

PNE PCB Berhad

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

**Interim Financial Report (Announcement)
30 June 2014**

PNE PCB Berhad

(Company No. 168098-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position As at 30 June 2014

		30.06.2014	30.09.2013
		RM'000	RM'000
Assets			
Property, plant and equipment	3	26,989	27,942
Investments in quoted shares		928	860
Total non-current assets		<u>27,917</u>	<u>28,802</u>
Inventories		10,665	7,445
Trade and other receivables		14,609	14,721
Tax recoverable		40	40
Cash and cash equivalents		20,087	25,462
Total current assets		<u>45,401</u>	<u>47,668</u>
Total assets		<u><u>73,318</u></u>	<u><u>76,470</u></u>
Equity			
Share capital		65,749	65,749
Reserves		(7,526)	(3,904)
Total equity attributable to shareholders of the Company/Total equity		<u>58,223</u>	<u>61,845</u>
Liabilities			
Trade and other payables		15,095	14,625
Total current liabilities		<u>15,095</u>	<u>14,625</u>
Total liabilities		<u>15,095</u>	<u>14,625</u>
Total equity and liabilities		<u><u>73,318</u></u>	<u><u>76,470</u></u>
Net assets per share of RM1.00 each (RM)		<u>0.89</u>	<u>0.94</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 September 2013 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 2014

	Individual 3 months ended 30 June		Cumulative 9 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	13,733	18,260	38,646	44,730
Cost of sales	<u>(11,670)</u>	<u>(15,422)</u>	<u>(32,910)</u>	<u>(37,823)</u>
Gross profit	2,063	2,838	5,736	6,907
Operating expenses	<u>(2,138)</u>	<u>(3,230)</u>	<u>(8,821)</u>	<u>(9,805)</u>
Operating profit	(75)	(392)	(3,085)	(2,898)
Finance costs	--	--	--	--
Interest income	<u>78</u>	<u>92</u>	<u>236</u>	<u>282</u>
Profit/(Loss) before tax	3	(300)	(2,849)	(2,616)
Tax expense	<u>(29)</u>	<u>(68)</u>	<u>(35)</u>	<u>(83)</u>
Loss after tax	(26)	(368)	(2,884)	(2,699)
Foreign currency translation differences for foreign subsidiaries	<u>(1,578)</u>	<u>1,008</u>	<u>(738)</u>	<u>1,338</u>
Total comprehensive expenses for the period	<u>(1,604)</u>	<u>640</u>	<u>(3,622)</u>	<u>(1,361)</u>
Basic earnings per ordinary share (sen)	<u>(0.04)</u>	<u>(0.56)</u>	<u>(4.39)</u>	<u>(4.11)</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 September 2013 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 2014

	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 2012</i>	65,749	4,307	(13,836)	56,220
<i>Net gains recognised directly in equity</i>				
Exchange fluctuation on translation of the financial statements of foreign subsidiaries	--	1,338	--	1,338
Loss for the period	--	--	(2,699)	(2,699)
Dividend - Final	--	--	(658)	(658)
Total comprehensive income / (expenses) for the period	--	1,338	(3,357)	(2,019)
<i>At 30 June 2013</i>	<u>65,749</u>	<u>5,645</u>	<u>(17,193)</u>	<u>54,201</u>
<i>At 1 October 2013</i>	65,749	1,650	(5,554)	61,845
<i>Net gains recognised directly in equity</i>				
Exchange fluctuation on translation of the financial statements of foreign subsidiaries	--	(738)	--	(738)
Loss for the period	--	--	(2,884)	(2,884)
Total comprehensive income / (expenses) for the period	--	(738)	(2,884)	(3,622)
<i>At 30 June 2014</i>	<u>65,749</u>	<u>912</u>	<u>(8,438)</u>	<u>58,223</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 2013 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 2014

	9 months ended 30 June	
	2014 RM'000	2013 RM'000
Cash flows from operating activities		
Loss before tax	(2,849)	(2,616)
Adjustments for:		
Depreciation	2,097	2,989
Gain on disposal of property, plant and equipment	(25)	(30)
Reversal of impairment losses on property, plant and equipment	--	(397)
(Reversal of) / allowance for diminution in value of quoted shares	(68)	248
Unrealised (gain)/loss on foreign exchange	(862)	657
Gross dividend of quoted shares in Malaysia	(20)	(35)
Gain on disposal of quoted shares	--	(427)
Interest income	(236)	(282)
Operating profit before changes in working capital	(1,963)	107
Change in inventories	(3,220)	(781)
Change in trade and other receivables	112	(1,391)
Change in trade and other payables	1,332	(1,237)
Cash generated from operations	(3,739)	(3,302)
Tax paid	(35)	(82)
Interest received	236	282
Net cash from operating activities	(3,538)	(3,102)
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment	(1,144)	(680)
Dividend received from quoted shares (net)	20	28
Proceed from disposal of property, plant and equipment	25	30
Proceed from disposal of quoted shares	--	857
Net cash from/(used in) investing activities	(1,099)	235
Net cash used in financing activity		
Dividend paid to shareholders	--	(658)
Exchange differences on translation of the financial statements of foreign subsidiaries	(522)	802
Net (decrease)/increase in cash and cash equivalents	(5,159)	(2,723)
Cash and cash equivalents at beginning of period	25,462	25,077
Foreign exchange differences on opening balance	(216)	261
Cash and cash equivalents at end of year	20,087	22,615
Cash and cash equivalents comprises:		
Cash and bank balances	9,868	10,571
Fixed deposits with licensed banks	10,219	12,044
	20,087	22,615

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 September 2013 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 2013.

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 on the financial statement.

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 2013.

3. Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from 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 RM13.7 million for the current quarter as compared to the previous quarter of RM11.8 million due to 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 9 months ended 30 June		Profit/(Loss) before tax 9 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	11,818	15,028	(1,854)	(3,280)
Singapore	8,217	10,836	(283)	(261)
People's Republic of China	30,408	35,597	(1,239)	626
	<u>50,443</u>	<u>61,461</u>	<u>(3,376)</u>	<u>(2,915)</u>
Inter-segment elimination	<u>(11,797)</u>	<u>(16,731)</u>	<u>291</u>	<u>17</u>
	<u>38,646</u>	<u>44,730</u>		
Segment result			<u>(3,085)</u>	<u>(2,898)</u>
Finance costs			--	--
Interest income			<u>236</u>	<u>282</u>
			<u>(2,849)</u>	<u>(2,616)</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

	30.06.2014 RM'000	30.06.2013 RM'000
Directors:		
- Fees	56	56
- Remuneration	<u>2,340</u>	<u>2,420</u>
Total short-term employee benefits	2,396	2,476
Other key management personnel:		
- Short term employee benefits	648	685

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10. Related parties (continued)

Transactions with related parties of the Group

	30.06.2014 RM'000	30.06.2013 RM'000
<i>Companies in which certain directors have interests</i>		
Sales	3,394	3,873
Purchases	--	--
	<u>30.06.2014</u> <u>RM'000</u>	<u>30.06.2013</u> <u>RM'000</u>
Remuneration paid to staff who are close family member of certain Directors	<u>423</u>	<u>452</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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Interim Financial Report
30 June 2014

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 revenue of RM13.7 million and profit before tax of RM3 thousand for the current quarter as compared to revenue of RM18.3 million and loss before tax of RM300 thousand in the corresponding previous quarter mainly due to lesser orders received from customers resulted lower revenue for the current quarter. The profit is mainly due to unrealized foreign exchange gain of RM1.0 million recorded and various cost saving measures taken to lower expenses incurred for the current quarter.

2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a profit before tax of RM3 thousand as compared to loss before tax of RM2.1 million in the previous quarter, mainly due to higher revenue generated in the current quarter and unrealized foreign exchange gain of RM1.0 million recorded for the current quarter.

3. Current year prospects

With the current uncertainty on global demand for electrical and electronic products, the Board remains prudent and is continuously taking steps to mitigate and overcome the aforesaid challenges.

4. Profit forecast

Not applicable.

5. Tax expense

	3 months ended 30 June		9 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Tax expense				
Malaysian Tax				
-Current year	29	68	35	83

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

No dividend has been paid and 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 RM26 thousand and RM2.9 million attributable to ordinary shareholders for the current quarter and 9 months ended 30 June 2014.

(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:-

	30.06.2014	30.09.2013
	RM'000	RM'000
Total retained profits / (accumulated losses)		
- Realised	(20,482)	(15,344)
- Unrealised	11,431	9,468
	<u>(9,051)</u>	<u>(5,876)</u>
Less: Consolidation adjustments	613	322
Total retained profits / (accumulated losses)	<u>(8,438)</u>	<u>(5,554)</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 30.06.2014 RM'000	Year To Date 30.06.2014 RM'000
Interest income	(78)	(236)
Other income including investment income	(34)	(89)
Interest expense	--	--
Depreciation and amortisation	689	2,097
Provision for and write off of receivables	--	--
Provision for and write off of inventories	--	--
Gain on disposal of quoted/unquoted investment or properties	--	(25)
Impairment of assets	--	--
Foreign exchange (gain) / loss		
- Realised	152	519
- Unrealised	(1,014)	(862)
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