

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

Interim Financial Report (Announcement)
30 June 2010

PNE PCB Berhad

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

Condensed consolidated balance sheet at 30 June 2010

	Note	30.06.2010 RM'000	30.09.2009 RM'000
Assets			
Property, plant and equipment	2	24,915	29,380
Investments in quoted shares		1,324	1,324
Total non-current assets		<u>26,239</u>	<u>30,704</u>
Inventories		12,117	11,575
Trade and other receivables		19,843	13,375
Tax recoverable		20	20
Cash and cash equivalents		15,381	22,124
Total current assets		<u>47,361</u>	<u>47,094</u>
Total assets		<u><u>73,600</u></u>	<u><u>77,798</u></u>
Equity			
Share capital		65,749	65,749
Reserves		(12,317)	(7,563)
Total equity attributable to shareholders of the Company/Total equity		<u>53,432</u>	<u>58,186</u>
Liabilities			
Trade and other payables		20,168	19,612
Bank overdraft		--	--
Taxation		--	--
Total current liabilities		<u>20,168</u>	<u>19,612</u>
Total liabilities		<u>20,168</u>	<u>19,612</u>
Total equity and liabilities		<u><u>73,600</u></u>	<u><u>77,798</u></u>
Net assets per share of RM1.00 each (RM)		<u><u>0.81</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 2009 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 30 June 2010

	Individual 3 months ended 30 June		Cumulative 9 months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	19,417	13,900	48,240	41,597
Cost of sales	<u>(16,551)</u>	<u>(13,744)</u>	<u>(44,326)</u>	<u>(41,314)</u>
Gross profit	2,866	156	3,914	283
Operating expenses	<u>(1,648)</u>	<u>(3,106)</u>	<u>(7,012)</u>	<u>(9,380)</u>
Operating (loss)/ profit	1,218	(2,950)	(3,098)	(9,097)
Finance costs	--	--	--	--
Interest income	<u>50</u>	<u>41</u>	<u>152</u>	<u>230</u>
(Loss)/Profit before tax	1,268	(2,909)	(2,946)	(8,867)
Tax (expense)/income	<u>(4)</u>	<u>--</u>	<u>(4)</u>	<u>--</u>
(Loss)/Profit for the period	<u>1,264</u>	<u>(2,909)</u>	<u>(2,950)</u>	<u>(8,867)</u>
Basic (loss)/earnings per ordinary share (sen)	<u>1.92</u>	<u>(4.42)</u>	<u>(4.49)</u>	<u>(13.49)</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.

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Condensed consolidated statement of changes in equity For the period ended 30 June 2010

	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 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	--	351	--	351
Loss for the period	--		(8,867)	(8,867)
<i>At 30 June 2009</i>	<u>65,749</u>	<u>9,239</u>	<u>(16,682)</u>	<u>58,306</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	--	(1,804)	--	(1,804)
Loss for the period	--	--	(2,950)	(2,950)
<i>At 30 June 2010</i>	<u>65,749</u>	<u>6,630</u>	<u>(18,947)</u>	<u>53,432</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.

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Condensed consolidated cash flow statement For the period ended 30 June 2010

	9 months ended 30 June	
	2010 RM'000	2009 RM'000
Cash flows from operating activities		
Loss before tax	(2,946)	(8,867)
Adjustments for non-cash flow:		
Non-cash items	2,738	3,123
Non-operating items	1,790	(777)
	<u>1,582</u>	<u>(6,521)</u>
Operating profit before changes in working capital	1,582	(6,521)
Net change in current assets	(7,010)	25,113
Net change in current liabilities	552	(18,842)
	<u>(4,876)</u>	<u>(250)</u>
Net cash from/(used in) operating activities	(4,876)	(250)
Cash flows from investing activities		
Equity investments	14	21
Other investments	(77)	(207)
	<u>(63)</u>	<u>(186)</u>
Net cash used in investing activities	(63)	(186)
Cash flows from financing activity		
Loans and borrowings/ Net cash used in financing activity	<u>--</u>	<u>--</u>
Exchange differences on translation of the financial statements of foreign subsidiaries	(1,344)	215
	<u>(6,283)</u>	<u>(221)</u>
Net increase/(decrease) in cash and cash equivalents	(6,283)	(221)
Cash and cash equivalents at beginning of period	22,124	21,975
Foreign exchange differences on opening balance	(460)	136
	<u>15,381</u>	<u>21,890</u>
Cash and cash equivalents at end of period	<u>15,381</u>	<u>21,890</u>
Cash and cash equivalents comprises:		
Cash and bank balances	5,689	13,865
Fixed deposits with licensed banks	9,692	8,025
Bank overdraft	--	--
	<u>15,381</u>	<u>21,890</u>

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

The Group recorded higher revenue of RM19.4 million for the current quarter as compared to the previous quarter of RM14.6 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysia	24,068	23,741	(3,823)	(6,047)
Singapore	14,367	13,939	899	866
People's Republic of China	30,868	24,580	223	(4,355)
	69,303	62,260	(2,701)	(9,516)
Inter-segment elimination	(21,063)	(20,663)	(397)	419
	<u>48,240</u>	<u>41,597</u>		
Segment result			<u>(3,098)</u>	<u>(9,097)</u>
Finance costs			--	--
Interest income			152	230
			<u>(2,946)</u>	<u>(8,867)</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

	30.06.2010 RM'000	30.06.2009 RM'000
Directors:		
- Fees	56	52
- Remuneration	1,390	1,508
Total short-term employee benefits	1,446	1,560
Other key management personnel:		
- Short term employee benefits	461	450

Transactions with key management personnel other than compensation

	30.06.2010 RM'000	30.06.2009 RM'000
<i>Companies in which certain directors have interests</i>		
Sales	2,951	1,983
Purchases	--	243
Rental payable	128	129
	30.06.2010 RM'000	30.06.2009 RM'000
Remuneration paid to staff who are close family member of certain Directors	260	296

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.

Company No. 168098-V

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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30 June 2010

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 recorded a profit before taxation of RM1.27 million for the current quarter as compared to loss before taxation of RM2.91 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 profit before taxation of RM1.27 million as compared to loss before taxation of RM1.97 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		9 months ended	
	30 June		30 June	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Malaysian Tax				
-Current year	4	--	4	--

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 30 June		9 months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Purchase of quoted securities	--	--	--	15
	3 months ended 30 June		9 months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Disposal of quoted securities	--	--	--	--

Investment in quoted securities as at 30 June 2010:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	1,900	1,324	1,546

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's ("IMPAC") applications for a stay of execution were heard on 25 May 2010 by the Court of Appeal and dismissed with costs on the grounds that there were no merits in the applications. As the Federal Court was sitting to hear IMPAC's application for leave to appeal to the Federal Court on 1 June 2010, the Company's solicitors did give an undertaking not to enforce the judgments until after the hearing on 1 June 2010.

IMPAC subsequently filed another two applications to the Federal Court for a stay of execution in the event that IMPAC obtains leave to appeal from the Federal Court. These two applications for stay were opposed by the Company on the grounds that they were premature and assumed that IMPAC will get leave to appeal.

In the event, the Federal Court dismissed both IMPAC's applications for leave to appeal on 1 June 2010 with costs. The two applications for stay of execution therefore became academic and were withdrawn by IMPAC.

The Company has won the case all the way to Federal Court and is now taking proceedings to enforce the judgements of the High 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 profit RM1,264,000 and net loss of RM2,950,000 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.