

PNE PCB Berhad

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

Financial Report (Announcement) 30 Sep 2024

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(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEP 2024**

	(Unaudited)	(Audited)
	As at 30 Sep 2024 RM'000	As at 31 Mar 2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,860	44,961
Intangible Asset	81	87
Total non-current assets	<u>22,941</u>	<u>45,048</u>
Current assets		
Inventories	8,460	7,048
Trade receivables	18,177	16,377
Other receivables	8,792	5,539
Tax recoverable	-	131
Cash and cash equivalents	12,850	10,947
Other Investment	61	6,716
Assets held for sale	16,747	-
Total current assets	<u>65,087</u>	<u>46,758</u>
TOTAL ASSETS	<u>88,028</u>	<u>91,806</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	72,165	72,165
Warrant Reserves	2,412	2,412
Reserves	(28,356)	(25,019)
Total equity	<u>46,221</u>	<u>49,558</u>
LIABILITIES		
Non-Current liability		
Lease	11,813	14,059
Borrowings	3,168	-
Total non-current liability	<u>14,981</u>	<u>14,059</u>
Current liabilities		
Trade payables	18,491	16,726
Other payables	3,228	6,650
Lease	3,343	4,465
Tax payable	-	1
Borrowings	1,764	347
Total current liabilities	<u>26,826</u>	<u>28,189</u>
TOTAL LIABILITIES	<u>41,807</u>	<u>42,248</u>
TOTAL EQUITY AND LIABILITIES	<u>88,028</u>	<u>91,806</u>
Net assets per share (RM)	0.08	0.09

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 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 2024**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 Sep 2024 RM'000	Preceding Year Corresponding Quarter 30 Sep 2023 RM'000	Current Year to date 30 Sep 2024 RM'000	Preceding Year Corresponding Period 30 Sep 2023 RM'000
Revenue	20,271	17,031	40,616	30,241
Cost of sales	(18,851)	(16,952)	(38,439)	(30,069)
Gross Profit	1,420	79	2,177	172
Other income	2,538	1,614	4,406	2,135
Distribution expenses	(652)	(474)	(1,145)	(954)
Administration expenses	(2,687)	(2,854)	(5,202)	(6,615)
Profit / (Loss) before tax	619	(1,635)	236	(5,262)
Tax expenses	-	(3)	-	(8)
Profit / (Loss) for the financial period	619	(1,638)	236	(5,270)
Other comprehensive (expenses) / income, net of tax				
- Foreign currencies translation	(2,031)	148	(3,573)	206
Total comprehensive expenses for the financial period	(1,412)	(1,490)	(3,337)	(5,064)
Loss per share (sen)				
- Basic	0.11	(0.29)	0.04	(0.94)
- Diluted	0.10	(0.23)	0.04	(0.74)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 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 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 2024	72,165	2,412	10,061	(35,080)	49,558
Profit for the financial period	-	-	-	236	236
Other comprehensive expenses for the financial period, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	(3,573)	-	(3,573)
	-	-	(3,573)	236	(3,337)
Balance as at 30 Sep 2024 (Unaudited)	72,165	2,412	6,488	(34,844)	46,221

(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 2024 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 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 2023	72,151	26,612	9,326	(43,400)	64,689
Loss for the financial year	-	-	-	(15,880)	(15,880)
Other comprehensive expenses for the financial year, net of tax:					
- Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	735	-	735
	-	-	735	(15,880)	(15,145)
Conversion of warrants	14	(4)	-	4	14
Reversal of Expired Warrants	-	(24,196)	-	24,196	-
Balance as at 31 March 2024 (Audited)	72,165	2,412	10,061	(35,080)	49,558

(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 2024 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 SEP 2024

	Current Year to 30 Sep 2024 RM'000	Preceding Year Corresponding Period to 30 Sep 2023 RM'000
Operating Activities		
Profit/ (Loss) before tax	236	(5,262)
Adjustments for:		
Depreciation of property, plant and equipment	1,046	2,106
Amortisation Expenses	1,731	708
Property, plant and equipment written off	790	253
Reversal of impairment loss on property, plant and equipment	-	(250)
Interest income	(76)	(117)
Interest expenses	363	195
Unrealised (gain)/loss on foreign exchange	(1,163)	1,080
Loss/(gain) on disposal of property, plant and equipment	2	-
Operating gain/(loss) before working capital changes	<u>2,929</u>	<u>(1,287)</u>
Changes in working capital:		
Inventories	(1,412)	3,478
Receivables	2,089	7,677
Payables	(936)	(6,415)
Cash generated from operations	<u>2,670</u>	<u>3,453</u>
Tax refund	130	164
Net cash generated from operating activities	<u>2,800</u>	<u>3,617</u>
Investing Activities		
Interest received	76	117
Interest expenses	(363)	(195)
Dividend from Other Investment	(45)	(169)
Purchase of property, plant and equipment	(405)	(3,236)
Net cash used in investing activities	<u>(737)</u>	<u>(3,483)</u>
Financing Activities		
Repayment of operating lease commitment	(552)	(709)
Repayment of finance lease payables	(89)	(89)
Net cash used in financing activities	<u>(641)</u>	<u>(798)</u>
Cash and cash equivalents at beginning of the financial period	10,947	13,919
Net changes	1,422	(664)
Effect of exchange rate changes	481	(495)
Cash and cash equivalents at end of the financial period	<u>12,850</u>	<u>12,760</u>
Cash and cash equivalents comprise of:		
- Cash and bank balances	4,897	5,027
- Fixed deposits with licensed banks	7,953	7,733
	<u>12,850</u>	<u>12,760</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 2024 and accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE QUARTERLY REPORT–30 SEP 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 2024, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments
	Disclosure - Supplier Finance Arrangements

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 2025

Amendments to MFRS 121	Lack of Exchangeability
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MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Consolidated financial Statements and Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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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 2024 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.

	Revenue Current Year 30.09.2024 RM'000	Profit before tax Current Year 30.09.2024 RM'000
Malaysia	2,799	(1,818)
Singapore	0	407
People's Republic of China	37,817	1,647
	40,616	236

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:

	2024	2023
	RM	RM
Investment properties		
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)
	30.09.2024	30.09.2023		30.09.2024	30.09.2023	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	20,271	17,031	3,240	40,616	30,241	10,375
Operating Profit	1,420	79	1,341	2,177	172	2,005
Profit/(Loss) Before Interest and Tax	795	(1,546)	2,341	599	(5,067)	5,666
Profit/(Loss) Before Tax	619	(1,635)	2,254	236	(5,262)	5,498
Profit/(Loss) After Tax	619	(1,638)	2,257	236	(5,270)	5,506
Profit/(Loss) Attributable to Ordinary Equity Holder of the Company	619	(1,638)	2,257	236	(5,270)	5,506

Review of Group's Results for the current quarter and Period-to-date ended 30 Sep 2024

The Group recorded a total revenue of RM20.27 million for the quarter ended 30 Sep 2024. The Group's profit before tax ("PBT") and profit after tax ("PAT") for the quarter were RM0.62 million respectively for the period.

The Group's revenue of RM40.62 million for the period to date 30 Sep 2024 represents an increase of approximately 34.31% as compared to the preceding corresponding period. The Group recorded PBT and PAT of RM0.24 million respectively for the period to date 30 Sep 2024 as compared to LBT and LAT of RM5.26 million and RM5.27 million respectively for the preceding year to date 30 Sep 2023.

The Group had recorded an increase in revenue for the period to date compared to preceding year corresponding period. The increase of revenue for the period to date is due to increased orders from China's customers. A slight profit, mainly from unrealized foreign exchange gain of RM1.16 million for the period to date.

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2. Financial review for Current Quarter and Immediate Preceding Quarter

	Current Period Quarter 30.09.2024 RM'000	Immediate Preceding Quarter 30.06.2024 RM'000	Changes (Amount) RM'000
Revenue	20,271	20,345	(74)
Operating Profit	1,420	757	663
Profit/(Loss) Before Interest and Tax	795	(196)	991
Profit/(Loss) Before Tax	619	(383)	1,002
Profit/(Loss) After tax	619	(383)	1,002
Profit/(Loss) Attributable to the Owners of the Company	619	(383)	1,002

The Group recorded a decrease of approximately 0.36% in its revenue of RM20.27 million for the quarter ended 30 Sep 2024 against RM20.35 million for the immediate preceding quarter ended 30 Jun 2024. The decrease of revenue in the current quarter is due to decreased orders from Malaysia's customers. The Group recorded PBT and PAT of RM0.62 million respectively for the current quarter ended Sep 2024, as compared to LBT and LAT of RM0.38 million respectively in the immediate preceding quarter ended 30 Jun 2024. A slight profit in the current quarter was mainly from unrealized foreign exchange gain and a reduction in operating costs.

3. Current year prospects

The Group is expecting an increase in the Revenue for the coming Financial Year compare to last Financial Year. As the market is gradually improving, this leads to gradually increasing demand on the products that the companies are supplying. Besides, the China operation has 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

	Current Quarter		Cumulative Quarter	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Malaysian Tax				
-Current period	<u>0</u>	<u>3</u>	<u>0</u>	<u>8</u>

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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 2024 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 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
Total		15,711	10,829	4,882

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 2024 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 36 months	10,500	0	10,500
(ii) Estimated expenses for the Private Placement 30%	Immediate	430	430	0
Total		10,930	430	10,500

The Board approved an extension of timeframe for the utilisation of proceeds for another 12 months to 02 November 2025 for the capital expenditure for the gloves business.

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7. Status of Proposed Disposal

On behalf of the Board, TA Securities had announced that the Company had on 27 September 2024 entered into the SPA with Handal Indah to dispose a double storey detached factory annexed with a double storey office building with a mezzanine floor held under Title No. HS(D) 177877, Lot No. PTD 53701, Mukim of Tebrau, District of Johor Bahru, Johor, for a cash consideration of RM24.0 million

The Company intends to use the Disposal Consideration in the following manner:

	Expected timeframe for utilisation from the receipt of proceeds	Amount (RM'000)
(i) Working capital	Within 24 months	7,577
(ii) Repayment of bank borrowings	Immediate	4,500
(iii) Upgrading of existing PCB production line	Within 12 months	10,000
(iv) Estimated expenses for the Proposed Disposal	Within 3 months	1,923
Total		24,000

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 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	6,137	10,796	778	466	18,177

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:

	<u>RM'000</u>
<u>Long Term Borrowings</u>	
Hire Purchase /Lease Payables	14,981
<u>Short Term Borrowings</u>	
Hire Purchase /Lease Payables	5,106
Total	<u><u>20,087</u></u>

10. Material Litigation

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

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11. Earnings Per Share

(a) Basic Earnings/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.

	Current Year Quarter 30.09.2024	Preceding Year Corresponding Quarter 30.09.2023	Current Year To Date 30.9.2024	Preceding Year To Date 30.09.2023
Profit/(Loss) after tax (RM'000)	619	(1,635)	236	(5,262)
Weighted average number of ordinary shares in issue ('000)	560,572	560,549	560,572	560,549
Basic Earnings/(Loss) per share (sen)	0.11	(0.29)	0.04	(0.94)

(b) Diluted Earnings/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 2024.

	Current Year Quarter 30.09.2024	Preceding Year Corresponding Quarter 30.09.2023	Current Year To Date 30.09.2024	Preceding Year To Date 30.09.2023
Profit/(Loss) after tax (RM'000)	619	(1,635)	236	(5,262)
Weighted average number of ordinary shares in issue ('000)	560,572	560,549	560,572	560,549
Effect of dilution after conversion of all outstanding Warrants ('000)	34,455	152,507	34,455	152,507
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	595,027	713,056	595,027	713,056
Diluted Earnings/(Loss) per share (sen)	0.10	(0.23)	0.04	(0.74)

12. Notes to the condensed consolidated statement of comprehensive income

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

	Current Year Quarter 30.09.2024 RM'000	Current Year To Date 30.09.2024 RM'000
Depreciation of equipment	519	1,046
Amortisation expenses	850	1,731
Interest income	(39)	(76)
Interest expenses	176	363
Foreign exchange gain -Unrealised	(1,158)	(1,163)
Property, plant and equipment written off	790	790
Loss on disposal of Property, plant and equipment	2	2