

PNE PCB Berhad

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

**Interim Financial Report (Announcement)
31 December 2012**

PNE PCB Berhad

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

Condensed consolidated statement of financial position As at 31 December 2012

	Note	31.12.2012 RM'000	30.09.2012 RM'000
Assets			
Property, plant and equipment	3	21,631	22,508
Investments in quoted shares		1,416	1,424
Total non-current assets		<u>23,047</u>	<u>23,932</u>
Inventories		8,833	8,361
Trade and other receivables		11,165	15,591
Tax recoverable		20	14
Cash and cash equivalents		24,940	25,077
Total current assets		<u>44,958</u>	<u>49,043</u>
Total assets		<u>68,005</u>	<u>72,975</u>
Equity			
Share capital		65,749	65,749
Reserves		(10,103)	(9,529)
Total equity attributable to shareholders of the Company/Total equity		<u>55,646</u>	<u>56,220</u>
Liabilities			
Trade and other payables		12,359	16,755
Total current liabilities		<u>12,359</u>	<u>16,755</u>
Total liabilities		<u>12,359</u>	<u>16,755</u>
Total equity and liabilities		<u>68,005</u>	<u>72,975</u>
Net assets per share of RM1.00 each (RM)		<u>0.85</u>	<u>0.86</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 September 2012 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 December 2012

	Individual 3 months ended 31 December		Cumulative 3 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	12,677	20,870	12,677	20,870
Cost of sales	(10,467)	(17,268)	(10,467)	(17,268)
Gross profit	2,210	3,602	2,210	3,602
Operating expenses	(2,787)	(2,960)	(2,787)	(2,960)
Operating profit	(577)	642	(577)	642
Finance costs	--	--	--	--
Interest income	100	93	100	93
(Loss)/profit before tax	(477)	735	(477)	735
Tax expense	(8)	(1)	(8)	(1)
(Loss)/profit after tax	(485)	734	(485)	734
Foreign currency translation differences for foreign subsidiaries	(89)	(9)	(89)	(9)
Total comprehensive (expenses) / income for the period	(574)	725	(574)	725
Basic earnings per ordinary share (sen)	(0.74)	1.12	(0.74)	1.12

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 September 2012 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 December 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 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	--	(9)	--	(9)
Realisation of exchange fluctuation Reserves due to deregistration of subsidiary	--	--	--	--
Profit for the period	--	--	734	734
Total comprehensive (expenses) / income for the period	--	(9)	734	725
<i>At 31 December 2011</i>	<u>65,749</u>	<u>5,440</u>	<u>(14,777)</u>	<u>56,412</u>
<i>At 1 October 2012</i>	65,749	4,306	(13,835)	56,220
<i>Net gains recognised directly in equity</i>				
Exchange fluctuation on translation of the financial statements of foreign subsidiaries	--	(89)	--	(89)
Loss for the period	--	--	(485)	(485)
Total comprehensive expenses for the period	--	(89)	(485)	(574)
<i>At 31 December 2012</i>	<u>65,749</u>	<u>4,217</u>	<u>(14,320)</u>	<u>55,646</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 2012 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 December 2012

	3 months ended 31 December	
	2012 RM'000	2011 RM'000
Cash flows from operating activities		
(Loss) / profit before tax	(477)	735
Adjustments for:		
Depreciation	960	964
Allowance / (Reversal of) for diminution in value of quoted shares	8	(151)
Unrealised gain on foreign exchange	(118)	(51)
Gross dividend of quoted shares in Malaysia	(16)	(12)
Interest income	(100)	(93)
Operating profit before changes in working capital	257	1,392
Change in inventories	(472)	1,500
Change in trade and other receivables	4,426	6,885
Change in trade and other payables	(4,278)	(2,340)
Cash generated from operations	(67)	7,437
Tax paid	(11)	--
Interest received	100	93
Net cash from operating activities	22	7,530
Cash flows from investing activities		
Acquisition of property, plant and equipment	(83)	(59)
Dividend received from quoted shares (net)	13	10
Acquisition of quoted shares	--	1
Net cash used in investing activities	(70)	(48)
Exchange differences on translation of the financial statements of foreign subsidiaries	(75)	(2)
Net (decrease)/increase in cash and cash equivalents	(123)	7,480
Cash and cash equivalents at beginning of period	25,077	19,152
Foreign exchange differences on opening balance	(14)	(7)
Cash and cash equivalents at end of year	24,940	26,625
Cash and cash equivalents comprises:		
Cash and bank balances	11,581	15,149
Fixed deposits with licensed banks	13,359	11,476
	24,940	26,625

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 September 2012 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 MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *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 2012.

These are the Group's condensed consolidated interim financial statements for the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting standards* had been applied. The adoption of MFRS 1 has no significant impact on the financial statements.

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 2012.

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 RM12.68 million for the current quarter as compared to the previous quarter of RM19.83 million due to cyclical low 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 3 months ended 31 December		Profit/(Loss) before tax 3 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia	5,852	8,858	(676)	677
Singapore	3,790	4,808	(36)	51
People's Republic of China	9,466	15,221	54	(413)
	19,108	28,887	(658)	315
Inter-segment elimination	(6,431)	(8,017)	81	327
	<u>12,677</u>	<u>20,870</u>		
Segment result			(577)	642
Finance costs			--	--
Interest income			100	93
			<u>(477)</u>	<u>735</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

	31.12.2012 RM'000	31.12.2011 RM'000
Directors:		
- Fees	19	19
- Remuneration	683	505
Total short-term employee benefits	702	524
Other key management personnel:		
- Short term employee benefits	306	199

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10. Related parties (continued)

Transactions with related parties of the Group

	31.12.2012 RM'000	31.12.2011 RM'000
<i>Companies in which certain directors have interests</i>		
Sales	1,082	1,343
Purchases	--	--
Rental payable	--	--
	<u>31.12.2012</u> RM'000	<u>31.12.2011</u> RM'000
Remuneration paid to staff who are close family member of certain Directors	<u>206</u>	<u>128</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 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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31 December 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 RM12.68 million and loss before tax of RM0.48 million as compared to revenue of RM20.87 million and profit before tax of RM0.74 million in the corresponding previous quarter mainly due to recent European financial crisis resulted lesser orders from customers and generated lower revenue for the current quarter.

2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a loss before tax of RM0.48 million as compared to profit before tax of RM0.90 million in the previous quarter mainly due to lower revenue generated in the current quarter as a result of cyclical low period.

3. Current year prospects

With current uncertainty of the European financial crisis, the Group believes its prospects for the coming year will be more challenging. The Board is prudent and taking steps to mitigate and overcome the challenges.

4. Profit forecast

Not applicable.

5. Tax expense

	3 months ended 31 December		3 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Tax expense				
Malaysian Tax				
-Current year	8	1	8	1

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 shareholders have approved 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 at the 25th Annual General Meeting held on 21 February 2013. The said dividend will be paid on 15 April 2013 to Depositors whose names appear in the Record of Depositors at the close of business on 18 March 2013.

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 RM0.49 million attributable to ordinary shareholders for the current quarter and 3 months ended 31 December 2012.
- (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:-

	31.12.2012	30.09.2012
	RM'000	RM'000
Total retained profits / (accumulated losses)		
- Realised	(13,249)	(12,440)
- Unrealised	118	(125)
	<u>(13,131)</u>	<u>(12,565)</u>
Less: Consolidation adjustments	(1,189)	(1,271)
Total retained profits / (accumulated losses)	<u>(14,320)</u>	<u>(13,836)</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 31.12.2012 RM'000	Year To Date 31.12.2012 RM'000
Interest income	(100)	(100)
Other income including investment income	(21)	(21)
Interest expense	--	--
Depreciation and amortisation	960	960
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	168	168
- Unrealised	(118)	(118)
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