

**PNE PCB Berhad**

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

**Interim Financial Report (Announcement)  
30 June 2015**

# PNE PCB Berhad

(Company No. 168098-V)

(Incorporated in Malaysia)

## Condensed consolidated statement of financial position As at 30 June 2015

	<b>30.06.2015</b>	<b>30.09.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Property, plant and equipment	31,245	30,353
Investments in quoted shares	402	1,052
<b>Total non-current assets</b>	<u>31,647</u>	<u>31,405</u>
Inventories	10,185	9,373
Trade and other receivables	31,074	17,929
Tax recoverable	37	37
Cash and cash equivalents	8,590	20,105
<b>Total current assets</b>	<u>49,886</u>	<u>47,444</u>
<b>Total assets</b>	<u><u>81,533</u></u>	<u><u>78,849</u></u>
<b>Equity</b>		
Share capital	65,749	65,749
Reserves	(550)	(7,346)
<b>Total equity attributable to shareholders of the Company/Total equity</b>	<u>65,199</u>	<u>58,403</u>
<b>Liabilities</b>		
Trade and other payables	16,334	20,446
<b>Total current liabilities</b>	<u>16,334</u>	<u>20,446</u>
<b>Total liabilities</b>	<u>16,334</u>	<u>20,446</u>
<b>Total equity and liabilities</b>	<u><u>81,533</u></u>	<u><u>78,849</u></u>
<b>Net assets per share of RM1.00 each (RM)</b>	<u><u>0.99</u></u>	<u><u>0.89</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 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 30 June 2015

	Individual 3 months ended 30 June		Cumulative 9 months ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	18,984	13,733	56,244	38,646
Cost of sales	(14,116)	(11,670)	(41,915)	(32,910)
<b>Gross profit</b>	4,868	2,063	14,329	5,736
Operating expenses	(4,772)	(2,138)	(13,509)	(8,821)
<b>Operating Gain / (Loss)</b>	96	(75)	820	(3,085)
Interest income	3	78	28	236
<b>Profit/(Loss) before tax</b>	99	3	848	(2,849)
Tax expense	(10)	(29)	(18)	(35)
<b>Profit/(Loss) after tax</b>	89	(26)	830	(2,884)
Foreign currency translation differences for foreign subsidiaries	4,434	(1,578)	5,966	(738)
<b>Total comprehensive income / (expenses) for the period</b>	4,523	(1,604)	5,180	(3,622)
Basic earnings per ordinary share (sen)	0.14	(0.04)	1.26	(4.39)

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 30 June 2015

	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 30 September 2014</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	--	5,966	--	5,966
Profit for the period	--	--	830	830
Total comprehensive income for the period	--	5,966	830	6,796
<i>At 30 June 2015</i>	<u>65,749</u>	<u>7,801</u>	<u>(8,351)</u>	<u>65,199</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.

# PNE PCB Berhad

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## Condensed consolidated statement of cash flows For the period ended 30 June 2015

	9 months ended 30 June	
	2015 RM'000	2014 RM'000
<b>Cash flows from operating activities</b>		
Profit /(loss) before tax	848	(2,849)
Adjustments for:		
Depreciation	1,347	2,097
Gain on disposal of property, plant and equipment	(4)	(25)
Unrealised loss on foreign exchange	409	(862)
Gross dividend of quoted shares in Malaysia	(14)	(20)
Allowance for diminution in value of quoted shares	268	(68)
Gain on disposal of quoted shares	(113)	--
Interest income	(28)	(236)
<b>Operating profit/(loss) before changes in working capital</b>	<b>2,713</b>	<b>(1,963)</b>
Change in inventories	(812)	(3,220)
Change in trade and other receivables	(13,145)	112
Change in trade and other payables	(4,521)	1,332
<b>Cash absorbed by operations</b>	<b>(15,765)</b>	<b>(3,739)</b>
Tax paid	(18)	(35)
Interest received	28	236
<b>Net cash used in operating activities</b>	<b>(15,755)</b>	<b>(3,538)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,229)	(1,144)
Dividend received from quoted shares (net)	14	20
Proceed from disposal of property, plant and equipment	4	25
Proceed from disposal of quoted shares	495	--
<b>Net cash used in investing activities</b>	<b>(1,716)</b>	<b>(1,099)</b>
Exchange differences on translation of the financial statements of foreign subsidiaries	4,530	(522)
<b>Net decrease in cash and cash equivalents</b>	<b>(12,941)</b>	<b>(5,159)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>20,105</b>	<b>25,462</b>
Foreign exchange differences on opening balance	1,426	(216)
<b>Cash and cash equivalents at end of period</b>	<b>8,590</b>	<b>20,087</b>
<b>Cash and cash equivalents comprises:</b>		
Cash and bank balances	8,090	9,868
Fixed deposits with licensed banks	500	10,219
	<b>8,590</b>	<b>20,087</b>

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

On 14 May 2015, the Company announced that Dynamic Land Development Sdn. Bhd. ("DLDSB"), a wholly owned subsidiary of the Company, had on 13 May 2015 acquired two (2) ordinary shares of RM1.00 each in the share capital of Lebar Nilai Development Sdn. Bhd. (Company No. 1141593-A) ("LNDSB"), representing 100% of the total issued and paid-up Share capital of LNDSB, at a total consideration of RM2.00 ("the Acquisition"). Upon completion the Acquisition, LNDSB became a wholly-owned subsidiary of DLDSB.

### 5. Dividends

No dividend has been paid and declared by the company since the end of the previous financial year.

### 6. Seasonal or cyclical factors

The Group's revenue and profits are not materially affected by seasonal or cyclical factors.

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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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysia	16,208	11,818	12,962	(1,854)
Singapore	6,581	8,217	20	(283)
People's Republic of China	41,359	30,408	2,194	(1,239)
	<u>64,148</u>	<u>50,443</u>	<u>15,176</u>	<u>(3,376)</u>
Inter-segment elimination	<u>(7,904)</u>	<u>(11,797)</u>	<u>(14,356)</u>	<u>291</u>
	<u>56,244</u>	<u>38,646</u>		
Segment result			<u>820</u>	<u>(3,085)</u>
Interest income			<u>28</u>	<u>236</u>
			<u>848</u>	<u>(2,849)</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

	9 months ended 30 June	
	2015 RM'000	2014 RM'000
Directors:		
- Fees	30	56
- Remuneration	<u>2,128</u>	<u>2,340</u>
Total short-term employee benefits	2,158	2,396
Other key management personnel:		
- Short term employee benefits	487	648





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**Interim Financial Report  
30 June 2015**

Additional information required by the  
Bursa Malaysia Securities Berhad's Listing Requirements

# PNE PCB Berhad

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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 ("PBT") of RM89 thousand as compared to revenue of RM14 million and profit before tax ("PBT") of RM3 thousand in the previous year corresponding quarter. The increase in revenue 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 PBT of RM89 thousand as compared to PBT of RM414 thousand in the previous quarter ended 31 March 2015, mainly due to lower revenue generated in the current quarter as a result of cyclical low period and higher operating cost incurred in the current quarter.

### 3. Current year prospects

It is expected that for the current year, the Group will be able to achieve marginal profit through constant improvement on the costing and production efficiency. The revenue is expected to increase with new customers coming on board. Hence, the board is actively looking to diversify into new businesses to complement the existing businesses to add on to the profitability of the company and the Group.

### 4. Profit forecast

Not applicable.

### 5. Tax expense

	3 months ended 30 June		9 months ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Tax expense				
Malaysian Tax				
-Current period	10	29	18	35

### 6. Status of corporate proposal announced

On behalf of the Board of Directors of PNE, Public Investment Bank Berhad ("PIVB") had on 18 March 2015 announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that the Company proposes to undertake a private placement of up to 6,574,850 Placement Shares, representing up to ten percent (10%) of the issued and paid-up share capital of PNE, to investor(s) to be identified at an issue price to be determined and announced later.

PIVB had also on 20 March 2015 announced that the Company had, on 20 March 2015, submitted the listing application to Bursa Securities for the listing of and quotation for up to 6,574,850 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities.

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## 6. Status of corporate proposal announced (continued)

On 26 March 2015, PIVB announced that an approval for the listing and quotation of the placement shares has been obtained from Bursa Securities vide its letter dated 25 March 2015.

As of the date of the announcement, the private placement has not been completed.

## 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 RM1.5 million attributable to ordinary shareholders for the current quarter and 9 months ended 30 June 2015.

(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:-

	<b>30.06.2015</b>	<b>30.09.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits / (accumulated losses)		
- Realised	(19,125)	(19,598)
- Unrealised	10,160	9,922
	<u>(8,965)</u>	<u>(9,676)</u>
Less: Consolidation adjustments	614	495
Total accumulated losses	<u>(8,351)</u>	<u>(9,181)</u>

## **PNE PCB Berhad**

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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:

	<b>3 months Ended 30.06.2015 RM'000</b>	<b>Year To Date 30.06.2015 RM'000</b>
Interest income	(3)	(28)
Other income including investment income	(9)	(226)
Depreciation	554	1,347
Allowance for diminution in value of quoted shares	40	268
Gain on disposal of property, plant and equipment	0	(4)
Gain on disposal of quoted investment	0	(113)
Foreign exchange (gain) / loss		
- Realised	840	1,465
- Unrealised	(21)	409
	<hr/>	<hr/>