

NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2005

A1. Basis of preparation

The Interim Financial Report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The accounting policies and methods of preparation used are consistent with those used in the most recent annual audited financial statements.

A2. Auditors’ report

The annual auditors’ report of the audited financial statements for the year ended 31 December 2004 was not subject to any qualification.

A3. Seasonal or cyclical of operations

The business of the Group was not significantly affected by any seasonal or cyclical factors.

A4. Extraordinary and exceptional items

For the current quarter, there was an exceptional gain of RM 0.6 million on the amortization of negative goodwill arising from the acquisition of both wholly-owned subsidiary companies namely PMB Façade Technology Sdn Bhd and Everlast Aluminium (M) Sdn Bhd prior to the listing exercise over a weighted average of 7 years.

A5. Changes in estimates

There were no material changes in estimated amount reported in prior period which have a material effect on the current financial year-to-date.

A6. Debt and equity securities

There were no issuance and repayment of debt, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year-to-date.

A7. Dividend

The final dividend of 3% less tax totaling RM864,000.00 for the financial year ended 31 December 2004 was paid to shareholders on 4 July 2005.

NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2005

A8. Segmental information

Segmental information is presented in respect of the Group's business segment.

The Group comprises the following main business segments:

Manufacturing & trading : Manufacture and marketing of aluminium ladders and other related products.

Construction & fabrication : Contracting, designing and fabrication of aluminium curtain wall and cladding system.

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>6 months ended</u>				
<u>30 June 2005</u>				
Revenue from external customers	65,235	27,604		92,839
Inter-segment revenue	13	44	(57)	-
Total revenue	<u>65,248</u>	<u>27,648</u>	<u>(57)</u>	<u>92,839</u>
Segment result	<u>1,538</u>	<u>1,940</u>		3,478
Exceptional gain				1,134
Finance cost				(625)
Share of loss in associated company				(5)
Tax expense				(603)
Minority Interest				<u>1</u>
Net profit after tax				<u>3,380</u>
Segment assets	76,828,015		(10,469)	149,374
Segment liabilities	38,512	52,048	(10,469)	80,091

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 for its property, plant and equipment.

A10. Material events subsequent to the balance sheet date

There were no material events subsequent to the end of the quarter under review.

NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2005

A11. Changes in the composition of the Group

The changes in the composition of the Group for the financial period ended 30 June 2005 are as follows:

PMB-Cyberwall Limited, a wholly-owned subsidiary of PMB Facade Technology Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, had on 20 July 2005 subscribed for 25,000 ordinary shares of Macau Official Pataca (MOP) \$1.00 each, representing 100% of the issued and paid-up share capital of PMB-Cyberwall (Macau) Limited ("PCML"), a company incorporated in Macau, for a total cash consideration of MOP\$25,000 (equivalent to approximately RM12,195).

A12. Contingent liabilities

There were no material changes in contingent liability as at the date of this quarterly report.

A13. Capital commitments

As at 30 June 2005, the Group has the following known commitments:

Authorised property, plant and equipment expenditure
Not provided for in the financial statements:

	RM'000
Contracted	<u>85</u>

Additional Information Required by the Listing Requirements of Bursa Securities

B1. Review of performance

For the current quarter, the Group recorded revenue of RM45.3 million and profit before tax ("PBT") of RM2.1 million represented a decrease of RM 7 million and RM1.2 million respectively as compared with the revenue of RM52.3 million and PBT of RM3.3 million for the corresponding quarter in the preceding year. The decrease was mainly due to the lower revenue contribution from the construction and fabrication segment.

B2. Variation of results against preceding quarter

Comparing to the turnover of M47.6 million recorded in the preceding quarter, the Group's turnover decreased by RM2.3 million which was attributable to the lower revenue contribution from the manufacturing and trading segment.

Despite the decrease in turnover, the Group's PBT increased from RM1.9 million to RM2.1 which was mainly due to the better contribution from the manufacturing and trading segment.

NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2005

B3. Current year prospects

In view of the uncertainty in the recovery of the global economy, the Board is cautious about the business environment going forward. The Group is confident of achieving satisfactory results for the current year.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 30/06/05 RM'000	Current Year To-date RM'000
Current income tax	307	603
Deferred tax	-	-
	<u>307</u>	<u>603</u>

The Group's effective tax rate of 14.4% for the financial quarter under review is lower than the prima facie tax rate, which was mainly due to the non-taxability of the exceptional gain on the amortization of negative goodwill after offsetting the effect on the non-deductibility of certain expenses

B6. Profit / (loss) on disposal of unquoted investments and properties

There were no disposals of unquoted investments or properties during the financial quarter under review and financial year-to-date.

B7. Purchases or Disposals of Quoted Securities

There were no purchases or disposals of any quoted securities during the financial quarter under review and financial year-to-date.

B8. Status of Corporate Proposals Announced

- (1) Proposed Amendment to the Articles of Association ("Proposed Amendment") and Proposed Establishment of an Employee Share Option Scheme ("Proposed ESOS")

On 20 January 2005, the corporate advisor, K&N Kenanga Berhad ("Kenanga"), on behalf of the Board of Directors announced that the Company proposes to implement an Employee Share Option Scheme of up to fifteen per centum (15%) of the issued and paid-up share capital of the Company at any point in time during the term of the scheme to eligible employees and directors (including non-executive directors) of the Company. As such, the Company proposes to amend Article 4(e) of the

NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2005

Articles of Association of the Company to facilitate the grant of options to eligible non-executive directors.

On 13 April 2005, Kenanga on behalf of the Board of Directors announced that Bursa Malaysia Securities Berhad had approved in-principle the listing and quotation of such number of new ordinary shares of RM0.50 each in PMBT that may be issued pursuant to the Proposed ESOS, representing up to 15% of the issued and paid up share capital of the Company at any one time during the existence of the Proposed ESOS.

(2) Proposed Private Placement of up to 10% of the Issued and Paid-up Share Capital of the Company ('Proposed Private Placement')

On 5 May 2005, on behalf of the Board of Directors, Kenanga announced that the Company is proposing to undertake a private placement of up to 8,000,000 new ordinary shares of RM0.50 each ("Shares") representing 10% of the current issued and paid-up share capital of PMBT ("Placement Shares"), to public investors to be identified.

On 16 May 2005, Kenanga announced that the Securities Commission ("SC") and the Foreign Investment Committee (via the SC) had approved the Proposed Private Placement subject to, inter alia, Kenanga/ the Company to provide a detailed disclosure regarding the proposed utilisation of proceeds from the Proposed Private Placement, which is intended for working capital, in its announcement to Bursa Malaysia Securities Berhad.

In this respect, the intended utilization of proceeds from the Proposed Private Placement is tabled as follows:-

Purpose	RM
General Working Capital	4,440,000
Estimated Expenses	200,000
TOTAL	4,640,000

* *The proceeds are computed based on the assumption that the 8,000,000 Placement Shares are placed out at the indicative placement price of RM0.58 per Placement Share (assuming a discount of 10% based on the five (5) days weighted average market price of PMBT's shares as at 27 April 2005 of RM0.64). Any changes in the proceeds raised, which is dependent upon the actual placement price will be adjusted against the amount allocated for general working capital purposes.*

Save for the above, there were no other corporate proposals announced but pending implementation during the financial quarter.

NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2005

B9. Group borrowings and debt securities as at 30 June 2005

	<u>Secured</u> <u>(RM'000)</u>	<u>Unsecured</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
(a) (i) Short term			
Overdraft	-	914	914
Revolving credit	-	6,610	6,610
Trade facilities	-	32,715	32,715
Term loan	241	-	241
(ii) Long term			
Term loan	4,543	-	4,543
Total	<u>4,784</u>	<u>40,239</u>	<u>45,023</u>

(b) Foreign currency bank borrowings

Foreign currency bank borrowings that denominated in Hong Kong Dollar ("HKD") and Singapore Dollar ("SD") included in the above borrowings are as follows:

		<u>'000</u>	<u>RM'000</u> <u>Equivalent</u>
Revolving credit	HKD	11,450	5,610
Trade facilities	HKD	9,748	4,755
		<u>21,198</u>	<u>10,365</u>
Term Loan	SD	871	1,881
Total		<u>871</u>	<u>12,246</u>

B10. 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.

B11. Material Litigation

There were no changes in the Group's material litigations since the last audited financial statements for the year ended 31 December 2004.

B12. Dividend

There was no dividend proposed during the current financial year-to-date.



PMB TECHNOLOGY BERHAD (584257-X)

Lot 1797, Jalan Balakong, Bukit Belimbing,
43300 Sri Kembangan, Selangor Darul Ehsan, Malaysia.

Tel. : 603-89615205. Fax. : 603-89611904.

NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2005

B13. Earning Per Share

	<u>Current quarter</u>	<u>Year to-date</u>
Basic earning per share		
Net profit attributable to ordinary shareholders (RM'000)	1,820	3,380
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	80,000	80,000
Basic earning per share (sen)	<u>2.28</u>	<u>4.23</u>
Diluted earning per share	<u>N/A</u>	<u>N/A</u>

B14. Other Information

The Group had obtained the Certificate of Fitness for Occupation for its factory at Lot 1797 and Lot 1798, Jalan Balakong, Bukit Belimbing, 43300 Seri Kembangan, Selangor Darul Ehsan on 28 March 2005 and 24 June 2005 respectively.

On behalf of the Board

Dato' Koon Poh Keong
Chairman

30 August 2005