

**PMB Technology Berhad**

(Company No.584257-X)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		UNAUDITED CURRENT YEAR QUARTER 30 SEP 2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 SEP 2016 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 30 SEP 2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 SEP 2016 RM'000	Changes %
Revenue		127,486	85,415	49%	351,794	253,919	39%
Operating expenses		(122,862)	(81,239)	51%	(337,991)	(241,419)	40%
Other operating income		222	76	192%	497	178	179%
Profit from operations		4,846	4,252	14%	14,300	12,678	13%
Finance costs		(1,641)	(1,055)	56%	(4,100)	(3,097)	32%
Profit before tax		3,205	3,197	0%	10,200	9,581	6%
Taxation	B5	(755)	(952)	-21%	(2,437)	(2,526)	-4%
Profit for the period		2,450	2,245	9%	7,763	7,055	10%
Profit attributable to :							
Owners of the Company		2,450	2,245	9%	7,763	7,055	10%
Non-controlling interest		-	-		-	-	
Profit for the period		2,450	2,245	9%	7,763	7,055	10%
<b>Basic earning per share attributable to owners of the company (sen)</b> (based on 77,479,800 ordinary shares)	B14	3.16	2.90	9%	10.02	9.11	10%

(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 SEP 2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 SEP 2016 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 30 SEP 2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 SEP 2016 RM'000	Changes %
Profit for the period	2,450	2,245	9%	7,763	7,055	10%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	(620)	1,072	-158%	(2,613)	(1,267)	106%
Total comprehensive income for the period	<u>1,830</u>	<u>3,317</u>	<u>-45%</u>	<u>5,150</u>	<u>5,788</u>	<u>-11%</u>
Total comprehensive income attributable to :						
Owners of the Company	1,830	3,317	-45%	5,150	5,788	-11%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>1,830</u>	<u>3,317</u>	<u>-45%</u>	<u>5,150</u>	<u>5,788</u>	<u>-11%</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**

	<b>AS AT CURRENT FINANCIAL QUARTER END 30-SEP-17 RM'000 UNAUDITED</b>	<b>31-DEC-16 RM'000 AUDITED</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	119,508	88,042
Investment properties	1,224	1,246
Investment in associates	-	-
Goodwill	792	792
	<u>121,524</u>	<u>90,080</u>
<b>Current assets</b>		
Inventories and amount due from contract customers	90,635	89,568
Trade receivables	93,915	112,100
Other receivables, deposits and prepayments	10,315	5,953
Amount due from related companies	16,823	18,033
Tax recoverable	2,930	2,080
Cash and bank balances	89,240	42,238
	<u>303,858</u>	<u>269,972</u>
<b>TOTAL ASSETS</b>	<u>425,382</u>	<u>360,052</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	46,941	40,000
Share premium	-	6,941
Foreign currency translation reserve	4,927	7,540
Retained profit	106,873	101,435
Treasury shares, at cost	(2,220)	(2,220)
	<u>156,521</u>	<u>153,696</u>
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<u>156,521</u>	<u>153,696</u>
<b>Non-current liabilities</b>		
Hire purchase & finance lease liabilities	5,847	1,916
Term loan	15,358	5,519
Deferred taxation	7,101	7,102
	<u>28,306</u>	<u>14,537</u>
<b>Current Liabilities</b>		
Trade payables	37,592	36,044
Amount due to contract customers	23,886	7,078
Other payables and accruals	5,587	10,887
Hire purchase & finance lease liabilities	3,348	1,312
Overdraft & short term borrowings	135,427	88,012
Amount due to related companies	34,206	47,594
Taxations	509	892
	<u>240,555</u>	<u>191,819</u>
<b>Total liabilities</b>	<u>268,861</u>	<u>206,356</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>425,382</u>	<u>360,052</u>
Net assets per share attributable to the owners of the company (RM) (based on 77,479,800 ordinary shares)	2.02	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			
<b>At 1 January 2017</b>	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	-	-	-	(2,613)	7,763	5,150	-	5,150
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2016	-	-	-	-	(775)	(775)	-	(775)
- Interim dividends for the financial year ending 31 Dec 2017	-	-	-	-	(1,550)	(1,550)	-	(1,550)
<b>At 30 September 2017</b>	<b>46,941</b>	<b>-</b>	<b>(2,220)</b>	<b>4,927</b>	<b>106,873</b>	<b>156,521</b>	<b>-</b>	<b>156,521</b>
<b>At 1 January 2016</b>	40,000	6,941	(2,220)	5,772	93,819	144,312	-	144,312
Total comprehensive income for the period	-	-	-	(1,267)	7,055	5,788	-	5,788
Dividend				7,763				
- Fourth Interim dividend for the financial year ended 31 Dec 2015	-	-	-	-	(775)	(775)	-	(775)
- Interim dividends for the financial year ending 31 Dec 2016	-	-	-	-	(1,550)	(1,550)	-	(1,550)
<b>At 30 September 2016</b>	<b>40,000</b>	<b>6,941</b>	<b>(2,220)</b>	<b>12,268</b>	<b>98,549</b>	<b>147,775</b>	<b>-</b>	<b>147,775</b>

\* 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**

	<b>UNAUDITED FOR THE 9 MONTHS ENDED 30-SEP-17 RM'000</b>	<b>UNAUDITED FOR THE 9 MONTHS ENDED 30-SEP-16 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,200	9,581
Adjustments for:		
Depreciation	8,323	7,293
Net (gain)/Loss on disposal of property, plant and equipment and investment properties	(164)	7
Interest income	(10)	(8)
Interest expense	4,100	3,097
Operating profit before working capital changes	<u>22,449</u>	<u>19,970</u>
Changes in working capital:		
Inventories & amount due from contract customers	(1,067)	(3,029)
Trade and other receivables	15,033	(226)
Trade and other payables	(332)	(2,163)
Cash from operations	<u>36,083</u>	<u>14,552</u>
Income taxes paid	(3,671)	(1,088)
<b>Net cash from operating activities</b>	<b><u>32,412</u></b>	<b><u>13,464</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment and investment properties	(39,817)	(3,066)
Interest received	10	8
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	214	142
<b>Net cash used in investing activities</b>	<b><u>(39,593)</u></b>	<b><u>(2,916)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,325)	(2,325)
Interest expenses paid	(4,100)	(3,097)
Proceeds from hire purchase creditors	5,967	-
Repayment of hire purchase	-	(1,014)
Proceeds from bank borrowings	42,962	-
Repayment of bank borrowings	-	(8,979)
Proceeds from term loan	10,007	-
Repayment of term loan	-	(2,593)
<b>Net cash from / (used in) financing activities</b>	<b><u>52,511</u></b>	<b><u>(18,008)</u></b>
Exchange differences on translation of the financial statements of foreign operations	<u>(2,613)</u>	<u>(1,267)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>42,717</b>	<b>(8,727)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>41,216</b>	<b>40,617</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>83,933</u></b>	<b><u>31,890</u></b>
The cash & cash equivalents comprise:		
Cash & bank balances	89,240	34,633
Bank overdraft	(5,307)	(2,743)
	<u>83,933</u>	<u>31,890</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**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 30 September 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.

The second 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 20 September 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.



**EXPLANATORY NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**A8. Segmental information (cont'd)**

	<b>Manufacturing &amp; trading RM'000</b>	<b>Construction &amp; fabrication RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>3 months ended 30 September 2017</u></b>				
Revenue from external customers	43,820	83,666		127,486
Inter-segment revenue	3,421	446	(3,867)	-
<b>Total revenue</b>	<b>47,241</b>	<b>84,112</b>	<b>(3,867)</b>	<b>127,486</b>
<b>Segment result</b>	<b>2,677</b>	<b>2,169</b>		<b>4,846</b>
Finance cost				(1,641)
Tax expense				(755)
<b>Profit for the period</b>				<b>2,450</b>

	<b>Manufacturing &amp; trading RM'000</b>	<b>Construction &amp; fabrication RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>9 months ended 30 September 2017</u></b>				
Revenue from external customers	141,048	210,746		351,794
Inter-segment revenue	7,626	468	(8,094)	-
<b>Total revenue</b>	<b>148,674</b>	<b>211,214</b>	<b>(8,094)</b>	<b>351,794</b>
<b>Segment result</b>	<b>5,601</b>	<b>8,699</b>		<b>14,300</b>
Finance cost				(4,100)
Tax expense				(2,437)
<b>Profit for the period</b>				<b>7,763</b>
<b>Segment assets</b>	<b>298,245</b>	<b>237,903</b>	<b>(110,766)</b>	<b>425,382</b>
<b>Segment liabilities</b>	<b>166,808</b>	<b>169,967</b>	<b>(67,914)</b>	<b>268,861</b>

**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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
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**A10. Material events subsequent to the balance sheet date**

PMB Silicon Sdn Bhd (“PMB Silicon”), a wholly-owned subsidiary of the Company has executed a 25-year Power Purchase Agreement with Syarikat Sesco Berhad, a wholly-owned subsidiary of Sarawak Energy Berhad, for the supply of 52MW electricity for PMB Silicon’s metallic silicon facility located in Samalaju Industrial Park, Sarawak with an expected annual production capacity of 36,000 metric tonnes. For details, please refer to our announcement to Bursa Malaysia Securities Berhad dated 3 November 2017.

Save for the above, there are 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 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>1,665</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>109,766</u>
Sale of fabricated aluminium products and building materials	<u>21,129</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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) Q3/17 vs Q3/16**

The Group's revenue was higher at RM127.5 million, representing an increase of 49% from RM85.4 million recorded in Q3/16. The increase was mainly due to higher revenue contribution from Construction and Fabrication segment. However, the Group maintained its profit before tax ("PBT") at RM3.2 million.

Manufacturing and Trading segment

Revenue from Manufacturing and Trading segment decreased from RM50.9 million to RM43.8 million. However, the segment profit remained at RM2.7 million, mainly due to better products mix during the current quarter under review.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was higher at RM83.7 million, representing an increase of RM49.2 million from RM34.5 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 RM1.5 million to RM2.2 million.

**(b) 9M/2017 vs 9M/2016**

The Group recorded a revenue of RM351.8 million for the nine months ended 30 September 2017 ("9M/2017"), representing an increase of 39% from RM253.9 million recorded for the nine months ended 30 September 2016 ("9M/2016"). Accordingly, the Group's PBT increased from RM9.6 million to RM10.2 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment decreased marginally from RM142.0 million to RM141.0 million. The segment profit decreased by RM0.9 million from RM6.5 million to RM5.6 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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
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**B1. Operating Segments Review (cont'd)**

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM210.7 million for 9M/2017, representing an increase of 88% compared to RM111.9 million recorded for 9M/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 RM6.2 million to RM8.7 million.

**B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q3/17 vs Q2/17)**

Compared with the preceding quarter, the Group's revenue increased by 3% from RM123.5 million to RM127.5 million, mainly contributed by higher revenue from Construction and Fabrication segment. However, the Group's PBT decreased by 18% from RM3.9 million to RM3.2 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.

**B3. Current year prospects**

The growth of the global economy in particular in the Asia Pacific is expected to strengthen in line with the strengthening of the China economy. However, the down side risk on the increasing protectionism, geopolitical policies together with the volatility in commodity prices are challenges which we have to tackle in order to stay competitive.

On the domestic front, the recent Budget announcement is expected to uplift the local economic growth with the increase in domestic infrastructure activities and a stronger export demand for local products.

Moving ahead, the Group has successfully executed the 52MW of Power Purchase Agreement with Syarikat SESCO Berhad, thus opening the opportunity for the Group to venture into the Metallic Silicon business in Samalaju Industrial Park, Sarawak.

The Group is confident that the new business would provide a positive platform into the commodity market in the near future.

Nevertheless, the Group will continue to focus on strengthening its position to be more competitive in order to achieve a satisfactory result for the Group.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT**  
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**B4. Profit forecast**

Not applicable as no profit forecast was published.

**B5. Taxation**

	Quarter Ended 30/09/17 <u>RM'000</u>	Current Year To-date <u>RM'000</u>
Current income tax	<u>755</u>	<u>2,437</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 30/09/2017 <u>RM'000</u>	As at 31/12/2016 <u>RM'000</u>
<b>Total retained earnings of the Company and its subsidiaries:</b>		
Realised	144,155	140,594
Unrealised	<u>(7,101)</u>	<u>(6,555)</u>
	137,054	134,039
Consolidation Adjustments	<u>(30,181)</u>	<u>(32,604)</u>
<b>Total Group retained earnings as per consolidated accounts</b>	<u>106,873</u>	<u>101,435</u>

**B7. Status of Corporate Proposals Announced**

The Company had on 10 November 2017 announced the following corporate proposals in relation to the fund raising scheme for PMB Silicon Sdn Bhd, a wholly-owned subsidiary of the Company for the proposed metallic silicon facility located in Samalaju Industrial Park, Sarawak:

- (i) proposed share split involving the subdivision of every one (1) existing ordinary shares in PMBT ("PMBT Shares " or "Shares") into Two (2) ordinary shares in PMBT ("Subdivided Shares") ("Proposed Share Split");
- (ii) proposed renounceable rights issue of 5-Year 3.00% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") together with free Detachable Warrants ("Warrants") to raise gross proceeds of approximately RM200 Million ("Proposed Rights Issue of ICULS with Warrants"); and

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
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**B7. Status of Corporate Proposals Announced (cont'd)**

(iii) proposed diversification of the principal activities of the company and its subsidiaries (“PMBT Group” or The “Group”) to include the manufacturing of Metallic Silicon (“Proposed Diversification”)

(Collectively referred to as the “Proposals”)

Please refer to our announcement dated 10 November 2017 for details.

**B8. Group borrowings and debt securities**

	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
<b><u>As at 30 September 2017</u></b>			
<b>(a) (i) Short term</b>			
Overdraft	-	5,307	5,307
Revolving credit	-	25,029	25,029
Trade facilities	-	101,168	101,168
Term loan	3,923	-	3,923
	<u>3,923</u>	<u>131,504</u>	<u>135,427</u>
<b>(ii) Long term</b>			
Term loan	<u>15,358</u>	<u>-</u>	<u>15,358</u>
Total	<u><u>19,281</u></u>	<u><u>131,504</u></u>	<u><u>150,785</u></u>

	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
<b><u>As at 30 September 2016</u></b>			
<b>(a) (i) Short term</b>			
Overdraft	-	2,743	2,743
Revolving credit	-	10,630	10,630
Trade facilities	-	63,823	63,823
Term loan	3,690	-	3,690
	<u>3,690</u>	<u>77,196</u>	<u>80,886</u>
<b>(ii) Long term</b>			
Term loan	<u>6,482</u>	<u>-</u>	<u>6,482</u>
Total	<u><u>10,172</u></u>	<u><u>77,196</u></u>	<u><u>87,368</u></u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**B8. Group borrowings and debt securities (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>As at 30/09/2017</u>		<u>As at 30/09/2016</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	1,510	817	1,626	870
Revolving credit	44,415	24,028	18,000	9,630
Trade facilities	71,830	38,860	31,893	17,063
	<u>117,755</u>	<u>63,705</u>	<u>51,519</u>	<u>27,563</u>

The Group borrowings has increased by RM63.4 million from RM87.4 million to RM150.8 million before taking into consideration the increase in the Group’s bank balances by RM54.6 million. The Group bank balance will be utilized to settle certain bank borrowings only upon maturity of the bank borrowings.

**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 1 sen per share for the financial year ending 31 December 2017 and will be payable to shareholders on 21 December 2017. The entitlement date for the said dividend shall be 4 December 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 4 December 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**B11. Earnings Per Share**

	Current quarter	Year to-date
<b>Basic earnings per share</b>		
Net profit attributable to the Owners of the Company (RM'000)	2,450	7,763
<b><i>Weighted average number of ordinary shares in issue - net of treasury shares held ('000)</i></b>		
Issued at the beginning of the period	77,480	77,480
Basic earnings per share (sen)	<u>3.16</u>	<u>10.02</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	(5)	(10)
b) Other income including investment income	(39)	(255)
c) Interest expense	1,641	4,100
d) Depreciation and amortization	2,847	8,323
e) (Reversal)/Provision for and write off of receivables	423	151
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	(90)	(142)
j) (Gain) or loss on derivatives	-	-
k) Exceptional items	-	-

**On behalf of the Board**

**Koon Poh Ming**  
**Chief Executive Officer**

10 November 2017