

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		UNAUDITED CURRENT YEAR QUARTER 30 JUNE 2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 JUNE 2016 RM'000	UNAUDITED CURRENT YEAR TO DATE 30 JUNE 2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 JUNE 2016 RM'000
Revenue		123,476	94,552	224,308	168,504
Operating expenses		(118,141)	(90,257)	(215,129)	(160,180)
Other operating income		59	31	275	102
Profit from operations		5,394	4,326	9,454	8,426
Finance costs		(1,471)	(1,082)	(2,459)	(2,042)
Profit before tax		3,923	3,244	6,995	6,384
Taxation	B5	(956)	(820)	(1,682)	(1,574)
Profit for the period		2,967	2,424	5,313	4,810
Profit attributable to :					
Owners of the Company		2,967	2,424	5,313	4,810
Non-controlling interest		-	-	-	-
Profit for the period		2,967	2,424	5,313	4,810
Basic earning per share attributable to owners of the company (sen) (based on 77,479,800 ordinary shares)	B14	3.83	3.13	6.86	6.21

(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 30 JUNE 2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 JUNE 2016 RM'000	UNAUDITED CURRENT YEAR TO DATE 30 JUNE 2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 JUNE 2016 RM'000
Profit for the period	2,967	2,424	5,313	4,810
<i>Other comprehensive income, net of tax</i>				
Foreign currency translation differences for foreign operations	(1,376)	871	(1,993)	(2,339)
Total comprehensive income for the period	<u>1,591</u>	<u>3,295</u>	<u>3,320</u>	<u>2,471</u>
Total comprehensive income attributable to :				
Owners of the Company	1,591	3,295	3,320	2,471
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	<u>1,591</u>	<u>3,295</u>	<u>3,320</u>	<u>2,471</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 30-JUNE-17 RM'000 UNAUDITED	31-DEC-16 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	114,806	88,042
Investment properties	1,231	1,246
Investment in associates	-	-
Goodwill	792	792
	<u>116,829</u>	<u>90,080</u>
Current assets		
Inventories and amount due from contract customers	105,433	89,568
Trade receivables	96,314	112,100
Other receivables, deposits and prepayments	6,629	5,953
Amount due from related companies	18,330	18,033
Tax recoverable	2,942	2,080
Cash and bank balances	58,233	42,238
	<u>287,881</u>	<u>269,972</u>
TOTAL ASSETS	<u>404,710</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	5,547	7,540
Retained profit	105,198	101,435
Treasury shares, at cost	(2,220)	(2,220)
	<u>155,466</u>	<u>153,696</u>
Non-controlling interest	-	-
Total equity	<u>155,466</u>	<u>153,696</u>
Non-current liabilities		
Hire purchase & finance lease liabilities	2,458	1,916
Term loan	3,540	5,519
Deferred taxation	7,101	7,102
	<u>13,099</u>	<u>14,537</u>
Current Liabilities		
Trade payables	37,748	36,044
Amount due to contract customers	9,922	7,078
Other payables and accruals	4,439	10,887
Hire purchase & finance lease liabilities	1,553	1,312
Overdraft & short term borrowings	135,843	88,012
Amount due to related companies	45,199	47,594
Taxations	1,441	892
	<u>236,145</u>	<u>191,819</u>
Total liabilities	<u>249,244</u>	<u>206,356</u>
TOTAL EQUITY AND LIABILITIES	<u>404,710</u>	<u>360,052</u>
Net assets per share attributable to the owners of the company (RM) (based on 77,479,800 ordinary shares)	2.01	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		Distributable				
	Share Premium RM'000	Treasury Shares RM'000	Foreign currency translation reserve RM'000	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	-	-	-	(1,993)	5,313	3,320	-	3,320
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2016	-	-	-	-	(775)	(775)	-	(775)
- First interim dividend for the financial year ending 31 Dec 2017	-	-	-	-	(775)	(775)	-	(775)
At 30 June 2017	46,941	-	(2,220)	5,547	105,198	155,466	-	155,466
At 1 January 2016	40,000	6,941	(2,220)	5,772	93,819	144,312	-	144,312
Total comprehensive income for the period	-	-	-	(2,339)	4,810	2,471	-	2,471
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2015	-	-	-	-	(775)	(775)	-	(775)
- First interim dividend for the financial year ended 31 Dec 2016	-	-	-	-	(775)	(775)	-	(775)
At 30 June 2016	40,000	6,941	(2,220)	3,433	97,079	145,233	-	145,233

* 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 6 MONTHS ENDED 30-JUNE-17 RM'000	UNAUDITED FOR THE 6 MONTHS ENDED 30-JUNE-16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,995	6,384
Adjustments for:		
Depreciation	5,476	3,427
Net gain on disposal of property, plant and equipment and investment properties	(180)	(13)
Interest income	(5)	(1)
Interest expense	2,459	2,042
Operating profit before working capital changes	<u>14,745</u>	<u>11,839</u>
Changes in working capital:		
Inventories & amount due from contract customers	(15,865)	2,544
Trade and other receivables	14,813	(9,440)
Trade and other payables	(4,295)	(3,751)
Cash from operations	<u>9,398</u>	<u>1,192</u>
Income taxes paid	(1,996)	(578)
Net cash from operating activities	<u>7,402</u>	<u>614</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment properties	(32,225)	(1,767)
Interest received	5	1
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>(32,040)</u>	<u>(1,658)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(1,550)	(2,325)
Interest expenses paid	(2,459)	(2,042)
Proceeds from hire purchase creditors	783	-
Repayment of hire purchase	-	(1,341)
Proceeds from bank borrowings	42,931	-
Repayment of bank borrowings	-	(8,485)
Repayment of term loan	(1,847)	(1,717)
Net cash from / (used in) financing activities	<u>37,858</u>	<u>(15,910)</u>
Exchange differences on translation of the financial statements of foreign operations	<u>(1,993)</u>	<u>(2,339)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	11,227	(19,293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	41,216	40,617
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>52,443</u>	<u>21,324</u>
The cash & cash equivalents comprise:		
Cash & bank balances	58,233	26,544
Bank overdraft	(5,790)	(5,220)
	<u>52,443</u>	<u>21,324</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 SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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 30 June 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.

The first interim single tier dividend of 1 sen per share totaling RM774,798.00 for the financial year ending 31 December 2017 was paid to shareholders on 23 June 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 30 June 2017</u>				
Revenue from external customers	50,277	73,199		123,476
Inter-segment revenue	6,769	17	(6,786)	-
Total revenue	57,046	73,216	(6,786)	123,476
Segment result	1,428	3,966		5,394
Finance cost				(1,471)
Tax expense				(956)
Profit for the period				2,967

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

A8. Segmental information (cont'd)

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>6 months ended 30 June 2017</u>				
Revenue from external customers	97,228	127,080		224,308
Inter-segment revenue	7,695	22	(7,717)	-
Total revenue	104,923	127,102	(7,717)	224,308
Segment result	2,924	6,530		9,454
Finance cost				(2,459)
Tax expense				(1,682)
Profit for the period				5,313
Segment assets	296,437	223,387	(115,114)	404,710
Segment liabilities	166,576	154,895	(72,227)	249,244

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

A13. Capital commitments

As at 30 June 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>2,122</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>75,208</u>
Sale of fabricated aluminium products and building materials	<u>12,834</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) Q2/17 vs Q2/16

The Group's revenue was higher at RM123.5 million, representing an increase of 31% from RM94.6 million recorded in Q2/16. The increase was mainly due to higher revenue contribution from Construction and Fabrication segment.

In tandem with higher revenue, the Group's profit before tax ("PBT") increased by 21% from RM3.2 million to RM3.9 million.

Manufacturing and Trading segment

In line with higher aluminium price, the revenue from Manufacturing and Trading segment increased by 5% from RM47.8 million to RM50.3 million. However, the segment profit decreased by RM0.5 million to RM1.4 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 RM73.2 million, representing an increase of 56% from RM46.8 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 RM2.4 million to RM4.0 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

B1. Operating Segments Review (cont'd)

(b) 6M/2017 vs 6M/2016

The Group recorded a revenue of RM224.3 million for the six months ended 30 June 2017("6M/2017"), representing an increase of 33% from RM168.5 million recorded for the six months ended 30 June 2016("6M/2016"). Accordingly, the Group's PBT increased from RM6.4 million to RM7.0 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by 7% from RM91.1 million to RM97.2 million. However, the segment profit decreased by RM0.9 million to RM2.9 million, mainly due to the increase in the aluminium price which was not fully passed on to the customers during the current period under review.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM127.1 million for 6M/2017, representing an increase of 64% compared to RM77.4 million recorded for 6M/2016. The increase was due to the acceleration progress for certain on-going projects. In line with higher revenue, segment profit increased by 41% from RM4.6 million to RM6.5 million.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q2/17 vs Q1/17)

Compared with the preceding quarter, the Group's revenue increased by 22% from RM100.8 million to RM123.5 million, mainly contributed by higher revenue from Construction and Fabrication segment. In tandem with higher revenue, the Group's PBT increased by 28% from RM3.1 million to RM3.9 million.

B3. Current year prospects

The growth of the global economy is expected to strengthen despite the downside risks on the increasing protectionism, geopolitical policies and the volatility in commodity prices.

On the domestic front, the economic environment is expected to improve, mainly driven by increasing domestic activities and stronger external demand, resulted from the improved global economy and a relatively stable local currency.

The Group will strive further to strengthen its position to be more competitive while exploring other potential opportunities in order to achieve a satisfactory result for the Group.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 30/06/17 <u>RM'000</u>	Current Year To-date <u>RM'000</u>
Current income tax	<u>956</u>	<u>1,682</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 30/06/2017 <u>RM'000</u>	As at 31/12/2016 <u>RM'000</u>
Total retained earnings of the Company and its subsidiaries:		
Realised	142,514	140,594
Unrealised	(7,101)	(6,555)
	<u>135,413</u>	<u>134,039</u>
Consolidation Adjustments	(30,215)	(32,604)
Total Group retained earnings as per consolidated accounts	<u>105,198</u>	<u>101,435</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 SECOND QUARTER ENDED 30 JUNE 2017**

B8. Group borrowings and debt securities as at 30 June 2017

	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
(a) (i) Short term			
Overdraft	-	5,790	5,790
Revolving credit	-	18,600	18,600
Trade facilities	-	107,566	107,566
Term loan	3,887	-	3,887
	<u>3,887</u>	<u>131,956</u>	<u>135,843</u>
(ii) Long term			
Term loan	3,540	-	3,540
	<u>3,540</u>	<u>-</u>	<u>3,540</u>
Total	<u><u>7,427</u></u>	<u><u>131,956</u></u>	<u><u>139,383</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	3,411	1,876
Revolving credit	32,000	17,600
Trade facilities	76,986	42,342
	<u>112,397</u>	<u>61,818</u>

B9. Material Litigation

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

B10. Proposed Dividend

The Directors declared a Second interim single tier dividend of 1 sen per share for the financial year ending 31 December 2017 and will be payable to shareholders on 20 September 2017. The entitlement date for the said dividend shall be 6 September 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 6 September 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 SECOND QUARTER ENDED 30 JUNE 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)	2,967	5,313
<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>3.83</u>	<u>6.86</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	(4)	(5)
b) Other income including investment income	(16)	(215)
c) Interest expense	1,471	2,459
d) Depreciation and amortization	2,793	5,476
e) (Reversal)/Provision for and write off of receivables	113	(272)
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	(31)	(52)
j) (Gain) or loss on derivatives	-	-
k) Exceptional items	-	-

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
16 August 2017