

PNE PCB Berhad

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

**Interim Financial Report (Announcement)
30 September 2012**

PNE PCB Berhad

(Company No. 168098-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position As at 30 September 2012

	Note	30.09.2012 RM'000	30.09.2011 RM'000
Assets			
Property, plant and equipment	3	22,508	25,510
Investments in quoted shares		1,424	1,157
Total non-current assets		<u>23,932</u>	<u>26,667</u>
Inventories		8,361	12,640
Trade and other receivables		15,591	24,588
Tax recoverable		14	20
Cash and cash equivalents		25,077	19,152
Total current assets		<u>49,043</u>	<u>56,400</u>
Total assets		<u><u>72,975</u></u>	<u><u>83,067</u></u>
Equity			
Share capital		65,749	65,749
Reserves		(9,529)	(10,062)
Total equity attributable to shareholders of the Company/Total equity		<u>56,220</u>	<u>55,687</u>
Liabilities			
Trade and other payables		16,755	27,380
Total current liabilities		<u>16,755</u>	<u>27,380</u>
Total liabilities		<u>16,755</u>	<u>27,380</u>
Total equity and liabilities		<u><u>72,975</u></u>	<u><u>83,067</u></u>
Net assets per share of RM1.00 each (RM)		<u><u>0.86</u></u>	<u><u>0.85</u></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 year ended 30 September 2012

	Individual 3 months ended 30 September		Cumulative 12 months ended 30 September	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	19,832	26,125	72,144	77,480
Cost of sales	(16,791)	(21,612)	(59,768)	(67,354)
Gross profit	3,041	4,513	12,376	10,126
Operating expenses	(2,188)	(3,651)	(11,018)	(10,072)
Operating profit	853	862	1,358	54
Finance costs	--	--	--	--
Interest income	44	84	384	268
Profit before tax	897	946	1,742	322
Tax expense	(36)	(60)	(66)	(63)
Profit after tax	861	886	1,676	259
Foreign currency translation differences for foreign subsidiaries	(1,485)	1,783	(1,143)	1,464
Total comprehensive (expenses) / income for the year	(624)	2,669	533	1,723
Basic earnings per ordinary share (sen)	1.31	1.35	2.55	0.39

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 year ended 30 September 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	--	1,464	--	1,464
Realisation of exchange fluctuation Reserves due to deregistration of subsidiary	--	(212)	212	--
Profit for the year	--	--	259	259
Total comprehensive income for the year	--	1,252	471	1,723
<i>At 30 September 2011</i>	<u>65,749</u>	<u>5,449</u>	<u>(15,511)</u>	<u>55,687</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	--	(1,143)	--	(1,143)
Profit for the year	--	--	1,676	1,676
Total comprehensive (expenses) / income for the year	--	(1,143)	1,676	533
<i>At 30 September 2012</i>	<u>65,749</u>	<u>4,306</u>	<u>(13,835)</u>	<u>56,220</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 year ended 30 September 2012

	12 months ended 30 September	
	2012 RM'000	2011 RM'000
Cash flows from operating activities		
Profit before tax	1,742	322
Adjustments for:		
Depreciation	3,449	3,241
Property, plant and equipment written off	--	2
Gain on disposal of property, plant and equipment	(9)	--
(Reversal of) / allowance for diminution in value of quoted shares	(268)	91
Unrealised loss on foreign exchange	125	137
Gross dividend of quoted shares in Malaysia	(47)	(98)
Interest income	(384)	(268)
	<hr/>	<hr/>
Operating profit before changes in working capital	4,608	3,427
Change in inventories	4,279	(2,468)
Change in trade and other receivables	8,997	(6,198)
Change in trade and other payables	(10,749)	10,270
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Cash generated from operations	7,135	5,031
Tax paid	(50)	(56)
Interest received	384	268
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Net cash from operating activities	7,469	5,244
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Cash flows from investing activities		
Acquisition of property, plant and equipment	(723)	(963)
Dividend received from quoted shares (net)	37	90
Proceed from disposal of property, plant and equipment	10	--
Acquisition of quoted shares	--	(12)
	<hr/>	<hr/>
Net cash used in investing activities	(676)	(885)
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Exchange differences on translation of the financial statements of foreign subsidiaries	(748)	473
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Net increase in cash and cash equivalents	6,045	4,832
Cash and cash equivalents at beginning of period	19,152	14,208
Foreign exchange differences on opening balance	(120)	112
	<hr/>	<hr/>
Cash and cash equivalents at end of year	25,077	19,152
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Cash and cash equivalents comprises:		
Cash and bank balances	11,718	7,841
Fixed deposits with licensed banks	13,359	11,311
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	25,077	19,152
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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 higher revenue of RM19.83 million for the current quarter as compared to the previous quarter of RM15.48 million due to cyclical higher sales activity in the current quarter.

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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 12 months ended 30 September		Profit/(Loss) before tax 12 months ended 30 September	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia	33,312	35,978	937	(1,446)
Singapore	21,429	26,150	(622)	1,186
People's Republic of China	48,593	52,194	583	(110)
	103,334	114,322	898	(370)
Inter-segment elimination	(31,190)	(36,842)	460	424
	<u>72,144</u>	<u>77,480</u>		
Segment result			1,358	54
Finance costs			--	--
Interest income			384	268
			<u>1,742</u>	<u>322</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

	30.09.2012 RM'000	30.09.2011 RM'000
Directors:		
- Fees	75	75
- Remuneration	2,780	1,924
Total short-term employee benefits	2,855	1,999
Other key management personnel:		
- Short term employee benefits	775	711

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10. Related parties (continued)

Transactions with related parties of the Group

	30.09.2012 RM'000	30.09.2011 RM'000
<i>Companies in which certain directors have interests</i>		
Sales	6,368	4,666
Purchases	--	--
Rental payable	--	--
	<u>30.09.2012</u> RM'000	<u>30.09.2011</u> RM'000
Remuneration paid to staff who are close family member of certain Directors	<u>522</u>	<u>469</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 September 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 RM19.83 million and profit before tax of RM0.90 million as compared to revenue of RM26.13 million and profit before tax of RM0.95 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. However, continuous costs saving measures were taken which reduced operating expenses, hence maintaining profitability in the current quarter.

For the financial year-to-date, the Group recorded revenue of RM72.14 million and profit before tax of RM1.74 million as against revenue of RM77.48 million and profit before tax of RM0.32 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 the Group's result for the current financial year-to-date.

2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a profit before tax of RM0.90 million as compared to loss before tax of RM0.93 million in the previous quarter mainly due to unrealized foreign exchange loss of RM1.65 million recorded in the previous quarter.

3. Current year prospects

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

4. Profit forecast

Not applicable.

5. Tax expense

	3 months ended 30 September		12 months ended 30 September	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Tax expense				
Malaysian Tax				
-Current year	36	60	66	63

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

There is no material litigation as at the date of this quarterly report.

9. Dividends

The Board is proposing for the shareholders' approval at the forthcoming Annual General Meeting, a first and final tax exempt dividend of 1 sen per ordinary share of RM1.00 each for the financial year ended 30 September 2012. The details of the book closure date and payment date will be announced at a later date.

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 of RM0.86 million and RM1.68 million attributable to ordinary shareholders for the current quarter and financial year to date respectively.

(ii) The weighted average number of ordinary shares used as the denominator for the current quarter and financial year to date 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:-

	30.09.2012	30.09.2011
	RM'000	RM'000
Total retained profits / (accumulated losses)		
- Realised	(12,440)	(13,645)
- Unrealised	(125)	(137)
	<u>(12,565)</u>	<u>(13,782)</u>
Less: Consolidation adjustments	(1,271)	(1,729)
Total retained profits / (accumulated losses)	<u>(13,836)</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 30.09.2012 RM'000	12 months Ended 30.09.2012 RM'000
Interest income	(44)	(384)
Other income including investment income	(108)	(387)
Interest expense	--	--
Depreciation and amortisation	545	3,449
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	43	(537)
- Unrealised	(538)	(125)
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