

# **PNE PCB Berhad**

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

## **Financial Report (Announcement) 30 September 2023**

**PNE PCB Berhad**

Registration No.:198801000741 (168098-V)

(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEP 2023**

	(Unaudited)	(Audited)
	As at 30 Sep 2023 RM'000	As at 31 Mar 2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,306	28,317
Intangible Asset	6,135	7,005
Total non-current assets	<u>36,441</u>	<u>35,322</u>
<b>Current assets</b>		
Inventories	9,884	13,362
Trade receivables	13,756	13,803
Other receivables	2,719	5,359
Tax recoverable	-	172
Cash and cash equivalents	12,760	13,919
Other Investment	9,056	10,087
Total current assets	<u>48,175</u>	<u>56,702</u>
<b>TOTAL ASSETS</b>	<u>84,616</u>	<u>92,024</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	72,151	72,151
Warrant Reserves	26,612	26,612
Reserves	(39,138)	(34,074)
<b>Total equity</b>	<u>59,625</u>	<u>64,689</u>
<b>LIABILITIES</b>		
<b>Non-Current liability</b>		
Finance Lease	207	264
Borrowings	39	344
Total non-current liability	<u>246</u>	<u>608</u>
<b>Current liabilities</b>		
Trade payables	14,319	15,932
Other payables	5,035	4,967
Finance Lease	1,359	2,278
Tax payable	-	1
Borrowings	4,032	3,549
Total current liabilities	<u>24,745</u>	<u>26,727</u>
<b>TOTAL LIABILITIES</b>	<u>24,991</u>	<u>27,335</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>84,616</u>	<u>92,024</u>
<b>Net assets per share (RM)</b>	0.11	0.12

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 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 SEP 2023**

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	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 Sep 2023 RM'000	Preceding Year Corresponding Quarter 30 Sep 2022 RM'000	Current Year to date 30 Sep 2023 RM'000	Preceding Year Corresponding Period 30 Sep 2022 RM'000
Revenue	17,031	26,806	30,241	50,481
Cost of sales	(16,952)	(25,355)	(30,069)	(48,731)
<b>Gross Profit</b>	<b>79</b>	<b>1,451</b>	<b>172</b>	<b>1,750</b>
Other income	1,614	885	2,135	2,034
Distribution expenses	(474)	(741)	(954)	(1,424)
Administration expenses	(2,854)	(4,084)	(6,615)	(7,544)
<b>Loss before tax</b>	<b>(1,635)</b>	<b>(2,489)</b>	<b>(5,262)</b>	<b>(5,184)</b>
Tax expenses	(3)	-	(8)	-
<b>Loss for the financial period</b>	<b>(1,638)</b>	<b>(2,489)</b>	<b>(5,270)</b>	<b>(5,184)</b>
<b>Other comprehensive expenses, net of tax</b>				
- Foreign currencies translation	148	1,351	206	1,633
<b>Total comprehensive expenses for the financial period</b>	<b>(1,490)</b>	<b>(1,138)</b>	<b>(5,064)</b>	<b>(3,551)</b>
<b>Loss per share (sen)</b>				
- Basic	(0.29)	(0.45)	(0.94)	(0.93)
- Diluted	(0.23)	(0.35)	(0.74)	(0.73)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 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 SEP 2023**

	← 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 2023	72,151	26,612	9,326	(43,400)	64,689
Loss for the financial period	-	-	-	(5,270)	(5,270)
Other comprehensive expenses for the financial period, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	206	-	206
	-	-	206	(5,270)	(5,064)
Balance as at 30 Sep 2023 (Unaudited)	72,151	26,612	9,532	(48,670)	59,625

(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 2023 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 SEP 2023 (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 2022	72,151	26,612	8,719	(30,801)	76,681
Loss for the financial year	-	-	-	(12,599)	(12,599)
Other comprehensive expenses for the financial period, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	607	-	607
	-	-	607	(12,599)	(11,992)
Balance as at 31 March 2023 (Audited)	72,151	26,612	9,326	(43,400)	64,689

(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 2023 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 30 SEP 2023

	Current Year to 30 Sep 2023 RM'000	Preceding Year Corresponding Period to 30 Sep 2022 RM'000
<b>Operating Activities</b>		
Loss before tax	(5,262)	(5,184)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	2,106	1,697
Amortisation Expenses	708	931
Property, plant and equipment written off	253	-
Reversal of impairment loss on property, plant and equipment	(250)	-
Interest income	(117)	(120)
Interest expenses	195	172
Unrealised loss on foreign exchange	1,080	1,692
Gain on disposal of property, plant and equipment	-	(9)
<b>Operating loss before working capital changes</b>	<u>(1,287)</u>	<u>(821)</u>
Changes in working capital:		
Inventories	3,478	(520)
Receivables	7,677	4,450
Payables	(6,415)	(3,432)
<b>Cash generated from/(used in) operations</b>	<u>3,453</u>	<u>(323)</u>
Tax refund	164	130
<b>Net cash generated from/(used in) operating activities</b>	<u>3,617</u>	<u>(193)</u>
<b>Investing Activities</b>		
Interest received	117	120
Interest expenses	(195)	(172)
Dividend from Other Investment	(169)	-
Purchase of property, plant and equipment	(3,236)	(302)
<b>Net cash used in investing activities</b>	<u>(3,483)</u>	<u>(354)</u>
<b>Financing Activities</b>		
Repayment of operating lease commitment	(709)	(2,187)
Repayment of finance lease payables	(89)	(288)
<b>Net cash used in financing activities</b>	<u>(798)</u>	<u>(2,475)</u>
Cash and cash equivalents at beginning of the period	13,919	23,711
Net changes	(664)	(3,022)
Effect of exchange rate changes	(495)	1,537
<b>Cash and cash equivalents at end of the period</b>	<u>12,760</u>	<u>22,226</u>
<b>Cash and cash equivalents comprise of:</b>		
- Cash and bank balances	5,027	18,950
- Fixed deposits with licensed banks	7,733	3,276
	<u>12,760</u>	<u>22,226</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 2023 and accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE QUARTERLY REPORT–30 SEP 2023**

**A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with requirements of paragraph 9.22 (Appendix 9B part A) of the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and complies with requirements of the Malaysian Financial Reporting Standards 134 (MFRS 134): Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”), Companies Act 2016 in Malaysia.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2023, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

MFRS 17	Insurance Contracts
Amendments to:	
MFRS 17	Insurance Contracts
MFRS 17	Initial application of MFRS 17 and MFRS 9 Comparative Information
MFRS 101	Presentation of Financial Statement-Disclosure of Accounting Estimates
MFRS 108	Definition of Accounting Estimates
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

The standards and interpretations that are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024**

Amendments to:	
MFRS 16	Lease Liability in a Sale and Leaseback
MFRS 101	Non-current Liabilities with Covenants

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**

Amendments to:	
MFRS10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

**2. Auditors' Report on the preceding Annual Financial Statements**

The auditors' report on the latest audited financial statements for the financial year ended 31 March 2023 was not subject to any qualification.

**3. Seasonal or cyclical factors**

There were no significant seasonal or cyclical factors affecting the operations of the Group in the current financial quarter under review and the financial year-to-date.

**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 and year-to-date.

**5. Material change in estimates**

There were no significant changes in estimates which will have a material effect in the current financial quarter under review and the financial year-to-date.

**6. Debt and Equity Securities**

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review and the financial year-to-date.

**7. Dividend**

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

**8. 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 30.09.2023 RM'000</b>	<b>Loss before tax Current Year 30.09.2023 RM'000</b>
Malaysia	3,894	(3,003)
Singapore	1	(242)
People's Republic of China	26,393	(1,809)
	20,288	(5,054)
Inter-segment elimination	(47)	(208)
	30,241	(5,262)



**9. Valuation of property and equipment**

There were no valuation of the property, plant and equipment during the current financial quarter under review.

**10. Material Events Subsequent to the End of the Quarter**

There were no material events subsequent to the end of the current financial quarter under review.

**11. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial quarter under review and the financial year-to-date.

**12. Contingent assets and contingent liabilities**

There were no contingent assets and contingent liabilities during the current financial quarter under review and the financial year-to-date.

**13. Capital Commitments**

The Group have made commitments for the following capital expenditures:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Investment properties</b>		
Contracted but not provided for	<u>731,864</u>	<u>731,864</u>

**14. Significant Related Party Disclosures**

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

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**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)
	30.09.2023	30.09.2022		30.09.2023	30.09.2022	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	17,031	26,806	(9,775)	30,241	50,481	(20,240)
<b>Operating Profit</b>	79	1,451	(1,372)	172	1,750	(1,578)
<b>Loss Before Interest and Tax</b>	(1,546)	(2,409)	863	(5,067)	(5,012)	(55)
<b>Loss Before Tax</b>	(1,635)	(2,489)	854	(5,262)	(5,184)	(78)
<b>Loss After Tax</b>	(1,638)	(2,489)	851	(5,270)	(5,184)	(86)
<b>Loss Attributable to Ordinary Equity Holder of the Company</b>	(1,638)	(2,489)	851	(5,270)	(5,184)	(86)

**Review of Group's Results for the current quarter and Period-to-date ended 30 Sep 2023**

The Group recorded a total revenue of RM17.031 million for the quarter ended 30 Sep 2023. The Group's loss before tax ("LBT") and loss after tax ("LAT") for the quarter were RM1.635 million and RM1.638 million respectively for the period.

The Group's revenue of RM30.241 million for the period to date 30 Sep 2023 represents a decrease of approximately 40.09% as compared to the preceding corresponding period. The Group recorded LBT and LAT of RM5.262 million and RM5.270 million respectively for the period to date 30 Sep 2023 as compared to LBT and LAT of RM5.184 million respectively for the preceding year to date 30 Sep 2022.

The Group had recorded decreases in revenue for the period to date compared to preceding year corresponding period. The reduction of revenue for the period to date is lower orders from customers due to the global market condition. The losses are mainly due to higher depreciation of RM2.106 million as well as unrealised loss on foreign exchange of RM1.080 million for the period to date.

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

	<b>Current Period Quarter 30.09.2023 RM'000</b>	<b>Immediate Preceding Quarter 30.06.2023 RM'000</b>	<b>Changes (Amount) RM'000</b>
<b>Revenue</b>	17,031	13,211	3,820
<b>Operating Profit</b>	172	94	78
<b>Loss Before Interest and Tax</b>	(1,546)	(3,520)	1,974
<b>Loss Before Tax</b>	(1,635)	(3,626)	1,991
<b>Loss After tax</b>	(1,638)	(3,632)	1,994
<b>Loss Attributable to the Owners of the Company</b>	(1,638)	(3,632)	1,994

The Group recorded an increase of approximately 28.915% in its revenue of RM17.031 million for the quarter ended 30 Sep 2023 against RM13.211 million for the immediate preceding quarter ended 30 Jun 2023. The increase of revenue in the current quarter is increase orders from China's customers. The Group recorded LBT and LAT of RM1.635 million and RM1.638 million respectively for the current quarter ended 30 Sep 2023, as compared to LBT and LAT of RM3.626 million and RM3.632 million respectively in the immediate preceding quarter ended 30 Jun 2023. A lower loss in current quarter was mainly due to an increase of revenue and a reduction in operating costs. This was the result of a continuous effort to improve the manufacturing efficiencies.

**3. Current year prospects**

There is a slight increase on customers' demand generally starting from current quarter and we are expecting the demand will remain at this level for the next quarter. The Group will monitor closely on the market movement and made internal operating adjustment accordingly.

**4. Profit forecast and profit guarantee**

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

**5. Taxation**

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense				
Malaysian Tax				
-Current period	3	0	8	0

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**6. 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 2023 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 36 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 2023 is as follows:-

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

On 1 November 2023, the Board approved an extension of timeframe for the utilisation of proceeds for another 12 months to 02 November 2024 for the capital expenditure for the gloves business.

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**7. Trade Receivable**

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

	As at current quarter ended 30 Sep 2023				
	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	5,011	7,764	887	94	13,756

**8. 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	246
<u>Short Term Borrowings</u>	
Hire Purchase Payable/Term Bills	5,391
Total	<u>5,637</u>

**9. Material Litigation**

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

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**10. Losses Per Share**

**(a) Basic Loss 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 30.09.2023</b>	<b>Preceding Year Corresponding Quarter 30.09.2022</b>	<b>Current Year To Date 30.09.2023</b>	<b>Preceding Year To Date 30.09.2022</b>
Loss after tax (RM'000)	(1,635)	(2,489)	(5,262)	(5,184)
Weighted average number of ordinary shares in issue ('000)	560,549	560,549	560,549	560,549
Basic loss per share (sen)	(0.29)	(0.45)	(0.94)	(0.93)

**(b) Diluted Loss 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 2023.

	<b>Current Year Quarter 30.09.2023</b>	<b>Preceding Year Corresponding Quarter 30.09.2022</b>	<b>Current Year To Date 30.09.2023</b>	<b>Preceding Year To Date 30.09.2022</b>
Loss after tax (RM'000)	(1,635)	(2,489)	(5,262)	(5,184)
Weighted average number of ordinary shares in issue ('000)	560,549	560,549	560,549	560,549
Effect of dilution after conversion of all outstanding Warrants ('000)	152,507	152,507	152,507	152,507
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	713,056	713,056	713,056	713,056
Diluted Loss per share (sen)	(0.23)	(0.35)	(0.74)	(0.73)

**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 30.09.2023 RM'000</b>	<b>Current Year To Date 30.09.2023 RM'000</b>
Depreciation of equipment	1,025	2,106
Interest income	(56)	(117)
Foreign exchange loss -Unrealised	105	1,080
Interest expenses	89	195
Amortisation expenses	352	708
Property, plant and equipment written off	1	253
Reversal of impairment loss on property, plant and equipment	0	(250)