

PMB Technology Berhad

(Company No.584257-X)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		UNAUDITED CURRENT YEAR QUARTER 31 MAR 2016 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2015 RM'000	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2016 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2015 RM'000
Revenue		73,952	107,034	73,952	107,034
Operating expenses		(69,923)	(103,295)	(69,923)	(103,295)
Other operating income		71	174	71	174
Profit from operations		4,100	3,913	4,100	3,913
Finance costs		(960)	(1,581)	(960)	(1,581)
Profit before tax		3,140	2,332	3,140	2,332
Taxation	B5	(754)	(592)	(754)	(592)
Profit for the period		2,386	1,740	2,386	1,740
Profit attributable to :					
Owners of the Company		2,386	1,740	2,386	1,740
Non-controlling interest		-	-	-	-
Profit for the period		2,386	1,740	2,386	1,740
Basic earning per share attributable to owners of the company (sen)	B14	3.08	2.25	3.08	2.25
(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 2015)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 31 MAR 2016 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2015 RM'000	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2016 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2015 RM'000
Profit for the period	2,386	1,740	2,386	1,740
<i>Other comprehensive income, net of tax</i>				
Foreign currency translation differences for foreign operations	(3,210)	1,948	(3,210)	1,948
Total comprehensive income / (loss) for the period	<u>(824)</u>	<u>3,688</u>	<u>(824)</u>	<u>3,688</u>
Total comprehensive income attributable to :				
Owners of the Company	(824)	3,688	(824)	3,688
Non-controlling interest	-	-	-	-
Total comprehensive income / (loss) for the period	<u>(824)</u>	<u>3,688</u>	<u>(824)</u>	<u>3,688</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

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

	AS AT CURRENT FINANCIAL QUARTER END 31-MAR-16 RM'000 UNAUDITED	31-DEC-15 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	91,703	93,062
Investment properties	1,268	1,276
Investment in associates	-	-
Goodwill	792	792
	<u>93,763</u>	<u>95,130</u>
Current assets		
Inventories and amount due from contract customers	77,630	89,182
Trade receivables	96,649	97,853
Other receivables, deposits and prepayments	4,096	4,154
Amount due from related companies	19,613	17,040
Tax recoverable	843	1,221
Cash and bank balances	26,948	40,864
	<u>225,779</u>	<u>250,314</u>
TOTAL ASSETS	<u>319,542</u>	<u>345,444</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	40,000	40,000
Share premium	9,503	12,713
Retained profit	95,430	93,819
Treasury shares, at cost	(2,220)	(2,220)
	<u>142,713</u>	<u>144,312</u>
Non-controlling interest	<u>-</u>	<u>-</u>
Total equity	<u>142,713</u>	<u>144,312</u>
Non-current liabilities		
Hire purchase & finance lease liabilities	1,804	2,155
Term loan	8,363	9,283
Deferred taxation	7,682	7,682
	<u>17,849</u>	<u>19,120</u>
Current Liabilities		
Trade payables	20,375	29,317
Amount due to contract customers	11,352	7,353
Other payables and accruals	8,384	11,163
Hire purchase & finance lease liabilities	1,516	1,997
Overdraft & short term borrowings	79,677	87,161
Amount due to related companies	36,677	44,222
Dividend payable	775	775
Taxations	224	24
	<u>158,980</u>	<u>182,012</u>
Total liabilities	<u>176,829</u>	<u>201,132</u>
TOTAL EQUITY AND LIABILITIES	<u>319,542</u>	<u>345,444</u>
Net assets per share attributable to the owners of the company (RM) (based on 77,479,800 ordinary shares of RM0.50 each)	1.84	1.86

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

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 2016	40,000	6,941	(2,220)	5,772	93,819	144,312	-	144,312
Total comprehensive income for the period	-	-	-	(3,210)	2,386	(824)	-	(824)
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2015	-	-	-		(775)	(775)	-	(775)
At 31 March 2016	40,000	6,941	(2,220)	2,562	95,430	142,713	-	142,713
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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

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

	UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-16 RM'000	UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,140	2,332
Adjustments for:		
Depreciation	1,783	1,842
Net gain on disposal of property, plant and equipment and investment properties	(13)	-
Interest income	(1)	(1)
Interest expense	960	1,581
Operating profit before working capital changes	<u>5,869</u>	<u>5,754</u>
Changes in working capital:		
Inventories & amount due from contract customers	4,160	13,755
Trade and other receivables	6,081	(18,134)
Trade and other payables	(15,267)	4,728
Cash from operations	<u>843</u>	<u>6,103</u>
Income taxes paid	(176)	(387)
Interest expenses paid	(960)	(1,581)
Interest received	1	1
Net cash from / (used in) operating activities	<u>(292)</u>	<u>4,136</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment properties	(511)	(1,542)
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	108	-
Net cash used in investing activities	<u>(403)</u>	<u>(1,542)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(832)	(429)
Proceeds from bank borrowings	-	23,933
Repayment of bank borrowings	(9,591)	-
Repayment of term loan	(851)	(794)
Dividend paid	(775)	(775)
Net cash from / (used in) financing activities	<u>(12,049)</u>	<u>21,935</u>
Exchange differences on translation of the financial statements of foreign operations	<u>(3,210)</u>	<u>1,948</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,954)	26,477
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	40,617	36,256
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>24,663</u></u>	<u><u>62,733</u></u>
The cash & cash equivalents comprise:		
Cash & bank balances	26,948	64,479
Bank overdraft	(2,285)	(1,746)
	<u><u>24,663</u></u>	<u><u>62,733</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

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 2015.

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 2015, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2016.

- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of 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*
- 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

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

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

A2. Significant Accounting Policies (Cont'd)

Standards issued but not yet effective

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

- MFRS 9, *Financial Instruments* (2014)
- MFRS 15, *Revenue from Contracts with Customers*

ii) MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendment 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*

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.

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 2016, 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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

A7. Dividend paid

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.

The fourth interim single tier dividend of 2% totaling RM774,798.00 for the financial year ended 31 December 2015 was paid to shareholders on 5 April 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.

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 31 March 2016</u>				
Revenue from external customers	43,345	30,607		73,952
Inter-segment revenue	44	-	(44)	-
Total revenue	43,389	30,607	(44)	73,952
Segment result	1,882	2,218		4,100
Finance cost				(960)
Tax expense				(754)
Profit for the period				2,386
Segment assets	241,078	172,383	(93,919)	319,542
Segment liabilities	118,874	112,167	(54,212)	176,829

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

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 was as follows:

The Company had on 1 April 2016 subscribed for 99 ordinary shares of RM1.00 each, representing 99% of the issued and paid-up share capital of PMB Silicon Sdn Bhd, a company incorporated in Malaysia, for a total cash consideration of RM99.00.

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 2016, 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>31,189</u>
Sale of fabricated aluminium products and building materials	<u>7,808</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

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

B1. Operating Segments Review

Q1/16 vs Q1/15

The Group's revenue was lower at RM74.0 million, representing a decrease of 31% from RM107.0 million recorded in Q1/15. However, the Group's profit before tax ("PBT") increased from RM2.3 million to RM3.1 million.

Manufacturing and Trading segment

In view of lower aluminium price, the revenue for Manufacturing and Trading segment decreased by 15% from RM51.0 million to RM43.3 million. However, the segment profit improved by 30% to RM1.9 million which was mainly attributable to higher foreign exchange loss recorded in Q1/15.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was lower at RM30.6 million, representing a decrease of 45% from RM56.1 million. It was mainly due to slower progress of certain on-going projects during the current quarter under review.

In tandem with lower revenue, the segment profit decreased by 10%, from a segment profit of RM2.5 million recorded in Q1/15 to RM2.2 million.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q1/16 vs Q4/15)

Compared with the preceding quarter, the Group's revenue decreased by 16% from RM88.4 million to RM74.0 million, mainly contributed by lower revenue from both segments. However, the Group's PBT increased by 26% to RM3.1 million which was mainly attributable to higher foreign exchange loss recorded in the preceding quarter.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

B3. Current year prospects

In view of the current uncertainty associated with the global economy, the volatility in the aluminium prices and the foreign currency exchange, we are expecting 2016 to remain challenging.

On the domestic front, the Government's initiatives in promoting the affordable housing projects would provide the impetus for the continued growth of the construction sector.

The Group will continue to manage the elevated cost of doing business 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 31/03/16 RM'000	Current Year To-date RM'000
Current income tax	754	754

The Group's effective tax rate for the financial year-to-date under review was 24%, which is equivalent to the prima facie tax rate.

B6. Retained Earnings

	As at 31/03/2016 RM'000	As at 31/12/2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	133,147	133,318
Unrealised	(7,682)	(6,991)
	125,465	126,327
Consolidation Adjustments	(30,035)	(32,508)
Total Group retained earnings as per consolidated accounts	95,430	93,819

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 FIRST QUARTER ENDED 31 MARCH 2016**

B8. Group borrowings and debt securities as at 31 March 2016

	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
(a) (i) Short term			
Overdraft	-	2,285	2,285
Revolving credit	-	8,590	8,590
Trade facilities	-	65,251	65,251
Term loan	3,551	-	3,551
	<u>3,551</u>	<u>76,126</u>	<u>79,677</u>
(ii) Long term			
Term loan	8,363	-	8,363
	<u>8,363</u>	<u>-</u>	<u>8,363</u>
Total	<u>11,914</u>	<u>76,126</u>	<u>88,040</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	15,000	7,590
Trade facilities	27,333	13,831
	<u>42,333</u>	<u>21,421</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 2016 and will be paid to shareholders on 9 Jun 2016. The entitlement date for the said dividend shall be 26 May 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 26 May 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 FIRST QUARTER ENDED 31 MARCH 2016**

B11. Earnings Per Share

	Current quarter	Year to-date
Basic earnings per share		
Net profit attributable to the Owners of the Company (RM'000)	2,386	2,386
<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>3.08</u>	<u>3.08</u>

B12. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2015 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	(23)	(23)
c)	Interest expense	960	960
d)	Depreciation and amortization	1,783	1,783
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	412	412
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
3 May 2016