

PNE PCB Berhad
(Company No. 168098-V)
(Incorporated in Malaysia)

Interim Financial Report (Announcement)
31 March 2010

PNE PCB Berhad

(Company No. 168098-V)

(Incorporated in Malaysia)

Condensed consolidated balance sheet at 31 March 2010

	Note	31.03.2010 RM'000	30.09.2009 RM'000
Assets			
Property, plant and equipment	2	25,835	29,380
Investments in quoted shares		1,324	1,324
Total non-current assets		<u>27,159</u>	<u>30,704</u>
Inventories		10,894	11,575
Trade and other receivables		14,970	13,375
Tax recoverable		20	20
Cash and cash equivalents		16,221	22,124
Total current assets		<u>42,105</u>	<u>47,094</u>
Total assets		<u>69,264</u>	<u>77,798</u>
Equity			
Share capital		65,749	65,749
Reserves		(13,276)	(7,563)
Total equity attributable to shareholders of the Company/Total equity		<u>52,473</u>	<u>58,186</u>
Liabilities			
Trade and other payables		16,791	19,612
Bank overdraft		--	--
Taxation		--	--
Total current liabilities		<u>16,791</u>	<u>19,612</u>
Total liabilities		<u>16,791</u>	<u>19,612</u>
Total equity and liabilities		<u>69,264</u>	<u>77,798</u>
Net assets per share of RM1.00 each (RM)		<u>0.80</u>	<u>0.88</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements.

PNE PCB Berhad

(Company No. 168098-V)

(Incorporated in Malaysia)

**Condensed consolidated income statement
For the period ended 31 March 2010**

	Individual 3 months ended 31 March		Cumulative 6 months ended 31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	14,604	10,022	28,823	27,697
Cost of sales	<u>(14,030)</u>	<u>(10,224)</u>	<u>(27,775)</u>	<u>(27,570)</u>
Gross profit	574	(202)	1,048	127
Operating expenses	<u>(2,599)</u>	<u>(3,737)</u>	<u>(5,364)</u>	<u>(6,274)</u>
Operating (loss)/ profit	(2,025)	(3,939)	(4,316)	(6,147)
Finance costs	--	--	--	--
Interest income	53	86	102	189
(Loss)/Profit before tax	(1,972)	(3,853)	(4,214)	(5,958)
Tax (expense)/income	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(Loss)/Profit for the period	<u>(1,972)</u>	<u>(3,853)</u>	<u>(4,214)</u>	<u>(5,958)</u>
Basic (loss)/earnings per ordinary share (sen)	<u>(3.00)</u>	<u>(5.86)</u>	<u>(6.41)</u>	<u>(9.06)</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 September 2009 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 2010

	Share capital RM'000	Non- Distributable RM'000	Distributable Retained earnings/ (Accumulated losses) RM'000	Total equity RM'000
<i>At 1 October 2008</i>	65,749	8,888	(7,815)	66,822
<i>Net losses not recognised in the income statement</i>				
- Exchange differences on translation of the financial statements of foreign subsidiaries	--	1,180	--	1,180
Loss for the period	--		(5,958)	(5,958)
<i>At 31 March 2009</i>	<u>65,749</u>	<u>10,068</u>	<u>(13,773)</u>	<u>62,044</u>
<i>At 1 October 2009</i>	65,749	8,434	(15,997)	58,186
<i>Net losses not recognised in the income statement</i>				
- Exchange difference on translation of the financial statements of foreign subsidiaries	--	(1,499)	--	(1,499)
Loss for the period	--	--	(4,214)	(4,214)
<i>At 31 March 2010</i>	<u>65,749</u>	<u>6,935</u>	<u>(20,211)</u>	<u>52,473</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 2009 and the accompanying explanatory notes attached to the interim financial statements.

PNE PCB Berhad(Company No. 168098-V)
(Incorporated in Malaysia)**Condensed consolidated cash flow statement
For the period ended 31 March 2010**

	6 months ended 31 March	
	2010 RM'000	2009 RM'000
Cash flows from operating activities		
Loss before tax	(4,214)	(5,958)
Adjustments for non-cash flow:		
Non-cash items	1,854	2,136
Non-operating items	1,692	(1,606)
Operating profit before changes in working capital	(668)	(5,428)
Net change in current assets	(913)	26,162
Net change in current liabilities	(2,822)	(25,896)
Net cash from/(used in) operating activities	(4,403)	(5,162)
Cash flows from investing activities		
Equity investments	--	15
Other investments	(1)	(130)
Net cash used in investing activities	(1)	(115)
Cash flows from financing activity		
Loans and borrowings/ Net cash used in financing activity	--	--
Exchange differences on translation of the financial statements of foreign subsidiaries	(1,039)	803
Net increase/(decrease) in cash and cash equivalents	(5,443)	(4,474)
Cash and cash equivalents at beginning of period	22,124	21,975
Foreign exchange differences on opening balance	(460)	377
Cash and cash equivalents at end of period	16,221	17,878
Cash and cash equivalents comprises:		
Cash and bank balances	6,847	10,370
Fixed deposits with licensed banks	9,374	7,508
Bank overdraft	--	--
	16,221	17,878

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 September 2009 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 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2009 annual financial statements. Details of these changes in accounting policies are set out below.

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 2009 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 2009 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 2009 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 are no changes in the composition of the Group for the current quarter.

4. Dividends

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

5. Seasonal or cyclical factors

Despite that the current quarter was a cyclical low period, the Group recorded higher revenue of RM14.6 million for the current quarter as compared to the previous quarter of RM14.2 million which was mainly due to the improved global demand for electronics products.

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysia	14,858	16,000	(3,074)	(3,009)
Singapore	8,343	10,017	640	300
People's Republic of China	17,515	15,218	(1,614)	(3,653)
	40,716	41,235	(4,048)	(6,362)
Inter-segment elimination	(11,893)	(13,538)	(268)	215
	<u>28,823</u>	<u>27,697</u>		
Segment result			(4,316)	(6,147)
Finance costs			--	--
Interest income			102	189
			<u>(4,214)</u>	<u>(5,958)</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

Key management personnel compensation

	31.03.2010 RM'000	31.03.2009 RM'000
Directors:		
- Fees	37	33
- Remuneration	899	1,058
Total short-term employee benefits	936	1,091
Other key management personnel:		
- Short term employee benefits	305	316

Transactions with key management personnel other than compensation

	31.03.2010 RM'000	31.03.2009 RM'000
<i>Companies in which certain directors have interests</i>		
Sales	1,843	1,355
Purchases	--	243
Rental payable	86	86
	31.03.2010 RM'000	31.03.2009 RM'000
Remuneration paid to staff who are close family member of certain Directors	172	214

10. Events subsequent to the balance sheet date

There are 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

Not applicable.

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Interim Financial Report
31 March 2010

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 recorded a loss before taxation of RM1.97 million for the current quarter as compared to loss before taxation of RM3.85 million in the corresponding previous quarter. The improvement of result was mainly due to higher demand from customers which resulted in higher revenue for the current quarter.

2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a loss before taxation of RM1.97 million as compared to loss before taxation of RM2.24 million in the previous quarter. The result has improved mainly due to higher revenue generated in the current quarter.

3. Current year prospects

The demand for electrical and electronic products has been significantly affected by recent global financial crisis. Under this circumstance, the Group has taken cost cutting measures in preparation for this globally difficult time and believe the prospect for the coming year will remain challenging.

4. Profit forecast

Not applicable.

5. Tax expense

	3 months ended		6 months ended	
	31 March		31 March	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Malaysian Tax				
-Current year	--	--	--	--

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 31 March		6 months ended 31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Purchase of quoted securities	--	15	--	15

	3 months ended 31 March		6 months ended 31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Disposal of quoted securities	--	--	--	--

Investment in quoted securities as at 31 March 2010:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	1,900	1,324	1,613

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

There are neither borrowings nor debt securities at the date of this quarterly report.

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

Asia Control Systems Impac (M) Sdn Bhd ("IMPAC") filed an application for stay of execution in respect of both appeals on 18 February 2010. These applications are contested by the Company and are slated for hearing by the Court of Appeal on 25 May 2010.

IMPAC had on 8 March 2010 filed two applications for leave to appeal to the Federal Court which are being opposed by the Company. These applications are fixed for hearing on 1 June 2010 by the Federal Court.

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 loss per ordinary share for the current period and financial period to date are attributable to ordinary shareholders based on the net loss of RM4,214,000 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.