

**PNE PCB Berhad**

(Company No. 168098-V)  
(Incorporated in Malaysia)

**Interim Financial Report (Announcement)  
30 September 2007**

# PNE PCB Berhad

(Company No. 168098-V)  
(Incorporated in Malaysia)

## Condensed consolidated balance sheet at 30 September 2007

	Note	30.09.2007 RM'000	30.9.2006 RM'000
<b>Assets</b>			
Property, plant and equipment	2	31,190	32,432
Investments in quoted shares		1,583	899
<b>Total non-current assets</b>		<u>32,773</u>	<u>33,331</u>
Inventories		13,655	12,403
Trade and other receivables		32,932	33,914
Tax recoverable		75	75
Non current assets held for sale		1,350	--
Cash and cash equivalents		14,072	10,210
<b>Total current assets</b>		<u>62,084</u>	<u>56,602</u>
<b>Total assets</b>		<u><u>94,857</u></u>	<u><u>89,933</u></u>
<b>Equity</b>			
Share capital		65,749	65,749
Reserves		(4,817)	(7,598)
<b>Total equity attributable to shareholders of the Company/Total equity</b>		<u>60,932</u>	<u>58,151</u>
<b>Liabilities</b>			
Trade and other payables		33,908	30,349
Hire purchase creditors		17	358
Bank overdraft		--	1,028
Taxation		--	47
<b>Total current liabilities</b>		<u>33,925</u>	<u>31,782</u>
<b>Total liabilities</b>		<u>33,925</u>	<u>31,782</u>
<b>Total equity and liabilities</b>		<u><u>94,857</u></u>	<u><u>89,933</u></u>
<b>Net assets per share of RM1.00 each (RM)</b>		<u><u>0.93</u></u>	<u><u>0.88</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 September 2006 and the accompanying explanatory notes attached to the interim financial statements.

# PNE PCB Berhad

(Company No. 168098-V)  
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## Condensed consolidated income statement For the year ended 30 September 2007

	Individual 3 months ended 30 September		Cumulative 12 months ended 30 September	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Revenue</b>	39,797	34,641	115,478	90,163
Cost of sales	<u>(34,026)</u>	<u>(29,293)</u>	<u>(100,293)</u>	<u>(81,425)</u>
<b>Gross profit</b>	5,771	5,348	15,185	8,738
Operating expenses	<u>(2,991)</u>	<u>(16,166)</u>	<u>(11,909)</u>	<u>(23,472)</u>
<b>Operating profit / (loss)</b>	2,780	(10,818)	3,276	(14,734)
Finance costs	--	(9)	(9)	(98)
Interest income	<u>59</u>	<u>39</u>	<u>312</u>	<u>254</u>
<b>Profit/(Loss) before tax</b>	2,839	(10,788)	3,579	(14,578)
Tax income/(expense)	<u>36</u>	<u>(5)</u>	<u>36</u>	<u>(5)</u>
<b>Profit/(Loss) for the period</b>	<u>2,875</u>	<u>(10,793)</u>	<u>3,615</u>	<u>(14,583)</u>
Basic earnings/(loss) per ordinary share (sen)	<u>4.4</u>	<u>(16.4)</u>	<u>5.5</u>	<u>(22.2)</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 September 2006 and the accompanying explanatory notes attached to the interim financial statements.

## PNE PCB Berhad

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### Condensed consolidated statement of changes in equity for the year ended 30 September 2007

	Share capital RM'000	Non- Distributable RM'000	<i>Distributable</i> Retained earnings/ (Accumulated losses) RM'000	Total equity RM'000
<i>At 1 October 2005</i>	65,749	4,411	3,141	73,301
<i>Net losses not recognised in the income statement</i>				
- Exchange differences on translation of the financial statements of foreign subsidiaries	--	(417)	--	(417)
- Deficit on revaluation surplus	--	(150)	--	(150)
Loss for the period	--		(14,583)	(14,583)
<i>At 30 September 2006</i>	<u>65,749</u>	<u>3,844</u>	<u>(11,442)</u>	<u>58,151</u>
<i>At 1 October 2006</i>	65,749	3,844	(11,442)	58,151
<i>Net losses not recognised in the income statement</i>				
- Exchange difference on translation of the financial statements of foreign subsidiaries	--	(834)	--	(834)
Profit for the period	--	--	3,615	3,615
<i>At 30 September 2007</i>	<u>65,749</u>	<u>3,010</u>	<u>(7,827)</u>	<u>60,932</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 September 2006 and the accompanying explanatory notes attached to the interim financial statements.

# PNE PCB Berhad

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## Condensed consolidated cash flow statement For the year ended 30 September 2007

	<b>12 months ended 30 September</b>	
	<b>2007</b>	<b>2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	3,579	(14,578)
Adjustments for non-cash flow:		
Non-cash items	2,968	17,267
Non-operating items	1,169	418
<b>Operating profit before changes in working capital</b>	<u>7,716</u>	<u>3,107</u>
Net change in current assets	(1,476)	(8,891)
Net change in current liabilities	3,558	3,287
<b>Net cash from/(used in) operating activities</b>	<u>9,798</u>	<u>(2,497)</u>
<b>Cash flows from investing activities</b>		
Equity investments	37	19
Other investments	(4,937)	(1,347)
<b>Net cash used in investing activities</b>	<u>(4,900)</u>	<u>(1,328)</u>
<b>Cash flows from financing activity</b>		
Loans and borrowings/ <b>Net cash used in financing activity</b>	<u>(417)</u>	<u>(949)</u>
Exchange differences on translation of the financial statements of foreign subsidiaries	<u>768</u>	<u>45</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	5,249	(4,729)
<b>Cash and cash equivalents at beginning of period</b>	9,182	13,961
Foreign exchange differences on opening balance	<u>(359)</u>	<u>(50)</u>
<b>Cash and cash equivalents at end of period</b>	<u>14,072</u>	<u>9,182</u>
<b>Cash and cash equivalents comprises:</b>		
Cash and bank balances	7,842	6,078
Fixed deposits with licensed banks	6,230	4,132
Bank overdraft	--	(1,028)
	<u>14,072</u>	<u>9,182</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 September 2006 and the accompanying explanatory notes attached to the interim financial statements.

# **PNE PCB Berhad**

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## **Notes to the interim financial report**

### **1. Basis of preparation**

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2007 annual financial statements. Details of these changes in accounting policies are set out below.

#### **FRS 5, Non-current Assets Held for Sale and Discontinued Operations**

Assets held for sale are presented separately on the face of the balance sheet. The assets are those in which the amounts will be recovered principally through a sale transaction rather than through continuing use. The change in accounting policy is made in accordance with their transitional provisions. This change in accounting policy does not have impact on earning per share.

The preparation of an interim financial report in conformity with FRS 134, *Interim Financial Reporting* requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2006 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with FRSs.

The financial information relating to the financial year ended 30 September 2006 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 30 September 2006 are available from the Company's registered office.

### **2. Property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

### 3. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter, except for the incorporation of a wholly owned subsidiary, PNE Trading (DG) Co. Ltd. (PNE Trading) in the People's Republic of China by PNE PCB International Limited on 30<sup>th</sup> May 2007 with a proposed initial issued and paid up capital of HK\$3 million. PNE PCB International Limited is a wholly owned subsidiary of the Company.

PNE Trading is set up as the marketing arm of PNE Group for importing and exporting electronics components for its China domestic market.

### 4. Dividends

There was no dividend paid for the current quarter under review.

### 5. Seasonal or cyclical factors

The Group recorded a higher turnover of RM39.8 million for the current quarter as compared to the previous quarter of RM30.8 million. This is due to the cyclical high period from July to September every year.

### 6. Segment information

Segment information is presented in respect of the Group's geographical segments. Inter-segment pricing is determined based on a negotiated basis.

	Revenue		Profit/(Loss) before tax	
	12 months ended 30 September		12 months ended 30 September	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Malaysia	54,379	42,663	(982)	(18,411)
Singapore	32,985	37,793	1,695	679
People's Republic of China	68,690	47,041	5,029	3,589
	156,054	127,497	5,742	(14,143)
Inter-segment elimination	(40,576)	(37,333)	(2,466)	(591)
	<u>115,478</u>	<u>90,164</u>		
Segment result			3,276	(14,734)
Finance costs			(9)	(98)
Interest income			312	254
			<u>3,579</u>	<u>(14,578)</u>

### 7. Changes in contingent liabilities and contingent assets

There were no contingent liabilities and contingent assets since the last annual balance sheet date.

## 8. Debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities for the period under review.

## 9. Related parties

### Transactions with key management personnel

#### Key management personnel compensation

Key management personnel compensation is as follows:

	<b>30.09.2007</b>	<b>30.9.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors:		
- Fees	75	75
- Remuneration	1,902	1,881
Total short-term employee benefits	1,977	1,956
Other key management personnel:		
- Short term employee benefits	587	479

#### Transactions with key management personnel other than compensation

	<b>30.09.2007</b>	<b>30.9.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Companies in which Mr. Tan Kong Heng, Mr. Tan Kong Guan, Mr. Tan Kwong Soon and Mr. Tan Kong Sin have interests</i>		
Sales	4,187	4,176
Purchases	1,285	979
Rental payable	171	247
Subcon charges receivable	209	--

	<b>30.09.2007</b>	<b>30.9.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Remuneration paid to staff who are close family member of certain Directors, Mr. Tan Kong Heng, Mr. Tan Kong Guan, Mr. Tan Kwong Soon and Mr. Tan Kong Sin	354	341

## 10. Events subsequent to the balance sheet date

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period under review.

## 11. Audit qualification

The audit report of the Group and of the Company for the preceding annual financial statements was not subject to any audit qualification.



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## **12. Unusual items affecting the assets, liabilities, equity, net income or cash flows**

There are no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter-to-date.

## **13. Material changes in estimates**

There are no material changes in estimates for the current quarter to-date.

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**Interim Financial Report**  
**30 September 2007**

Additional information required by the  
Bursa Malaysia Securities Berhad's Listing Requirements

# PNE PCB Berhad

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## Additional information required by the Bursa Malaysia's Listing Requirements

### 1. Review of performance

The Group's profit before taxation for the fourth quarter is RM2.8 million has improved as compared to the corresponding previous period of loss before tax of RM10.8 million. The twelve months profit before tax ended 30 September 2007 is RM3.6million has also improved as compared to previous financial year-end of loss before tax of RM14.6 million.

This is mainly due to higher revenue generated and improvement in productivity in both Malaysia and China factories contributed to the Group's profitability for the current financial year-end.

### 2. Variation of results against preceding quarter

For the quarter under review, the Group's recorded a profit before tax of RM2.8 million as compared to profit before taxation of RM0.7 million in the previous quarter. The reason for the increase in profit was mainly due to higher revenue generated in current quarter as a result of higher demand from customers.

### 3. Current year prospects

The demand for the electrical and electronic products seems to be on the rise globally. Under this circumstance, there is an opportunity for the Group to increase its productivity and turnover to take advantage of this global increase.

Barring any unforeseen circumstances, the Group is likely to deliver positive results in the year ahead.

### 4. Profit forecast

Not applicable as no profit forecast was published.

### 5. Tax (income)/expense

	3 months ended		12 months ended	
	30 September		30 September	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Malaysian tax				
- (Over)/Under provision in prior period/years	(36)	5	(36)	5

## 6. Unquoted investments and properties

There were no profits on sale of unquoted investments or properties as there were no disposals of unquoted investments or properties during the period under review.

## 7. Quoted investments

	3 months ended 30 September		12 months ended 30 September	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Disposal of quoted securities				
Sales proceeds	--	--	1,350	--
Cost of investments	--	--	(1,050)	--
Gain on disposal	--	--	300	--

Investment in quoted securities as at 30 September 2007:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	2,369	1,583	1,638

## 8. Status of corporate proposal announced

There were no corporate proposal announced nor were there any corporate proposal not completed as at the date of this quarterly report.

## 9. Borrowing and debt securities

	30.09.2007 RM'000	30.09.2006 RM'000
<i>Current</i>		
Hire purchase (secured)	17	358
Bank Overdraft (unsecured)	--	1,028
	17	1,386
<i>Non-current</i>		
Hire purchase (secured)	--	--

## 10. Off balance sheet financial instruments

During the financial period, the Group did not enter into any contracts involving off balance sheet financial instruments.

## 11. Changes in material litigation

There was no material litigation as at the date of this quarterly report.

## 12. Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year.

### **13. Basic earnings/(loss) per ordinary share**

The calculation of basic earnings per ordinary share for the current period and financial year to date are attributable to ordinary shareholders is based on the net profit of RM2,875,000 and RM3,615,000 respectively and the weighted average number of ordinary shares of 65,748,500.

### **14. Capital commitments**

There is no capital commitments contracted which is not provided for as at the date of this quarterly report.