

PMB Technology Berhad

(Company No.584257-X)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		UNAUDITED CURRENT YEAR QUARTER 31 DEC 2015 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 DEC 2014 RM'000	UNAUDITED CURRENT YEAR TO DATE 31 DEC 2015 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 DEC 2014 RM'000
Revenue		88,411	91,634	434,293	328,637
Operating expenses		(84,648)	(88,188)	(418,071)	(313,521)
Other operating income		89	299	454	695
Profit from operations		3,852	3,745	16,676	15,811
Finance costs		(1,366)	(1,769)	(6,120)	(6,665)
Share of losses of equity accounted investees, net of tax		-	(9)	-	(9)
Profit before tax		2,486	1,967	10,556	9,137
Taxation	B5	(818)	(535)	(2,835)	(2,535)
Profit for the period		<u>1,668</u>	<u>1,432</u>	<u>7,721</u>	<u>6,602</u>
Profit attributable to :					
Owners of the Company		1,668	1,432	7,721	6,602
Non-controlling interest		-	-	-	-
Profit for the period		<u>1,668</u>	<u>1,432</u>	<u>7,721</u>	<u>6,602</u>
Basic earning per share attributable to owners of the company (sen) (based on 77,479,800 ordinary shares of RM0.50 each)	B14	2.15	1.85	9.97	8.52

(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 DEC 2015 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 DEC 2014 RM'000	UNAUDITED CURRENT YEAR TO DATE 31 DEC 2015 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 DEC 2014 RM'000
Profit for the period	1,668	1,432	7,721	6,602
<i>Other comprehensive income, net of tax</i>				
Foreign currency translation differences for foreign operations	(1,244)	1,946	6,954	1,880
Total comprehensive income for the period	<u>424</u>	<u>3,378</u>	<u>14,675</u>	<u>8,482</u>
Total comprehensive income attributable to :				
Owners of the Company	424	3,378	14,675	8,482
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	<u>424</u>	<u>3,378</u>	<u>14,675</u>	<u>8,482</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-DEC-15 RM'000 UNAUDITED	31-DEC-14 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	93,062	93,820
Investment properties	1,276	1,305
Investment in associates	-	22
Goodwill	792	792
	<u>95,130</u>	<u>95,939</u>
Current assets		
Inventories and amount due from contract customers	89,182	110,292
Trade receivables	97,853	111,446
Other receivables, deposits and prepayments	4,154	6,123
Amount due from related companies	17,040	16,040
Tax recoverable	1,221	829
Cash and bank balances	41,317	40,209
	<u>250,767</u>	<u>284,939</u>
TOTAL ASSETS	<u>345,897</u>	<u>380,878</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	40,000	40,000
Share premium	12,713	5,759
Retained profit	93,818	89,197
Treasury shares, at cost	(2,220)	(2,220)
	<u>144,311</u>	<u>132,736</u>
Non-controlling interest	-	-
Total equity	<u>144,311</u>	<u>132,736</u>
Non-current liabilities		
Hire purchase & finance lease liabilities	2,164	3,170
Term loan	9,283	12,765
Deferred taxation	7,682	6,198
	<u>19,129</u>	<u>22,133</u>
Current Liabilities		
Trade payables	29,771	44,598
Amount due to contract customers	7,353	9,020
Other payables and accruals	11,163	7,453
Hire purchase & finance lease liabilities	1,988	2,810
Overdraft & short term borrowings	87,161	118,293
Amount due to related companies	44,222	42,920
Dividend payable	775	775
Taxations	24	140
	<u>182,457</u>	<u>226,009</u>
Total liabilities	<u>201,586</u>	<u>248,142</u>
TOTAL EQUITY AND LIABILITIES	<u>345,897</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)	1.86	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)

PMB Technology Berhad

(Company No.584257-X)

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			
At 1 January 2015	40,000	6,941	(2,220)	(1,182)	89,197	132,736	-	132,736
Total comprehensive income for the period	-	-	-	6,954	7,721	14,675	-	14,675
Dividend								
- Third Interim dividend for the financial year ended 31 Dec 2014	-	-	-	-	(775)	(775)	-	(775)
- Interim dividends for the financial year ended 31 Dec 2015	-	-	-	-	(2,325)	(2,325)	-	(2,325)
At 31 December 2015	40,000	6,941	(2,220)	5,772	93,818	144,311	-	144,311
At 1 January 2014	40,000	6,941	(2,220)	(3,062)	84,920	126,579	-	126,579
Total comprehensive income for the period	-	-	-	1,880	6,602	8,482	-	8,482
Dividend								
- Third Interim dividends for the financial year ended 31 Dec 2013	-	-	-	-	(775)	(775)	-	(775)
- Interim dividends for the financial year ended 31 Dec 2014	-	-	-	-	(1,550)	(1,550)	-	(1,550)
At 31 December 2014	40,000	6,941	(2,220)	(1,182)	89,197	132,736	-	132,736

(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 12 MONTHS ENDED 31-DEC-15 RM'000	UNAUDITED FOR THE 12 MONTHS ENDED 31-DEC-14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,556	9,137
Adjustments for:		
Depreciation	8,174	7,348
Net gain on disposal of property, plant and equipment and investment properties	(5)	(36)
Net loss on written off of property, plant and equipment	-	3
Share of losses of equity accounted investees, net of tax	-	9
Unrealised (gain)/ loss on foreign exchange	(439)	835
Interest income	(9)	(11)
Interest expense	6,120	6,665
Operating profit before working capital changes	24,397	23,950
Changes in working capital:		
Inventories & amount due from contract customers	21,110	(20,580)
Trade and other receivables	(12,154)	(9,536)
Trade and other payables	14,920	21,756
Cash from operations	48,273	15,590
Income taxes paid	(1,859)	(2,481)
Interest expenses paid	(6,120)	(6,665)
Interest received	9	11
Net cash from operating activities	40,303	6,455
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment properties	(7,387)	(6,845)
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	5	60
Net cash used in investing activities	(7,382)	(6,785)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(1,828)	(3,281)
Proceeds from bank borrowings	-	25,776
Repayment of bank borrowings	(27,657)	-
Repayment of term loan	(3,251)	(3,051)
Dividend paid	(2,325)	(2,325)
Net cash from / (used in) financing activities	(35,061)	17,119
Exchange differences on translation of the financial statements of foreign operations	6,954	1,865
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,814	18,654
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	36,256	17,602
CASH AND CASH EQUIVALENTS AT END OF PERIOD	41,070	36,256
The cash & cash equivalents comprise:		
Cash & bank balances	41,317	40,209
Bank overdraft	(247)	(3,953)
	41,070	36,256

(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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 December 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 ended 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 ended 31 December 2015 was paid to shareholders on 17 September 2015.

The third interim single tier dividend of 2% totaling RM774,798.00 for the financial year ended 31 December 2015 was paid to shareholders on 13 January 2016.

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.

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

A8. Segmental information (cont'd)

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 31 December 2015</u>				
Revenue from external customers	48,699	39,712		88,411
Inter-segment revenue	(433)	199	234	-
Total revenue	48,266	39,911	234	88,411
Segment result	2,033	1,819		3,852
Finance cost				(1,366)
Tax expense				(818)
Profit for the period				1,668
<u>12 months ended 31 December 2015</u>				
Revenue from external customers	195,355	238,938		434,293
Inter-segment revenue	6,491	199	(6,690)	-
Total revenue	201,846	239,137	(6,690)	434,293
Segment result	6,668	10,008		16,676
Finance cost				(6,120)
Tax expense				(2,835)
Profit for the period				7,721
Segment assets	245,823	192,032	(91,958)	345,897
Segment liabilities	123,434	130,214	(52,062)	201,586

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

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

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>165,300</u>
Sale of fabricated aluminium products and building materials	<u>22,703</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) Q4/15 vs Q4/14

The Group's revenue was lower at RM88.4 million, representing a decrease of 4% from RM91.7 million recorded in Q4/14. The decrease was mainly due to lower revenue contribution from Construction and Fabrication segment.

However, the Group's profit before tax ("PBT") increased from RM2.0 million to RM2.5 million.

Manufacturing and Trading segment

The revenue for Manufacturing and Trading segment increased by 6% from RM46.1 million to RM48.7 million. In line with the higher revenue and lower foreign exchange loss recorded in Q4/15, the segment profit increased from RM1.0 million to RM2.0 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

B1. Operating Segments Review (cont'd)

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was lower at RM39.7 million, representing a decrease of 13% from RM45.6 million. It was mainly due to slower progress of certain on-going projects during the current quarter under review.

In line with lower revenue and foreign exchange loss recorded in Q4/15, the segment profit decreased by 33%, from a segment profit of RM2.7 million recorded in Q4/14 to RM1.8 million.

(b) 12M/2015 vs 12M/2014

The Group recorded a revenue of RM434.3 million for the year ended 31 December 2015("12M/2015"), representing an increase of 32% from RM328.6 million recorded for the year ended 31 December 2014("12M/2014").

In tandem with higher revenue, the Group's PBT increased by 16% from RM9.1 million to RM10.6 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by 12% from RM174.8 million to RM195.3 million. However, with the foreign exchange loss, the segment profit decreased from RM8.7 million to RM6.7 million.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM238.9 million for 12M/2015, representing an increase of 55% compared to RM153.8 million recorded for 12M/2014. The increase was due to acceleration of the progress for certain on-going projects. Accordingly, segment profit increased by 41% from RM7.1 million to RM10.0 million.

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

Compared with the preceding quarter, the Group's revenue decreased by 30% from RM126.8 million to RM88.4 million, mainly contributed by lower revenue from the Construction and Fabrication segment. In line with lower revenue, the Group's PBT decreased by 31% from RM3.6 million to RM2.5 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

B3. Current year prospects

With the current uncertainty associated with the global economy, the volatility in the aluminium prices and foreign currency exchange, we are expecting this year to be more challenging than the previous year.

Nevertheless, the Group will continue to improve its effort to innovate its products to remain competitive in order to achieve a satisfactory result for the year.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 31/12/15 <u>RM'000</u>	Current Year To-date <u>RM'000</u>
Current income tax	<u>818</u>	<u>2,835</u>

The Group's effective tax rate for the financial year-to-date under review was 27%, which is slightly higher than the prima facie tax rate.

B6. Retained Earnings

	As at 31/12/2015 <u>RM'000</u>	As at 31/12/2014 <u>RM'000</u>
Total retained earnings of the Company and its subsidiaries:		
Realised	132,164	125,627
Unrealised	<u>(8,121)</u>	<u>(7,033)</u>
	124,043	118,594
Consolidation Adjustments	<u>(30,225)</u>	<u>(29,397)</u>
Total Group retained earnings as per consolidated accounts	<u>93,818</u>	<u>89,197</u>

B7. Status of Corporate Proposals Announced

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

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

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

	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
(a) (i) Short term			
Overdraft	-	247	247
Revolving credit	-	16,512	16,512
Trade facilities	-	66,920	66,920
Term loan	3,482	-	3,482
	<u>3,482</u>	<u>83,679</u>	<u>87,161</u>
(ii) Long term			
Term loan	<u>9,283</u>	-	<u>9,283</u>
Total	<u><u>12,765</u></u>	<u><u>83,679</u></u>	<u><u>96,444</u></u>

(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	-	-
Revolving credit	28,000	15,512
Trade facilities	28,905	16,014
	<u>56,905</u>	<u>31,526</u>

B9. Material Litigation

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

B10. Proposed Dividend

The Directors declared a Fourth interim single tier dividend of 2% per share for the financial year ended 31 December 2015 and will be paid to shareholders on 5 April 2016. The entitlement date for the said dividend shall be 18 March 2016.

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 18 March 2016 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.

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

B11. Earnings Per Share

	Current quarter	Year to-date
Basic earnings per share		
Net profit attributable to the Owners of the Company (RM'000)	1,668	7,721
 Weighted average number of ordinary shares of RM0.50 each in issue - net of treasury shares held ('000)		
Issued at the beginning of the period	77,480	77,480
 Basic earnings per share (sen)	<u>2.15</u>	<u>9.97</u>

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)	(9)
b)	Other income including investment income	(88)	(445)
c)	Interest expense	1,366	6,120
d)	Depreciation and amortization	2,092	8,174
e)	Provision for and write off of receivables	(169)	(169)
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	1,899	4,938
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

On behalf of the Board

Koon Poh Ming
Chief Executive Officer

25 February 2016