

PMB Technology Berhad

(Company No.584257-X)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		UNAUDITED CURRENT YEAR QUARTER 31 MAR 2015 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2014 RM'000	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2015 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2014 RM'000
Revenue		107,034	72,980	107,034	72,980
Operating expenses		(103,295)	(69,476)	(103,295)	(69,476)
Other operating income		174	29	174	29
Profit from operations		3,913	3,533	3,913	3,533
Finance costs		(1,581)	(1,604)	(1,581)	(1,604)
Profit before tax		2,332	1,929	2,332	1,929
Taxation	B5	(592)	(549)	(592)	(549)
Profit for the period		<u>1,740</u>	<u>1,380</u>	<u>1,740</u>	<u>1,380</u>
Profit attributable to :					
Owners of the Company		1,740	1,380	1,740	1,380
Non-controlling Interest		-	-	-	-
Profit for the period		<u>1,740</u>	<u>1,380</u>	<u>1,740</u>	<u>1,380</u>
Basic earning per share attributable to owners of the company (sen) (based on 77,479,800 ordinary shares of RM0.50 each)	B14	2.25	1.78	2.25	1.78

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

PMB Technology Berhad*(Company No.584257-X)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 31 MAR 2015 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2014 RM'000	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2015 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2014 RM'000
Profit for the period	1,740	1,380	1,740	1,380
<i>Other comprehensive income, net of tax</i>				
Foreign currency translation differences for foreign operations	1,948	(122)	1,948	(122)
Total comprehensive income for the period	<u>3,688</u>	<u>1,258</u>	<u>3,688</u>	<u>1,258</u>
Total comprehensive income attributable to :				
Owners of the Company	3,688	1,258	3,688	1,258
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	<u>3,688</u>	<u>1,258</u>	<u>3,688</u>	<u>1,258</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

PMB Technology Berhad*(Company No.584257-X)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT CURRENT FINANCIAL QUARTER END 31-MAR-15 RM'000 UNAUDITED	31-DEC-14 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	93,527	93,820
Investment properties	1,298	1,305
Investment in associates	-	22
Goodwill	792	792
	<u>95,617</u>	<u>95,939</u>
Current assets		
Inventories and amount due from contract customers	96,537	110,292
Trade receivables	129,660	111,446
Other receivables, deposits and prepayments	5,769	6,123
Amount due from related companies	16,336	16,040
Tax recoverable	484	829
Cash and bank balances	64,479	40,209
	<u>313,265</u>	<u>284,939</u>
TOTAL ASSETS	<u>408,882</u>	<u>380,878</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	40,000	40,000
Share premium	7,707	5,759
Retained profit	90,162	89,197
Treasury shares, at cost	(2,220)	(2,220)
	<u>135,649</u>	<u>132,736</u>
Non-controlling interest	-	-
Total equity	<u>135,649</u>	<u>132,736</u>
Non-current liabilities		
Hire purchase & finance lease liabilities	2,695	3,170
Term loan	11,914	12,765
Deferred taxation	6,198	6,198
	<u>20,807</u>	<u>22,133</u>
Current Liabilities		
Trade payables	38,105	44,598
Amount due to contract customers	16,931	9,020
Other payables and accruals	5,750	7,453
Hire purchase & finance lease liabilities	2,856	2,810
Overdraft & short term borrowings	140,076	118,293
Amount due to related companies	47,933	42,920
Dividend payable	775	775
Taxations	-	140
	<u>252,426</u>	<u>226,009</u>
Total liabilities	<u>273,233</u>	<u>248,142</u>
TOTAL EQUITY AND LIABILITIES	<u>408,882</u>	<u>380,878</u>
Net assets per share attributable to the owners of the company (RM)		
(based on 77,479,800 ordinary shares of RM0.50 each)	1.75	1.71

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company				Distributable Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign currency translation reserve RM'000				
At 1 January 2015	40,000	6,941	(2,220)	(1,182)	89,197	132,736	-	132,736
Total comprehensive income for the period	-	-	-	1,948	1,740	3,688	-	3,688
Dividend								
- Third Interim dividend for the financial year ended 31 Dec 2014	-	-	-	-	(775)	(775)	-	(775)
At 31 March 2015	40,000	6,941	(2,220)	766	90,162	135,649	-	135,649
At 1 January 2014	40,000	6,941	(2,220)	(3,062)	84,920	126,579	-	126,579
Total comprehensive income for the period	-	-	-	(122)	1,380	1,258	-	1,258
Dividend								
- Third Interim dividends for the financial year ended 31 Dec 2013	-	-	-	-	(775)	(775)	-	(775)
At 31 March 2014	40,000	6,941	(2,220)	(3,184)	85,525	127,062	-	127,062

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

PMB Technology Berhad

(Company No.584257-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-15 RM'000	UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,332	1,929
Adjustments for:		
Depreciation	1,842	1,808
Interest income	(1)	(1)
Interest expense	1,581	1,604
Operating profit before working capital changes	<u>5,754</u>	<u>5,340</u>
Changes in working capital:		
Inventories & amount due from contract customers	13,755	(9,469)
Trade and other receivables	(18,134)	9,409
Trade and other payables	4,728	(13,266)
Cash from operations	<u>6,103</u>	<u>(7,986)</u>
Income taxes paid	(387)	(631)
Interest expenses paid	(1,581)	(1,604)
Interest received	1	1
Net cash from / (used in) operating activities	<u>4,136</u>	<u>(10,220)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment properties	(1,542)	(751)
Net cash used in Investing activities	<u>(1,542)</u>	<u>(751)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(429)	(689)
Proceeds from bank borrowings	23,933	11,691
Repayment of term loan	(794)	(749)
Dividend paid	(775)	(775)
Net cash from financing activities	<u>21,935</u>	<u>9,478</u>
Exchange differences on translation of the financial statements of foreign operations	<u>1,948</u>	<u>(122)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	26,477	(1,615)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	36,256	17,602
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>62,733</u>	<u>15,987</u>
The cash & cash equivalents comprise:		
Cash & bank balances	64,479	17,556
Bank overdraft	(1,746)	(1,569)
	<u>62,733</u>	<u>15,987</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

PART A :EXPLANATORY NOTES

A1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2014.

A2. Significant Accounting Policies

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with those adopted for the financial year ended 31 December 2014, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2015.

- Amendments to MFRS 119, *Defined Benefit Plans: Employee Contribution*
- Annual Improvements to MFRs 2010 – 2012 Cycle
- Annual Improvements to MFRs 2011 – 2013 Cycle

The adoption of the above standards, amendments and annual improvement did not have any material financial impacts to the Group.

Standards issued but not yet effective

i) *MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016*

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements, MFRS 12, Disclosure on Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiatives*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

A2. Significant Accounting Policies (Cont'd)

Standards issued but not yet effective (Cont'd)

i) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (Cont'd)

- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Annual Improvements to MFRs 2012-2014 Cycle

ii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

iii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*

The Group plans to adopt the above when they become effective in the respective financial periods. The adoption of the above is not expected to have any material impacts to the financial statements of the Group upon their initial adoption.

A3. Seasonal or cyclical of operations

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

A4. Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter under review.

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

A6. Debt and equity securities

There were no issuance and repayment of debt and share buy-backs for the financial year-to-date.

As at 31 March 2015, a total of 2,520,200 shares were held as treasury shares at cost in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. None of the treasury shares repurchased has been sold or cancelled.

A7. Dividend paid

The third interim single tier dividend of 2% totaling RM774,798.00 for the financial year ended 31 December 2014 was paid to shareholders on 9 April 2015.

A8. Segmental information

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

The Group comprises the following main business segments:

Manufacturing & trading : Manufacture of aluminium access equipment and other related products, marketing and trading of aluminium products and other products.

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

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 31 March 2015</u>				
Revenue from external customers	50,958	56,076		107,034
Inter-segment revenue	1,303	-	(1,303)	-
Total revenue	52,261	56,076	(1,303)	107,034
Segment result	1,450	2,463		3,913
Finance cost				(1,581)
Tax expense				(592)
Profit for the period				1,740
Segment assets	262,534	243,422	(97,074)	408,882
Segment liabilities	140,423	190,765	(57,955)	273,233

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

A9. Valuation of property, plant and equipment

Property, plant and equipment of the Group were not revalued during the current quarter under review. All the property, plant and equipment were stated at costs less accumulated depreciation.

A10. Material events subsequent to the balance sheet date

There were no material subsequent events since the end of the current quarter to the date of issue of this report that have not been reflected in the financial statements for the current financial year-to-date.

A11. Changes in the composition of the Group

The change in the composition of the Group for the current quarter under review was as follows:

PMB Facade Technology International (L.L.C) has ceased to be a 49%-owned associated company of PMB Facade Technology Sdn Bhd, which in turn a wholly-owned subsidiary of the Company upon the deregistration on 1 March 2015. The deregistration is in line with the Company's rationalization efforts to wind up inactive companies.

A12. Contingent liabilities

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

A13. Capital commitments

As at 31 March 2015, the Group has no capital commitments not provided for in the financial statements.

A14. Related Party Transactions

	<u>Current year to-date</u>
<u>The Group</u>	RM'000
With the affiliated companies - Press Metal Berhad Group	
Purchase of aluminium products	<u>34,450</u>
Sale of fabricated aluminium products and building materials	<u>6,630</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

**PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1. Operating Segments Review

Q1/15 vs Q1/14

The Group's revenue was higher at RM107.0 million, representing an increase of 47% from RM73.0 million recorded in Q1/14. In line with higher revenue, the Group's profit before tax ("PBT") increased from RM1.9 million to RM2.3 million.

Manufacturing and Trading segment

The revenue for Manufacturing and Trading segment increased by 29% from RM39.6 million to RM50.9 million. However, the segment profit declined by 26% from RM1.9 million to RM1.5 million which was mainly due to the foreign exchange loss incurred in Q1/15.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was higher at RM56.1 million, representing an increase of RM22.7 million from RM33.4 million. It was mainly due to acceleration of the progress of certain on-going projects during the current quarter under review.

In line with higher revenue, the segment profit increased by 55%, from a segment profit of RM1.6 million recorded in Q1/14 to RM2.5 million.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter

Compared with the preceding quarter, the Group's revenue increased from RM91.6 million to RM107.0 million, approximately by 17%. On the back of higher revenue, the Group's PBT increased by 19%, from RM2.0 million to RM2.3 million.

B3. Current year prospects

With the current uncertainty associated with the global economy, the volatility in the commodity prices and U.S. Dollars, we are expecting this year to be very challenging.

Nevertheless, the Group will continue to improve its effort to innovate its products design in order to achieve higher export sales and a satisfactory result for the year.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 31/03/15 <u>RM'000</u>	Current Year To-date <u>RM'000</u>
Current income tax	<u>592</u>	<u>592</u>

The Group's effective tax rate for the financial year-to-date under review was 25%, which is equivalent to the prima facie tax rate.

B6. Retained Earnings

	As at 31/03/2015 <u>RM'000</u>	As at 31/12/2014 <u>RM'000</u>
Total retained earnings of the Company and its subsidiaries:		
Realised	125,757	125,627
Unrealised	<u>(6,198)</u>	<u>(7,033)</u>
	119,559	118,594
Consolidation Adjustments	<u>(29,397)</u>	<u>(29,397)</u>
Total Group retained earnings as per consolidated accounts	<u>90,162</u>	<u>89,197</u>

B7. Status of Corporate Proposals Announced

There were no corporate proposals announced but pending implementation during the financial quarter.

B8. Group borrowings and debt securities as at 31 March 2015

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
(a) (i) Short term			
Overdraft	-	1,746	1,746
Revolving credit	-	9,143	9,143
Trade facilities	-	125,879	125,879
Term loan	<u>3,308</u>	<u>-</u>	<u>3,308</u>
	3,308	136,768	140,076
(ii) Long term			
Term loan	<u>11,914</u>	<u>-</u>	<u>11,914</u>
Total	<u>15,222</u>	<u>136,768</u>	<u>151,990</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

B8. Group borrowings and debt securities as at 31 March 2015 (Cont'd)

(b) Foreign currency bank borrowings

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

	<u>HKD'000</u>	<u>RM'000 Equivalent</u>
Overdraft	1,875	898
Revolving credit	17,000	8,143
Trade facilities	76,051	36,428
	<u>94,926</u>	<u>45,469</u>

B9. Material Litigation

There was no material litigation against the Group as at the reporting date.

B10. Proposed Dividend

The Directors declared a first interim single tier dividend of 2% per share for the financial year ending 31 December 2015 and will be paid to shareholders on 11 June 2015. The entitlement date for the said dividend shall be 27 May 2015.

A Depositor shall qualify for entitlement to the Dividend only in respect of:-

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 27 May 2015 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to Rules of Bursa Malaysia Securities Berhad.

B11. Earnings Per Share

	<u>Current quarter</u>	<u>Year to-date</u>
Basic earnings per share		
Net profit attributable to the Owners of the Company (RM'000)	1,740	1,740
<i>Weighted average number of ordinary shares of RM0.50 each in issue - net of treasury shares held ('000)</i>		
Issued at the beginning of the period	77,480	77,480
Basic earnings per share (sen)	<u>2.25</u>	<u>2.25</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

B12. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2014 was not subject to any qualification.

B13. Notes to the Condensed Consolidated Income Statement

PBT is arrived at after charging and (crediting) the following items:

		Current Quarter RM'000	Current Financial To-date RM'000
a)	Interest income	(1)	(1)
b)	Other income including investment income	(44)	(44)
c)	Interest expense	1,581	1,581
d)	Depreciation and amortization	1,842	1,842
e)	Provision for and write off of receivables	-	-
f)	Provision for and write off of inventories	-	-
g)	(Gain) and loss on disposal of quoted or unquoted Investments or properties	-	-
h)	Impairment of assets	-	-
i)	Foreign exchange (gain) or loss	483	483
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

On behalf of the Board

Koon Poh Ming
Chief Executive Officer

6 May 2015