560)	35,986
	247,242	(14,936)	232,306

24. Financial instruments (continued)

24.4 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

Company	Gross RM'000	Individual impairment RM'000	Net RM'000
2010			
Not past due	32,651	-	32,651
Past due 0 - 150 days	12,510	-	12,510
Past due more than 150 days	1,700	(411)	1,289
	46,861	(411)	46,450
2009			
Not past due	7,997	-	7,997
Past due 0 - 150 days	25,014	-	25,014
Past due more than 150 days	10,499	(10,218)	281
	43,510	(10,218)	33,292

No allowance for impairment losses of trade receivables has been made for the remaining past due receivables as the Group and the Company monitor the results and repayments of these customers regularly and are confident of the ability of the customers to repay the balances owing.

The movements in the allowance for impairment losses of receivables during the financial year were:

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
At 1 January	14,936	8,094	10,218	5,218
Impairment loss recognised	62	7,454	-	5,000
Impairment loss reversed	(36)	-	-	-
Impairment loss written off	(9,807)	-	(9,807)	-
Effect of movements in exchange rates	(444)	(612)	-	-
	4,711	14,936	411	10,218

24. Financial instruments (continued)

24.4 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

The allowance account in respect of receivables is used to record impairment losses. Unless the Group and the Company are satisfy that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM492,981,000 (2009 - RM495,604,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

24. Financial instruments (continued)

24.4 Credit risk (continued)

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans and advances to an associate and subsidiaries. The Group and the Company monitor the results of the associate and subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the associate and subsidiaries are not recoverable.

24.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

24. Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2010							
Non-derivative financial liabilities							
Trade and other payables, excluding derivatives	366,320	-	366,320	260,271	106,049	-	-
Term loans	702,942	*	763,640	344,306	154,516	264,519	299
Revolving credits	134,343	2,78-7.06	143,150	143,150	-	-	-
Bankers' acceptances	512,438	1.92-5.05	515,385	515,385	-	-	-
Bank overdraft	47	-	47	47	-	-	-
Finance lease liabilities	11,293	2.28-9.67	12,906	4,821	4,014	4,023	48
	1,727,383		1,801,448	1,267,980	264,579	268,542	347
Derivative financial liabilities							
Forward exchange contracts	2,123	-	2,123	2,123	-	-	-
	1,729,506		1,803,571	1,270,103	264,579	268,542	347

* Loan 1, 2, 3, 6, 7, 8, 9, 10, 14, 15 and 16 - Represents lenders' cost of funds rate plus a fixed rate ranging from 0.5% - 1.75%.
Loan 4 and 5 - Interest is chargeable at a rate pegged against London Metal Exchange commodity prices. Contractual cash flows as at 31 December 2010 are estimated based on coupon rate stipulated in the respective agreements.
Loan 11, 12 and 13 - Fixed rate ranging from 2.54% to 6.10%.

24. Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2010							
Non-derivative financial liabilities							
Trade and other payables, excluding derivatives	213,692	-	213,692	110,269	103,423	-	-
Term loans	151,660	*	162,173	89,916	39,092	33,165	-
Revolving credits	45,000	4.72-6.00	45,861	45,861	-	-	-
Bankers' acceptances	388,520	1.92-4.64	389,423	389,423	-	-	-
Finance lease liabilities	1,474	2.29-4.81	1,687	668	423	596	-
	800,346		812,836	636,137	142,938	33,761	-
Derivative financial liabilities							
Forward exchange contracts	2,123	-	2,123	2,123	-	-	-
	802,469		814,959	638,260	142,938	33,761	-

* Loan 1, 2 and 3 - Represents base lending rate plus 1.50%.
Loan 4 and 5 - Interest is chargeable at a rate pegged against London Metal Exchange commodity prices. Contractual cash flows as at 31 December 2010 are estimated based on coupon rate stipulated in the respective agreements.

24. Financial instruments (continued)

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's and the Company's financial position or cash flows.

24.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities and the functional currency of the Company. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Great Britain Pound (GBP), Australian Dollar (AUD), Singapore Dollar (SGD) and Renminbi (RMB).

Risk management objectives, policies and processes for managing the risk

The Group and the Company actively monitor their exposure to foreign currency risk and purchases forward exchange contracts to mitigate the risk when the need arises. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

The Group is also exposed to foreign currency risk in respect of Group entities investments in foreign subsidiaries. The Group does not hedge this exposure by having foreign currency borrowings but keeps this policy under review and will take the necessary action to minimise the exposure of the risk.

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency (a currency which is other than the currency of the Company entities) risk, based on carrying amounts as at the end of the reporting period is as disclosed in Note 10, Note 12, Note 14 and Note 15.

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RMB functional currency. The exposure to currency risk of Group entities which do not have a RMB functional currency is not material and hence, sensitivity analysis is not presented.

A 10 percent strengthening of RMB against the RM at the end of the reporting period would have increased post-tax profit or loss by RM442,000. This analysis assumes that all other variables, in particular interest rates, remain constant.

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

A 10 percent weakening of RM against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

Meanwhile, foreign currency risk of the Company mainly arises from USD. The exposure to currency risk of the Company to other foreign currencies other than USD is not material and hence, sensitivity analysis is not presented.

A 10 percent strengthening of RMB against the RM at the end of the reporting period would have increased post-tax profit or loss by RM1,562,000. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10 percent weakening of RM against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

24.6.2 Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Interest rate exposure arising from the Group's and the Company's borrowings is managed through the use of fixed and floating rate debts. The Group and the Company do not use derivative financial instruments to hedge their debt obligations.

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Fixed rate instruments				
Financial asset	5,915	6,642	391	363
Financial liabilities	(741,661)	(660,371)	(434,994)	(361,368)
	(735,746)	(653,729)	(434,603)	(361,005)
Floating rate instruments				
Financial liabilities	(619,355)	(598,114)	(151,660)	(130,207)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.2 Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 30 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
	30 bp increase RM'000	**30 bp decrease RM'000**
Group		
2010		
Floating rate instruments	(1,761)	1,761
Company		
2010		
Floating rate instruments	(309)	309

24.6.3 Other price risk

Other price risk arises from price fluctuation risk on commodities mainly on aluminium related products. The Group and the Company mitigate their risk to the price volatility through establishing the fixed price level that the Group and the Company consider acceptable and where deemed prudent, entering into commodity fixed price contracts. The Group and the Company incurred a derivative loss of RM2,123,000 (2009 - RM52,000) on their commodity fixed price contracts.

24. Financial instruments (continued)

24.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's and the Company's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2010		2009	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Trade and other payables				
- non-current	(99,159)	(94,748)	-	-
Amount due to an associate				
- non-current	(6,890)	(6,584)	-	-
Forward exchange contracts:				
Assets	-	-	-	11
Liabilities	(2,123)	(2,123)	-	(63)
Term loans	(702,942)	(705,261)	(688,805)	(686,050)
Finance lease liabilities	(11,293)	(11,293)	(8,559)	(8,306)
Company				
Amounts due from subsidiaries				
- non-current	-	-	22,469	999
Amount due to an associate				
- non-current	(2,955)	(2,824)	-	-
Amounts due to subsidiaries				
- non-current	(100,468)	(96,000)	-	-
Forward exchange contracts:				
Assets	-	-	-	11
Liabilities	(2,123)	(2,123)	-	(63)
Term loans	(151,660)	(154,565)	(130,207)	(128,204)
Finance lease liabilities	(1,474)	(1,474)	(1,324)	(1,618)

24. Financial instruments (continued)

24.7 Fair value of financial instruments (continued)

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
Inter company balances	4%	4%	4%	4%
Term loans	4.60%	5.31%	3.44%	3.26%
Finance lease liabilities	3.78%	6.01%	3.31%	6.55%

25. Capital management

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

25. Capital management (continued)

The debt-to-equity ratios at 31 December 2010 and at 31 December 2009 were as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Total borrowings (Note 15)	1,361,063	1,265,510	586,654	498,600
Less: Cash and cash equivalents (Note 12)	(201,211)	(71,266)	(67,694)	(16,915)
	1,159,852	1,194,244	518,960	481,685
Total equity	927,574	823,137	424,034	362,837
Debt-to-equity ratio	1.3	1.5	1.2	1.3

There were no changes in the Group's and the Company's approach to capital management during the financial year. The high debt-to-equity ratio is due to significant investments in property, plant and equipment as the Group and the Company seek to expand their business.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The significant loan covenants of the Group and the Company are disclosed in Note 15 and the Group and the Company have complied with the covenants.

26. Capital commitment

	Group	
	2010	2009
	RM'000	RM'000
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for	343,185	471,915

The capital commitment mainly relates to the construction of the aluminium smelting plant of a subsidiary in Mukah, Sarawak amounting to RM343,185,000 (2009 - RM67,860,000), and the expansion of a subsidiary's plant in China amounting to Nil (2009 - RM788,000) of which RM326,185,000 (2009 - RM402,687,000) has been captured as deposits.

27. Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Company	
	2010	**2009**
	RM'000	**RM'000**
Guarantees given to financial institutions for facilities granted to subsidiaries	492,981	495,604

28. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
Less than one year	3,193	2,913
Between one and five years	2,568	4,820
	5,761	7,733

The Group leases properties under operating leases. The leases typically run for a period of less than 5 years, with an option to renew the lease after that date. None of the leases includes contingent rentals.

29. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

29. Related parties (continued)

Identity of related parties (continued)

The Group has a related party relationship with its Directors, subsidiaries (see Note 6), associate (see Note 7), and companies in which certain Directors have interests as stated below.

(i) CF Aluminium Sdn. Bhd. ("CFA"), a company in which Kuan Shin @ Kuan Nyong Hin has interest.

(ii) Chin Foh Trading Sdn. Bhd. ("CFT"), a company in which Kuan Shin @ Kuan Nyong Hin has interest.

During the year, except for waiver of debts by CFT amounting to RM5 million as disclosed in Note 18 to the financial statements, of the Group no longer has any transactions with CFA and CFT.

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows:

Group	Amount transacted for the year ended 31 December RM'000	Gross balance outstanding at 31 December RM'000	Net balance outstanding at 31 December RM'000	Allowance for impairment loss at 31 December RM'000	Impairment loss recognised for the year end 31 December RM'000
2010					
Trade					
Sales					
Associate	92,310	11,345	11,345	-	-
Purchases					
Associate	(14,494)	(2,955)	(2,955)	-	-
Non-trade					
Director					
- rental expense on properties	(360)	-	-	-	-

29. Related parties (continued)

Identity of related parties (continued)

Group	Amount transacted for the year ended 31 December RM'000	Gross balance outstanding at 31 December RM'000	Net balance outstanding at 31 December RM'000	Allowance for impairment loss at 31 December RM'000	Impairment loss recognised for the year end 31 December RM'000
2009					
Trade					
Sales					
CFA	-	604	-	(604)	-
CFT	-	10,423	-	(10,423)	5,000
Associate	86,601	6,878	6,878	-	-
Purchases					
CFT	-	(7,706)	-	-	-
Associate	(39,748)	(12,001)	(12,001)	-	-
Non-trade					
Director					
- rental expense on properties	(360)	-	-	-	-

	Amount transacted for the year ended 31 December 2010 RM'000	2009 RM'000
Company		
Subsidiaries		
Sales	321,974	245,658
Purchases	(47,200)	(250,953)
Associate		
Dividend income	282	362
Sales	21,154	86,601
Purchases	(6,249)	(39,748)

29. Related parties (continued)

Identity of related parties (continued)

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

There is no impairment of receivables being recognised in the current and previous financial year in respect of the abovementioned related party transactions, except for impairment loss of receivables of RM5,000,000 provided for in relation to debts outstanding from CFT in 2009. This impairment loss has been written off during the year.

The outstanding balances arising from the above transactions have been disclosed in Note 10 and 14 to the financial statements.

30. Business combinations

2010

Acquisition of minority interests

On 28 January 2010, the Company acquired the remaining 20% equity interests in PMHK, which was previously an 80% owned subsidiary of the Company, from a third party. The acquisition involved a total of 4,000,000 shares of HK$1.00 each, for a total consideration of RMB20,000,000 (approximately RM9,767,000). Subsequent to the acquisition, PMHK became a wholly-owned subsidiary of the Company. The Group recognised a decrease in minority interests and translation reserve of RM28,068,000 and RM271,000, respectively. This transaction also resulted in recognition of negative goodwill of RM18,030,000.

Capitalisation and subscription of shares in a subsidiary and subsequent disposal to minority interest shareholders

On 28 September 2010, the previous minority interest shareholders of Press Metal Sarawak ("PMS"), an 80% owned subsidiary of the Company, disposed of their 20% equity interests to Sumitomo Corporation Sdn. Bhd. ("Sumitomo"). On 21 December 2010, the Company completed the capitalisation and subscription of RM302 million ordinary shares of RM1.00 each in PMS, via the capitalisation of amount owing by PMS to the Company of RM301,572,000 and cash subscription of RM428,000. Subsequently, the Company disposed of 60.4 million ordinary shares of RM1.00 each in PMS to Sumitomo for a total consideration of RM60.4 million. Pursuant to these transactions, the equity interests of the Company in PMS remained at 80%.

Incorporation of a new subsidiary

On 19 October 2010, nominees of the Company incorporated a company in Malaysia, Press Metal Bintulu Sdn. Bhd. ("PM Bintulu), which has an issued and paid-up share capital of RM2. Subsequently on 17 December 2010, the Company acquired the entire shares of PM Bintulu from its nominees and PM Bintulu became a wholly-owned subsidiary of the Company. This subsidiary did not contribute to the group results for the year ended 31 December 2010 as it was still dormant.

30. Business combinations (continued)

2009

Disposal of a subsidiary in prior year

On 9 June 2009, the Company disposed of 180,000 ordinary shares of RM1.00 each in K3 Metal Service Centre Sdn. Bhd. ("K3"), representing 36% of the issued and paid-up share capital of K3 for a total consideration of RM3,452,000. Subsequently, the investment in K3 is classified as other investment.

The disposal of K3 had the following effect on the Group's operating results, assets and liabilities as at the date of disposal.

Statement of comprehensive income

The disposal did not have a significant impact to the results of the Group.

Statement of financial position

	At date of disposal RM'000
Non-current assets	847
Current assets	22,607
Current liabilities	(10,294)
Non-current liabilities	(3,321)
Net assets	9,839
Minority interests	(3,775)
Goodwill previously credited to profit or loss	(1,684)
Proceeds from disposal	(3,452)
Interest in a subsidiary retained as other investments	(1,803)
Loss on disposal	(875)

Statement of cash flows

	RM'000
Proceeds from disposal	3,452
Less: Cash and cash equivalents of subsidiary disposed	(2,424)
Group net cash inflow on disposal	1,028

31. Subsequent event

On 7 March 2011, Press Metal International Ltd., an 80% owned subsidiary, incorporated a new wholly-owned subsidiary in The People's Republic of China, PMI Technology Limited, which has an issued and paid-up share capital of RMB20,000,000.

32. Significant changes in accounting policies

32.1 FRS 139, Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Investments in equity securities

Prior to the adoption of FRS 139, investments in non-current equity securities, other than investments in subsidiaries and an associate were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries and an associate are now categorised and measured as available-for-sale as detailed in note 2(c).

Derivatives

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in profit or loss.

Financial guarantee contracts

Prior to the adoption of FRS 139, financial guarantee contracts were not recognised in the statement of financial position unless it becomes probable that the guarantee may be called upon. With the adoption of FRS 139, financial guarantee contracts are now recognised initially at their fair values and subsequently measured at their initially measured amount less cumulative amortisation. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made.

Inter-company loans

Prior to the adoption of FRS 139, inter-company loans were recorded at cost. With the adoption of FRS 139, inter-company loans are now recognised initially at their fair values, which are estimated by discounting the expected cash flows using the current market interest rate of a loan with similar risk and tenure. Finance income and costs are recognised in profit or loss using the effective interest method.

32. Significant changes in accounting policies (continued)

32.1 FRS 139, *Financial Instruments: Recognition and Measurement* (continued)

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Discounting of trade and other payables

With the adoption of FRS 139, the difference between the liability's carrying amount and the present value of estimated future cash flows discounted at the liability's original effective interest rate is recognised as finance income.

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance to the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted. There were no adjustments made to the opening balance of retained earnings or another appropriate reserve of the Group and the Company as the impact arising from the adoption of FRS 139 is not material to the opening balances.

32.2 FRS 8, Operating Segments

As of 1 January 2010, the Group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114_{2004}, Segment Reporting.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

32.3 FRS 101, Presentation of Financial Statements (revised)

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

32. Significant changes in accounting policies (continued)

32.3 FRS 101, Presentation of Financial Statements (revised) (continued)

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

31.4 FRS 117, Leases

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance is finance leases and has reclassified the leasehold land to property, plant and equipment and investment properties in accordance to their usage. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

33. Comparative figures

33.1 FRS 101, Presentation of Financial Statements (revised)

Arising from the adoption of FRS 101 (revised), income statements for the year ended 31 December 2009 have been re-presented as statement of comprehensive income. All non-owner changes in equity that were presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity.

33.2 FRS 117, Leases

Following the adoption of the amendment to FRS 117, certain comparatives have been re-presented as follows:

	Group			
	31.12.2009		1.1.2009	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Property, plant and equipment	1,357,349	1,259,094	1,203,310	1,113,231
Prepaid lease payments	-	98,582	-	90,410
Investment properties	5,837	5,510	5,937	5,606

34. Supplementary information on the breakdown of realised and unrealised profits

On 25 March 2010, Bursa issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2010, into realised and unrealised profits, pursuant to the directive, is as follows:

	2010	
	Group RM'000	**Company RM'000**
Total retained earnings of the Company and its subsidiaries		
- realised	640,340	196,318
- unrealised	(83,125)	3,537
	557,215	199,855
Less: Consolidation adjustments	27,071	-
Total retained earnings	584,286	199,855

The determination of realised and unrealised profits is based on the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

Press Metal Berhad

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

and its subsidiaries

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 11 to 102 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 34 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Dato' Koon Poh Keong

....

Koon Poh Tat

Petaling Jaya, Selangor

Date: 12 April 2011

Press Metal Berhad

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

and its subsidiaries

Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Loo Tai Choong**, the officer primarily responsible for the financial management of Press Metal Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 103 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur in the Federal Territory on 12 April 2011.

....

Loo Tai Choong

Before me:

PESURUHJAYA SUMPAH
NO: W 606
NAMA: CHARANJIT KAUR
MALAYSIA

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Independent Auditors' Report to the members of Press Metal Berhad

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

Report on the Financial Statements

We have audited the financial statements of Press Metal Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 102.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 34 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

KPMG

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Muhammad Azman Bin Che Ani
Approval Number: 2922/04/12(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 12 April 2011

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2011

PRESS METAL BERHAD

(Company No.153208 W)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the period ended 31 March 2011

	Note	1st Quarter 3 months ended 31.3.2011 RM'000	1st Quarter 3 months ended 31.3.2010 RM'000	Year To-date 3 months ended 31.3.2011 RM'000	Year To-date 3 months ended 31.3.2010 RM'000
Revenue		471,586	395,012	471,586	395,012
Operating expenses		(428,086)	(360,636)	(428,086)	(360,636)
Other operating income		4,528	20,355	4,528	20,355
Profit from operations		**48,028**	**54,731**	**48,028**	**54,731**
Finance costs		(15,165)	(14,422)	(15,165)	(14,422)
Share of profit from associate		360	277	360	277
Profit before tax		**33,223**	**40,586**	**33,223**	**40,586**
Taxation	*B5*	(8,847)	(5,489)	(8,847)	(5,489)
Profit for the period		**24,376**	**35,097**	**24,376**	**35,097**
Attributable to :					
Equity holders of the parent		21,489	32,390	21,489	32,390
Minority interest		2,887	2,707	2,887	2,707
		24,376	**35,097**	**24,376**	**35,097**
Basic earnings per share (sen)	*B14*	4.98	8.86	4.98	8.86
Diluted earnings per share (sen)	*B14*	4.83	-	4.83	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2010.

PRESS METAL BERHAD

(Company No.153208 W)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2011

		1st Quarter 3 months ended		Year To-date 3 months ended	
		31.3.2011	31.3.2010	31.3.2011	31.3.2010
	Note	*RM'000*	*RM'000*	*RM' 000*	*RM'000*
Profit for the period		**24,376**	**35,097**	**24,376**	**35,097**
Other comprehensive income, net of tax					
Foreign currency translation difference for foreign operations		(6,490)	(20,978)	(6,490)	(20,978)
Total comprehensive income for the period		**17,886**	**14,119**	**17,886**	**14,119**
Attributable to :					
Equity holders of the parent		15,768	13,031	15,768	13,031
Minority interest		2,118	1,088	2,118	1,088
		17,886	**14,119**	**17,886**	**14,119**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2010.

PRESS METAL BERHAD

(Company No: 153208-W)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	Note	As at 31.3.2011 *RM'000*	As at 31.12.2010 *RM'000*
ASSETS & NET CURRENT ASSETS			
Non-current assets			
Property, plant and equipment		1,468,885	1,476,086
Intangible assets		12,892	13,187
Investment properties		5,794	5,797
Investment in associates		28,363	28,003
Other investments		6,422	6,477
Deferred tax assets		1,040	1,042
		1,523,396	1,530,592
Current assets			
Inventories		371,617	327,165
Trade receivables		307,436	301,714
Other receivables, deposits and prepayments		437,770	402,338
Tax recoverable		3,051	2,520
Deposits, cash and bank balances		113,645	201,211
		1,233,519	1,234,948
Current liabilities			
Trade Payables		149,942	138,349
Other payables and accruals		118,562	124,045
Hire purchase & finance lease liabilities		4,860	4,247
Overdraft & short term borrowings	*B10*	947,322	960,691
Taxation		4,018	3,750
		1,224,704	1,231,082
Net Current Assets		8,815	3,866
		1,532,211	1,534,458
EQUITY & NON-CURRENT LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		215,953	215,031
Reserves		(2,403)	2,047
Retained profit		605,775	584,286
		819,325	801,364
Minority interests		129,097	126,210
Total equity		948,422	927,574
Non-current liabilities			
Trade Payables		42,667	16,377
Other payables and accruals		84,090	89,672
Hire purchase & finance lease liabilities		6,440	7,046
Long term borrowings	*B10*	341,637	389,079
Deferred tax liabilities		108,955	104,710
		583,789	606,884
		1,532,211	1,534,458
Net assets per share (RM)		1.90	1.86

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2010.

PRESS METAL BERHAD
(Company No: 153208-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2011

	Attributable to equity holders of the parent						Minority Interests	Total Equity
		Non-Distributable			Distributable			
	Share Capital RM'000	Exchange Difference Account RM'000	Share Premium Account RM'000	Share Based Payment RM'000	Retained Profits RM'000	Sub-total RM'000	RM'000	RM'000
At 1 January 2010	182,694	37,613	1,224	5,451	508,394	735,376	87,761	823,137
Exchange difference	-	(20,970)	-	-	-	(20,970)	-	(20,970)
Share based payments	-	-	-	253	-	253	-	253
Concersion of warrants	63					63	-	63
Acquistion of shares from minority interest	-	-	-	-	-	-	(25,512)	(25,512)
Net profit for the period	-	-	-	-	32,390	32,390	2,707	35,097
At 31 March 2010	182,757	16,643	1,224	5,704	540,784	747,112	64,956	812,068
At 1 January 2011	215,031	(7,101)	3,982	5,166	584,286	801,364	126,210	927,574
Exchange differences	-	(6,490)	-	-	-	(6,490)	-	(6,490)
Share based payments	-	-	-	196	-	196	-	196
Share option exercised	922	-	1,844	-	-	2,766	-	2,766
Net profit for the period	-	-	-	-	21,489	21,489	2,887	24,376
At 31 March 2011	215,953	(13,591)	5,826	5,362	605,775	819,325	129,097	948,422

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.

PRESS METAL BERHAD

(Company No: 153208-W)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2011

	3 months ended	
	31.03.2011	**31.03.2010**
	RM'000	*RM'000*
Net cash inflow (used in)/ from operating activities	(45,472)	33,556
Net cash outflow used in investing activities	(3,265)	(40,387)
Net cash inflow (used in)/ from financing activities	(38,829)	12,053
Net (decrease)/ increase in cash and cash equivalents	(87,566)	5,222
Cash and cash equivalents as at 1 January	201,211	71,266
Cash and cash equivalents as at 31 March	113,645	76,488

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010

PRESS METAL BERHAD

(Company No.: 153208W)
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Tel. : 603-3291-3188. Fax. : 603-3291-3637.

NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

A1. Basis of preparation

The Interim Financial Report is unaudited and has been prepared in compliance with the Financial Reporting Standard ("FRS") 134 : Interim Financial Reporting issued by Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and shall be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2010.

Changes in Accounting Policies
The significant accounting policies applied in this interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2010 except for the adoption of the following new FRSs, Amendments to certain FRSs and IC Interpretations for financial period beginning on 1 January 2011:

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopter
	Additional Exemption for First-time Adopters
Amendments to FRS 2	Share-based Payment
	Group Cash-settled Share Based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation – Classification of Rights Issues
Amendment to FRS 138	Intangible Assets
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Agreements (Not applicable to the Group)
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Improvements to FRSs (2010)	

PRESS METAL BERHAD

(Company No.: 153208W)
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Tel. : 603-3291-3188. Fax. : 603-3291-3637.

NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

A1. Basis of preparation (continued)

Changes in Accounting Policies (continued)

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements upon their first adoption.

FRS yet to be effective
As at the date of this report, The Group has yet to apply the following FRSs which were issued but not yet effective:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, Related Party Disclosures (revised)
- IC Interpretation 15, Agreements for the Construction of Real Estate (Not applicable to the Group)

PRESS METAL BERHAD
(Company No.: 153208W)
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Selangor Darul Ehsan, Malaysia.
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NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

A2. Auditors' report
The auditors' report of the audited financial statements for the financial year ended 31 December 2010 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 flows during the financial quarter under review and financial period-to-date.

A5. Changes in estimates
There were no changes in estimates during the financial quarter under review and financial period-to-date.

A6. Debt and equity securities
There were no debt and equity securities issued during the current financial period-to-date.

A7. Dividends paid
There was no dividend paid during the current financial period.

A8. Segmental information

Segmental information is presented in respect of the Group's business segment.

The Group comprises the following main business segments:

(i) **Manufacturing & trading**

Manufacturing and marketing of aluminium and other related products.

(ii) **Contracting**

Contracting of aluminium and stainless steel products.

PRESS METAL BERHAD

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

A8. Segmental information – *continued*

Business Segments

RM'000	Manufacturing & trading	Contracting	Elimination	Total
Revenue from external customers	456,055	15,531	-	471,586
Inter-segment revenue	441,171	-	(441,171)	-
Total revenue	**897,226**	**15,531**	**(441,171)**	**471,586**
Segment results	**47,508**	**520**		**48,028**
Share of associate's profit				360
Financing cost				(15,165)
Profit before tax				**33,223**
Taxation				(8,847)
Profit after tax				**24,376**

Geographical Segments

	Malaysia	Asia Region	Europe Region	Elimination	Total
Revenue from external Customers	499,236	349,515	64,006	(441,171)	471,586
Segment assets by location	2,659,413	1,513,384	113,062	(1,557,307)	2,728,552
Investment in associate	28,363	-	-		28,363
	2,687,776	1,513,384	113,062	(1,557,307)	2,756,915

PRESS METAL BERHAD

(Company No.: 153208W)
Lot 6464, Batu 5 ¾, Jalan Kapar, Sementa, 42100 Klang,
Selangor Darul Ehsan, Malaysia.
Tel. : 603-3291-3188. Fax. : 603-3291-3637.

NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 of its property, plant and equipment.

A10. Material events subsequent to the balance sheet date

There was no material event subsequent to the end of the financial period reported.

A11. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the quarter under review.

A12. Contingent liabilities and contingent assets

There were no material changes in contingent liabilities as at the date of this quarterly report.

A13. Capital commitments

As at 31 March 2011, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	17,000

A14. Related Party Transactions

The Group
RM'000

With the affiliated companies – PMB Technology Berhad Group	
Sales of aluminium products	30,114
Purchase of fabricated aluminium products and building materials	19,596

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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

B1. Review of performance

The Group has recorded a revenue of RM471.6 million in the current year quarter, representing an increase of RM76.6 million or 19.4% compared to RM395.0 million in the corresponding quarter last year. Higher revenue was due to the higher demand for both upstream and downstream operations.

Correspondingly, the Group profit before tax has also increased to RM33.2 million during the current year quarter as compared to RM22.5 million (excluding a RM18.0 million-negative goodwill) in the same quarter last year.

B2. Variation of results against preceding quarter

Profit before tax for the current year quarter was higher than the preceding quarter's by RM13.0 million mainly due to the higher metal price.

B3. Current year's prospects

The global economy has recovered much ground but its sustainability is not certain. The global business environment remains challenging in view of the rising inflationary costs, especially from high commodity and fuel prices, and fluctuating foreign currencies.

The growth of the domestic economy however is expected to be sustained, driven by the continued expansion in private consumption and the increase in private investment. Barring any unforeseen circumstances, the Group is expected to achieve satisfactory results for the financial year ending 31 December 2011.

B4. Profit forecast

Not applicable as no profit forecast was published.

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NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B5. Taxation

Taxation comprises the following:

	3 months ended 31.03.2011 *RM'000*
Current taxation	
Malaysian income tax	2,796
Foreign tax	918
Deferred tax	5,133
	8,847

The Group's effective tax rate for financial period-to-date is higher than the statutory tax rate due to certain non-tax deductible expenses.

B6. Retained Earnings

	As at 31.03.2011 *RM'000*	**As at 31.12.2010** *RM'000*
Retained earnings:		
Realised	725,572	685,206
Unrealised	(103,246)	(84,729)
	622,326	600,477
Total share of retained earnings of associate:		
Unrealised	(16,551)	(16,191)
Total Group retained earnings	605,775	584,286

B7. Profit / Loss on disposal of unquoted investments and properties

There were no other sale of unquoted investments during the current quarter and financial period-to-date.

B8. Purchases or Disposals of Quoted Securities

There were no purchases or disposals of any quoted securities during the financial quarter under review and financial period-to-date.

PRESS METAL BERHAD
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NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B9. Status of Corporate Proposals Announced and Pending Completion

(a) Acquisition of China Smelting Plant

On 28 November 2006, the Company has entered into a sale and purchase agreement and the relevant supplemental agreements (collectively known as "SPA") with Hubei Hashing Aluminium & Electric Co. Ltd (HHAE), Qianjiang City Qiansheng State-Owned Enterprise (QCQ) and Qianjiang City Huashin State-Owned Enterprise for the acquisition of all the assets, including non-current and current assets and certain current liabilities, excluding long-term bank borrowings, interest payable and tax liabilities of HHAE, which are located in Hubei province in the People's Republic of China ("PRC"), for a total cash consideration of RMB 360 million (approximately RM168 million based on an exchange rate of RMB1: RM0.466).

The acquisition of the entire Assets and assumption of Certain Liabilities from HHAE has been undertaken through a company incorporated in the PRC, Hubei Press Metal Huasheng Aluminium & Electric Co. Ltd., which is 90% held by the Company whilst the remaining 10% is held by QCQ.

The Group is entitled to the revenue and profit deriving from the Hubei Smelting Plant pursuant to a sale and purchase agreement and a Custody Agreement signed with the relevant parties. The Custody Agreement allows the Group to take custody of the Hubei Smelting Plant and be entitled to revenue generated pending the finalisation of the transfer of the plant.

The Group assumed control over Hubei Smelting Plant upon making the first payment of the total purchase price. The pledge on the assets acquired has been discharged subsequently and the said assets have been transferred to HHAE during the quarter ended 30 September 2007. As such, a negative goodwill being the excess of the net fair value of the assets acquired and liabilities assumed over the cost of acquisition amounting to RM337.0 million has therefore been recognised as an income in the third quarter 2007.

PRESS METAL BERHAD

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B9. Status of Corporate Proposals Announced and Pending Completion - *continued*

(b) **Proposed Renounceable Rights Issue of up to RM323,735,042 Nominal Value of 8-year 6% Redeemable Convertible Secured Loan Stocks ("RCSLS") at 100% of its Nominal Value Together With up to 147,152,292 Free Detachable New Warrants ("Warrant") on the Basis of One (1) RM2.20 Nominal Value of RCSLS Together With One (1) Warrant for Every Three (3) Existing Ordinary Shares of RM0.50 Each Held in PMB on an Entitlement Date to be Determined ("Proposed Rights Issue")**

On behalf of the Board of Directors of PMB, Alliance Investment Bank Berhad ("Alliance") and Maybank Investment Bank Berhad ("Maybank IB") (hereinafter referred to as the "Joint Advisers") have on 15 April 2011 jointly announced that the Company proposed to undertake the above Proposed Rights Issue to part finance the 240,000 mt smelting project in the Samalaju Industrial park, Bintulu, Sarawak ("Samalaju Smelting Project").

The details of Samalaju Smelting Project were announced by the Company on 5 April 2011 and the details of the Proposed Rights Issue are elaborated in the above mentioned announcement dated 15 April 2011.

The Joint Advisers have on 29 April 2011 announced that the application of the Proposed Rights Issue has been submitted to the Securities Commission ("SC") and Bank Negara Malaysia ("BNM") for their approval on 28 April 2011.

On 16 May 2011, the Joint Advisers further announced that BNM had, via its letter dated 12 May 2011 (which was received on 16 May 2011), approved the issuance of the Warrants under the Proposed Rights Issue to entitled shareholders of PMB who are non-residents.

The Joint Advisers have on 24 May 2011 submitted the listing application to Bursa Malaysia for approval.

PRESS METAL BERHAD
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NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B10. Group borrowing and debt securities as at 31 March 2011

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
Long term	279,500	62,137	341,637
Short term	116,437	830,885	947,322
	395,937	893,022	1,288,959

B11. Financial Instruments with off Balance Sheet Risk

There were no financial instruments with off balance sheet risk as at the date of this quarterly report.

B12. Material Litigation

There is no material litigation pending as at the date of this quarterly report except for certain customers of PMB Development Sdn Bhd ("PMBD"), a subsidiary of the Company, have filed legal suits in the year 1998 to recover approximately RM609,790 from PMBD for breach of a term in the sales and purchase agreements. Based on legal opinion obtained, the Directors believe that PMBD has a good defence and accordingly, no provision for loss has been made in the financial statements. The court has fixed the hearing for respective cases.

B13. Dividend

There was no dividend proposed during the current quarter under review.

PRESS METAL BERHAD

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B14. Earnings Per Ordinary Share

(a) Basic earnings per share

The basic earnings per share of the Group have been computed by dividing the net profit attributable to shareholders for the financial quarter and year-to-date as set out below:-

	1st Quarter 3 months ended		Year-to-Date 3 months ended	
	31.03.11	**31.03.10**	**31.03.11**	**31.03.10**
Profit attributable to shareholders (RM'000)	21,489	32,390	21,489	32,390
Weighted average number of ordinary shares ('000)	431,804	365,514	431,804	365,514
Basic earnings per share (sen)	4.98	8.86	4.98	8.86

PRESS METAL BERHAD

(Company No.: 153208W)
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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(b) Diluted earnings per share

The diluted earnings per share of the Group have been computed by dividing the net profit attributable to shareholders for the financial quarter and year-to-date as set out below:-

	1st Quarter 3 months ended		Year-to-Date 3 months ended	
	31.03.11	**31.03.10**	**31.03.11**	**31.03.10**
Profit attributable to shareholders (RM'000)	21,489	32,390	21,489	32,390
Weighted average number of ordinary shares ('000)	431,804	365,514	431,804	365,514
Employee Shares Option Scheme ('000)	12,843	17,892	12,843	17,892
	444,647	383,406	444,647	383,406
Basic earnings per share (sen)	4.83	*	4.83	*

* The diluted earnings per share is not show as the effect of the share options is anti-dilutive in the preceding year corresponding quarter.

On behalf of the Board

Dato' Koon Poh Keong
Group Chief Executive Officer
30 May 2011

PRESS METAL BERHAD (Company No.: 153208-W)
Lot 6464, Batu 5 3/4, Jalan Kapar, Sementa, 42100 Klang,
Selangor Darul Ehsan, Malaysia.
Tel: 603-3291 3188 Fax: 603-3291 3637, 603-3291 9133, 603-3291 3785

MS ISO 9001 REG. NO. AR0320 QUALITY MANAGEMENT SYSTEM CERTIFICATION

TÜV Rheinland Anlagentechnik GmbH ISO 14001 Certificate No.: 09 1048155 ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION

TÜV Rheinland/ Berlin-Brandenburg TÜV OHSAS 18001 Cert. No. 09 113 8155 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM CERTIFICATION

Registered office:

Lot 6.05, Level 6, KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

2 6 JUL 2011

The Shareholders of

PRESS METAL BERHAD ("PMB")

Dear Sir/Madam,

On behalf of the Board of Directors of PMB ("**Board**"), I wish to report, after making due enquiries in relation to the interval between the period from 31 December 2010 (being the date to which the last audited consolidated financial statements of PMB and its subsidiaries ("**PMB Group**") have been made up) to the date hereof (being a date not earlier than fourteen (14) days before the date of issue of this Abridged Prospectus) that:

(i) the business of the PMB Group has, in the opinion of the Board, been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of the PMB Group which have adversely affected the trading or the value of the assets of the PMB Group;

(iii) the current assets of the PMB Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in Section 9.3 of this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantee or indemnity given by the PMB Group;

(v) since the last audited consolidated financial statements of the PMB Group, there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowing in which the Board is aware of;

(vi) save as disclosed in this Abridged Prospectus, there have not been any material change in the published reserves or unusual factor affecting the profits of the PMB Group since the last audited consolidated financial statements of the PMB Group; and

(vii) save as disclosed above and up to the date of this letter, no other reports are required in relation to items (i) to (vi) above.

Yours faithfully
for and on behalf of the Board
PRESS METAL BERHAD

Dato' Megat Abdul Rahman bin Megat Ahmad
Independent Non-Executive Chairman

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(i) Save for the conversion of the RCSLS and/or exercise of the Warrants, no securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of this Abridged Prospectus.

(ii) Save as disclosed below, no person has been or is entitled to be given an option to subscribe for any of the shares, stocks or debentures as at the date of this Abridged Prospectus:

(a) ESOS Options

The maximum number of new shares which may be issued and allotted pursuant to the exercise of options under the ESOS shall not exceed at any point in time 10 percent (10%) of the issued and paid-up share capital of the Company. The ESOS will expire on 25 June 2012.

As at the LPD, the issued and paid-up share capital of our Company is RM219,586,438.50 comprising 439,172,877 PMB Shares. We have Outstanding ESOS Options, which may be exercised into 2,284,000 new PMB Shares at an exercise price of RM1.50 per PMB Share.

(b) The provisional allotment of RCSLS with Warrants to be issued pursuant to the Rights Issue, of which is the subject of this Abridged Prospectus.

2. ARTICLES OF ASSOCIATION

The provisions in our Company's Articles of Association as to the remuneration of our Directors are as follows:

Article 73

(a) The remuneration of the Directors, who hold no executive office with the Company, for their services as Directors shall be determined by the Company by ordinary resolution at a general meeting. If the remuneration of each such non-executive Director is not specifically fixed by the Company in general meeting than the quantum of remuneration to be paid to each non-executive Director, within the overall limits fixed by the Company in general meeting, shall be decided by resolution of the full Board. In default of any decision being made in this respect by the full Board, the remuneration payable to the non-executive Directors shall be divided equally amongst them and such a Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(b) Fees payable to Directors shall not be increased except pursuant to a resolution at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

(c) Executive Directors of the Company shall be remunerated in the manner referred to in Article 90 but such remuneration shall not include a commission on or percentage of turnover.

Article 74

Any Director who by request of the Board serves on any committee or performs special services for any purposes of the Company may be paid such extra remuneration by way of salary or otherwise (subject to any other provisions of these presents) as the Board may determine. Any extra remuneration payable to a non-executive director shall not include a commission on or percentage of profits or turnover whilst the extra remuneration to an executive director shall not include a commission on or percentage of turnover. All the Directors shall also be entitled to be repaid by the Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending meetings of the Board or of committees of the Board or general meetings or otherwise in or about the business of the Company.

Article 90

Subject to any other provisions of these presents, the remuneration of any Managing Director or Executive Director for his services as such shall be determined by the Directors and may be of any description.

3. MATERIAL CONTRACTS

There are no contracts which are material (not being contracts entered into in the ordinary course of business) entered into by our Group during the two (2) years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION

As at the LPD, neither we nor any of our subsidiary companies are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may affect our income from, title to, or possession of any of their assets and/or businesses, and our Board has no knowledge of any proceeding pending or threatened against our Company or our subsidiary companies or of any fact likely to give rise to any proceeding pending or threatened against our Company or our subsidiary companies which may materially affect the financial position of our Company or our subsidiary companies.

5. GENERAL

(i) There are no service contracts or proposed service contracts between our Directors and our Company or any of our subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.

(ii) Save as disclosed in this Abridged Prospectus, our Board is not aware of any material information, including all special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

(iii) Save as disclosed in this Abridged Prospectus, and to the best knowledge of our Board, the financial condition and operations of our Group are not affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease our Group's liquidity;

(b) any material commitment for capital expenditure of our Group;

(c) unusual, infrequent events or transactions or any significant economic change which materially affect the amount of reported income from our operations; and

(d) known trends or uncertainties which have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on our revenues or operating income.

6. Conflict of interest situations and appropriate mitigating measures

As at the LPD, our Group has several banking facilities with Alliance Bank Malaysia Berhad (**"ABMB"**), the holding company of Alliance, with aggregate facility limits totaling approximately RM49.50 million, of which approximately RM47.00 million is outstanding.

As at the LPD, our Group has several banking facilities with Malayan Banking Berhad (**"Maybank"**), the holding company of Maybank IB, with aggregate facility limits totaling approximately RM1,029.04 million, of which approximately RM487.03 million is outstanding.

Alliance and Maybank IB are of the opinion that the financial relationship with our Group as mentioned above will not give rise to a conflict of interest situation for them to act as our Joint Principal Advisers and Joint Lead Arrangers for the Rights Issue based on the following:

(i) the said borrowings are extended in the ordinary course of business;

(ii) the proceeds raised from the Rights Issue are not utilised to repay the above facilities; and

(iii) our Board is fully informed of and is aware of the situations above and is agreeable to proceed with the present arrangement.

7. CONSENTS

(i) The written consents of our Joint Principal Advisers and Joint Lead Arrangers, Company Secretaries, Share Registrar and Paying Agent, Trustee and Security Trustee, Solicitors for the Rights Issue, Principal Bankers, Bloomberg (Malaysia) Sdn Bhd and Rating Agency for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

(ii) The written consent of our Auditors and Reporting Accountants, Messrs KPMG, for the inclusion in this Abridged Prospectus of their names, letter and report relating to our proforma consolidated balance sheets as at 31 December 2010 and our audited consolidated financial statements for the FYE 31 December 2010, and all reference thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at our Registered Office at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor during normal business hours from Mondays to Fridays (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:

(i) Our Company's Memorandum and Articles of Association;

(ii) Trust Deed and Security Documents of the RCSLS;

(iii) Deed Poll of the Warrants;

(iv) Our proforma consolidated balance sheets as at 31 December 2010 together with the Reporting Accountants' Letter dated 19 July 2011 thereon as set out in Appendix III of this Abridged Prospectus;

(v) Our audited consolidated financial statements for the past two (2) FYE 31 December 2009 and 2010;

(vi) Our unaudited consolidated financial statements for the three (3)-months FPE 31 March 2011 as set out in Appendix V of this Abridged Prospectus;

(vii) Our Directors' Report as set out in Appendix VI of this Abridged Prospectus;

(viii) Irrevocable written undertaking letter by AMSB in respect of subscription of the Rights Issue as described in Section 5.1 of this Abridged Prospectus;

(ix) Credit analysis report dated 22 July 2011 issued by the Rating Agency for the RCSLS; and

(x) Letters of consent as referred to in Section 7 of Appendix VII.

9. RESPONSIBILITY STATEMENTS

(i) Our Directors have seen and approved this Abridged Prospectus, together with the NPA and RSF, and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

(ii) Alliance and Maybank IB, being our Joint Principal Advisers and Joint Lead Arrangers for the Rights Issue, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue.

NOTICE OF PROVISIONAL ALLOTMENT OF RCSLS WITH WARRANTS

The provisional allotment of RCSLS with Warrants (as defined herein) are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") shall apply in respect of dealings in the provisional allotment of RCSLS with Warrants.

PRESS METAL

PRESS METAL BERHAD

(Company No. 153208-W)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO RM323,735,042 NOMINAL VALUE OF EIGHT (8)-YEAR 6% REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("RCSLS") AT 100% OF ITS NOMINAL VALUE TOGETHER WITH UP TO 147,152,292 FREE DETACHABLE NEW WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) RM2.20 NOMINAL VALUE OF RCSLS TOGETHER WITH ONE (1) WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM0.50 EACH HELD IN PRESS METAL BERHAD ("PMB") ("PMB SHARES") AS AT 5.00 P.M. ON 29 JULY 2011 ("RIGHTS ISSUE")

Joint Principal Advisers and Joint Lead Arrangers

ALLIANCE INVESTMENT BANK
Alliance Investment Bank Berhad (21605-D)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Maybank Investment Bank
Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To : Shareholders of PMB

Dear Sir/Madam,

The Board of Directors of PMB ("**Board**") has provisionally allotted to you, in accordance with the approval of Bank Negara Malaysia on 12 May 2011, the approval of the Securities Commission Malaysia on 30 May 2011, the approval of Bursa Malaysia Securities Sdn Bhd ("**Bursa Securities**") on 10 June 2011 and the Ordinary Resolution passed at the Extraordinary General Meeting of PMB convened on 29 June 2011, the number of RCSLS with Warrants as indicated below ("**Provisional Allotment**").

We wish to advise that the following number of RCSLS with Warrants provisionally allotted to you in respect of the Rights Issue have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("**CDS**") account(s) subject to the terms and condition stated in the Abridged Prospectus and the Rights Subscription Form ("**RSF**") dated 29 July 2011 issued by PMB.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus dated 29 July 2011 issued by PMB. Bursa Securities has already prescribed the securities of PMB, listed on the Main Market of Bursa Securities, to be deposited with Bursa Depository. Accordingly, the Provisional Allotment arising from the Rights Issue are prescribed securities, as such, all dealings in the Provisional Allotment will be by way of book entries through CDS account(s) and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

ALL THE RCSLS WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RCSLS WITH WARRANTS INTO THE CDS ACCOUNTS OF ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL RCSLS CERTIFICATES OR WARRANTS CERTIFICATES WILL BE ISSUED.

The Board reserves the right to allot any excess RCSLS with Warrants applied for under the RSF in such manner as it deems fit and expedient in the best interest of PMB. The Board also reserves the right to accept any excess RCSLS with Warrants application, in full or in part, without assigning any reason thereof. The allocation of the excess RCSLS with Warrants will be made in a fair and equitable manner. It is the intention of the Board to allot the excess RCSLS with Warrants in the following priority:

(i) firstly, to minimise the incidence of odd lots;
(ii) secondly, the excess RCSLS with Warrants are intended to be allocated on an pro-rata basis and in board lots, based on their respective shareholdings as at the 29 July 2011, subject always to the maximum number of excess RCSLS with Warrants applied for by them; and
(iii) in the event there are still unsubscribed RCSLS with Warrants after allocating all the excess RCSLS with Warrants applied for, the remaining unsubscribed RCSLS with Warrants will be subscribed for by Alpha Milestone Sdn Bhd in order to meet the Minimum Subscription Level (as defined in the Abridged Prospectus dated 29 July 2011).

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF PMB SHARES HELD ON 29 JULY 2011 AS AT 5.00 P.M.	NUMBER OF RCSLS PROVISIONALLY ALLOTTED TO YOU (RM)	NUMBER OF WARRANTS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM2.20 PER RCSLS ACCEPTED (RM)

IMPORTANT DATES AND TIMES FOR:

Entitlement date ....:	29 July 2011 at 5.00 p.m.
Last date and time for sale of Provisional Allotment ....:	5 August 2011 at 5.00 p.m.
Last date and time for transfer of Provisional Allotment ....:	10 August 2011 at 4.00 p.m.
Last date and time for acceptance and payment ....:	15 August 2011 at 5.00 p.m.*
Last date and time for excess application and payment ....:	15 August 2011 at 5.00 p.m.*

* *or such later date and time as the Board, Joint Principal Advisers and Joint Lead Arrangers in their absolute discretion may decide and announce not less than two (2) market days before the stipulated date and time.*

BY ORDER OF THE BOARD
TAN YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Share Registrar
Tricor Investor Services Sdn Bhd (118401-V)
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel: 603-2264 3883 Fax: 603-2282 1886

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 29 JULY 2011

RIGHTS SUBSCRIPTION FORM

THIS RIGHTS SUBSCRIPTION FORM ("**RSF**") IS FOR THE PURPOSE OF ACCEPTING THE RCSLS WITH WARRANTS (AS DEFINED HEREIN) AND APPLYING FOR EXCESS RCSLS WITH WARRANTS PURSUANT TO THE RIGHTS ISSUE (AS DEFINED HEREIN) OF PRESS METAL BERHAD ("**PMB**" OR "**COMPANY**"). THE LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT IS 5.00 P.M. ON 15 AUGUST 2011 OR SUCH LATER TIME AND DATE AS MAY BE DETERMINED AND ANNOUNCED BY THE BOARD OF DIRECTORS OF PMB ("**BOARD**"), JOINT PRINCIPAL ADVISERS AND JOINT LEAD ARRANGERS. THIS FORM IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL RIGHTS STANDING TO HIS/HER CENTRAL DEPOSITORY SYSTEM ("**CDS**") ACCOUNT.

PRESS METAL

PRESS METAL BERHAD

(Company No. 153208-W)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO RM323,735,042 NOMINAL VALUE OF EIGHT (8)-YEAR 6% REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("RCSLS") AT 100% OF ITS NOMINAL VALUE TOGETHER WITH UP TO 147,152,292 FREE DETACHABLE NEW WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) RM2.20 NOMINAL VALUE OF RCSLS TOGETHER WITH ONE (1) WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM0.50 EACH HELD IN PMB ("PMB SHARES") AS AT 5.00 P.M. ON 29 JULY 2011 ("RIGHTS ISSUE")

NAME AND ADDRESS OF ENTITLED SHAREHOLDER

NRIC NO./
PASSPORT NO. (STATE COUNTRY)**/**
COMPANY NO.:

CDS A/C NO.: | | | | - | | | | - | | | | | | | | | |

NUMBER OF PMB SHARES HELD ON 29 JULY 2011 AS AT 5.00 P.M.	NUMBER OF RCSLS PROVISIONALLY ALLOTTED TO YOU (RM)	NUMBER OF WARRANTS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM2.20 PER RCSLS ACCEPTED (RM)

Note: ***If you have subsequently purchased additional provisional RCSLS with Warrants from the open market, you should indicate your acceptance of the total provisional RCSLS with Warrants that you have standing to the credit of your CDS account under Part I(a) below.***

To: THE BOARD OF DIRECTORS
PRESS METAL BERHAD (153208-W)

PART I - ACCEPTANCE OF THE RCSLS WITH WARRANTS AND EXCESS RCSLS WITH WARRANTS

In accordance with the terms of this RSF and the Abridged Prospectus dated 29 July 2011, I/we* hereby irrevocably:

(a) accept the number of RCSLS with Warrants as stated below which were provisionally allotted/renounced to me/us*;
(b) apply the number of excess RCSLS with Warrants as stated below in addition to my/our* acceptance of (a) above;

in accordance with and subject to the Memorandum and Articles of Association of the Company.

I/We* enclose herewith the appropriate remittances(s)/reference for payment as stated below being the full amount payable for the RCSLS with Warrants and/or excess RCSLS with Warrants accepted/applied for, and hereby request for the said RCSLS with Warrants and/or excess RCSLS with Warrants to be credited into my/our* valid and subsisting CDS account as stated above:

NUMBER OF RCSLS WITH WARRANTS ACCEPTED/ EXCESS RCSLS WITH WARRANTS APPLIED		PRICE FOR EACH RCSLS (RM)	AMOUNT PAYABLE (RM)	BANKER'S DRAFT/CASHIER'S ORDER/MONEY ORDER/ POSTAL ORDER NO.	PAYABLE TO
(a) ACCEPTANCE		2.20			PMB RIGHTS ISSUE ACCOUNT
(b) EXCESS		2.20			PMB EXCESS RIGHTS ISSUE ACCOUNT

PART II - DECLARATION

I/We* hereby confirm and declare that:
(i) All information provided by me/us* is true and correct;
(ii) All information is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my/our* rights may be rejected; and

* I am 18 years of age or over.
* I am/We are* resident(s) of Malaysia.
* I am/We are* resident(s) of …………………..………….…. (country) and having …………………….……………… citizenship.
* I am/We are* nominee(s) of a person who is a Bumiputera/Non-Bumiputera/Non-Citizen* resident in …………………..… (country) and having ………….……….. citizenship.

I/We* have read and understood and hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus dated 29 July 2011 and further confirm compliance with all the requirements for acceptance as set out therein.

Affix Malaysian Revenue Stamp of RM10.00 here

Date

Signature/Authorised Signatory(ies)
(Corporate bodies must affix their Common Seal)

Contact number during office hours

LAST DATES AND TIMES FOR:

Acceptance and payment ……………………………………………………: 15 August 2011 at 5.00 p.m.*
Excess application and payment ……………………………………………: 15 August 2011 at 5.00 p.m.*

* *or such later date and time as the Board, Joint Principal Advisers and Joint Lead Arrangers in their absolute discretion may decide and announce not less than two (2) market days before the stipulated date and time.*

* *Please delete whichever is not appropriate*

NOTES AND INSTRUCTIONS FOR COMPLETION OF RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All enquiries concerning the Rights Issue should be addressed to the Company's share registrar, Tricor Investor Services Sdn Bhd (118401-V) ("**Share Registrar**") at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. **INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS DATED 29 JULY 2011 TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF. PLEASE BE REMINDED THAT IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS AND SERVICES ACT 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS DATED 29 JULY 2011.**

This RSF is not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renouncee(s) (if applicable), who are residents in countries or jurisdictions other than Malaysia, should therefore immediately consult your legal advisers as to whether the acceptance or renunciation (as the case may be) of the provisional allotment of the RCSLS with Warrants (as defined herein) would result in the contravention of any laws of such countries or jurisdictions. We, Alliance Investment Bank Berhad ("**Alliance**") and Maybank Investment Bank Berhad ("**Maybank IB**") shall not accept any responsibility or liability whatsoever, in the event that any acceptance or renunciation of provisional allotment of RCSLS with Warrants made by the Entitled Shareholders and/or their renouncee(s) (if applicable) is/or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions. By signing this RSF, the Entitled Shareholders and/or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (comply which representations, acknowledgements and declarations will be relied upon by) PMB, its Directors and officers, Alliance and Maybank IB, and other experts, that the Entitled Shareholders and/or their renouncee(s) complies with the statements mentioned in Section 10.7 of the Abridged Prospectus dated 29 July 2011.

Approval for the Rights Issue had been obtained from Bank Negara Malaysia, vide its letter dated 12 May 2011. Approval for the Rights Issue had been obtained from the Securities Commission Malaysia ("**SC**"), vide its letter dated 30 May 2011. Approval had been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 10 June 2011 for the admission of the RCSLS with Warrants to the Official List, listing of and quotation for the RCSLS with Warrants to be issued pursuant to the Rights Issue and for the listing of and quotation for the new ordinary shares of RM0.50 each in PMB to be issued upon conversion of the RCSLS and exercise of the Warrants, if any, and from the shareholders through the ordinary resolution passed at the Extraordinary General Meeting held on 29 June 2011. The admission and listing of and quotation for the RCSLS with Warrants shall commence after, amongst others, receipt of the confirmation from Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") that all the CDS accounts of the Entitled Shareholders and/or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

A copy of the Abridged Prospectus dated 29 July 2011 together with the Notice of Provisional Allotment ("**NPA**") and RSF has been registered with the SC and lodged with the Registrar of Companies of Malaysia, both of whom take no responsibility for the contents of these documents. The expiry date of the Abridged Prospectus is twelve (12) months from the date of the Abridged Prospectus.

Neither Bursa Securities nor the SC takes any responsibility for the correctness of statements made or opinions expressed herein. Admission to the Official List and quotation of the said securities on Bursa Securities are in no way reflective of the merits of the Rights Issue.

This RSF, together with the Abridged Prospectus dated 29 July 2011 and NPA, have been seen and approved by the Board and they, collectively and individually, accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries, and to be best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

The provisionally allotted RCSLS with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository shall apply in respect of dealings in the provisionally allotted RCSLS with Warrants.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia ("**RM**") and sen. Terms defined in the Abridged Prospectus dated 29 July 2011 shall have the same meaning when used in this RSF, unless stated otherwise or the context otherwise requires.

INSTRUCTIONS:

(i) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 15 August 2011 at 5.00 p.m. or such extended date and time as the Board, Joint Principal Advisers and Joint Lead Arrangers may determine in their absolute discretion. Where the closing date for acceptance is extended from the original closing date, the notice of such extensions will be announced not less than two (2) market days before the stipulated date and time.

(ii) FULL OR PART ACCEPTANCE OF THE RCSLS WITH WARRANTS

If you and/or your renouncee(s) (if applicable) wish to accept all or any part of the RCSLS with Warrants provisionally allotted to you and/or your renouncee(s) (if applicable), please complete Part I(a) and Part II of this RSF and return this RSF, together with the appropriate remittance made in RM for the full amount payable in the form of Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a Bank or Post Office in Malaysia must be made out in favour of "**PMB RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters, contact number and your CDS account number, for the full amount payable for the RCSLS with Warrants accepted, to be received by the Share Registrar at the address stated above by 15 August 2011 at 5.00 p.m. (or such extended date and time as the Board, Joint Principal Advisers and Joint Lead Arrangers in their absolute discretion may decide and announce not less than two (2) market days before the stipulated date and time). Cheques or any other mode of payments are not acceptable.

If the acceptance of and payment for the RCSLS with Warrants provisionally allotted to you and/or your renouncee(s) (if applicable) is not received by the Share Registrar by 15 August 2011 at 5.00 p.m. being the last date and time for acceptance and payment (or such extended date and time as may be determined and announced by the Board, Joint Principal Advisers and Joint Lead Arrangers), such provisional allotment of rights will be deemed to have been declined and will be cancelled. The Board will then have the right to allot such RCSLS with Warrants applied for under this RSF in a fair and equitable basis as it deems expedient and fit and in the interest of PMB.

The remittance must be made for the exact amount payable for the RCSLS with Warrants accepted (ROUNDED UP TO THE NEAREST SEN). No acknowledgement will be issued but a notice of allotment will be dispatched to your and/or your renouncee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within eight (8) market days from the last date of acceptance and payment for the RCSLS with Warrants.

(iii) APPLICATION FOR EXCESS RCSLS WITH WARRANTS

If you and/or your renouncee(s) (if applicable) wish to apply for excess RCSLS with Warrants in addition to those provisionally allotted to you and/or your renouncee(s) (if applicable), please complete Part I(b) of this RSF (in addition to Part I(a) and Part II) and forwarding it (together with a SEPARATE remittance made in RM for the full amount payable in respect of the excess RCSLS with Warrants applied for) to the Share Registrar. Payment for the excess RCSLS with Warrants applied for should be made in the same manner described in note (II) above, with remittance in the form of Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a Bank or Post Office in Malaysia made payable to "**PMB EXCESS RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters, contact number and your CDS account number, to be received by the Share Registrar at the address stated above by 15 August 2011 at 5.00 p.m., being the last time and date for the excess RCSLS with Warrants acceptance and payment (or such extended date and time as may be determined and announced by the Board, Joint Principal Advisers and Joint Lead Arrangers. No acknowledgement will be issued but a notice of allotment will be despatched to you and/or your renouncee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within eight (8) market days from the last date of acceptance and payment for the excess RCSLS with Warrants. In respect of unsuccessful or partially successful excess RCSLS with Warrants applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest within fifteen (15) market days from the last date for application and payment for the excess RCSLS with Warrants by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk.

The Board reserves the right to allot any excess RCSLS with Warrants applied for under the RSF in such manner as it deems fit and expedient in the best interest of the Company. The Board also reserves the right to accept any excess RCSLS with Warrants application, in full or in part, without assigning any reason thereof. The allocation of the excess RCSLS with Warrants will be made in a fair and equitable manner. It is the intention of the Board to allot the excess RCSLS with Warrants in the following priority:

(i) firstly, to minimise the incidence of odd lots;
(ii) secondly, the excess RCSLS with Warrants are intended to be allocated on an pro-rata basis and in board lots, based on their respective shareholdings as at the Entitlement Date, subject always to the maximum number of excess RCSLS with Warrants applied for by them; and
(iii) in the event there are still unsubscribed RCSLS with Warrants after allocating all the excess RCSLS with Warrants applied for, the remaining unsubscribed RCSLS with Warrants will be subscribed for by Alpha Milestone Sdn Bhd in order to meet the Minimum Subscription Level (as defined in the Abridged Prospectus dated 29 July 2011).

(iv) SALE/TRANSFER OF PROVISIONAL ALLOTMENT OF RCSLS WITH WARRANTS

If you wish to sell/transfer all or part of your provisional allotment of RCSLS with Warrants to your renouncee(s) (if applicable), you may do so immediately through your stockbroker without first having to request the Company for a splitting of the provisional allottment of the RCSLS with Warrants standing to the credit of your CDS account(s). To sell/transfer all or part of your provisional allotment of the RCSLS with Warrants, you may sell such provisional allotment of RCSLS with Warrants on the open market of Bursa Securities or transfer such provisional allotment to such person(s) as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your provisional allotment of RCSLS with Warrants, you and/or your renouncee(s) (if applicable) need not deliver any document, including this RSF, to your stockbroker(s). However, you and/or your renouncee(s) (if applicable) must ensure that you have sufficient provisional allotment of RCSLS with Warrants standing to the credit of your CDS account(s) for settlement of the sale.

The renouncee(s) (if applicable) of the provisional allotment of RCSLS with Warrants may obtain a copy of this RSF for the acceptance of his/her/their rights from his/her/their stockbroker, the Share Registrar/Registered Office of the Company or Bursa Securities' website at http://www.bursamalaysia.com.

If you have sold/transferred only part of the provisional allotment of the RCSLS with Warrants, you may still accept the balance of your provisional allotment of the RCSLS with Warrants by completing Part I(a) and Part II of this RSF.

(v) GENERAL INSTRUCTIONS

(a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
(b) RCSLS with Warrants subscribed by the entitled shareholders and/or their renouncee(s) will be credited into their respective CDS accounts as shown in the Record of Depositors.
(c) Any interest or other benefit accruing on or arising from or in connection with any remittance shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
(d) The contract arising from the acceptance of the provisionally allotted RCSLS with Warrants by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the Courts of Malaysia in respect of any matter in connection with this RSF and the contract.
(e) The Company reserves the right to accept or reject any acceptance and/or application (if applicable) if the instructions stated hereinabove are not strictly adhered to.
(f) Entitled shareholders and/or their renouncee(s) (if applicable) should note that the RSF and remittances so lodged with the Share Registrar shall be irrevocable and may not subsequently be withdrawn.
(g) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on this RSF.