

# **PNE PCB Berhad**

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

## **Financial Report (Announcement) 30 September 2022**

**PNE PCB Berhad**

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(Incorporated In Malaysia)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2022**

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	(Unaudited)	(Audited)
	As at 30 SEP 2022	As at 31 Mar 2022
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,077	40,874
Intangible Asset	8,327	8,751
Total non-current assets	<u>47,404</u>	<u>49,625</u>
<b>Current assets</b>		
Inventories	11,236	10,717
Trade receivables	25,960	21,085
Other receivables	4,559	5,541
Tax recoverable	-	131
Cash and cash equivalents	22,226	23,711
Total current assets	<u>63,981</u>	<u>61,185</u>
<b>TOTAL ASSETS</b>	<u><b>111,385</b></u>	<u><b>110,810</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	72,151	72,151
Warrant Reserves	26,612	26,612
Reserves	(25,633)	(22,082)
<b>Total equity</b>	<u><b>73,130</b></u>	<u><b>76,681</b></u>
<b>LIABILITIES</b>		
<b>Non-Current liability</b>		
Finance Lease	5,279	5,734
Total non-current liability	<u>5,279</u>	<u>5,734</u>
<b>Current liabilities</b>		
Trade payables	22,859	16,733
Other payables	3,737	3,261
Finance Lease	6,380	8,400
Tax payable	-	1
Total current liabilities	<u>32,976</u>	<u>28,395</u>
<b>TOTAL LIABILITIES</b>	<u><b>38,255</b></u>	<u><b>34,129</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>111,385</b></u>	<u><b>110,810</b></u>
<b>Net assets per share (RM)</b>	0.13	0.14

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 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 SEPTEMBER 2022**

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	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 Sep 2022 RM'000	Preceding Year Corresponding Quarter 30 Sep 2021 RM'000	Current Year to date 30 Sep 2022 RM'000	Preceding Year Corresponding Period 30 Sep 2021 RM'000
Revenue	26,806	21,664	50,481	43,458
Cost of sales	(25,355)	(21,105)	(48,731)	(42,278)
<b>Gross Profit</b>	<b>1,451</b>	<b>559</b>	<b>1,750</b>	<b>1,180</b>
Other income	885	691	2,034	2,113
Distribution expenses	(741)	(590)	(1,424)	(1,276)
Administration expenses	(4,084)	(2,503)	(7,544)	(5,156)
<b>Loss before tax</b>	<b>(2,489)</b>	<b>(1,843)</b>	<b>(5,184)</b>	<b>(3,139)</b>
Tax expenses	-	-	-	-
<b>Loss for the financial period</b>	<b>(2,489)</b>	<b>(1,843)</b>	<b>(5,184)</b>	<b>(3,139)</b>
<b>Other comprehensive expenses, net of tax</b>				
- Foreign currencies translation	1,351	353	1,633	(613)
<b>Total comprehensive expenses for the financial period</b>	<b>(1,138)</b>	<b>(1,490)</b>	<b>(3,551)</b>	<b>(3,752)</b>
<b>Loss per share (sen)</b>				
- Basic	(0.45)	(0.40)	(0.93)	(0.67)
- Diluted	(0.35)	(0.31)	(0.73)	(0.52)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 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 SEPTEMBER 2022

	Current Year to 30 Sep 2022 RM'000	Preceding Year Corresponding Period to 30 Sep 2021 RM'000
<b>Operating Activities</b>		
Loss before tax	(5,184)	(3,139)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	1,697	1,410
Amortisation Expenses	931	707
Interest income	(120)	(78)
Interest expenses	172	507
Unrealised loss/(gain) on foreign exchange	1,692	(12)
Gain on disposal of property, plant and equipment	(9)	-
<b>Operating loss before working capital changes</b>	<u>(821)</u>	<u>(605)</u>
Changes in working capital:		
Inventories	(520)	1,595
Receivables	4,450	(2,457)
Payables	(3,432)	(11)
<b>Cash used in from operations</b>	<u>(323)</u>	<u>(1,478)</u>
Tax refund	130	99
<b>Net cash used in from operating activities</b>	<u>(193)</u>	<u>(1,379)</u>
<b>Investing Activities</b>		
Interest received	120	78
Interest expenses	(172)	(507)
Purchase of property, plant and equipment	(302)	(963)
<b>Net cash used in investing activities</b>	<u>(354)</u>	<u>(1,392)</u>
<b>Financing Activities</b>		
Proceeds from finance borrowing	-	(7,976)
Repayment of operating lease commitment	(2,187)	(987)
Repayment of finance lease payables	(288)	(89)
Issuance of share capital	-	8,668
<b>Net cash used in financing activities</b>	<u>(2,475)</u>	<u>(384)</u>
Cash and cash equivalents at beginning of the period	23,711	22,422
Net changes	(3,022)	(3,156)
Effect of exchange rate changes	1,537	(808)
<b>Cash and cash equivalents at end of the period</b>	<u>22,226</u>	<u>18,458</u>
<b>Cash and cash equivalents comprise of:</b>		
- Cash and bank balances	18,950	9,902
- Fixed deposits with licensed banks	3,276	8,556
	<u>22,226</u>	<u>18,458</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 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 SEPTEMBER 2022**

	← 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 2022	72,151	26,612	8,719	(30,801)	76,681
Loss for the financial period	-	-	-	(5,184)	(5,184)
Other comprehensive expenses for the financial period, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	1,633	-	1,633
	-	-	1,633	(5,184)	(3,551)
Balance as at 30 Sep 2022 (Unaudited)	72,151	26,612	10,352	(35,985)	73,130

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 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 SEPTEMBER 2022 (continued)**

	←----- 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 year	-	-	-	(20,659)	(20,659)
Other comprehensive expenses for the financial period, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	592	-	592
	-	-	592	(20,659)	(20,067)
Issuance of Private Placement	10,930	-	-	-	10,930
Balance as at 31 March 2022 (Audited)	72,151	26,612	8,719	(30,801)	76,681

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and accompanying explanatory notes attached to the interim financial statements.)

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**NOTES TO THE QUARTERLY REPORT –30 SEP 2022**

**Part B – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting in Malaysia and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2022.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 March 2022, except for the adoption of the following Amendments effective 1 January 2022:

- Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts - Cost of Fulfilling a Contract

The Group has adopted the Amendments that are relevant and effective for accounting periods beginning on or after 1 January, 2022. The adoption of these Amendments has not resulted in any material impact on the financial statements of the Group.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been applied by the Group:

- Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**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**

There were no significant seasonal or cyclical factors affecting the operations of the Group in the current quarter under review.

**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 under review.

**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 quarter under review.

**7. Dividends**

There were no dividends declared or paid during the current quarter under review.

**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 as at the date of this report.

**12. Commitments**

The Group have made commitments for the following capital expenditures:

	<u>2022</u> <u>RM</u>	<u>2021</u> <u>RM</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 were no material litigation as at the date of this quarterly report.

**15. Significant Related Party Disclosures**

There were no significant related party transactions during the current quarter under review.

## 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)
	30.09.2022	30.09.2021		30.09.2022	30.09.2021	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	26,806	21,664	5,142	50,481	43,458	7,023
<b>Operating Profit</b>	1,451	559	892	1,750	1,180	570
<b>Loss Before Interest and Tax</b>	(2,409)	(1,744)	(665)	(5,012)	(2,632)	(2,380)
<b>Loss Before Tax</b>	(2,489)	(1,843)	(646)	(5,184)	(3,139)	(2,045)
<b>Loss After Tax</b>	(2,489)	(1,843)	(646)	(5,184)	(3,139)	(2,045)
<b>Loss Attributable to Ordinary Equity Holder of the Company</b>	(2,489)	(1,843)	(646)	(5,184)	(3,139)	(2,045)

#### Review of Group's Results for the current quarter and Period-to-date ended 30 Sep 2022

The Group recorded a total revenue of RM26.806 million for the quarter ended 30 Sep 2022. The Group's loss before tax ("LBT") and loss after tax ("LAT") for the quarter were RM2.489 million respectively for the period.

The Group's revenue of RM50.481 million for the period to date 30 Sep 2022 represents an increase of approximately 16.16% as compared to the preceding corresponding period. The Group recorded LBT and LAT of RM5.184 million respectively for the period to date 30 Sep 2022 as compared to LBT and LAT of RM3.139 million respectively for the preceding year to date 30 Sep 2021.

The Group LBT and LAT amounting to RM 2.489 million are mainly contributed by higher depreciation RM 1.697 million as well as unrealised loss on foreign exchange RM 1.692 million from the current quarter. The cost of copper clad laminates has been quite stable in the period and is forecasted to be kept manageable in the 3rd quarter.

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

	<b>Current Period Quarter 30.09.2022 RM'000</b>	<b>Immediate Preceding Quarter 30.06.2022 RM'000</b>	<b>Changes (Amount) RM'000</b>
<b>Revenue</b>	26,806	23,675	3,131
<b>Operating Profit/(Loss)</b>	1,451	299	1,152
<b>Loss Before Interest and Tax</b>	(2,409)	(2,603)	194
<b>Loss Before Tax</b>	(2,489)	(2,695)	206
<b>Loss After tax</b>	(2,489)	(2,695)	206
<b>Loss Attributable to the Owners of the Company</b>	(2,489)	(2,695)	206

The Group recorded an increase of approximately 13.23% in its revenue of RM26.806 million for the quarter ended 30 Sep 2022 against RM23.675 million for the immediate preceding quarter ended 30 Jun 2022. The Group recorded LBT and LAT of RM2.489 million respectively for the current quarter ended 30 Sep 2022, as compared to LBT and LAT of RM2.695 million respectively in the immediate preceding quarter ended 30 Jun 2022. A lower loss in current quarter was mainly due to increase of revenue and lower of operating cost. There are a slight improvement on the Operating profit in the current quarter which have shown a positive outcome from the adjustment of the group selling prices to the customers and had been effective.

## 3. Current year prospects

There is a slight slowing down on customers' demand generally starting from 3<sup>rd</sup> quarter. Due to the global market condition, we expecting the slow demand will be continuously at least for the next 6 months. However, the Group are working closely with the customers to try to get hold of as much order as possible.

#### 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 30.09.2022 RM'000</b>	<b>Loss before tax Current Year 30.09.2022 RM'000</b>
Malaysia	6,843	(2,405)
Singapore	4	(359)
People's Republic of China	43,665	(1,599)
	<u>50,512</u>	<u>(4,363)</u>
Inter-segment elimination	(31)	(821)
	<u>50,481</u>	<u>(5,184)</u>

#### 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>30.09.2022 RM'000</b>	<b>30.09.2021 RM'000</b>	<b>30.09.2022 RM'000</b>	<b>30.09.2021 RM'000</b>
Tax expense				
Malaysian Tax				
-Current period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

#### 7. 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 Sep 2022 is as follows:-

<b>Utilisation of proceeds</b>	<b>Expected timeframe for the utilisation from completion of the Private Placement 20%</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Unutilised proceed RM'000</b>
(i) Repayment of borrowings	Within 12 months	10,443	10,443	0
(ii) Upgrading of existing PCB production lines	Within 24 months	5,084	202	4,882
(iii) Estimated expenses for the Private Placement 20%	Immediate	184	184	0
<b>Total</b>		<b>15,711</b>	<b>10,829</b>	<b>4,882</b>

On 2 November 2021, the Group completed a private placement involving 129,357,000 new ordinary shares of the Company, raising a total of RM10.93 million (“**Private Placement 30%**”).

Status of utilisation of proceeds of the Private Placement 30% as at 30 Sep 2022 is as follows:-

Utilisation of proceeds	Expected timeframe for the utilisation from completion of the Private Placement 30%	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceed RM'000
(i) Capital expenditure for the Gloves Business	Within 24 months	10,500	0	10,500
(iii) Estimated expenses for the Private Placement 30%	Immediate	430	430	0
<b>Total</b>		<b>10,930</b>	<b>430</b>	<b>10,500</b>

As at 2 November 2022, the Company has yet to fully utilised the proceeds raised from the Private Placement 30%. After careful deliberation of the current economic situation due to current glove demand and oversupply in the market has resulted the price of the gloves to be competitive. There are a lot of existing glove manufacturers has stopped / deduced their glove manufacturing. The Board requires additional time to complete the utilisation of the proceeds and is closely monitoring the glove market situation.

After due deliberation, the Board has decided to extend the timeframe for the utilisation of proceeds for 12 months from the completion of Private Placement 30%.

## 8. Trade Receivable

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

	As at current quarter ended 30 Sep 2022				
	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	9,651	15,036	1,072	201	25,960

## 9. 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:

	<b><u>RM'000</u></b>
<u>Long Term Borrowings</u>	
Hire Purchase Payable	5,279
<u>Short Term Borrowings</u>	
Hire Purchase Payable/Term Bills	6,380
Total	<u><u>11,659</u></u>

## 10. 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 30.09.2022</b>	<b>Preceding Year Corresponding Quarter 30.09.2021</b>	<b>Current Year To Date 30.09.2022</b>	<b>Preceding Year To Date 30.09.2021</b>
Loss after tax (RM'000)	(2,489)	(1,843)	(5,184)	(3,139)
Weighted average number of ordinary shares in issue ( '000)	560,549	470,905	560,549	470,905
Basic loss per share (sen)	<u>(0.45)</u>	<u>(0.40)</u>	<u>(0.93)</u>	<u>(0.67)</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 Sep 2022.

	<b>Current Year Quarter 30.09.2022</b>	<b>Preceding Year Corresponding Quarter 30.09.2021</b>	<b>Current Year To Date 30.09.2022</b>	<b>Preceding Year To Date 30.09.2021</b>
Loss after tax (RM'000)	<u>(2,489)</u>	<u>(1,843)</u>	<u>(5,184)</u>	<u>(3,139)</u>
Weighted average number of ordinary shares in issue ( '000)	560,549	470,905	560,549	470,905
Effect of dilution after conversion of all outstanding Warrants ( '000)	<u>152,507</u>	<u>132,968</u>	<u>152,507</u>	<u>132,968</u>
Adjusted weighted average number of ordinary shares in issue ( '000) for the purpose of diluted earnings per share	<u>713,056</u>	<u>603,873</u>	<u>713,056</u>	<u>603,873</u>
Diluted Loss per share (sen)	<u>(0.35)</u>	<u>(0.31)</u>	<u>(0.73)</u>	<u>(0.52)</u>

**11. 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 30.09.2022 RM'000</b>	<b>Current Year To Date 30.09.2022 RM'000</b>
Depreciation of equipment	633	1,697
Interest income	(84)	(120)
Foreign exchange loss -Unrealised	614	1,692
Interest expenses	80	172
Gain on disposal of plant equipment	0	(9)
Amortisation expenses	465	931