

**PNE PCB Berhad**

(Company No. 168098-V)

(Incorporated in Malaysia)

**Interim Financial Report (Announcement)  
31 December 2015**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	(Unaudited) As at 31 December 2015 RM'000	(Audited) As at 31 September 2015 RM'000
<b>Assets</b>		
Property, plant and equipment	32,538	32,018
Investment in quoted shares	279	389
Other investment	152	152
Deferred tax assets	1,900	1,900
<b>Total non-current assets</b>	<u>34,869</u>	<u>34,459</u>
Inventories	11,891	10,337
Trade and other receivables	27,845	27,740
Tax recoverable	83	36
Cash and cash equivalents	12,234	15,351
<b>Total current assets</b>	<u>52,053</u>	<u>53,464</u>
<b>Total assets</b>	<u>86,922</u>	<u>87,923</u>
<b>Equity</b>		
Share capital	65,749	65,749
Reserves	237	865
<b>Total equity attributable to shareholders of the company/Total equity</b>	<u>65,986</u>	<u>66,614</u>
<b>Liabilities</b>		
Deferred tax liability	15	15
<b>Total non-current liability</b>	<u>15</u>	<u>15</u>
Trade and other payables	20,921	21,003
Tax payable	-	291
<b>Total current liabilities</b>	<u>20,921</u>	<u>21,294</u>
<b>Total liabilities</b>	<u>20,936</u>	<u>21,309</u>
<b>Total equity and liabilities</b>	<u>86,922</u>	<u>87,923</u>
<b>Net assets per share of RM 1.00 each (RM)</b>	<b>0.10</b>	<b>0.10</b>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2015 and accompanying explanatory notes attached to the interim financial statements.)

**PNE PCB Berhad**  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2015**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 31 December 2015 RM'000	Preceding Year Corresponding Quarter 31 December 2014 RM'000	Current Year to date 31 December 2015 RM'000	Preceding Year Corresponding Period 31 December 2014 RM'000
Revenue	20,046	19,017	20,046	19,017
Cost of sales	(16,581)	(15,122)	(16,581)	(15,122)
<b>Gross profit</b>	3,465	3,895	3,465	3,895
Operating expenses	(3,450)	(3,575)	(3,450)	(3,575)
<b>Profit/(Loss) from operations</b>	15	320	15	320
Other income	82	15	82	15
<b>Profit/(Loss) before tax</b>	97	335	97	335
Tax credit/(expense)	(4)	(4)	(4)	(4)
<b>Profit/(Loss) after tax</b>	93	331	93	331
Foreign currency translation differences for foreign subsidiaries	(720)	1,379	(720)	1,379
<b>Total comprehensive income / expenses for the period</b>	(627)	1,710	(627)	1,710
Basic earnings per ordinary share (sen)	0.14	0.50	0.14	0.50

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2015 and accompanying explanatory notes attached to the interim financial statements.)

**PNE PCB Berhad**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED  
 31 DECEMBER 2015**

	Share Capital RM'000	Non-Distributable Reserves RM'000	<i>Distributable</i> Retained earnings / (Accumulated losses) RM'000	Total Equity RM'000
<b>At 1 October 2015</b>	65,749	12,273	(11,408)	66,614
<i>Net gains recognized directly in equity</i>				
Exchange fluctuation on translation of the financial statements of foreign subsidiaries	-	(720)	-	(720)
Fair value of available-for-sale financial assets	-	-	-	-
Gain / (loss) for the period	-	-	92	92
Total comprehensive income / (expenses) for the period	-	(720)	92	(628)
<b>At 31 December 2015</b>	<u>65,749</u>	<u>11,553</u>	<u>(11,316)</u>	<u>65,986</u>
<b>At 1 October 2014</b>	65,749	1,835	(9,181)	58,403
<i>Net gains recognized directly in equity</i>				
Exchange fluctuation on translation of the financial statements of foreign subsidiaries	-	-	-	-
Fair value of available-for-sale financial assets	-	1,379	-	1,379
Gain / (loss) for the period	-	-	331	331
Total comprehensive income / (expenses) for the period	-	1,379	331	1,710
<b>At 31 December 2014</b>	<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 financial year ended 30 September 2015 and accompanying explanatory notes attached to the interim financial statements.)

**PNE PCB Berhad**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
 FOR THE PERIOD ENDED 31 DECEMBER 2015**

	<b>Current Year to 31 December 2015 RM'000</b>	<b>Preceding Year Corresponding Period to 31 December 2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	97	335
Adjustments for:-		
Depreciation	488	380
Gain on disposal of property, plant and equipment	(14)	(4)
Unrealized loss on foreign exchange	67	27
Gross dividend of quoted shares in Malaysia	(2)	(10)
Allowance for diminution in value of quoted shares	-	260
Gain on disposal of quoted shares	(13)	(110)
Interest income	(9)	(15)
Operating profit/(loss) before changes in working capital	614	863
Inventories	(1,553)	(202)
Receivables	(827)	(7,820)
Payables	(150)	(2,954)
Cash (absorbed by) / generated from operations	(1,916)	(10,113)
Tax paid	(342)	(4)
Interest received	9	15
Net cash from/(used in) operating activities	(2,249)	(10,102)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	324	(899)
Dividend received from quoted shares (net)	2	10
Proceeds from disposal of property, plant and equipment	30	4
Proceeds from disposal of quoted shares	122	458
Net cash from/(used in) investing activities	478	(427)
Exchange differences on translation of the financial statements of foreign subsidiaries	(720)	803
<b>Net increase/(decrease) in cash and cash equivalents</b>	(2,491)	(9,726)
<b>Cash and cash equivalents at beginning of period</b>	15,351	20,105
Foreign exchange differences on opening balance	(626)	565
<b>Cash and cash equivalents at end of period</b>	12,234	10,944
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	9,807	9,177
Fixed deposits with licensed banks	2,427	1,767
	12,234	10,944

\*\* Fixed deposits with licensed banks have been pledged to licensed banks for banking facilities granted to the Group.

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2015 and 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 2015.

### **2. Significant accounting policies**

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 September 2015.

### **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**

During the quarter under review, there were no changes in the composition of the Group.

### **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 3 months ended 31 December		Profit/(Loss) before tax 3 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysia	4,114	6,028	(222)	(188)
Singapore	183	2,254	(239)	144
People's Republic of China	15,935	13,409	332	336
	20,232	21,961	(129)	292
Inter-segment elimination	(186)	(2,944)	(56)	28
	<u>20,046</u>	<u>19,017</u>		
Segment result			(185)	320
Other income			282	15
			<u>97</u>	<u>335</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	
	2015 RM'000	2014 RM'000
Directors:		
- Fees	11	19
- Remuneration	74	710
Total short-term employee benefits	85	729
Other key management personnel:		
- Short term employee benefits	-	190



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**Interim Financial Report  
31 December 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 RM20 million and profit before tax ("PBT") of RM0.09 million as compared to revenue of RM19 million and PBT of RM0.335 million in the corresponding previous financial period. Higher operating costs mainly as a result of higher labour and materials costs affected the Group's performance for the current financial period.

### 2. Variation of results against preceding quarter

For the quarter under review, the Group recorded a PBT of RM0.09 million as compared to loss before tax ("LBT") of RM4.9 million in the previous quarter ended 30 September 2015, mainly due to higher revenue generated in the current quarter as a result of the cyclical high period.

### 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.

### 4. Profit forecast

Not applicable.

### 5. Tax expense

	3 months ended 31 December		3 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Tax expense				
Malaysian Tax				
-Current period	4	4	4	4

### 6. Status of corporate proposal announced

- (i) 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.

On 25 September 2015, PIVB announced that the Company, after assessing the current market conditions, decided not to proceed with the Proposed Private Placement.

- (ii) On behalf of the Board of Directors of PNE, Mercury Securities Sdn Bhd (“Mercury”) had on 23 October 2015 announced to Bursa Malaysia Securities Berhad (“Bursa Securities”) that the Company would like to undertake the following Proposals;
- 1) Par value reduction via the cancellation of RM0.80 from the par value of every existing ordinary share of RM1.00 each in the issued and paid-up share capital of the company pursuant to Section 64 the Companies Act, 1965 (“Act”) (“Proposed Par Value Reduction”);
  - 2) Bonus issue of up to 65,748,500 new ordinary shares of RM0.20 each in PNE (after the Proposed Par Value Reduction) (“Bonus Shares”) on the basis of one (1) Bonus Share for every one (1) existing Share held by entitled shareholders of the company (“Entitled Shareholders”) on an entitlement date to be determined (“Bonus Entitlement Date”) (“Proposed Bonus Issue”);
  - 3) Renounceable rights issue of up to 262,994,000 new Shares (“Rights Shares”) together with up to 197,245,500 free warrants (“Warrants”) on the basis of four (4) Rights Shares together with three (3) Warrants for every two (2) existing Shares held by the Entitled Shareholders on an entitlement date to be determined (after the Proposed Bonus Issue) (“Rights Entitlement Date”) (“Proposed Rights Issue with Warrants”);
  - 4) Establishment of an employee share option scheme (“ESOS or Scheme”) involving up to 15% of the issued and paid-up share capital of PNE for eligible Directors and employees of the company and its subsidiaries (“Eligible Persons”) (“Group” or “PNE Group”) (“Proposed ESOS”);
  - 5) increase in the authorised share capital of PNE from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 1,000,000,000 ordinary shares of RM0.20 each (“Proposed Increase in Authorised Share Capital”); and
  - 6) amendments to the Memorandum and Articles of Association of the company (“Proposed Amendments”).

Mercury had also on 26 November 2015 announced that an approval for the Proposals has been obtained from Bursa Securities vide its letter dated 25 November 2015.

On 19 January 2016, Mercury announced that the High Court had on 19 January 2016 granted an order confirming the Proposed Par Value Reduction. Mercury further announced on 22 January 2016 that this sealed Court Order dated 19 January 2016 was lodged with the Companies Commission of Malaysia, making the Proposed Par Value Reduction effective on 22 January 2016.

On 12 February 2016, Mercury announced that the issuance, listing and quotation of 65,748,500 Bonus Shares on the Main Market of Bursa Securities was 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 profit after tax of RM0.09 million attributable to ordinary shareholders for the current quarter and 3 months ended 31 December 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>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits / (accumulated losses)		
- Realised	(21,477)	(19,915)
- Unrealised	9,509	10,052
	<u>(11,968)</u>	<u>(9,373)</u>
Less: Consolidation adjustments	652	523
Total accumulated losses	<u>(11,316)</u>	<u>(8,850)</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:

	<b>3 months Ended 31.12.2015 RM'000</b>	<b>Year To Date 31.12.2015 RM'000</b>
Interest income	(9)	(9)
Other income including investment income	(9)	(235)
Depreciation	488	488
Allowance for diminution in value of quoted shares	-	-
Gain on disposal of property, plant and equipment	(14)	(14)
Gain on disposal of quoted investment	(13)	(13)
Foreign exchange (gain) / loss		
- Realised	(67)	(67)
- Unrealised	17	17
	<hr/>	<hr/>