

PMB Technology Berhad

(Company No.584257-X)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		UNAUDITED CURRENT YEAR QUARTER 30 SEP 2015 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 SEP 2014 RM'000	UNAUDITED CURRENT YEAR TO DATE 30 SEP 2015 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 SEP 2014 RM'000
Revenue		126,751	92,279	345,882	236,936
Operating expenses		(121,669)	(88,065)	(333,423)	(225,238)
Other operating income		5	156	365	367
Profit from operations		5,087	4,370	12,824	12,065
Finance costs		(1,506)	(1,680)	(4,754)	(4,895)
Profit before tax		3,581	2,690	8,070	7,170
Taxation	B5	(887)	(800)	(2,017)	(2,000)
Profit for the period		2,694	1,890	6,053	5,170
Profit attributable to :					
Owners of the Company		2,694	1,890	6,053	5,170
Non-controlling interest		-	-	-	-
Profit for the period		2,694	1,890	6,053	5,170
Basic earning per share attributable to owners of the company (sen)	B14	3.48	2.44	7.81	6.67
(based on 77,479,800 ordinary shares of RM0.50 each)					

(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 30 SEP 2015 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 SEP 2014 RM'000	UNAUDITED CURRENT YEAR TO DATE 30 SEP 2015 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 SEP 2014 RM'000
Profit for the period	2,694	1,890	6,053	5,170
<i>Other comprehensive income, net of tax</i>				
Foreign currency translation differences for foreign operations	5,827	508	8,198	(66)
Total comprehensive income for the period	<u>8,521</u>	<u>2,398</u>	<u>14,251</u>	<u>5,104</u>
Total comprehensive income attributable to :				
Owners of the Company	8,521	2,398	14,251	5,104
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	<u>8,521</u>	<u>2,398</u>	<u>14,251</u>	<u>5,104</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 30-SEP-15 RM'000 UNAUDITED	31-DEC-14 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	94,547	93,820
Investment properties	1,283	1,305
Investment in associates	-	22
Goodwill	792	792
	<u>96,622</u>	<u>95,939</u>
Current assets		
Inventories and amount due from contract customers	100,632	110,292
Trade receivables	128,667	111,446
Other receivables, deposits and prepayments	5,979	6,123
Amount due from related companies	16,137	16,040
Tax recoverable	1,301	829
Cash and bank balances	38,069	40,209
	<u>290,785</u>	<u>284,939</u>
TOTAL ASSETS	<u>387,407</u>	<u>380,878</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	40,000	40,000
Share premium	13,957	5,759
Retained profit	92,925	89,197
Treasury shares, at cost	(2,220)	(2,220)
	<u>144,662</u>	<u>132,736</u>
Non-controlling interest	<u>-</u>	<u>-</u>
Total equity	<u>144,662</u>	<u>132,736</u>
Non-current liabilities		
Hire purchase & finance lease liabilities	2,257	3,170
Term loan	10,170	12,765
Deferred taxation	6,198	6,198
	<u>18,625</u>	<u>22,133</u>
Current Liabilities		
Trade payables	39,849	44,598
Amount due to contract customers	14,288	9,020
Other payables and accruals	9,704	7,453
Hire purchase & finance lease liabilities	2,550	2,810
Overdraft & short term borrowings	114,543	118,293
Amount due to related companies	41,962	42,920
Dividend payable	-	775
Taxations	1,224	140
	<u>224,120</u>	<u>226,009</u>
Total liabilities	<u>242,745</u>	<u>248,142</u>
TOTAL EQUITY AND LIABILITIES	<u>387,407</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)	1.87	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					Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Non-distributable		Foreign currency translation reserve RM'000	Distributable Retained Profits RM'000			
	Share Premium RM'000	Treasury Shares 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	-	-	-	8,198	6,053	14,251	-	14,251
Dividend								
- Third Interim dividend for the financial year ended 31 Dec 2014	-	-	-		(775)	(775)	-	(775)
- Interim dividends for the financial year ending 31 Dec 2015	-	-	-	-	(1,550)	(1,550)	-	(1,550)
At 30 September 2015	<u>40,000</u>	<u>6,941</u>	<u>(2,220)</u>	<u>7,016</u>	<u>92,925</u>	<u>144,662</u>	<u>-</u>	<u>144,662</u>
At 1 January 2014	40,000	6,941	(2,220)	(3,062)	84,920	126,579	-	126,579
Total comprehensive income for the period	-	-	-	(66)	5,170	5,104	-	5,104
Dividend								
- Third Interim dividends for the financial year ended 31 Dec 2013	-	-	-	-	(775)	(775)	-	(775)
- First Interim dividend for the financial year ended 31 Dec 2014	-	-	-	-	(775)	(775)	-	(775)
At 30 September 2014	<u>40,000</u>	<u>6,941</u>	<u>(2,220)</u>	<u>(3,128)</u>	<u>88,540</u>	<u>130,133</u>	<u>-</u>	<u>130,133</u>

(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 9 MONTHS ENDED 30-SEP-15 RM'000	UNAUDITED FOR THE 9 MONTHS ENDED 30-SEP-14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,070	7,170
Adjustments for:		
Depreciation	6,082	5,457
Net gain on disposal of property, plant and equipment and investment properties	(5)	(9)
Interest income	(8)	(11)
Interest expense	4,754	4,895
Operating profit before working capital changes	<u>18,893</u>	<u>17,502</u>
Changes in working capital:		
Inventories & amount due from contract customers	9,660	(19,978)
Trade and other receivables	(17,152)	(1,805)
Trade and other payables	1,037	4,478
Cash from operations	<u>12,438</u>	<u>197</u>
Income taxes paid	(1,405)	(1,827)
Interest expenses paid	(4,754)	(4,895)
Interest received	8	11
Net cash from / (used in) operating activities	<u>6,287</u>	<u>(6,514)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment properties	(6,787)	(5,399)
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	5	11
Net cash used in investing activities	<u>(6,782)</u>	<u>(5,388)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(1,173)	(1,647)
Proceeds from bank borrowings	-	22,745
Repayment of bank borrowings	(5,879)	-
Repayment of term loan	(2,419)	(2,282)
Dividend paid	(2,325)	(775)
Net cash from / (used in) financing activities	<u>(11,796)</u>	<u>18,041</u>
Exchange differences on translation of the financial statements of foreign operations	<u>8,198</u>	<u>(66)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,093)	6,073
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	36,256	17,602
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>32,163</u>	<u>23,675</u>
The cash & cash equivalents comprise:		
Cash & bank balances	38,069	25,891
Bank overdraft	(5,906)	(2,216)
	<u>32,163</u>	<u>23,675</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 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.

The first interim single tier dividend of 2% totaling RM774,798.00 for the financial year ending 31 December 2015 was paid to shareholders on 11 June 2015.

The second interim single tier dividend of 2% totaling RM774,798.00 for the financial year ending 31 December 2015 was paid to shareholders on 17 September 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 30 September 2015</u>				
Revenue from external customers	48,524	78,227		126,751
Inter-segment revenue	2,670	-	(2,670)	-
Total revenue	51,194	78,227	(2,670)	126,751
Segment result	1,948	3,139		5,087
Finance cost				(1,506)
Tax expense				(887)
Profit for the period				2,694

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

A8. Segmental information (cont'd)

9 months ended 30 September 2015

Revenue from external customers	146,656	199,226		345,882
Inter-segment revenue	6,712	-	(6,712)	-
Total revenue	153,368	199,226	(6,712)	345,882
Segment result	4,635	8,189		12,824
Finance cost				(4,754)
Tax expense				(2,017)
Profit for the period				6,053
Segment assets	253,213	233,403	(99,209)	387,407
Segment liabilities	130,819	171,675	(59,749)	242,745

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

There were no changes in the composition of the Group for the current quarter under review.

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 September 2015, the Group has no capital commitments not provided for in the financial statements.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

A14. Related Party Transactions

<u>The Group</u>	<u>Current year to-date</u> RM'000
With the affiliated companies - Press Metal Berhad Group	
Purchase of aluminium products	<u>120,687</u>
Sale of fabricated aluminium products and building materials	<u>18,332</u>

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

B1. Operating Segments Review

(a) Q3/15 vs Q3/14

The Group's revenue was higher at RM126.8 million, representing an increase of 37% from RM92.3 million recorded in Q3/14. The increase was mainly due to higher revenue contribution from Construction and Fabrication segment.

In line with higher revenue, the Group's profit before tax ("PBT") increased from RM2.7 million to RM3.6 million.

Manufacturing and Trading segment

The revenue for Manufacturing and Trading segment increased by 10% from RM44.3 million to RM48.5 million. However, the segment profit decreased from RM2.9 million to RM1.9 million. It was mainly due to the foreign exchange loss arose from the import of materials and the lower selling price resulted from the lower aluminium price.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was higher at RM78.2 million, representing an increase of 63% from RM48.0 million. It was mainly due to acceleration of the progress of certain on-going projects during the current quarter under review.

In line with the higher revenue, the segment profit increased by 118%, from a segment profit of RM1.4 million recorded in Q3/14 to RM3.1 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

B1. Operating Segments Review (cont'd)

(b) 9M/2015 vs 9M/2014

The Group recorded a revenue of RM345.9 million for the nine months ended 30 September 2015("9M/2015"), representing an increase of 46% from RM236.9 million recorded for the nine months ended 30 September 2014("9M/2014"). The increase was mainly due to higher revenue contribution from Construction and Fabrication segment.

In tandem with higher revenue, the Group's PBT increased by 13% from RM7.2 million to RM8.1 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by 14% from RM128.7 million to RM146.7 million. However, with the foreign exchange loss and the lower selling price, the segment profit decreased from RM7.7 million to RM4.6 million.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM199.2 million for 9M/2015, representing an increase of 84% compared to RM108.2 million recorded for 9M/2014. The increase was due to acceleration of the progress for certain on-going projects. Accordingly, segment profit increased by 88% from RM4.3 million to RM8.2 million.

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

Compared with the preceding quarter, the Group's revenue increased from RM112.1 million to RM126.8 million, approximately by 13%. On the back of higher revenue, the Group's PBT increased by 66%, from RM2.2 million to RM3.6 million.

B3. Current year prospects

In line with the Group's current operation activities, the operating results for the remaining of the year are expected to be satisfactory.

B4. Profit forecast

Not applicable as no profit forecast was published.

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015
B5. Taxation

	Quarter Ended 30/09/15 RM'000	Current Year To-date RM'000
Current income tax	887	2,017

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 30/09/2015 RM'000	As at 31/12/2014 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	130,344	125,627
Unrealised	(7,630)	(7,033)
	122,714	118,594
Consolidation Adjustments	(29,789)	(29,397)
Total Group retained earnings as per consolidated accounts	92,925	89,197

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 30 September 2015

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
(a) (i) Short term			
Overdraft	-	5,906	5,906
Revolving credit	-	17,072	17,072
Trade facilities	-	88,138	88,138
Term loan	3,427	-	3,427
	3,427	111,116	114,543
(ii) Long term			
Term loan	10,170	-	10,170
Total	13,597	111,116	124,713

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

B8. Group borrowings and debt securities as at 30 September 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	1,734	995
Revolving credit	28,000	16,072
Trade facilities	36,044	20,689
	<u>65,778</u>	<u>37,756</u>

B9. Material Litigation

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

B10. Proposed Dividend

The Directors declared a Third interim single tier dividend of 2% per share for the financial year ending 31 December 2015 and will be paid to shareholders on 13 January 2016. The entitlement date for the said dividend shall be 17 December 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 17 December 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)	2,694	6,053
<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>3.48</u>	<u>7.81</u>

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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)	(8)
b)	Other income including investment income	(4)	(357)
c)	Interest expense	1,506	4,754
d)	Depreciation and amortization	2,119	6,082
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	2,078	3,039
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

On behalf of the Board

Koon Poh Ming
Chief Executive Officer

26 November 2015