

**PMB Technology Berhad**

(Company No.584257-X)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		UNAUDITED CURRENT YEAR QUARTER 31 DEC 2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 DEC 2016 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 DEC 2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 DEC 2016 RM'000	Changes %
Revenue		145,673	117,111	24%	497,467	371,030	34%
Operating expenses		(139,914)	(113,803)	23%	(477,905)	(355,222)	35%
Other operating income		415	1,618	-74%	912	1,796	-49%
Profit from operations		6,174	4,926	25%	20,474	17,604	16%
Finance costs		(1,951)	(1,214)	61%	(6,051)	(4,311)	40%
Profit before tax		4,223	3,712	14%	14,423	13,293	9%
Taxation	B5	(1,578)	(52)	2935%	(4,015)	(2,578)	56%
Profit for the period		2,645	3,660	-28%	10,408	10,715	-3%
Profit attributable to :							
Owners of the Company		2,645	3,660	-28%	10,408	10,715	-3%
Non-controlling interest		-	-		-	-	
Profit for the period		2,645	3,660	-28%	10,408	10,715	-3%
<b>Basic earning per share attributable to owners of the company (sen)</b> (based on 77,479,800 ordinary shares)	B11	3.41	4.72	-28%	13.43	13.83	-3%

(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 DEC 2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 DEC 2016 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 DEC 2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 DEC 2016 RM'000	Changes %
Profit for the period	2,645	3,660	-28%	10,408	10,715	-3%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	(1,600)	3,034	-153%	(4,213)	1,768	-338%
Total comprehensive income for the period	<u>1,045</u>	<u>6,694</u>	<u>-84%</u>	<u>6,195</u>	<u>12,483</u>	<u>-50%</u>
Total comprehensive income attributable to :						
Owners of the Company	1,045	6,694	-84%	6,195	12,483	-50%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>1,045</u>	<u>6,694</u>	<u>-84%</u>	<u>6,195</u>	<u>12,483</u>	<u>-50%</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 31-DEC-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	121,424	88,042
Investment properties	1,216	1,246
Investment in associates	-	-
Goodwill	792	792
	<u>123,432</u>	<u>90,080</u>
<b>Current assets</b>		
Inventories and amount due from contract customers	84,758	89,568
Trade receivables	113,424	112,100
Other receivables, deposits and prepayments	32,116	5,953
Amount due from related companies	21,329	18,033
Tax recoverable	2,892	2,080
Cash and bank balances	53,196	42,238
	<u>307,715</u>	<u>269,972</u>
<b>TOTAL ASSETS</b>	<u>431,147</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	3,327	7,540
Retained profit	108,743	101,435
Treasury shares, at cost	(2,220)	(2,220)
	<u>156,791</u>	<u>153,696</u>
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<u>156,791</u>	<u>153,696</u>
<b>Non-current liabilities</b>		
Hire purchase & finance lease liabilities	6,955	1,916
Term loan	22,771	5,519
Deferred taxation	6,467	7,102
	<u>36,193</u>	<u>14,537</u>
<b>Current Liabilities</b>		
Trade payables	40,248	36,044
Amount due to contract customers	15,278	7,078
Other payables and accruals	18,673	10,887
Hire purchase & finance lease liabilities	4,503	1,312
Overdraft & short term borrowings	118,740	88,012
Amount due to related companies	39,351	47,594
Taxations	1,370	892
	<u>238,163</u>	<u>191,819</u>
<b>Total liabilities</b>	<u>274,356</u>	<u>206,356</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>431,147</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	-	-	-	(4,213)	10,408	6,195	-	6,195
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2016	-	-	-	-	(775)	(775)	-	(775)
- Interim dividends for the financial year ended 31 Dec 2017	-	-	-	-	(2,325)	(2,325)	-	(2,325)
<b>At 31 December 2017</b>	<b>46,941</b>	<b>-</b>	<b>(2,220)</b>	<b>3,327</b>	<b>108,743</b>	<b>156,791</b>	<b>-</b>	<b>156,791</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	-	-	-	1,768	10,715	12,483	-	12,483
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2015	-	-	-	-	(775)	(775)	-	(775)
- Interim dividends for the financial year ended 31 Dec 2016	-	-	-	-	(2,324)	(2,324)	-	(2,324)
<b>At 31 December 2016</b>	<b>40,000</b>	<b>6,941</b>	<b>(2,220)</b>	<b>7,540</b>	<b>101,435</b>	<b>153,696</b>	<b>-</b>	<b>153,696</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**

	UNAUDITED FOR THE 12 MONTHS ENDED 31-DEC-17 RM'000	UNAUDITED FOR THE 12 MONTHS ENDED 31-DEC-16 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	14,423	13,293
Adjustments for:		
Depreciation	11,566	9,218
Net gain on disposal of property, plant and equipment and investment properties	59	(118)
Unrealised foreign exchange gain	(43)	(199)
Interest income	(14)	(9)
Interest expense	6,051	4,311
Operating profit before working capital changes	<u>32,042</u>	<u>26,496</u>
Changes in working capital:		
Inventories & amount due from contract customers	4,810	(386)
Trade and other receivables	(30,740)	(16,840)
Trade and other payables	11,947	9,548
Cash from operations	<u>18,059</u>	<u>18,818</u>
Income taxes paid	(4,984)	(3,149)
Interest expenses paid	(6,051)	(4,311)
Interest received	14	9
<b>Net cash from operating activities</b>	<u><b>7,038</b></u>	<u><b>11,367</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment and investment properties	(45,874)	(4,183)
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	897	133
<b>Net cash used in investing activities</b>	<u><b>(44,977)</b></u>	<u><b>(4,050)</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from hire purchase creditors	8,230	-
Repayment of hire purchase	-	(924)
Proceeds from bank borrowings	30,968	-
Repayment of bank borrowings	-	(197)
Proceeds from term loan	17,263	-
Repayment of term loan	-	(3,491)
Dividend paid	(3,100)	(3,873)
<b>Net cash from / (used in) financing activities</b>	<u><b>53,361</b></u>	<u><b>(8,485)</b></u>
Exchange differences on translation of the financial statements of foreign operations	<u><b>(4,213)</b></u>	<u><b>1,767</b></u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	11,209	599
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	41,216	40,617
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>52,425</b></u>	<u><b>41,216</b></u>
The cash & cash equivalents comprise:		
Cash & bank balances	53,196	42,238
Bank overdraft	(771)	(1,022)
	<u><b>52,425</b></u>	<u><b>41,216</b></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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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 ended 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 ended 31 December 2017 was paid to shareholders on 20 September 2017.

The third interim single tier dividend of 1 sen per share totaling RM774,798.00 for the financial year ended 31 December 2017 was paid to shareholders on 21 December 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 FOURTH QUARTER ENDED 31 DECEMBER 2017**

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

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<b><u>3 months ended 31 December 2017</u></b>				
Revenue from external customers	51,614	94,059		145,673
Inter-segment revenue	11,113	5,320	(16,433)	-
<b>Total revenue</b>	<b>62,727</b>	<b>99,379</b>	<b>(16,433)</b>	<b>145,673</b>
<b>Segment result</b>	<b>3,831</b>	<b>2,793</b>		<b>6,174</b>
Finance cost				(1,951)
Tax expense				(1,578)
<b>Profit for the period</b>				<b>2,645</b>
	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<b><u>12 months ended 31 December 2017</u></b>				
Revenue from external customers	192,662	304,805		497,467
Inter-segment revenue	18,739	5,788	(24,527)	-
<b>Total revenue</b>	<b>211,401</b>	<b>310,593</b>	<b>(24,527)</b>	<b>497,467</b>
<b>Segment result</b>	<b>8,982</b>	<b>11,492</b>		<b>20,474</b>
Finance cost				(6,051)
Tax expense				(4,015)
<b>Profit for the period</b>				<b>10,408</b>
<b>Segment assets</b>	<b>346,125</b>	<b>220,908</b>	<b>(135,886)</b>	<b>431,147</b>
<b>Segment liabilities</b>	<b>214,100</b>	<b>153,495</b>	<b>(93,239)</b>	<b>274,356</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  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

**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 dormant wholly-owned subsidiary, Solar Power Generation (Sabah) Sdn. Bhd. has been struck off via the final notice dated on 10 November 2017 issued by Companies Commission of Malaysia.

Save for the above, there were no changes in the composition of the Group for the current quarter under review.

**A12. Contingent liabilities**

There were no material changes in contingent liability as at the date of this quarterly report.

**A13. Capital commitments**

As at 31 December 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>12,928</u>

**A14. Related Party Transactions**

The Group

With the affiliated companies - Press Metal Aluminium Holding Berhad Group

	<u>Current year to-date</u>
	RM'000
Purchase of aluminium products	<u>151,878</u>
Sale of fabricated aluminium products and building materials	<u>30,830</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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) Q4/17 vs Q4/16**

The Group's revenue was higher at RM145.7 million, representing an increase of 24% from RM117.1 million recorded in Q4/16. 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 from RM3.7 million to RM4.2 million.

Manufacturing and Trading segment

Revenue from Manufacturing and Trading segment decreased from RM53.9 million to RM51.6 million. However, the segment profit increased from RM1.6 million to RM3.4 million, mainly due to better products mix.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was higher at RM94.1 million, representing an increase of RM30.9 million from RM63.2 million. It was mainly due to the acceleration progress of certain on-going projects during the current quarter under review.

However, the segment profit decreased from RM3.3 million to RM2.8 million. The decrease was mainly attributable to the increase in certain construction materials cost which were not fully passed on to the customers.

**(b) 12M/2017 vs 12M/2016**

The Group recorded a revenue of RM497.5 million for the year ended 31 December 2017("12M/2017"), representing an increase of 34% from RM371.0 million recorded for the year ended 31 December 2016("12M/2016"). On the back of higher revenue, the Group's PBT increased from RM13.3 million to RM14.4 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment declined marginally from RM195.9 million to RM192.7 million. With better products mix, the segment profit increased by RM0.8 million from RM8.2 million to RM9.0 million.

**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 RM304.8 million for 12M/2017, representing an increase of 74% compared to RM175.1 million recorded for 12M/2016. The increase was due to the acceleration progress for certain on-going projects. In line with higher revenue, the segment profit increased by 22% from RM9.4 million to RM11.5 million.

**B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q4/17 vs Q3/17)**

Compared with the preceding quarter, the Group's revenue increased by 14% from RM127.5 million to RM145.7 million, mainly contributed by higher revenue from Construction and Fabrication segment. Accordingly, the Group's PBT increased by 32% from RM3.2 million to RM4.2 million, mainly due to better products mix.

**B3. Current year prospects**

The growth of the global economy is projected to continue its growth momentum driven by the emerging and developing Asia economies. China's economy is expected to grow largely contributed by strong external demand. However, the downside risk on the increasing protectionism, monetary policy uncertainty in major economies, geopolitical tensions together with the volatility in commodity prices are challenges which we have to tackle in order to stay competitive.

Notwithstanding the downside risk to the global growth, Malaysia economy is expected to sustain a steady growth momentum. The growth will be underpinned by strong domestic demand, particularly private sector. On the supply side, growth is anticipated to be broad-based led by services and manufacturing sectors. Global demand for semiconductor, automobile and chemical industry are expected to be positive and is in line with the Group's intention to expand into metallic silicon business. Inflation is expected to be manageable while the labour market remains stable.

The Group is confident that the new metallic silicon 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 and prudent 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 31/12/17 <u>RM'000</u>	Current Year To-date <u>RM'000</u>
Current income tax	<u>1,578</u>	<u>4,015</u>

The Group's effective tax rate for the financial year-to-date under review was 27.8%, which is higher than the prima facie tax rate.

**B6. Retained Earnings**

	As at 31/12/2017 <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	145,229	140,594
Unrealised	<u>(6,510)</u>	<u>(6,555)</u>
	138,719	134,039
Consolidation Adjustments	<u>(29,975)</u>	<u>(32,604)</u>
<b>Total Group retained earnings as per consolidated accounts</b>	<u>108,743</u>	<u>101,435</u>

**B7. Status of Corporate Proposals Announced**

(A) The Company had on 10 November 2017 announced the following Corporate Proposals in relation to the final 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 each of the existing ordinary shares in PMBT ("**PMBT Shares**" or "**Shares**") into Two (2) ordinary shares in PMBT ("**Subdivided Shares**") held on an entitlement date to be determined later ("**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**")

(B) The Company had on 11 December 2017 submitted the application for the proposed issuance of ICULS pursuant to the Proposed Rights Issue of ICULS with Warrants under the Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors to the Securities Commission Malaysia ("**SC**").

(C) The SC had, vide its letter dated 21 February 2018, granted its approval under Section 214(1) of the Capital Market & Services Act 2007 for the issuance of the ICULS pursuant to the Proposed Rights Issue of ICULS with Warrants, subject to the following conditions:

- (1) The Company and AmInvestment Bank Berhad ("**AmInvestment Bank**") making clear disclosure in the relevant circular to shareholders and abridged prospectus on the following:
- a) Inter-conditionality of the following proposals:
    - (i) Proposed Share Split;
    - (ii) Proposed Rights Issue of ICULS with Warrants; and
    - (iii) Proposed Diversification; and
  - b) The Proposed Rights Issue of ICULS with Warrants will be aborted in the event that shareholders' approval is not obtained for the Proposed Diversification and if so, how the PMBT Group will deal with its interest in the PMB Silicon Facility; and
- (2) The Company and AmInvestment Bank complying with the standard conditions and continuing obligations as stipulated in SC's Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

**B8. Group borrowings and debt securities**

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<b><u>As at 31 December 2017</u></b>			
<b>(a) (i) Short term</b>			
Overdraft	-	771	771
Revolving credit	-	12,865	12,865
Trade facilities	-	101,338	101,338
Term loan	3,766	-	3,766
	<u>3,766</u>	<u>114,974</u>	<u>118,740</u>
<b>(ii) Long term</b>			
Term loan	<u>22,771</u>	-	<u>22,771</u>
Total	<u><u>26,537</u></u>	<u><u>114,974</u></u>	<u><u>141,511</u></u>

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<b><u>As at 31 December 2016</u></b>			
<b>(a) (i) Short term</b>			
Overdraft	-	1,022	1,022
Revolving credit	-	14,317	14,317
Trade facilities	-	68,918	68,918
Term loan	3,755	-	3,755
	<u>3,755</u>	<u>84,257</u>	<u>88,012</u>
<b>(ii) Long term</b>			
Term loan	<u>5,519</u>	-	<u>5,519</u>
Total	<u><u>9,274</u></u>	<u><u>84,257</u></u>	<u><u>93,531</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>As at 31/12/2017</u>		<u>As at 31/12/2016</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	1,482	771	1,244	720
Revolving credit	22,817	11,865	23,000	13,317
Trade facilities	41,256	21,453	35,205	20,384
	<u>65,555</u>	<u>34,089</u>	<u>59,449</u>	<u>34,421</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

**B8. Group borrowings and debt securities (cont'd)**

The Group borrowings has increased by RM48.0 million from RM93.5 million to RM141.5 million before taking into consideration the increase in the Group's bank balances by RM11.2 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 Fourth interim single tier dividend of 1 sen per share for the financial year ended 31 December 2017 and will be payable to shareholders on 18 April 2018. The entitlement date for the said dividend shall be 27 March 2018.

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 27 March 2018 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.

**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)	2,645	10,408
<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>3.41</u>	<u>13.43</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.



**EXPLANATORY NOTES TO THE QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

**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)	(14)
b)	Other income including investment income	(98)	(353)
c)	Interest expense	1,951	6,051
d)	Depreciation and amortization	3,243	11,566
e)	(Reversal)/Provision for and write off of receivables	(491)	(340)
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	177	35
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

**B14. Derivative Financial Instruments**

As at 31 December 2017, the Group has not entered into forward foreign exchange contracts and therefore has no outstanding balance under forward foreign exchange contracts.

**B15. Fair Value Changes of Financial Liabilities**

There is no fair value changes of financial liabilities during the current quarter ended 31 December 2017.

**On behalf of the Board**

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

27 February 2018