

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

Interim Financial Report (Announcement)
30 June 2012

PNE PCB Berhad

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

Condensed consolidated statement of financial position As at 30 June 2012

	Note	30.06.2012 RM'000	30.09.2011 RM'000
Assets			
Property, plant and equipment	3	23,579	25,510
Investments in quoted shares		1,410	1,157
Total non-current assets		<u>24,989</u>	<u>26,667</u>
Inventories		10,536	12,640
Trade and other receivables		13,501	24,588
Tax recoverable		20	20
Cash and cash equivalents		23,990	19,152
Total current assets		<u>48,047</u>	<u>56,400</u>
Total assets		<u><u>73,036</u></u>	<u><u>83,067</u></u>
Equity			
Share capital		65,749	65,749
Reserves		(8,905)	(10,062)
Total equity attributable to shareholders of the Company/Total equity		<u>56,844</u>	<u>55,687</u>
Liabilities			
Trade and other payables		16,192	27,380
Bank overdraft		--	--
Taxation		--	--
Total current liabilities		<u>16,192</u>	<u>27,380</u>
Total liabilities		<u>16,192</u>	<u>27,380</u>
Total equity and liabilities		<u><u>73,036</u></u>	<u><u>83,067</u></u>
Net assets per share of RM1.00 each (RM)		<u>0.86</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.

PNE PCB Berhad

(Company No. 168098-V)
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Condensed consolidated statement of comprehensive income For the period ended 30 June 2012

	Individual 3 months ended 30 June		Cumulative 9 months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	15,484	19,965	52,312	51,355
Cost of sales	<u>(13,151)</u>	<u>(17,634)</u>	<u>(42,977)</u>	<u>(45,742)</u>
Gross profit	2,333	2,331	9,335	5,613
Operating expenses	<u>(3,385)</u>	<u>(2,474)</u>	<u>(8,830)</u>	<u>(6,421)</u>
Operating (loss)/profit	(1,052)	(143)	505	(808)
Finance costs	--	--	--	--
Interest income	<u>120</u>	<u>72</u>	<u>340</u>	<u>184</u>
(Loss)/profit before tax	(932)	(71)	845	(624)
Tax expense	<u>(26)</u>	<u>(3)</u>	<u>(30)</u>	<u>(3)</u>
(Loss)/profit after tax	(958)	(74)	815	(627)
Foreign currency translation differences for foreign subsidiaries	<u>1,647</u>	<u>246</u>	<u>342</u>	<u>(319)</u>
Total comprehensive income/ (expenses) for the period	<u>689</u>	<u>172</u>	<u>1,157</u>	<u>(946)</u>
Basic earnings per ordinary share (sen)	<u>(1.46)</u>	<u>(0.11)</u>	<u>1.24</u>	<u>(0.95)</u>

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 30 June 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	--	(319)	--	(319)
Loss for the period	--	--	(627)	(627)
Total comprehensive expense for the period	--	(319)	(627)	(946)
<i>At 30 June 2011</i>	<u>65,749</u>	<u>3,878</u>	<u>(16,609)</u>	<u>53,018</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	--	342	--	342
Profit for the period	--	--	815	815
Total comprehensive income for the period	--	342	815	1,157
<i>At 30 June 2012</i>	<u>65,749</u>	<u>5,791</u>	<u>(14,696)</u>	<u>56,844</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 30 June 2012

	9 months ended 30 June	
	2012 RM'000	2011 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	845	(624)
Adjustments for:		
Depreciation	2,904	2,696
Property, plant and equipment written off	4	--
Gain on disposal of property , plant and equipment	(12)	--
Reversal of diminution in value of quoted shares	(254)	(324)
Unrealised loss on foreign exchange	663	428
Gross dividend of quoted shares in Malaysia	(27)	(16)
Interest income	(340)	(179)
Operating profit before changes in working capital	3,783	1,981
Change in inventories	2,103	(3,372)
Change in trade and other receivables	11,088	1,521
Change in trade and other payables	(11,851)	7,550
Cash generated from/(used in) operations	5,123	7,680
Tax paid	(26)	--
Interest received	340	179
Net cash from/(used in) operating activities	5,437	7,859
Cash flows from investing activities		
Acquisition of property, plant and equipment	(976)	(1,028)
Dividend received from quoted shares (net)	23	13
Proceed from disposal of property, plant and equipment	12	--
Acquisition of quoted shares	--	(12)
Net cash from/(used in) investing activities	(941)	(1,027)
Exchange differences on translation of the financial statements of foreign subsidiaries	273	(415)
Net increase/(decrease) in cash and cash equivalents	4,769	6,417
Cash and cash equivalents at beginning of period	19,152	14,208
Foreign exchange differences on opening balance	69	86
Cash and cash equivalents at end of period	23,990	20,711
Cash and cash equivalents comprises:		
Cash and bank balances	10,220	9,427
Fixed deposits with licensed banks	13,770	11,284
	23,990	20,711

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 recent European financial crisis has caused customers' orders to slow down, as a result, the Group recorded lower revenue of RM15.48 million for the current quarter as compared to the previous quarter of RM15.96 million.

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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 9 months ended 30 June		Profit/(Loss) before tax 9 months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia	23,919	25,785	226	42
Singapore	15,400	19,405	121	583
People's Republic of China	35,914	31,708	213	(1,601)
	75,233	76,898	560	(976)
Inter-segment elimination	(22,921)	(25,543)	(55)	168
	<u>52,312</u>	<u>51,355</u>		
Segment result			505	(808)
Finance costs			--	--
Interest income			340	184
			<u>845</u>	<u>(624)</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

	30.06.2012 RM'000	30.06.2011 RM'000
Directors:		
- Fees	56	56
- Remuneration	1,986	1,425
Total short-term employee benefits	2,042	1,481
Other key management personnel:		
- Short term employee benefits	563	528

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10. Related parties (continued)

Transactions with related parties of the Group

	30.06.2012 RM'000	30.06.2011 RM'000
<i>Companies in which certain directors have interests</i>		
Sales	4,159	3,269
Purchases	--	--
Rental payable	--	--
	<u>30.06.2012</u> RM'000	<u>30.06.2011</u> RM'000
Remuneration paid to staff who are close family member of certain Directors	<u>371</u>	<u>347</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
30 June 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 RM15.48 million and loss before tax of RM0.93 million as compared to revenue of RM19.97 million and loss before tax of RM0.07 million in the corresponding previous quarter mainly due to recent European financial crisis resulted lesser orders from customers and generated lesser revenue for the current quarter.

For Financial year-to-date, the Group recorded revenue of RM52.31 million and profit before tax of RM0.85 million as against revenue of RM51.36 million and loss before tax of RM0.62 million in the corresponding previous financial year-to-date. Productivity efficiency achieved both in China and Malaysia has brought down cost of sales and improved performance of the Group for the current financial year-to-date.

2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a loss before tax of RM0.93 million as compared to profit before tax of RM1.04 million in the previous quarter mainly due to unrealized foreign exchange loss of RM1.65 million recorded in the current quarter.

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		9 months ended	
	30 June		30 June	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Malaysian Tax				
-Current year	26	3	30	3

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

In respect of the claim of the judgement sum of RM1,907,701.72 from Asia Systems Impac (M) Sdn Bhd (under liquidation), for which the Company had filed a proof of debt, 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 loss after tax of RM0.96 million and net profit after tax of RM0.82 million attributable to ordinary shareholders for the current quarter and 9 months ended 30 June 2012 respectively.

(ii) The weighted average number of ordinary shares used as the denominator for the current quarter and 9 months ended 30 June 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:-

	30.06.2012	30.09.2011
	RM'000	RM'000
Total retained profits / (accumulated losses)		
- Realised	(12,559)	(13,919)
- Unrealised	(663)	137
	<u>(13,222)</u>	<u>(13,782)</u>
Less: Consolidation adjustments	(1,475)	(1,729)
Total retained profits / (accumulated losses)	<u>(14,697)</u>	<u>(15,511)</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 30.06.2012 RM'000	9 months Ended 30.06.2012 RM'000
Interest income	(120)	(340)
Other income including investment income	(98)	(279)
Interest expense	--	--
Depreciation and amortisation	971	2,904
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 (gain)/loss		
- Realised	(771)	(580)
- Unrealised	1,652	663
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