

**PMB Technology Berhad**

(Company No.584257-X)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		UNAUDITED CURRENT YEAR QUARTER 31 MAR 2018 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2017 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2018 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2017 RM'000	Changes %
Revenue		114,146	100,832	13%	114,146	100,832	13%
Operating expenses		(109,626)	(96,988)	13%	(109,626)	(96,988)	13%
Other operating income		68	216	-69%	68	216	-69%
Profit from operations		4,588	4,060	13%	4,588	4,060	13%
Finance costs		(1,922)	(988)	95%	(1,922)	(988)	95%
Profit before tax		2,666	3,072	-13%	2,666	3,072	-13%
Taxation	B5	(662)	(726)	-9%	(662)	(726)	-9%
Profit for the period		2,004	2,346	-15%	2,004	2,346	-15%
Profit attributable to :							
Owners of the Company		2,004	2,346	-15%	2,004	2,346	-15%
Non-controlling interest		-	-		-	-	
Profit for the period		2,004	2,346	-15%	2,004	2,346	-15%
<b>Basic earning per share attributable to owners of the company (sen)</b> (based on 77,479,800 ordinary shares *)	B11	2.59	3.03	-15%	2.59	3.03	-15%

\* Before the completion of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) ordinary shares.

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)

**PMB Technology Berhad**

(Company No.584257-X)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	UNAUDITED CURRENT YEAR QUARTER 31 MAR 2018 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2017 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2018 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2017 RM'000	Changes %
Profit for the period	2,004	2,346	-15%	2,004	2,346	-15%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	(1,852)	(617)	200%	(1,852)	(617)	200%
Total comprehensive income for the period	<u>152</u>	<u>1,729</u>	<u>-91%</u>	<u>152</u>	<u>1,729</u>	<u>-91%</u>
Total comprehensive income attributable to :						
Owners of the Company	152	1,729	-91%	152	1,729	-91%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>152</u>	<u>1,729</u>	<u>-91%</u>	<u>152</u>	<u>1,729</u>	<u>-91%</u>

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)**

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

	<b>AS AT CURRENT FINANCIAL QUARTER END 31-MAR-18 RM'000 UNAUDITED</b>	<b>31-DEC-17 RM'000 AUDITED</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	121,062	121,424
Investment properties	1,209	1,216
Investment in associates	-	-
Goodwill	792	792
	<u>123,063</u>	<u>123,432</u>
<b>Current assets</b>		
Inventories and amount due from contract customers	100,642	84,758
Trade receivables	104,025	113,424
Other receivables, deposits and prepayments	51,369	32,116
Amount due from related companies	15,445	21,329
Tax recoverable	2,573	2,892
Cash and bank balances	43,741	53,196
	<u>317,795</u>	<u>307,715</u>
<b>TOTAL ASSETS</b>	<u>440,858</u>	<u>431,147</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	46,941	46,941
Foreign currency translation reserve	1,475	3,327
Retained profit	109,973	108,744
Treasury shares, at cost	(2,220)	(2,220)
	<u>156,169</u>	<u>156,792</u>
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<u>156,169</u>	<u>156,792</u>
<b>Non-current liabilities</b>		
Hire purchase & finance lease liabilities	6,045	6,954
Term loan	22,946	22,729
Deferred taxation	6,463	6,466
	<u>35,454</u>	<u>36,149</u>
<b>Current Liabilities</b>		
Trade payables	35,615	40,248
Amount due to contract customers	13,772	15,278
Other payables and accruals	8,740	18,757
Hire purchase & finance lease liabilities	4,631	4,503
Overdraft & short term borrowings	124,340	118,784
Amount due to related companies	60,371	39,266
Dividend payable	775	-
Taxations	991	1,370
	<u>249,235</u>	<u>238,206</u>
<b>Total liabilities</b>	<u>284,689</u>	<u>274,355</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>440,858</u>	<u>431,147</u>
Net assets per share attributable to the owners of the company (RM) (based on 77,479,800 ordinary shares *)	2.02	2.02

\* Before the completion of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) ordinary shares.

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)**

**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 2018</b>	46,941	-	(2,220)	3,327	108,744	156,792	-	156,792
Total comprehensive income for the period	-	-	-	(1,852)	2,004	152	-	152
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2017	-	-	-	-	(775)	(775)	-	(775)
<b>At 31 March 2018</b>	<b>46,941</b>	<b>-</b>	<b>(2,220)</b>	<b>1,475</b>	<b>109,973</b>	<b>156,169</b>	<b>-</b>	<b>156,169</b>
<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	-	-	-	(617)	2,346	1,729	-	1,729
Dividend								
- Fourth Interim dividend for the financial year ended 31 Dec 2016	-	-	-	-	(775)	(775)	-	(775)
<b>At 31 March 2017</b>	<b>46,941</b>	<b>-</b>	<b>(2,220)</b>	<b>6,923</b>	<b>103,006</b>	<b>154,650</b>	<b>-</b>	<b>154,650</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 2017)**

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

	<b>UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-18 RM'000</b>	<b>UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-17 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,666	3,072
Adjustments for:		
Depreciation	3,234	2,683
Net gain on disposal of property, plant and equipment and investment properties	(23)	(180)
Interest income	(2)	(1)
Interest expense	1,922	988
Operating profit before working capital changes	<u>7,797</u>	<u>6,562</u>
Changes in working capital:		
Inventories & amount due from contract customers	(15,884)	(19,602)
Trade and other receivables	(3,970)	11,865
Trade and other payables	4,949	(2,768)
Cash used in operations	<u>(7,108)</u>	<u>(3,943)</u>
Income taxes paid	(725)	(1,266)
Interest expenses paid	(1,922)	(988)
Interest received	2	1
<b>Net cash used in operating activities</b>	<u><b>(9,753)</b></u>	<u><b>(6,196)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment and investment properties	(2,865)	(7,426)
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	23	180
<b>Net cash used in investing activities</b>	<u><b>(2,842)</b></u>	<u><b>(7,246)</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	(781)	(351)
Proceeds from bank borrowings	-	17,465
Repayment of bank borrowings	(8,235)	-
Proceeds from term loan	9,132	-
Repayment of term loan	-	(916)
Dividend paid	-	(775)
<b>Net cash from financing activities</b>	<u><b>116</b></u>	<u><b>15,423</b></u>
Exchange differences on translation of the financial statements of foreign operations	<u><b>(1,852)</b></u>	<u><b>(617)</b></u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u><b>(14,331)</b></u>	<u><b>1,364</b></u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u><b>52,425</b></u>	<u><b>41,216</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u><b>38,094</b></u></u>	<u><u><b>42,580</b></u></u>
The cash & cash equivalents comprise:		
Cash & bank balances	43,741	45,378
Bank overdraft	(5,647)	(2,798)
	<u><u><b>38,094</b></u></u>	<u><u><b>42,580</b></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 2017)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**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, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia.

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 2017. 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 2017.

**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 2017, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the 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 Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)\**
- ) 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*

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

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**A2. Significant Accounting Policies (Cont'd)**

**Standards issued but not yet effective**

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

- ) MFRS 16, *Leases*
- ) IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- ) Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- ) Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- ) Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)\*\**
- ) Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- ) Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement\*\**
- ) Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- ) Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

***ii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- ) MFRS 17, *Insurance Contracts*

***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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**A3. Seasonal or cyclical of operations**

The business of the Group was not significantly affected by any seasonal or cyclical factors.

**A4. Unusual items due to their nature, size and incidence**

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter under review.

**A5. Changes in estimates**

There were no material changes in estimated amount reported in prior period which have a material effect on the current financial year-to-date.

**A6. Debt and equity securities**

There were no issuance and repayment of debt and share buy-backs for the financial year-to-date.

As at 31 March 2018, a total of 2,520,200 shares (before the completion of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) ordinary 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 1 sen per share totaling RM774,798.00 for the financial year ended 31 December 2017 was paid to shareholders on 18 April 2018.

**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 FIRST QUARTER ENDED 31 MARCH 2018**

**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 March 2018</u></b>				
Revenue from external customers	53,708	60,438		114,146
Inter-segment revenue	6,549	7,441	(13,990)	-
<b>Total revenue</b>	<b>60,257</b>	<b>67,879</b>	<b>(13,990)</b>	<b>114,146</b>
<b>Segment result</b>	<b>1,902</b>	<b>2,686</b>		<b>4,588</b>
Finance cost				(1,922)
Tax expense				(662)
<b>Profit for the period</b>				<b>2,004</b>
<b>Segment assets</b>	<b>392,893</b>	<b>213,613</b>	<b>(165,648)</b>	<b>440,858</b>
<b>Segment liabilities</b>	<b>260,993</b>	<b>146,273</b>	<b>(122,577)</b>	<b>284,689</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.

**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 FIRST QUARTER ENDED 31 MARCH 2018**

**A13. Capital commitments**

As at 31 March 2018, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>48,721</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>44,096</u>
Sale of fabricated aluminium products and building materials	<u>10,956</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) Q1/18 vs Q1/17**

The Group's revenue was higher at RM114.1 million, representing an increase of 13% from RM100.8 million recorded in Q1/17. The increase was mainly due to higher revenue contribution from both segments.

However, the Group's profit before tax ("PBT") decreased from RM3.1 million to RM2.7 million, mainly attributed to higher finance cost incurred in Q1/18 resulted from higher interest rates and the term loan drawdown for the acquisition of the plant and machineries in Prai, Penang.

Manufacturing and Trading segment

The revenue from Manufacturing and Trading segment increased by 14% from RM47.0 million to RM53.7 million, mainly due to the increase in aluminium price. Accordingly, the segment profit increased from RM1.5 million to RM1.9 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**B1. Operating Segments Review (Cont'd)**

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was higher at RM60.4 million, representing an increase of 12% from RM53.9 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 by 5% from RM2.6 million to RM2.7 million.

**B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q1/18 vs Q4/17)**

Compared with the preceding quarter, the Group's revenue decreased by 22% from RM145.7 million to RM114.1 million, mainly contributed by lower work progress from Construction and Fabrication segment. In tandem with lower revenue, the Group's PBT decreased by 37% from RM4.2 million to RM2.7 million.

**B3. Current year prospects**

The global economy is projected to continue with its growth momentum particularly in the Asia Pacific and the emerging Asia economies. However, the ongoing economic sanctions between China and the USA is seen as a major contribution to the volatility of the metal commodity market.

On the domestic front, the recent announcement by the government to cancel or delay the implementation of some mega projects will have some dampening effect on the growth of the local construction and fabrication industries. Taking this into consideration, the Group is focussing its growth in the overseas market such as Hong Kong, Australia, Philippines, Bangladesh and the United Kingdom while we currently have a relatively strong book order.

The Group's diversification into the metallic silicon market, targeted to start operation by the end of the year would provide a positive platform into the commodity market in the near future.

Barring any unforeseen circumstances, the Group will endeavour to strengthen its management team in order to achieve a satisfactory result.

**B4. Profit forecast**

Not applicable as no profit forecast was published.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**B5. Taxation**

	Quarter Ended 31/03/18 RM'000	Current Year To-date RM'000
Current income tax	<u>662</u>	<u>662</u>

The Group's effective tax rate for the financial year-to-date under review was 24.8%, which is slightly higher than the prima facie tax rate.

**B6. Status of Corporate Proposals Announced**

No	Dated	Description
1.	10 November 2017	<p>The Company had announced the following Corporate Exercises (Defined herein) 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 :</p> <p>(i) Share Split involving the subdivision of each of the existing ordinary shares in PMBT ("<b>PMBT Shares</b> " or "<b>Shares</b>") into Two (2) ordinary shares in PMBT ("<b>Subdivided Shares</b>") held on an entitlement date to be determined later ("<b>Share Split</b>");</p> <p>(ii) Renounceable Rights Issue of 5-Year 3.00% Irredeemable Convertible Unsecured Loan Stocks ("<b>ICULS</b>") together with free Detachable Warrants ("<b>Warrants</b>") to raise gross proceeds of approximately RM200 Million ("<b>Rights Issue of ICULS with Warrants</b>"); and</p> <p>(ii) Diversification of the principal activities of the Company and its subsidiaries ("<b>PMBT Group</b>" or The "<b>Group</b>") to include the manufacturing of Metallic Silicon ("<b>Diversification</b>")</p> <p>(Collectively referred to as the "<b>Corporate Exercises</b>")</p>
2.	11 December 2017	<p>The Company had submitted the application for the issuance of ICULS pursuant to the Rights Issue of ICULS with Warrants under the Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors to the Securities Commission Malaysia ("<b>SC</b>").</p>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**B6. Status of Corporate Proposals Announced (Cont'd)**

No	Dated	Description
3.	21 February 2018	<p>The SC had, vide its letter granted its approval under Section 214(1) of the Capital Market &amp; Services Act 2007 for the issuance of the ICULS pursuant to the Rights Issue of ICULS with Warrants, subject to the following conditions:</p> <p>(1)The Company and AmInvestment Bank Berhad (“<b>AmInvestment Bank</b>”) making clear disclosure in the relevant circular to shareholders and abridged prospectus on the following:</p> <p>a) Inter-conditionality of the following proposals:</p> <p>(i) Share Split;</p> <p>(ii) Rights Issue of ICULS with Warrants; and</p> <p>(iii) Diversification; and</p> <p>b) The Rights Issue of ICULS with Warrants will be aborted in the event that shareholders’ approval is not obtained for the Diversification and if so, how the PMBT Group will deal with its interest in the PMB Silicon Facility; and</p> <p>(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.</p>
4.	1 March 2018	<p>The Company had submitted the listing application to Bursa Malaysia Securities Berhad (“Bursa Securities”) to seek its approval.</p>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**B6. Status of Corporate Proposals Announced (Cont'd)**

No	Dated	Description
5.	26 March 2018	<p>The Bursa Securities had, vide its letter granted its approval for the Share Split and Proposed Rights issue of ICULS with Warrants, subject to the following conditions:</p> <p>(1) PMBT and AmInvestment Bank, being the principal adviser, must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Share Split and Rights Issue of ICULS with Warrants;</p> <p>(2) PMBT and AmInvestment Bank to inform Bursa Securities upon the completion of the Share Split and Rights Issue of ICULS with Warrants;</p> <p>(3) PMBT to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Share Split and Rights Issue of ICULS with Warrants are completed;</p> <p>(4) PMBT and AmInvestment Bank are required to make the relevant announcements pursuant to Paragraph 13.10(2) of the Listing Requirements pertaining to the Share Split;</p> <p>(5) Shareholders' approval be obtained for the Share Split. In this respect, PMBT is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders approving the Share Split prior to the listing of and quotation for the PMBT Shares; and</p> <p>(6) Payment of additional listing fees pertaining to the conversion of ICULS and exercise of Warrants, if relevant. In this respect, PMBT to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of ICULS and exercise of Warrants at the end of each quarter together with a details computation of listing fees payable.</p>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**B6. Status of Corporate Proposals Announced (Cont'd)**

No	Dated	Description
6.	17 April 2018	The Corporate Exercises stated in Section A above (i) to (iii) were approved by shareholders of the Company via an Extraordinary General Meeting held on the same day.
7.	18 April 2018	The Company announced the ex-date and the entitlement date for the Share Split, being 30 April 2018 and 3 May 2018 respectively.
8.	4 May 2018	The Share Split has been completed following the listing of and quotation for 160,000,000 Subdivided Shares (including 5,040,400 treasury shares) on the Main Market of Bursa Securities.

Save as disclosed above, there were no other corporate proposals announced but pending completion during the financial quarter.

**B7. Group borrowings and debt securities**

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<b><u>As at 31 March 2018</u></b>			
<b>(a) (i) Short term</b>			
Overdraft	-	5,647	5,647
Revolving credit	-	17,319	17,319
Trade facilities	-	88,650	88,650
Term loan	12,724	-	12,724
	<u>12,724</u>	<u>111,616</u>	<u>124,340</u>
<b>(ii) Long term</b>			
Term loan	22,946	-	22,946
	<u>22,946</u>	<u>-</u>	<u>22,946</u>
Total	<u>35,670</u>	<u>111,616</u>	<u>147,286</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**B7. Group borrowings and debt securities (Cont'd)**

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<b><u>As at 31 March 2017</u></b>			
<b>(a) (i) Short term</b>			
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>
<b>(ii) Long term</b>			
Term loan	<u>4,596</u>	-	<u>4,596</u>
Total	<u><u>8,358</u></u>	<u><u>103,498</u></u>	<u><u>111,856</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 31/03/2018</u>		<u>As at 31/03/2017</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	1,587	781	1,505	858
Revolving credit	33,170	16,319	32,000	18,240
Trade facilities	20,611	10,141	52,942	30,177
	<u>55,368</u>	<u>27,241</u>	<u>86,447</u>	<u>49,275</u>

The Group borrowings has increased by RM35.40 million from RM111.9 million to RM147.3 million mainly due to the term loan drawdown for the acquisition of the plant and machineries in Prai, Penang.

**B8. Material Litigation**

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

**B9. Proposed Dividend**

There was no dividend proposed during the current financial year-to-date.



**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**B10. 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)	2,004	2,004
Weighted average number of ordinary shares in issue - net of treasury shares held ('000)	77,480	77,480
Basic earnings per share (sen)	<u>2.59</u>	<u>2.59</u>

Diluted EPS is not presented as the Group has no shares or other instruments with potential dilutive effects.

**B11. Auditors' report**

The annual auditors' report of the audited financial statements for the year ended 31 December 2017 was not subject to any qualification.

**B12. 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	(2)	(2)
b)	Other income including investment income	(20)	(20)
c)	Interest expense	1,922	1,922
d)	Depreciation and amortization	3,234	3,234
e)	(Reversal)/Provision for and write off of receivables	-	-
f)	Provision for and write off of inventories	-	-
g)	(Gain) and loss on disposal of quoted or unquoted Investments or properties	-	-
h)	Impairment of assets	-	-
i)	Foreign exchange (gain) or loss	(48)	(48)
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
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**B13. Derivative Financial Instruments**

The Group did not enter into any derivatives and accordingly there was no outstanding derivatives as at the end of the financial period.

**B14. Fair Value Changes of Financial Liabilities**

There were no fair value changes of financial liabilities during the current quarter ended 31 March 2018.

**On behalf of the Board**

**Koon Poh Ming**  
**Chief Executive Officer**  
30 May 2018