

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

Interim Financial Report (Announcement)
31 December 2014

PNE PCB Berhad

(Company No. 168098-V)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position As at 31 December 2014

		31.12.2014	30.09.2014
		RM'000	RM'000
Assets			
Property, plant and equipment	3	30,883	30,353
Investments in quoted shares		444	1,052
Total non-current assets		<u>31,327</u>	<u>31,405</u>
Inventories		9,575	9,373
Trade and other receivables		25,749	17,929
Tax recoverable		37	37
Cash and cash equivalents		10,944	20,105
Total current assets		<u>46,305</u>	<u>47,444</u>
Total assets		<u><u>77,632</u></u>	<u><u>78,849</u></u>
Equity			
Share capital		65,749	65,749
Reserves		(5,636)	(7,346)
Total equity attributable to shareholders of the Company/Total equity		<u>60,113</u>	<u>58,403</u>
Liabilities			
Trade and other payables		17,519	20,446
Total current liabilities		<u>17,519</u>	<u>20,446</u>
Total liabilities		<u>17,519</u>	<u>20,446</u>
Total equity and liabilities		<u><u>77,632</u></u>	<u><u>78,849</u></u>
Net assets per share of RM1.00 each (RM)		<u>0.91</u>	<u>0.89</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 September 2014 and the accompanying explanatory notes attached to the interim financial statements.

PNE PCB Berhad

(Company No. 168098-V)

(Incorporated in Malaysia)

Condensed consolidated statement of comprehensive income For the period ended 31 December 2014

	Individual 3 months ended 31 December		Cumulative 3 months ended 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	19,017	13,100	19,017	13,100
Cost of sales	<u>(15,122)</u>	<u>(10,558)</u>	<u>(15,122)</u>	<u>(10,558)</u>
Gross profit	3,895	2,542	3,895	2,542
Operating expenses	<u>(3,575)</u>	<u>(3,424)</u>	<u>(3,575)</u>	<u>(3,424)</u>
Operating profit / (Loss)	320	(882)	320	(882)
Interest income	<u>15</u>	<u>86</u>	<u>15</u>	<u>86</u>
Profit / (Loss) before tax	335	(796)	335	(796)
Tax expense	<u>(4)</u>	<u>(3)</u>	<u>(4)</u>	<u>(3)</u>
Profit / (Loss) after tax	331	(799)	331	(799)
Foreign currency translation differences for foreign subsidiaries	1,379	825	1,379	825
Total comprehensive income / (expenses) for the period	<u>1,710</u>	<u>(26)</u>	<u>1,710</u>	<u>(26)</u>
Basic earnings per ordinary share (sen)	<u>0.50</u>	<u>(1.22)</u>	<u>0.50</u>	<u>(1.22)</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 September 2014 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 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 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	--	(7)	--	(7)
Fair Value of Available-for-sale financial assets		192		192
Loss for the year	--	--	(3,627)	(3,627)
Total comprehensive income / (expenses) for the year	--	185	(3,627)	(3,442)
<i>At 31 December 2013</i>	<u>65,749</u>	<u>1,835</u>	<u>(9,181)</u>	<u>58,403</u>
<i>At 1 October 2014</i>	65,749	1,835	(9,181)	58,403
<i>Net gains recognised directly in equity</i>				
Exchange fluctuation on translation of the financial statements of foreign subsidiaries	--	1,379	--	1,379
Profit for the period	--	--	331	331
Total comprehensive income for the period	--	1,379	331	1,710
<i>At 31 December 2014</i>	<u>65,749</u>	<u>3,214</u>	<u>(8,850)</u>	<u>60,113</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 2014 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 2014

	3 months ended 31 December	
	2014 RM'000	2013 RM'000
Cash flows from operating activities		
Profit before tax	335	(796)
Adjustments for:		
Depreciation	380	704
Gain on disposal of property, plant and equipment	(4)	(25)
Unrealised loss on foreign exchange	27	337
Gross dividend of quoted shares in Malaysia	(10)	(10)
Allowance for diminution in value of quoted shares	260	25
Gain on disposal of quoted shares	(110)	--
Interest income	(15)	(86)
Operating profit before changes in working capital	863	149
Change in inventories	(202)	(1,012)
Change in trade and other receivables	(7,820)	2,990
Change in trade and other payables	(2,954)	(1,402)
Cash (absorbed by) / generated from operations	(10,113)	725
Tax paid	(4)	(3)
Interest received	15	86
Net cash (used in) / from operating activities	(10,102)	808
Cash flows from investing activities		
Purchase of property, plant and equipment	(899)	(187)
Dividend received from quoted shares (net)	10	10
Proceed from disposal of property, plant and equipment	4	25
Proceed from disposal of quoted shares	458	--
Net cash used in investing activities	(427)	(152)
Exchange differences on translation of the financial statements of foreign subsidiaries	803	633
Net (decrease) / increase in cash and cash equivalents	(9,726)	1,289
Cash and cash equivalents at beginning of period	20,105	25,462
Foreign exchange differences on opening balance	565	192
Cash and cash equivalents at end of period	10,944	26,943
Cash and cash equivalents comprises:		
Cash and bank balances	9,177	15,152
Fixed deposits with licensed banks	1,767	11,791
	10,944	26,943

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

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 2014 in adoption of the changes of depreciation rate.

During the financial year ended 30 September 2014, the Group and the Company have conducted a review on its depreciation policy for plant and equipment, furniture and fittings, which resulted in changes in the expected usage of certain items. Certain equipment, furniture and fittings, which management previously expected to remain in production for a period of 10 years are now expected to remain in production for a period of 15 years from the date of purchase. As a result, the expected useful lives of these assets increase.

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 under review.

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 million for the current quarter as compared to the previous quarter of RM18.3 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 3 months ended 31 December		Profit/(Loss) before tax 3 months ended 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	6,028	4,042	(188)	(1,077)
Singapore	2,524	2,804	144	20
People's Republic of China	13,409	10,327	336	137
	21,961	17,173	292	(920)
Inter-segment elimination	(2,944)	(4,073)	28	38
	<u>19,017</u>	<u>13,100</u>		
Segment result			320	(882)
Interest income			15	86
			<u>335</u>	<u>(796)</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

	3 months ended 31 December	
	2014 RM'000	2013 RM'000
Directors:		
- Fees	19	19
- Remuneration	710	914
Total short-term employee benefits	729	933
Other key management personnel:		
- Short term employee benefits	190	259

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**Interim Financial Report
31 December 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 RM19 million and profit before tax of RM335 thousand as compared to revenue of RM13.1 million and loss before tax of RM0.8 million in the corresponding previous financial year mainly due to more orders being received from customers generating higher revenue.

2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a profit before tax of RM335 thousand as compared to loss before tax of RM753 thousand in the previous quarter, mainly due to Group's continuous effort in implementing various cost saving measures and productivity achieved.

3. Current year prospects

The Board realises the difficulties in turning around the existing business operations in the near future. As such, the Board is actively looking to diversify into new businesses to complement the existing business to generate future income to add to the profitability of the Company and the Group.

4. Profit forecast

Not applicable.

5. Tax expense

	3 months ended 31 December		3 months ended 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Tax expense				
Malaysian Tax				
-Current period	4	3	4	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

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 profit after tax of RM331 thousand attributable to ordinary shareholders for the current quarter and 3 months ended 31 December 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:-

	31.12.2014	30.09.2014
	RM'000	RM'000
Total retained profits / (accumulated losses)		
- Realised	(19,915)	(19,598)
- Unrealised	10,542	9,922
	<u>(9,373)</u>	<u>(9,676)</u>
Less: Consolidation adjustments	523	495
Total accumulated losses	<u><u>(8,850)</u></u>	<u><u>(9,181)</u></u>

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13. Notes to the condensed consolidated statement of comprehensive income

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

	3 months Ended 31.12.2014 RM'000	Year To Date 31.12.2014 RM'000
Interest income	(15)	(15)
Other income including investment income	(22)	(22)
Depreciation	380	380
Allowance for diminution in value of quoted shares	260	260
Gain on disposal of property, plant and equipment	(4)	(4)
Gain on disposal of quoted investment	(110)	(110)
Foreign exchange (gain) / loss		
- Realised	(187)	(187)
- Unrealised	27	27
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