

**PNE PCB Berhad**

Registration No.: 198801000741 (168098-V)  
(Incorporated in Malaysia)

**Financial Report (Announcement)**  
**30 June 2021**

**PNE PCB Berhad**

Registration No.:198801000741 (168098-V)

(Incorporated In Malaysia)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

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	(Unaudited)	(Audited)
	As at 30 Jun 2021 RM'000	As at 31 Mar 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,215	39,040
Intangible Asset	126	127
Total non-current assets	<u>39,341</u>	<u>39,167</u>
<b>Current assets</b>		
Inventories	14,753	14,232
Trade receivables	24,960	22,343
Other receivables	22,588	24,623
Tax recoverable	-	99
Cash and cash equivalents	11,940	22,422
Total current assets	<u>74,241</u>	<u>83,719</u>
<b>TOTAL ASSETS</b>	<u>113,582</u>	<u>122,886</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	61,221	61,221
Warrant Reserves	26,612	26,612
Reserves	(4,277)	(2,015)
<b>Total equity</b>	<u>83,556</u>	<u>85,818</u>
<b>LIABILITIES</b>		
<b>Non-Current liability</b>		
Finance Lease	4,727	3,691
Borrowings	-	7,631
Total non-current liability	<u>4,727</u>	<u>11,322</u>
<b>Current liabilities</b>		
Trade payables	22,227	20,171
Other payables	1,761	2,612
Finance Lease	1,311	2,618
Tax payable	-	24
Borrowings	-	321
Total current liabilities	<u>25,299</u>	<u>25,746</u>
<b>TOTAL LIABILITIES</b>	<u>30,026</u>	<u>37,068</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>113,582</u>	<u>122,886</u>
<b>Net assets per share (RM)</b>	0.19	0.20

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and accompanying explanatory notes attached to the interim financial statements.)

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

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	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter 30 Jun 2020 RM'000	Current Year to date 30 Jun 2021 RM'000	Preceding Year Corresponding Period 30 Jun 2020 RM'000
Revenue	21,794	16,070	21,794	16,070
Cost of sales	(21,173)	(15,303)	(21,173)	(15,303)
<b>Gross profit</b>	<b>621</b>	<b>767</b>	<b>621</b>	<b>767</b>
Other income	1,422	1,258	1,422	1,258
Distribution expenses	(686)	(491)	(686)	(491)
Administration expenses	(2,653)	(2,762)	(2,653)	(2,762)
<b>Loss before tax</b>	<b>(1,296)</b>	<b>(1,228)</b>	<b>(1,296)</b>	<b>(1,228)</b>
Tax expenses	-	-	-	-
<b>Loss for the financial period</b>	<b>(1,296)</b>	<b>(1,228)</b>	<b>(1,296)</b>	<b>(1,228)</b>
<b>Other comprehensive income/(expenses), net of tax</b>				
- Foreign currencies translation	(966)	(1,731)	(966)	(1,731)
<b>Total comprehensive expenses for the financial period</b>	<b>(2,262)</b>	<b>(2,959)</b>	<b>(2,262)</b>	<b>(2,959)</b>
<b>Loss per share (sen)</b>				
- Basic	(0.30)	(0.93)	(0.30)	(0.93)
- Diluted	(0.28)	(0.63)	(0.28)	(0.63)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

(The figures below are unaudited)

	<b>Current Year to 30 Jun 2021 RM'000</b>	<b>Preceding Year Corresponding Period to 30 Jun 2020 RM'000</b>
<b>Operating Activities</b>		
Loss before tax	(1,296)	(1,228)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	704	593
Amorisation Expenses	350	338
Reversal of impairment on quoted shares	-	(334)
Loss on disposal of quoted shares	-	254
Interest income	(36)	(9)
Interest expenses	408	156
Unrealised (gain)/loss on foreign exchange	(128)	273
<b>Operating profit before working capital changes</b>	<u>2</u>	<u>43</u>
Changes in working capital:		
Inventories	(521)	683
Receivables	(1,719)	2,145
Payables	2,470	(4,444)
<b>Cash generated from/(used in) operations</b>	<u>232</u>	<u>(1,573)</u>
Tax refund	99	461
<b>Net cash generated from/(used in) operating activities</b>	<u>331</u>	<u>(1,112)</u>
<b>Investing Activities</b>		
Interest received	36	9
Interest expenses	(408)	(156)
Proceeds from disposal of quoted shares	-	109
Purchase of property, plant and equipment	(895)	(377)
<b>Net cash used in investing activities</b>	<u>(1,267)</u>	<u>(415)</u>
<b>Financing Activities</b>		
Repayment of from finance borrowing	(7,976)	-
Repayment of operating lease commitment	(226)	(489)
Repayment of finance lease payables	(45)	(137)
Issuance of share capital	-	1,288
<b>Net cash (used in)/generated from financing activities</b>	<u>(8,247)</u>	<u>662</u>
Cash and cash equivalents at beginning of the period	22,422	14,989
Net changes	(9,183)	(941)
Effect of exchange rate changes	(1,299)	(1,087)
<b>Cash and cash equivalents at end of the period</b>	<u>11,940</u>	<u>12,961</u>
<b>Cash and cash equivalents comprise of:</b>		
- Cash and bank balances	3,384	3,706
- Fixed deposits with licensed banks	8,556	9,255
	<u>11,940</u>	<u>12,961</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and 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 2021**

	← Attributable to the owners of the Company →				
	← Non-distributable →				
	Share capital RM'000	Warrants Reserves RM'000	Exchange fluctuation reserve RM'000	Accumulated Loss RM'000	Total equity RM'000
Balance as at 1 April 2021	61,221	26,612	8,127	(10,142)	85,818
Loss for the financial period	-	-	-	(1,296)	(1,296)
Other comprehensive expenses for the financial period, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	(966)	-	(966)
	-	-	(966)	(1,296)	(2,262)
Balance as at 30 June 2021 (Unaudited)	61,221	26,612	7,161	(11,438)	83,556

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and 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 2021 (continued)**

	← Attributable to the owners of the Company →				Total equity RM'000
	← Non-distributable →		Exchange fluctuation reserve RM'000	Retained profits/ (Accumulated loss) RM'000	
	Share capital RM'000	Warrants Reserves RM'000	Exchange fluctuation reserve RM'000	Retained profits/ (Accumulated loss) RM'000	Total equity RM'000
Balance as at 1 April 2020	27,072	9,205	8,781	12,104	57,162
Loss for the financial year	-	-	-	(4,839)	(4,839)
Other comprehensive expenses for the financial period, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	(654)	-	(654)
	-	-	(654)	(4,839)	(5,493)
Conversion of warrants	18,438	(6,793)	-	6,793	18,438
Issuance of Bonus Issue of Warrants	-	24,200	-	(24,200)	-
Issuance of Private Placement	15,711	-	-	-	15,711
Balance as at 31 March 2021 (Audited)	61,221	26,612	8,127	(10,142)	85,818

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and accompanying explanatory notes attached to the interim financial statements.)

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**NOTES TO THE QUARTERLY REPORT –30 JUN 2021**

**1. 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 (“Bursa Securities”) 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 31 March 2021.

**2. Significant accounting policies**

The accounting policies set out have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

**3. Seasonal or cyclical factors**

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

**4. Unusual items affecting the assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter-to-date.

**5. Material change in estimates**

There were no significant changes in estimates which will have a material effect in the current quarter under review.

**6. Changes in Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current financial quarter under review.

**7. Dividends**

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

**8. Valuation of property and equipment**

The Group did not revalue any of its property or equipment during the current period under review.

**9. Subsequent Events**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period under review.

## 10. Changes in the composition of the Group

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

## 11. Changes in Contingent assets and contingent liabilities

There were no material contingent assets and contingent liabilities since the last annual reporting date.

## 12. Commitments

The Group have made commitments for the following capital expenditures:

	2021 RM	2020 RM
<b>Intangible assets</b>		
Contracted but not provided for	<u>1,367,000</u>	<u>-</u>
<b>Right of use assets</b>		
Contracted but not provided for	<u>8,328,840</u>	<u>-</u>
<b>Investment properties</b>		
Contracted but not provided for	<u>731,864</u>	<u>731,864</u>

## 13. Auditor qualification

The audit report of the Group for the preceding annual financial statements was not subject to any audit qualification.

## 14. Change in material litigation

There is no material litigation as at the date of this quarterly report.



## Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities

### 1. Financial review for Current Quarter and Cumulative Quarter

	Individual Period			Cumulative Period		
	Current Period Quarter	Preceding Year Corresponding Quarter	Changes (Amount)	Current Period to-Date	Preceding Year Corresponding Period	Changes (Amount)
	30.06.2021	30.06.2020		30.06.2021	30.06.2020	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	21,794	16,070	5,724	21,794	16,070	5,724
<b>Operating Profit</b>	621	767	(146)	621	767	(146)
<b>Loss Before Interest and Tax</b>	(888)	(1,072)	184	(888)	(1,072)	184
<b>Loss Before Tax</b>	(1,296)	(1,228)	(68)	(1,296)	(1,228)	(68)
<b>Loss After Tax</b>	(1,296)	(1,228)	(68)	(1,296)	(1,228)	(68)
<b>Loss Attributable to Ordinary Equity Holder of the Company</b>	(1,296)	(1,228)	(68)	(1,296)	(1,228)	(68)

#### Review of Group's Results for the current quarter and Period-to-date ended 30 Jun 2021

The Group recorded a total revenue of RM21.794 million for the quarter ended 30 Jun 2021. The Group's loss before tax ("LBT") and loss after tax ("LAT") for the quarter were RM1.296 million for the period respectively.

The Group's revenue of RM21.794 million for the period to date 30 Jun 2021 represents an increase of approximately 35.62% as compared to the preceding corresponding period. The Group recorded LBT and LAT of RM1.296 million for the period to date 30 Jun 2021 as compared to LBT and LAT of RM1.228 million for the preceding year to date 30 Jun 2020.

The Group's increase of revenue is mainly contributed from PNE Dongguan as it secured a few new major customers. LBT / LAT are almost similar compared with Preceding Year Corresponding Quarter as the Losses are mainly contributed from PNE Malaysia. The Group is still in recovery process and coping with the on-going COVID-19 negative effect especially in the Malaysia factory due to the on-going MCO.

## 2. Financial review for Current Quarter and Immediate Preceding Quarter

	<b>Current Period Quarter 30.06.2021 RM'000</b>	<b>Immediate Preceding Quarter 31.03.2021 RM'000</b>	<b>Changes (Amount) RM'000</b>
<b>Revenue</b>	21,794	24,118	(2,324)
<b>Operating Profit</b>	621	133	488
<b>Loss Before Interest and Tax</b>	(888)	(2,114)	1226
<b>Loss Before Tax</b>	(1,296)	(2,575)	1,279
<b>Loss After tax</b>	(1,296)	(2,611)	1,315
<b>Loss Attributable to the Owners of the Company</b>	(1,296)	(2,611)	1,315

The Group recorded a decrease of approximately 9.64% in its revenue of RM21.794 million for the quarter ended 30 Jun 2021 against RM24.118 million for the immediate preceding quarter ended 31 Mar 2021. The slight reduction of revenue in the current Quarter is mainly due to the shortage of semiconductors globally which affected the production quantity in PNE's customers. The Group recorded LBT and LAT of RM1.296 million respectively for the current quarter ended 30 Jun 2021, as compared to LBT and LAT of RM2.575 and RM2.611 million respectively in the immediate preceding quarter ended 31 Mar 2021. The decreased loss is mainly due to the customers starting to absorb the material cost up into the total selling price.

## 3. Current year prospects

The Group is confident that the total revenue for the new financial year will continue with the increasing trend. The Group is expecting to further grow the business volume with the existing customers as well as to secure few more new customers. The management will also continue to manage and improve the production efficiencies and cost saving activities to further reduce the cost of operation to aim for profit before tax ('PBT') and profit after tax ('PAT') to be achievable in this new financial year.

#### 4. Segment information

Segment information is presented in respect of the Group's geographical segments. Inter-segment pricing is determined based on a negotiated basis.

	<b>Revenue Current Year 30.06.2021 RM'000</b>	<b>Loss before tax Current Year 30.06.2021 RM'000</b>
Malaysia	3,208	(1,018)
Singapore	5	74
People's Republic of China	18,691	(315)
	<hr/>	<hr/>
	21,904	(1,259)
Inter-segment elimination	(110)	(37)
	<hr/>	<hr/>
	21,794	(1,296)

#### 5. Profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee in any public documents.

#### 6. Taxation

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense				
Malaysian Tax				
-Current period	<hr/>	<hr/>	<hr/>	<hr/>
	0	0	0	0

#### 7. Status of corporate proposal announced

On 23 March 2021, Mercury Securities had, on behalf of the BOD, announced that PNE proposes to undertake a private placement of up to 194,513,000 new ordinary shares in the Company ("PNE Shares" or "Shares") ("Placement Shares"), representing approximately 30% of the enlarged total number of issued shares of the Company, to independent third-party investor(s) to be identified later and at an issue price to be determined later ("Private Placement 30%").

On 3 May 2021, Mercury Securities had, on behalf of the BOD, announced that Bursa Securities had, vide its letter dated 3 May 2021, approved the listing and quotation of up to 194,513,000 Placement Shares to be issued pursuant to the Private Placement 30%.

As of the date of this announcement, PNE has placed out a total of 96,000,000 Placement Shares, raising a total of RM8.67 million, via the following tranches:

(i) 46,000,000 Placement Shares at an issue price of RM0.1030 per Placement Share, which were listed on the Main Market of Bursa Securities on 27 July 2021.

(ii) 50,000,000 Placement Shares at an issue price of RM0.0786 per Placement Share, which were listed on the Main Market of Bursa Securities on 25 August 2021.

The Company wishes to inform that the Private Placement 30% is still currently in the implementation stage.

Save as disclosed above, there are no other corporate proposals announced but pending completion as at the reporting date.

## 8. Status of Utilisation of Proceeds

On 5 March 2021, the Group completed a private placement involving 71,156,000 new ordinary shares of the Company, raising a total of RM15.71 million (“**Private Placement 20%**”).

Status of utilisation of proceeds of the Private Placement 20% as at 30 Jun 2021 is as follows:-

Utilisation of proceeds	Expected timeframe for the utilisation from completion of the Private Placement 20%	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceed RM'000
(i) Repayment of borrowings	Within 3 months	10,797	9,476	1,321
(ii) Upgrading of existing PCB production lines	Within 12 months	4,730	0	4,730
(iii) Estimated expenses for the Private Placement 20%	Immediate	184	184	0
<b>Total</b>		<b>15,711</b>	<b>9,660</b>	<b>6,051</b>

## 9. Trade Receivable

The Group's normal trade credit terms range from 60 days to 135 days term.

	As at current quarter ended 30 Jun 2021				
	Current	1-2 months	2-3 months	More than 3 months	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Denominated in RM					
Trade receivables	6,844	14,579	1,450	2,087	24,960

## 10. Group Borrowings and Debt Securities

The Group's borrowings, all repayable in Ringgit Malaysia and secured, as at the end of the quarter under review are as follows:

	<u>RM'000</u>
<u>Long Term Borrowings</u>	
Hire Purchase Payable	4,727
<u>Short Term Borrowings</u>	
Hire Purchase Payable	1,311
Total	<u>6,038</u>

## 11. Earnings Per Share

### (a) Basic Earnings Per Ordinary Shares

Basic earnings per share amounts were calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>Current Year Quarter 30.06.2021</b>	<b>Preceding Year Corresponding Quarter 30.06.2020</b>	<b>Current Year To Date 30.06.2021</b>	<b>Preceding Year To Date 30.06.2020</b>
Loss after tax (RM'000)	(1,296)	(1,228)	(1,296)	(1,228)
Weighted average number of ordinary shares in issue ('000)	431,191	132,633	431,191	132,633
Basic loss per share (sen)	<u>(0.30)</u>	<u>(0.93)</u>	<u>(0.30)</u>	<u>(0.93)</u>

### (b) Diluted Earnings Per Ordinary Shares

The diluted earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue and issuable after the conversion of all outstanding warrants during the financial period ended 30 Jun 2021.

	<b>Current Year Quarter 30.06.2021</b>	<b>Preceding Year Corresponding Quarter 30.06.2020</b>	<b>Current Year To Date 30.06.2021</b>	<b>Preceding Year To Date 30.06.2020</b>
Loss after tax (RM'000)	<u>(1,296)</u>	<u>(1,228)</u>	<u>(1,296)</u>	<u>(1,228)</u>
Weighted average number of ordinary shares in issue ('000)	431,191	132,633	431,191	132,633
Effect of dilution after conversion of all outstanding Warrants ('000)	<u>34,455</u>	<u>62,359</u>	<u>34,455</u>	<u>62,359</u>
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	<u>465,646</u>	<u>194,992</u>	<u>465,646</u>	<u>194,992</u>
Diluted Loss per share (sen)	<u>(0.28)</u>	<u>(0.63)</u>	<u>(0.28)</u>	<u>(0.63)</u>

**12. Notes to the condensed consolidated statement of comprehensive income**

Loss before taxation is arrived at after charging/ (crediting) the following items:-

	<b>Current Year Quarter 30.06.2021 RM'000</b>	<b>Current Year To Date 30.06.2021 RM'000</b>
Depreciation of equipment	704	704
Interest income	(36)	(36)
Foreign exchange gain -Unrealised	(128)	(128)
Amortisation expenses	350	350
Interest expenses	408	408