

PMB Technology Berhad

(Company No.584257-X)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		UNAUDITED CURRENT YEAR QUARTER 31 MAR 2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2016 RM'000	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2016 RM'000
Revenue		100,832	73,952	100,832	73,952
Operating expenses		(96,988)	(69,923)	(96,988)	(69,923)
Other operating income		216	71	216	71
Profit from operations		4,060	4,100	4,060	4,100
Finance costs		(988)	(960)	(988)	(960)
Profit before tax		3,072	3,140	3,072	3,140
Taxation	B5	(726)	(754)	(726)	(754)
Profit for the period		2,346	2,386	2,346	2,386
Profit attributable to :					
Owners of the Company		2,346	2,386	2,346	2,386
Non-controlling interest		-	-	-	-
Profit for the period		2,346	2,386	2,346	2,386
Basic earning per share attributable to owners of the company (sen)	B11	3.03	3.08	3.03	3.08
(based on 77,479,800 ordinary shares)					

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 31 MAR 2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2016 RM'000	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2016 RM'000
Profit for the period	2,346	2,386	2,346	2,386
<i>Other comprehensive income, net of tax</i>				
Foreign currency translation differences for foreign operations	(617)	(3,210)	(617)	(3,210)
Total comprehensive income for the period	<u>1,729</u>	<u>(824)</u>	<u>1,729</u>	<u>(824)</u>
Total comprehensive income attributable to :				
Owners of the Company	1,729	(824)	1,729	(824)
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	<u>1,729</u>	<u>(824)</u>	<u>1,729</u>	<u>(824)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

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

	AS AT CURRENT FINANCIAL QUARTER END 31-MAR-17 RM'000 UNAUDITED	31-DEC-16 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	92,793	88,042
Investment properties	1,238	1,246
Investment in associates	-	-
Goodwill	792	792
	<u>94,823</u>	<u>90,080</u>
Current assets		
Inventories and amount due from contract customers	109,170	89,568
Trade receivables	99,033	112,100
Other receivables, deposits and prepayments	6,103	5,953
Amount due from related companies	19,085	18,033
Tax recoverable	2,659	2,080
Cash and bank balances	45,378	42,238
	<u>281,428</u>	<u>269,972</u>
TOTAL ASSETS	<u>376,251</u>	<u>360,052</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	46,941	40,000
Share premium	-	6,941
Foreign currency translation reserve	6,923	7,540
Retained profit	103,006	101,435
Treasury shares, at cost	(2,220)	(2,220)
	<u>154,650</u>	<u>153,696</u>
Non-controlling interest	-	-
Total equity	<u>154,650</u>	<u>153,696</u>
Non-current liabilities		
Hire purchase & finance lease liabilities	1,682	1,916
Term loan	4,596	5,519
Deferred taxation	7,102	7,102
	<u>13,380</u>	<u>14,537</u>
Current Liabilities		
Trade payables	40,297	36,044
Amount due to contract customers	5,852	7,078
Other payables and accruals	8,368	10,887
Hire purchase & finance lease liabilities	1,195	1,312
Overdraft & short term borrowings	107,260	88,012
Amount due to related companies	44,318	47,594
Taxations	931	892
	<u>208,221</u>	<u>191,819</u>
Total liabilities	<u>221,601</u>	<u>206,356</u>
TOTAL EQUITY AND LIABILITIES	<u>376,251</u>	<u>360,052</u>
Net assets per share attributable to the owners of the company (RM) (based on 77,479,800 ordinary shares)	2.00	1.98

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

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 2017	40,000	6,941	(2,220)	7,540	101,435	153,696	-	153,696
Adjustment for effects of Companies Act 2016 *	6,941	(6,941)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(617)	2,346	1,729	-	1,729
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2016	-	-	-	-	(775)	(775)	-	(775)
At 31 March 2017	46,941	-	(2,220)	6,923	103,006	154,650	-	154,650
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

* With the Companies Act 2016 ("New Act") effective on 31 January 2017, the credit standing in the share premium account of RM 6,941,000 has been transferred to the share capital account. Pursuant to section 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months upon the commencement of the New Act i.e. by 31 January 2019.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

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

	UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-17 RM'000	UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,072	3,140
Adjustments for:		
Depreciation	2,683	1,783
Net gain on disposal of property, plant and equipment and investment properties	(180)	(13)
Interest income	(1)	(1)
Interest expense	988	960
Operating profit before working capital changes	<u>6,562</u>	<u>5,869</u>
Changes in working capital:		
Inventories & amount due from contract customers	(19,602)	4,160
Trade and other receivables	11,865	6,081
Trade and other payables	(2,768)	(15,267)
Cash from / (used in) operations	<u>(3,943)</u>	<u>843</u>
Income taxes paid	(1,266)	(176)
Interest expenses paid	(988)	(960)
Interest received	1	1
Net cash used in operating activities	<u>(6,196)</u>	<u>(292)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment properties	(7,426)	(511)
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	180	108
Net cash used in investing activities	<u>(7,246)</u>	<u>(403)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(351)	(832)
Proceeds from bank borrowings	17,465	-
Repayment of bank borrowings	-	(9,591)
Repayment of term loan	(916)	(851)
Dividend paid	(775)	(775)
Net cash from / (used in) financing activities	<u>15,423</u>	<u>(12,049)</u>
Exchange differences on translation of the financial statements of foreign operations	<u>(617)</u>	<u>(3,210)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,364	(15,954)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	41,216	40,617
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>42,580</u></u>	<u><u>24,663</u></u>
The cash & cash equivalents comprise:		
Cash & bank balances	45,378	26,948
Bank overdraft	<u>(2,798)</u>	<u>(2,285)</u>
	<u><u>42,580</u></u>	<u><u>24,663</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 2016)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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 2016. The explanatory notes attached to the condensed consolidated financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the year ended 31 December 2016.

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 2016, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2017.

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

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 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standard (Annual Improvements to MFRS Standards 2014-2016 Cycle)*

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

A2. Significant Accounting Policies (Cont'd)

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

- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

ii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

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

- 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*

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 2017**

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 2017, a total of 2,520,200 shares were held as treasury shares at cost in accordance with the requirements of Section 127 of the Companies Act, 2016. None of the treasury shares repurchased has been sold or cancelled.

A7. Dividend paid

The fourth interim single tier dividend of 2% totaling RM774,798.00 for the financial year ended 31 December 2016 was paid to shareholders on 5 April 2017.

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 2017</u>				
Revenue from external customers	46,951	53,881		100,832
Inter-segment revenue	926	5	(931)	-
Total revenue	47,877	53,886	(931)	100,832
Segment result	1,496	2,564		4,060
Finance cost				(988)
Tax expense				(726)
Profit for the period				2,346
Segment assets	275,571	210,210	(109,530)	376,251
Segment liabilities	145,280	142,901	(66,580)	221,601

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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 31 March 2017, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>14,400</u>

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>36,202</u>
Sale of fabricated aluminium products and building materials	<u>4,054</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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

B1. Operating Segments Review

(a) Q1/17 vs Q1/16

The Group's revenue was higher at RM100.8 million, representing an increase of 36% from RM74.0 million recorded in Q1/16. The increase was mainly due to higher revenue contribution from Construction and Fabrication segment.

However, the Group's profit before tax ("PBT") slightly decreased from RM3.1 million to RM3.0 million.

Manufacturing and Trading segment

In line with higher aluminium price, the revenue from Manufacturing and Trading segment increased by 8% from RM43.3 million to RM47.0 million. However, the segment profit decreased by RM0.4 million to RM1.5 million, mainly due to the increase in the aluminium price which was not fully passed on to the customers during the current quarter under review.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was higher at RM53.9 million, representing an increase of 76% from RM30.6 million. It was mainly due to the acceleration progress of certain on-going projects during the current quarter under review.

In line with higher revenue, the segment profit increased from RM2.2 million to RM2.6 million.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q1/17 vs Q4/16)

Compared with the preceding quarter, the Group's revenue decreased by 14% from RM117.1 million to RM100.8 million, mainly contributed by lower revenue from both segments. In tandem with lower revenue, the Group's PBT decreased by 17% from RM3.7 million to RM3.1 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

B3. Current year prospects

The Malaysian economy is expected to benefit from the improvement in the global economy. Meanwhile, the local construction sector is expected to continue its growth in view of the implementation of various government measures such as infrastructure and affordable housing scheme.

Nevertheless, the Group will strive further to strengthen its position and to explore other potential business opportunities to be more 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 31/03/17 RM'000	Current Year To-date RM'000
Current income tax	<u>726</u>	<u>726</u>

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 31/03/2017 RM'000	As at 31/12/2016 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	140,387	140,594
Unrealised	<u>(7,102)</u>	<u>(6,555)</u>
	133,285	134,039
Consolidation Adjustments	<u>(30,279)</u>	<u>(32,604)</u>
Total Group retained earnings as per consolidated accounts	<u>103,006</u>	<u>101,435</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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 2017

	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
(a) (i) Short term			
Overdraft	-	2,798	2,798
Revolving credit	-	19,240	19,240
Trade facilities	-	81,460	81,460
Term loan	3,762	-	3,762
	<u>3,762</u>	<u>103,498</u>	<u>107,260</u>
(ii) Long term			
Term loan	4,596	-	4,596
	<u>4,596</u>	<u>-</u>	<u>4,596</u>
Total	<u>8,358</u>	<u>103,498</u>	<u>111,856</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	1,505	858
Revolving credit	32,000	18,240
Trade facilities	52,942	30,177
	<u>86,447</u>	<u>49,275</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 1 sen per share for the financial year ending 31 December 2017 and will be paid to shareholders on 23 Jun 2017. The entitlement date for the said dividend shall be 9 June 2017.

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 9 June 2017 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 2017**

B11. Earnings Per Share

	Current quarter	Year to-date
Basic earnings per share		
Net profit attributable to the Owners of the Company (RM'000)	2,346	2,346
<i>Weighted average number of ordinary shares 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>3.03</u>	<u>3.03</u>

B12. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2016 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	(199)	(199)
c) Interest expense	988	988
d) Depreciation and amortization	2,683	2,683
e) (Reversal)/Provision for and write off of receivables	(385)	(385)
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	(21)	(21)
j) (Gain) or loss on derivatives	-	-
k) Exceptional items	-	-

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
18 May 2017