

# **PNE PCB Berhad**

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

## **Financial Report (Announcement) 31 March 2024**

**PNE PCB Berhad**

Registration No.:198801000741 (168098-V)

(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAR 2024**

	(Unaudited)	(Audited)
	As at 31 Mar 2024 RM'000	As at 31 Mar 2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	44,961	28,317
Intangible Asset	86	7,005
Total non-current assets	<u>45,047</u>	<u>35,322</u>
<b>Current assets</b>		
Inventories	7,048	13,362
Trade receivables	16,377	13,803
Other receivables	5,539	5,359
Tax recoverable	123	172
Cash and cash equivalents	10,941	13,919
Other Investment	6,716	10,087
Total current assets	<u>46,744</u>	<u>56,702</u>
<b>TOTAL ASSETS</b>	<u>91,791</u>	<u>92,024</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	72,165	72,151
Warrant Reserves	2,412	26,612
Reserves	(25,457)	(34,074)
<b>Total equity</b>	<u>49,120</u>	<u>64,689</u>
<b>LIABILITIES</b>		
<b>Non-Current liability</b>		
Lease	14,059	264
Borrowings	-	344
Total non-current liability	<u>14,059</u>	<u>608</u>
<b>Current liabilities</b>		
Trade payables	16,726	15,932
Other payables	7,073	4,967
Lease	4,465	2,278
Tax payable	1	1
Borrowings	347	3,549
Total current liabilities	<u>28,612</u>	<u>26,727</u>
<b>TOTAL LIABILITIES</b>	<u>42,671</u>	<u>27,335</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>91,791</u>	<u>92,024</u>
<b>Net assets per share (RM)</b>	0.09	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 YEAR ENDED 31 MAR 2024**

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	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 31 Mar 2024 RM'000	Preceding Year Corresponding Quarter 31 Mar 2023 RM'000	Current Year to date 31 Mar 2024 RM'000	Preceding Year Corresponding Period 31 Mar 2023 RM'000
Revenue	15,066	12,052	59,031	81,578
Cost of sales	(14,450)	(10,629)	(58,218)	(77,570)
<b>Gross Profit</b>	<b>616</b>	<b>1,423</b>	<b>813</b>	<b>4,008</b>
Other income	1,529	1,149	4,137	4,068
Distribution expenses	388	488	(1,100)	(1,579)
Administration expenses	(10,890)	(9,356)	(20,044)	(19,030)
<b>Loss before tax</b>	<b>(8,357)</b>	<b>(6,296)</b>	<b>(16,194)</b>	<b>(12,533)</b>
Tax expenses	(52)	(53)	(85)	(66)
<b>Loss for the financial year</b>	<b>(8,409)</b>	<b>(6,349)</b>	<b>(16,279)</b>	<b>(12,599)</b>
<b>Other comprehensive expenses, net of tax</b>				
- Foreign currencies translation	793	(493)	696	607
<b>Total comprehensive expenses for the financial year</b>	<b>(7,616)</b>	<b>(6,842)</b>	<b>(15,583)</b>	<b>(11,992)</b>
<b>Loss per share (sen)</b>				
- Basic	(1.50)	(1.13)	(2.90)	(2.25)
- Diluted	(1.41)	(0.89)	(2.74)	(1.77)

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 YEAR  
ENDED 31 MAR 2024**

	← 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 year	-	-	-	(16,279)	(16,279)
Other comprehensive expenses for the financial year, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	696	-	696
	-	-	696	(16,279)	(15,583)
Conversion of warrants	14	(4)	-	4	14
Reversal of Expired Warrants	-	(24,196)	-	24,196	-
Balance as at 31 Mar 2024 (Unaudited)	72,165	2,412	10,022	(35,479)	49,120

(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 YEAR  
ENDED 31 MAR 2024 (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 year, 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 YEAR ENDED 31 MAR 2024**

	<b>Current Year to 31 Mar 2024 RM'000</b>	<b>Preceding Year Corresponding Period to 31 Mar 2023 RM'000</b>
<b>Operating Activities</b>		
Loss before tax	(16,194)	(12,599)
<b>Adjustments for:</b>		
Reversal of Impairment of trade receivable	-	(34)
Allowance for doubtful debt	1	39
Impairment on property, plant and equipment	-	4,852
Depreciation of property, plant and equipment	4,171	4,215
Amortisation Expenses	7,035	1,434
Property, plant and equipment written off	516	2,155
Reversal of impairment loss on property, plant and equipment	(514)	(161)
Allowance for slow moving inventories	184	142
Interest income	(188)	(299)
Interest expenses	449	314
Unrealised loss on foreign exchange	1,072	1,295
Loss/(Gain) on disposal of property, plant and equipment	2	(12)
<b>Operating (loss)/gain before working capital changes</b>	<b>(3,466)</b>	<b>1,341</b>
Changes in working capital:		
Inventories	6,129	(2,787)
Receivables	2,532	16,102
Payables	191	(6,556)
<b>Cash generated from operations</b>	<b>5,386</b>	<b>8,100</b>
Tax paid	(34)	(42)
<b>Net cash generated from operating activities</b>	<b>5,352</b>	<b>8,058</b>
<b>Investing Activities</b>		
Interest received	188	299
Interest expenses	(449)	(314)
Dividend from Other Investment	(279)	-
Purchase of property, plant and equipment	(4,157)	(596)
Other Investment	-	(10,087)
Proceeds from disposal of property, plant and equipment	-	33
<b>Net cash used in investing activities</b>	<b>(4,697)</b>	<b>(10,665)</b>
<b>Financing Activities</b>		
Proceeds from finance borrowing	-	1,344
Repayment of operating lease commitment	(3,331)	(10,952)
Repayment of finance lease payables	(178)	(641)
Issuance of share capital	14	-
<b>Net cash used in financing activities</b>	<b>(3,495)</b>	<b>(10,249)</b>
Cash and cash equivalents at beginning of the year	13,919	23,711
Net changes	(2,840)	(12,856)
Effect of exchange rate changes	(138)	2,843
<b>Cash and cash equivalents at end of the year</b>	<b>10,941</b>	<b>13,698</b>
<b>Cash and cash equivalents comprise of:</b>		
- Cash and bank balances	2,988	4,865
- Fixed deposits with licensed banks	7,953	8,833
	<b>10,941</b>	<b>13,698</b>

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–31 MAR 2024**

**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 except for conversion of 22,666 warrants at RM0.60 dated 29 November 2023. There was a reversal of 118,028,776 warrants under Warrant B dated 29 Nov 2023 which have expired.

**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 31.03.2024 RM'000</b>	<b>Loss before tax Current Year 31.03.2024 RM'000</b>
Malaysia	7,187	(14,312)
Singapore	1	(165)
People's Republic of China	51,906	(3,751)
	<hr/> 59,094	<hr/> (18,228)
Inter-segment elimination	(63)	1,949
	<hr/> 59,031	<hr/> (16,279)
	<hr/> <hr/>	<hr/> <hr/>

**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)
	31.03.2024	31.03.2023		31.03.2024	31.03.2023	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	15,066	12,052	3,014	59,031	81,578	(22,547)
<b>Operating Profit</b>	616	1,423	(807)	813	4,008	(3,195)
<b>Loss Before Interest and Tax</b>	(8,177)	(6,231)	(1,946)	(15,745)	(12,219)	(3,526)
<b>Loss Before Tax</b>	(8,357)	(6,296)	(2,061)	(16,194)	(12,533)	(3,661)
<b>Loss After Tax</b>	(8,409)	(6,349)	(2,060)	(16,279)	(12,599)	(3,680)
<b>Loss Attributable to Ordinary Equity Holder of the Company</b>	(8,409)	(6,349)	(2,060)	(16,279)	(12,599)	(3,680)

**Review of Group's Results for the current quarter and Period-to-date ended 31 Mar 2024**

The Group recorded a total revenue of RM15.066 million for the quarter ended 31 Mar 2024. The Group's loss before tax ("LBT") and loss after tax ("LAT") for the quarter were RM8.357 million and RM8.409 million respectively for the period.

The Group's revenue of RM59.031 million for the period to date 31 Mar 2024 represents a decrease of approximately 27.63% as compared to the preceding corresponding period. The Group recorded LBT and LAT of RM16.194 million and RM16.279 million respectively for the period to date 31 Mar 2024 as compared to LBT and LAT of RM12.533 million and RM12.599 million respectively for the preceding year to date 31 Mar 2023.

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 due to lower orders from customers due to the global market condition. The losses are mainly due to higher depreciation of RM4.171 million and amortization expenses of RM7.0 million as well as unrealised loss on foreign exchange of RM1.072 million for the period to date.

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

	<b>Current Period Quarter 31.03.2024</b>	<b>Immediate Preceding Quarter 31.12.2023</b>	<b>Changes (Amount)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	15,066	13,724	1,342
<b>Operating Profit</b>	616	25	591
<b>Loss Before Interest and Tax</b>	(8,177)	(2,501)	(5,676)
<b>Loss Before Tax</b>	(8,357)	(2,575)	(5,782)
<b>Loss After tax</b>	(8,409)	(2,599)	(5,810)
<b>Loss Attributable to the Owners of the Company</b>	(8,409)	(2,599)	(5,810)

The Group recorded an increase of approximately 9.78% in its revenue of RM15.066 million for the quarter ended 31 Mar 2024 against RM13.724 million for the immediate preceding quarter ended 31 Dec 2023. The increase of revenue in the current quarter is due to increased orders from China's customers. The Group recorded LBT and LAT of RM8.357 million and RM8.409 million respectively for the current quarter ended 31 Mar 2024, as compared to LBT and LAT of RM2.575 million and RM2.599 million respectively in the immediate preceding quarter ended 31 Dec 2023. A higher loss in the current quarter was mainly due to impairment on plant and equipment.

**3. Current year prospects**

The Group is expecting a significant increase in the Revenue for the coming Financial Year compare to last Financial Year. As the market is gradually improving and leads to gradually increasing of demand on the products that the companies are supplying. Besides, the China operation have managed to secure few new customers in the recent months which will add to the existing pool of customers and increase the potential revenue in the coming months.

**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>31.03.2024</b>	<b>31.03.2023</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense				
Malaysian Tax				
-Current period	52	53	85	66

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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 31 Mar 2024 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 48 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 4 March 2024, the Board approved an extension of timeframe for the utilisation of proceeds for another 12 months to 05 March 2025 for the capital expenditure of the upgrading of existing PCB production lines.

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 31 Mar 2024 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 36 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>

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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 31 Mar 2024				
	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	6,968	7,298	2,059	52	16,377

**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/Lease	14,059
<u>Short Term Borrowings</u>	
Hire Purchase Payable/Lease	4,812
Total	<u>18,871</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 31.03.2024</b>	<b>Preceding Year Corresponding Quarter 31.03.2023</b>	<b>Current Year To Date 31.03.2024</b>	<b>Preceding Year To Date 31.03.2023</b>
Loss after tax (RM'000)	(8,409)	(6,349)	(16,279)	(12,599)
Weighted average number of ordinary shares in issue ('000)	560,572	560,549	560,558	560,549
Basic loss per share (sen)	<u>(1.50)</u>	<u>(1.13)</u>	<u>(2.90)</u>	<u>(2.25)</u>

**(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 31 Dec 2023.

	<b>Current Year Quarter 31.03.2024</b>	<b>Preceding Year Corresponding Quarter 31.03.2023</b>	<b>Current Year To Date 31.03.2024</b>	<b>Preceding Year To Date 31.03.2023</b>
Loss after tax (RM'000)	<u>(8,409)</u>	<u>(6,349)</u>	<u>(16,279)</u>	<u>(12,599)</u>
Weighted average number of ordinary shares in issue ('000)	560,572	560,549	560,558	560,549
Effect of dilution after conversion of all outstanding Warrants ('000)	<u>34,455</u>	<u>152,507</u>	<u>34,455</u>	<u>152,507</u>
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	<u>595,027</u>	<u>713,056</u>	<u>595,013</u>	<u>713,056</u>
Diluted Loss per share (sen)	<u>(1.41)</u>	<u>(0.89)</u>	<u>(2.74)</u>	<u>(1.77)</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 31.03.2024 RM'000</b>	<b>Current Year To Date 31.03.2024 RM'000</b>
Allowance for doubtful debt	1	1
Depreciation of equipment	1,032	4,171
Interest income	(33)	(188)
Foreign exchange loss -Unrealised	199	1,072
Interest expenses	180	449
Amortisation expenses	5,969	7,035
Property, plant and equipment written off	263	516
Reversal of impairment loss on property, plant and equipment	(264)	(514)
Allowance for slow moving inventories	184	184
Loss on disposal of property, plant & equipment	2	2