

**PNE PCB Berhad**

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

**Interim Financial Report (Announcement)  
31 March 2008**

# PNE PCB Berhad

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

## Condensed consolidated balance sheet at 31 March 2008

	Note	31.03.2008 RM'000	30.9.2007 RM'000
<b>Assets</b>			
Property, plant and equipment	2	31,391	31,190
Investments in quoted shares		1,308	1,583
<b>Total non-current assets</b>		<u>32,699</u>	<u>32,773</u>
Inventories		14,685	13,655
Trade and other receivables		19,442	32,932
Tax recoverable		75	75
Assets classified as held for sale		--	1,350
Cash and cash equivalents		19,591	14,072
<b>Total current assets</b>		<u>53,793</u>	<u>62,084</u>
<b>Total assets</b>		<u><u>86,492</u></u>	<u><u>94,857</u></u>
<b>Equity</b>			
Share capital		65,749	65,749
Reserves		(3,745)	(4,817)
<b>Total equity attributable to shareholders of the Company/Total equity</b>		<u>62,004</u>	<u>60,932</u>
<b>Liabilities</b>			
Trade and other payables		24,488	33,908
Hire purchase creditors		--	17
Bank overdraft		--	--
Taxation		--	--
<b>Total current liabilities</b>		<u>24,488</u>	<u>33,925</u>
<b>Total liabilities</b>		<u>24,488</u>	<u>33,925</u>
<b>Total equity and liabilities</b>		<u><u>86,492</u></u>	<u><u>94,857</u></u>
<b>Net assets per share of RM1.00 each (RM)</b>		<u><u>0.94</u></u>	<u><u>0.93</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 September 2007 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 period ended 31 March 2008

	Individual 3 months ended 31 March		Cumulative 6 months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Revenue</b>	21,018	21,777	47,546	44,909
Cost of sales	<u>(18,935)</u>	<u>(19,203)</u>	<u>(42,689)</u>	<u>(39,339)</u>
<b>Gross profit</b>	2,083	2,574	4,857	5,570
Operating expenses	<u>(2,124)</u>	<u>(2,555)</u>	<u>(4,755)</u>	<u>(5,440)</u>
<b>Operating profit</b>	(41)	19	102	130
Finance costs	--	(76)	--	(119)
Interest income	<u>93</u>	<u>111</u>	<u>164</u>	<u>178</u>
<b>Profit before tax</b>	52	54	266	189
Tax income/(expense)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Profit for the period</b>	<u>52</u>	<u>54</u>	<u>266</u>	<u>189</u>
Basic earnings per ordinary share (sen)	<u>0.08</u>	<u>0.08</u>	<u>0.40</u>	<u>0.29</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 September 2007 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 period ended 31 March 2008

	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 2006</i>	65,749	3,845	(11,442)	58,152
<i>Net losses not recognised in the income statement</i>				
- Exchange differences on translation of the financial statements of foreign subsidiaries	--	56	--	56
Profit for the period	--		189	189
<i>At 31 March 2007</i>	<u>65,749</u>	<u>3,901</u>	<u>(11,253)</u>	<u>58,397</u>
<i>At 1 October 2007</i>	65,749	3,010	(7,827)	60,932
<i>Net losses not recognised in the income statement</i>				
- Exchange difference on translation of the financial statements of foreign subsidiaries	--	806	--	806
Profit for the period	--	--	266	266
<i>At 31 March 2008</i>	<u>65,749</u>	<u>3,816</u>	<u>(7,561)</u>	<u>62,004</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 2007 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 period ended 31 March 2008

	6 months ended 31 March	
	2008 RM'000	2007 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	266	189
Adjustments for non-cash flow:		
Non-cash items	1,923	1,823
Non-operating items	(1,972)	(164)
<b>Operating profit before changes in working capital</b>	217	1,848
Net change in current assets	12,460	4,801
Net change in current liabilities	(9,419)	6,323
<b>Net cash from/(used in) operating activities</b>	3,258	12,972
<b>Cash flows from investing activities</b>		
Equity investments	348	5
Other investments	1,125	(3,918)
<b>Net cash used in investing activities</b>	1,473	(3,913)
<b>Cash flows from financing activity</b>		
Loans and borrowings/ <b>Net cash used in financing activity</b>	(18)	(477)
Exchange differences on translation of the financial statements of foreign subsidiaries	1,017	319
<b>Net increase/(decrease) in cash and cash equivalents</b>	5,730	8,901
<b>Cash and cash equivalents at beginning of period</b>	14,072	9,182
Foreign exchange differences on opening balance	(211)	(263)
<b>Cash and cash equivalents at end of period</b>	19,591	17,820
<b>Cash and cash equivalents comprises:</b>		
Cash and bank balances	8,054	6,764
Fixed deposits with licensed banks	11,537	11,308
Bank overdraft	--	(252)
	19,591	17,820

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 September 2007 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 2007 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 2007 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 2007 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 2007 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.

### 4. Dividends

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

### 5. Seasonal or cyclical factors

The Group recorded lower revenue of RM21.0 million for the current quarter as compared to the previous quarter of RM26.5 million. This is due to the cyclical low period from January to March 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 6 months ended 31 March		Profit/(Loss) before tax 6 months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysia	25,062	19,110	(998)	(1,880)
Singapore	15,569	10,996	86	403
People's Republic of China	28,743	26,658	1,096	2,051
	<u>69,374</u>	<u>56,764</u>	<u>184</u>	<u>574</u>
Inter-segment elimination	<u>(21,828)</u>	<u>(11,855)</u>	<u>(82)</u>	<u>(444)</u>
	<u>47,546</u>	<u>44,909</u>		
Segment result			<u>102</u>	<u>130</u>
Finance costs			--	(119)
Interest income			<u>164</u>	<u>178</u>
			<u>266</u>	<u>189</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>31.03.2008</b>	<b>31.03.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors:		
- Fees	37	35
- Remuneration	1,260	975
Total short-term employee benefits	1,297	1,010
Other key management personnel:		
- Short term employee benefits	384	344

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

	<b>31.03.2008</b>	<b>31.03.2007</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	2,133	1,538
Purchases	405	483
Rental payable	86	86
Subcon charges receivable	--	--

	<b>31.03.2008</b>	<b>31.03.2007</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	250	217

## 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**  
**31 March 2008**

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 second quarter is RM52 thousand as compared to the corresponding previous period of profit before tax of RM54 thousand due to lower profit margin in the current quarter.

### 2. Variation of results against preceding quarter

For the quarter under review, the Group's recorded a profit before tax of RM52 thousand as compared to profit before taxation of RM214 thousand in the previous quarter. The reason for the lower profit is mainly due to lower revenue generated in the current quarter being the cyclical low period.

### 3. Current year prospects

The results for the year ending 30 September 2008 is very much dependant on the global consumer electronic industry.

### 4. Profit forecast

Not applicable as no profit forecast was published.

### 5. Tax (income)/expense

	3 months ended 31 March		6 months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax expense				
Malaysian tax				
- (Over)/Under provision in prior period/years	--	--	--	--

## 6. Unquoted investments and properties

There is no profit on sale of unquoted investments as there was no disposal of unquoted investments during the period under review.

However, the Company has disposed off the leasehold land together with vacant building situated at PLO No. 465, Zone 10, Jalan Keluli, Kawasan Perindustrian Pasir Gudang in which the sale transaction was completed on 26<sup>th</sup> February 2008.

The disposal value of the above property is RM1,400,000 and after deducting the carrying amount of RM1,350,000 and cost to sell of RM33,400, the Company made a gain on disposal of RM16,600 in the current quarter.

## 7. Quoted investments

	3 months ended 31 March		6 months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Disposal of quoted securities				
Sales proceeds	92	1,350	346	1,350
Cost of investments	(10)	(1,050)	(484)	(1,050)
Reversal of allowance for diminution	--	--	209	--
Gain / (Loss) on disposal	<u>82</u>	<u>300</u>	<u>71</u>	<u>300</u>

Investment in quoted securities as at 31 March 2008:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	<u>1,885</u>	<u>1,308</u>	<u>1,241</u>

## 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

	31.03.2008 RM'000	31.03.2007 RM'000
<i>Current</i>		
Hire purchase (secured)	--	--
Bank Overdraft (unsecured)	--	252
	<u>--</u>	<u>252</u>
<i>Non-current</i>		
Hire purchase (secured)	--	--
	<u>--</u>	<u>--</u>

## 10. Off balance sheet financial instruments

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

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## **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 and financial period to date are attributable to ordinary shareholders is based on the net profit of RM52,000 and RM266,000 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.