

PNE PCB Berhad

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

**Interim Financial Report (Announcement)
30 June 2008**

PNE PCB Berhad

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

Condensed consolidated balance sheet at 30 June 2008

	Note	30.06.2008 RM'000	30.9.2007 RM'000
Assets			
Property, plant and equipment	2	30,475	31,190
Investments in quoted shares		1,308	1,583
Total non-current assets		<u>31,783</u>	<u>32,773</u>
Inventories		16,330	13,655
Trade and other receivables		22,897	32,932
Tax recoverable		20	75
Assets classified as held for sale		--	1,350
Cash and cash equivalents		21,404	14,072
Total current assets		<u>60,651</u>	<u>62,084</u>
Total assets		<u><u>92,434</u></u>	<u><u>94,857</u></u>
Equity			
Share capital		65,749	65,749
Reserves		(3,318)	(4,817)
Total equity attributable to shareholders of the Company/Total equity		<u>62,431</u>	<u>60,932</u>
Liabilities			
Trade and other payables		30,003	33,908
Hire purchase creditors		--	17
Bank overdraft		--	--
Taxation		--	--
Total current liabilities		<u>30,003</u>	<u>33,925</u>
Total liabilities		<u>30,003</u>	<u>33,925</u>
Total equity and liabilities		<u><u>92,434</u></u>	<u><u>94,857</u></u>
Net assets per share of RM1.00 each (RM)		<u><u>0.95</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.

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Condensed consolidated income statement For the period ended 30 June 2008

	Individual 3 months ended 30 June		Cumulative 9 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	27,351	30,772	74,897	75,681
Cost of sales	<u>(23,842)</u>	<u>(26,928)</u>	<u>(66,531)</u>	<u>(66,267)</u>
Gross profit	3,509	3,844	8,366	9,414
Operating expenses	<u>(3,232)</u>	<u>(3,478)</u>	<u>(7,987)</u>	<u>(8,918)</u>
Operating profit	277	366	379	496
Finance costs	--	*110	--	(9)
Interest income	<u>100</u>	<u>75</u>	<u>264</u>	<u>253</u>
Profit before tax	377	551	643	740
Tax income/(expense)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Profit for the period	<u>377</u>	<u>551</u>	<u>643</u>	<u>740</u>
Basic earnings per ordinary share (sen)	<u>0.57</u>	<u>0.84</u>	<u>0.98</u>	<u>1.13</u>

* Adjustment made due to re-classification.

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.

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Condensed consolidated statement of changes in equity for the period ended 30 June 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 30 June 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	--	856	--	856
Profit for the period	--	--	643	643
<i>At 30 June 2008</i>	<u>65,749</u>	<u>3,866</u>	<u>(7,184)</u>	<u>62,431</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.

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Condensed consolidated cash flow statement For the period ended 30 June 2008

	9 months ended 30 June	
	2008 RM'000	2007 RM'000
Cash flows from operating activities		
Profit before tax	643	740
Adjustments for non-cash flow:		
Non-cash items	2,862	2,675
Non-operating items	(1,929)	184
Operating profit before changes in working capital	1,576	3,599
Net change in current assets	7,360	(2,271)
Net change in current liabilities	(3,905)	4,926
Net cash from/(used in) operating activities	5,031	6,254
Cash flows from investing activities		
Equity investments	353	5
Other investments	1,110	(3,919)
Net cash used in investing activities	1,463	(3,914)
Cash flows from financing activity		
Loans and borrowings/ Net cash used in financing activity	(18)	(331)
Exchange differences on translation of the financial statements of foreign subsidiaries	998	81
Net increase/(decrease) in cash and cash equivalents	7,474	2,090
Cash and cash equivalents at beginning of period	14,072	9,182
Foreign exchange differences on opening balance	(142)	(373)
Cash and cash equivalents at end of period	21,404	10,899
Cash and cash equivalents comprises:		
Cash and bank balances	8,637	5,073
Fixed deposits with licensed banks	12,767	6,008
Bank overdraft	--	(182)
	21,404	10,899

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.

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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.

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 higher revenue of RM27.3 million for the current quarter as compared to the previous quarter of RM21.0 million due to cyclical high period in the current quarter.

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 9 months ended 30 June		Profit/(Loss) before tax 9 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysia	38,407	34,110	(1,741)	(2,010)
Singapore	22,389	20,386	860	858
People's Republic of China	45,584	43,877	1,483	2,550
	106,380	98,373	602	1,398
Inter-segment elimination	(31,483)	(22,692)	(223)	(902)
	<u>74,897</u>	<u>75,681</u>		
Segment result			<u>379</u>	<u>496</u>
Finance costs			--	(9)
Interest income			<u>264</u>	<u>253</u>
			<u>643</u>	<u>740</u>

Company No. 168098-V

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:

	30.06.2008	30.06.2007
	RM'000	RM'000
Directors:		
- Fees	56	56
- Remuneration	1,799	1,444
Total short-term employee benefits	1,855	1,500
Other key management personnel:		
- Short term employee benefits	527	458

Transactions with key management personnel other than compensation

	30.06.2008	30.06.2007
	RM'000	RM'000
<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	2,969	2,782
Purchases	632	999
Rental payable	129	129
Subcon charges receivable	--	--
	30.06.2008	30.06.2007
	RM'000	RM'000
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	338	297

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.

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 June 2008

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

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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 third quarter is RM377 thousand is lower as compared to the corresponding previous period of profit before tax of RM551 thousand due to lower revenue generated 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 RM377 thousand as compared to profit before taxation of RM52 thousand in the previous quarter. The reason for the increase in profit is mainly due to higher revenue generated in the current quarter being the cyclical high 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		9 months ended	
	30 June		30 June	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	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.

7. Quoted investments

	3 months ended		9 months ended	
	30 June		30 June	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Disposal of quoted securities				
Sales proceeds	--	--	346	1,350
Cost of investments	--	--	(484)	(1,050)
Reversal of allowance for diminution	--	--	209	--
Gain / (Loss) on disposal	--	--	71	300

Investment in quoted securities as at 30 June 2008:

	Cost	Book Value	Market Value
	RM'000	RM'000	RM'000
Total quoted investments	1,885	1,308	1,075

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

	30.06.2008	30.06.2007
	RM'000	RM'000
<i>Current</i>		
Hire purchase (secured)	--	35
Bank Overdraft (unsecured)	--	182
	--	217
<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 period to date are attributable to ordinary shareholders is based on the net profit of RM377,000 and RM643,000 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.