

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

Interim Financial Report (Announcement)
31 March 2012

PNE PCB Berhad

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

Condensed consolidated statement of financial position As at 31 March 2012

	Note	31.03.2012 RM'000	30.09.2011 RM'000
Assets			
Property, plant and equipment	3	23,195	25,510
Investments in quoted shares		1,343	1,157
Total non-current assets		<u>24,538</u>	<u>26,667</u>
Inventories		10,872	12,640
Trade and other receivables		14,951	24,588
Tax recoverable		20	20
Cash and cash equivalents		22,159	19,152
Total current assets		<u>48,002</u>	<u>56,400</u>
Total assets		<u>72,540</u>	<u>83,067</u>
Equity			
Share capital		65,749	65,749
Reserves		(9,594)	(10,062)
Total equity attributable to shareholders of the Company/Total equity		<u>56,155</u>	<u>55,687</u>
Liabilities			
Trade and other payables		16,385	27,380
Bank overdraft		--	--
Taxation		--	--
Total current liabilities		<u>16,385</u>	<u>27,380</u>
Total liabilities		<u>16,385</u>	<u>27,380</u>
Total equity and liabilities		<u>72,540</u>	<u>83,067</u>
Net assets per share of RM1.00 each (RM)		<u>0.85</u>	<u>0.85</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 September 2011 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed consolidated statement of comprehensive income For the period ended 31 March 2012

	Individual 3months ended 31 March		Cumulative 6 months ended 31 March	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	15,958	17,616	36,828	31,390
Cost of sales	(12,558)	(15,700)	(29,826)	(28,108)
Gross profit	3,400	1,916	7,002	3,282
Operating expenses	(2,485)	(1,816)	(5,445)	(3,947)
Operating profit/(loss)	915	100	1,557	(665)
Finance costs	--	--	--	--
Interest income	127	66	220	112
Profit before tax	1,042	166	1,777	(553)
Tax expense	(3)	--	(4)	--
Profit after tax	1,039	166	1,773	(553)
Foreign currency translation differences for foreign subsidiaries	(1,296)	(636)	(1,305)	(565)
Total comprehensive (expenses) / income for the period	(257)	(470)	468	(1,118)
Basic earnings per ordinary share (sen)	1.58	0.25	2.70	(0.84)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 September 2011 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 31 March 2012

	Share capital RM'000	Non- Distributable Reserves RM'000	<i>Distributable</i> Retained earnings/ (Accumulated losses) RM'000	Total equity RM'000
<i>At 1 October 2010</i>	65,749	4,197	(15,982)	53,964
<i>Net gains recognised directly in equity</i>				
Exchange fluctuation on translation of the financial statements of foreign subsidiaries	--	(565)	--	(565)
Loss for the period	--	--	(553)	(553)
Total comprehensive expense for the period	--	(565)	(553)	(1,118)
<i>At 31 March 2011</i>	<u>65,749</u>	<u>3,632</u>	<u>(16,535)</u>	<u>52,846</u>
<i>At 1 October 2011</i>	65,749	5,449	(15,511)	55,687
<i>Net gains recognised directly in equity</i>				
Exchange fluctuation on translation of the financial statements of foreign subsidiaries	--	(1,305)	--	(1,305)
Profit for the period	--	--	1,773	1,773
Total comprehensive (expense)/income for the period	--	(1,305)	1,773	468
<i>At 31 March 2012</i>	<u>65,749</u>	<u>4,144</u>	<u>(13,738)</u>	<u>56,155</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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed consolidated statement of cash flows For the period ended 31 March 2012

	6 months ended 31 March	
	2012 RM'000	2011 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	1,777	(553)
Adjustments for:		
Depreciation	1,933	1,779
Property, plant and equipment written off	383	--
Gain on disposal of property , plant and equipment	(6)	--
Reversal of diminution in value of quoted shares	(187)	(242)
Unrealised (gain)/loss on foreign exchange	(989)	191
Gross dividend of quoted shares in Malaysia	(23)	(3)
Interest income	(220)	(112)
Operating profit before changes in working capital	2,668	1,060
Change in inventories	1,768	75
Change in trade and other receivables	9,637	1,388
Change in trade and other payables	(10,006)	307
Cash generated from/(used in) operations	4,067	2,830
Interest received	220	112
Net cash from/(used in) operating activities	4,287	2,942
Cash flows from investing activities		
Acquisition of property, plant and equipment	--	(337)
Dividend received from quoted shares (net)	19	3
Proceed from disposal of property, plant and equipment	6	--
Acquisition of quoted shares	--	(13)
Net cash from/(used in) investing activities	25	(347)
Exchange differences on translation of the financial statements of foreign subsidiaries	(1,123)	(496)
Net increase/(decrease) in cash and cash equivalents	3,189	2,099
Cash and cash equivalents at beginning of period	19,152	14,208
Foreign exchange differences on opening balance	(182)	(77)
Cash and cash equivalents at end of period	22,159	16,230
Cash and cash equivalents comprises:		
Cash and bank balances	9,584	6,469
Fixed deposits with licensed banks	12,575	9,761
	22,159	16,230

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 September 2011 and the accompanying explanatory notes attached to the interim financial statements.

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Notes to the condensed interim financial statements

1. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and FRS 134, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 September 2011.

2. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 September 2011.

3. Property, plant and equipment

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

4. Changes in composition of the Group

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

5. Dividends

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

6. Seasonal or cyclical factors

The Group recorded lower revenue of RM15.96 million for the current quarter as compared to the previous quarter of RM20.87 million mainly due to cyclical low period.

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7. 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia	16,974	17,012	1,335	311
Singapore	10,335	12,083	(150)	468
People's Republic of China	25,161	18,165	232	(1,392)
	52,470	47,260	1,417	(613)
Inter-segment elimination	(15,642)	(15,870)	140	(52)
	<u>36,828</u>	<u>31,390</u>		
Segment result			<u>1,557</u>	<u>(665)</u>
Finance costs			--	--
Interest income			220	112
			<u>1,777</u>	<u>(553)</u>

8. Changes in contingent liabilities and contingent assets

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

9. Debt and equity securities

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

10. Related parties

Key management personnel compensation

	31.03.2012 RM'000	31.03.2011 RM'000
Directors:		
- Fees	37	37
- Remuneration	1,335	945
Total short-term employee benefits	1,372	982
Other key management personnel:		
- Short term employee benefits	382	358

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10. Related parties (continued)

Transactions with related parties of the Group

	31.03.2012 RM'000	31.03.2011 RM'000
<i>Companies in which certain directors have interests</i>		
Sales	2,488	1,905
Purchases	--	--
Rental payable	--	--
	<u>31.03.2012</u> RM'000	<u>31.03.2011</u> RM'000
Remuneration paid to staff who are close family member of certain Directors	<u>250</u>	<u>226</u>

11. 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.

12. 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.

13. 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.

14. Material changes in estimates

Not applicable.

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Interim Financial Report
31 March 2012

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

For the current quarter, the Group recorded revenue of RM15.96 million and profit before tax of RM1.04 million as compared to revenue of RM17.62 million and profit before tax of RM0.17 million in the corresponding previous quarter. For Financial year-to-date, the Group recorded RM36.83 million and profit before tax of RM1.78 million as against revenue of RM31.39 million and loss before tax of RM0.55 million in the corresponding previous financial year-to-date. This is mainly due to productivity efficiency achieved both in China & Malaysia segments which has brought down cost of sales to improve performance of the Group for the current quarter and financial year-to-date.

2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a profit before tax of RM1.04 million as compared to profit before tax of RM0.74 million in the previous quarter mainly due to the Group's continuous effort in implementing various cost savings measures and productivity efficiency achieved.

3. Current year prospects

With the current uncertainty of the European financial crisis, the Group believes the prospects for the coming year become more challenging and will be prudent in our business to mitigate and overcome the challenges.

4. Profit forecast

Not applicable.

5. Tax expense

	3 months ended 31 March		6 months ended 31 March	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Tax expense				
Malaysian Tax				
-Current year	3	--	4	--

6. 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.

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7. Borrowing and debt securities

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

8. Changes in material litigation

The Company has filed a Proof of Debt to claim the debt of RM1,907,701.72 from Asia Systems Impac (M) Sdn Bhd (under liquidation).

The Company is still waiting for the Department of Insolvency to call for a Creditors' meeting.

9. Dividends

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

10. Earnings/(loss) per ordinary share

(a) Basic earnings per share

For the purpose of calculating basic earnings per share:-

- (i) The amount used as the numerator is the net profit after tax attributable to ordinary shareholders of RM1.04 million and RM1.78 million for the current quarter and 6 months ended 31 March 2012.
- (ii) The weighted average number of ordinary shares used as the denominator for the current quarter and 6 months ended 31 March 2012 is 65,748,500.

(b) Diluted earnings per share.

Not applicable.

11. Capital commitments

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

12. Realised and unrealised profits

The breakdown of retained profits into realized and unrealized profits as at the reporting period as follows:-

	31.03.2012	30.09.2011
	RM'000	RM'000
Total retained profits / (accumulated losses)		
- Realised	(12,149)	(13,919)
- Unrealised	989	137
	<u>(11,160)</u>	<u>(13,782)</u>
Less: Consolidation adjustments	<u>(2,578)</u>	<u>(1,729)</u>
Total retained profits / (accumulated losses)	<u><u>(13,738)</u></u>	<u><u>(15,511)</u></u>

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13. Notes to the condensed consolidated statement of comprehensive income

Profit before tax is arrived after charging/(crediting) the following items:

	3 months Ended 31.03.2012 RM'000	6 months Ended 31.03.2012 RM'000
Interest income	(127)	(220)
Other income including investment income	(146)	(181)
Interest expense	--	--
Depreciation and amortisation	959	1,933
Provision for and write off of receivables	--	--
Provision for and write off of inventories	--	--
Gain/loss on disposal of quoted/unquoted investment or properties	--	--
Impairment of assets	--	--
Foreign exchange loss/(gain)		
- Realised	32	191
- Unrealised	(863)	(989)
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