PNE INDUSTRIES LTD
(Company registration no. 199905792R)

PNE INDUSTRIES LTD AND ITS SUBSIDIARIES
Registration Number: 199905792R

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND HALF ("FY25H2") AND FULL YEAR ("FY25")
ENDED 30 SEPTEMBER 2025

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			Group		
	FY25H2	FY24H2	+ / (-)	FY25	FY24	+ / (-)
	$'000	$'000	%	$'000	$'000	%
Revenue	36,177	32,010	13.0	71,121	60,975	16.6
Cost of sales	(31,078)	(25,915)	19.9	(60,817)	(49,634)	22.5
Gross profit	5,099	6,095	(16.3)	10,304	11,341	(9.1)
Other operating income	716	1,254	(42.9)	1,768	2,115	(16.4)
Distribution costs	(657)	(743)	(11.6)	(1,375)	(1,357)	1.3
Administrative expenses	(5,036)	(4,908)	2.6	(9,836)	(9,643)	2.0
Other operating expenses	(130)	(201)	(35.3)	(156)	(581)	(73.1)
Share of results of associate	97	66	47.0	97	66	47.0
Finance costs	(25)	(38)	(34.2)	(58)	(78)	(25.6)
Profit before tax	64	1,525	(95.8)	744	1,863	(60.1)
Income tax expense	(2)	(433)	(99.5)	(221)	(579)	(61.8)
Profit after tax	62	1,092	(94.3)	523	1,284	(59.3)
Other comprehensive (loss) income:						
Items that will not be reclassified subsequently to profit or loss:						
Net fair value gain (loss) on financial assets at FVTOCI	90	(130)	n.m.	78	(138)	n.m.
Items that may be reclassified subsequently to profit or loss:						
Exchange difference arising on translation of foreign operations	(505)	1,580	n.m.	(716)	1,021	n.m.
Other comprehensive (loss) income for the year, net of tax	(415)	1,450	n.m.	(638)	883	n.m.
Total comprehensive (loss) income for the year	**(353)**	**2,542**	n.m.	**(115)**	**2,167**	n.m.
Earnings per share (cents)						
Basic and diluted	0.1	1.3	(92.3)	0.6	1.5	(60.8)

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		30-09-25	30-09-24	30-09-25	30-09-24
	Note	$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances		17,682	24,957	14,185	21,881
Trade receivables		23,906	21,957	97	-
Other receivables		879	1,311	4,023	341
Inventories		28,321	25,294	-	-
Income tax recoverable		230	287	-	6
Total current assets		71,018	73,806	18,305	22,228
Non-current assets					
Property, plant and equipment	9	5,025	5,149	-	-
Right-of-use assets		1,519	2,276	-	-
Investments in subsidiaries		-	-	21,662	20,445
Investment in associate		522	474	-	-
Financial assets at fair value through other comprehensive income	10	1,419	1,341	170	156
Deferred tax assets		717	392	-	-
Total non-current assets		9,202	9,632	21,832	20,601
Total assets		**80,220**	**83,438**	**40,137**	**42,829**
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables		10,443	10,490	7	39
Other payables		2,509	2,223	352	407
Lease liabilities		725	798	-	-
Income tax payable		40	57	-	-
Total current liabilities		13,717	13,568	359	446
Non-current liabilities					
Lease liabilities		180	914	-	-
Total non-current liabilities		180	914	-	-
Capital and reserves					
Share capital	12	36,991	36,991	36,991	36,991
Currency translation reserve		(2,897)	(2,181)	-	-
Capital reserve		960	938	-	-
Investment revaluation reserve		348	270	78	64
Accumulated profits		30,921	32,938	2,709	5,328
Equity attributable to equity holders of the Company, representing total equity		66,323	68,956	39,778	42,383
Total liabilities and equity		**80,220**	**83,438**	**40,137**	**42,829**

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital $'000	Currency translation reserve $'000	Capital reserve $'000	Investment revaluation reserve $'000	Accumulated profits $'000	Total $'000
GROUP						
Balance at October 1, 2023	36,991	(3,202)	938	408	34,172	69,307
Total comprehensive income for the year						
Profit for the year	-	-	-	-	1,284	1,284
Other comprehensive income for the year	-	1,021	-	(138)	-	883
Total	-	1,021	-	(138)	1,284	2,167
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(2,518)	(2,518)
Balance at September 30, 2024	36,991	(2,181)	938	270	32,938	68,956
Total comprehensive (loss) income for the year						
Profit for the year	-	-	-	-	523	523
Other comprehensive (loss) income for the year	-	(716)	-	78	-	(638)
Total	-	(716)	-	78	523	(115)
Transaction with owners, recognised directly in equity	-	-	-	-	-	-
Dividends	-	-	-	-	(2,518)	(2,518)
Transfer to reserve fund	-	-	22	-	(22)	-
Total	-	-	22	-	(2,540)	(2,518)
Balance at September 30, 2025	**36,991**	**(2,897)**	**960**	**348**	**30,921**	**66,323**

	Share capital $'000	Investment revaluation reserve $'000	Accumulated profits $'000	Total $'000
COMPANY				
Balance at October 1, 2023	36,991	40	2,116	39,147
Total comprehensive income for the year				
Profit for the year	-	-	5,730	5,730
Other comprehensive income for the year	-	24	-	24
Total	-	24	5,730	5,754
Dividends, representing transaction with owners, recognised directly in equity	-	-	(2,518)	(2,518)
Balance at September 30, 2024	36,991	64	5,328	42,383
Total comprehensive income for the year				
Loss for the year	-	-	(101)	(101)
Other comprehensive income for the year	-	14	-	14
Total	-	14	(101)	(87)
Dividends, representing transaction with owners, recognised directly in equity	-	-	(2,518)	(2,518)
Balance at September 30, 2025	**36,991**	**78**	**2,709**	**39,778**

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	30-09-25	**30-09-24**
Year ended:	**$'000**	**$'000**
Operating activities		
Profit before tax	744	1,863
Adjustments for:		
Share of results of associate	(97)	(66)
Depreciation of property, plant and equipment	918	721
Depreciation of right-of-use assets	732	781
(Reversal) Impairment loss on property, plant and equipment	(2)	10
Interest income	(626)	(1,038)
Dividend income	(10)	(9)
Finance costs	58	78
Loss (Gain) on disposal of property, plant and equipment	39	(62)
Property, plant and equipment written off	4	21
Loss allowance recognised on trade receivables (net)	67	505
Loss of allowance for inventories (net)	45	135
Operating profit before movements in working capital	1,872	2,939
Trade receivables	(2,223)	(2,943)
Other receivables	416	80
Inventories	(3,523)	(947)
Trade payables	28	1,338
Other payables	313	137
Cash (used in) from operations	(3,117)	604
Interest received	626	1,038
Interest paid	(58)	(78)
Income tax paid	(500)	(369)
Witholding tax paid	-	(246)
Net cash (used in) from operating activities	(3,049)	949
Investing activities		
Dividend received from associate	63	40
Dividend received from equity instruments held at FVTOCI	10	9
Proceeds from disposal of property, plant and equipment	25	63
Purchase of property, plant and equipment	(967)	(1,302)
Net cash used in investing activities	(869)	(1,190)
Financing activities		
Dividends paid	(2,518)	(2,518)
Repayment of lease liabilities	(796)	(777)
Net cash used in financing activities	(3,314)	(3,295)

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Group	
	30-09-25	**30-09-24**
Year ended:	**$'000**	**$'000**
Net decrease in cash and cash equivalents	(7,232)	(3,536)
Cash and cash equivalents at beginning of year	24,802	28,048
Net effect of foreign exchange rate changes	(40)	290
Cash and cash equivalents at end of year	**17,530**	**24,802**
Cash and cash equivalents represent:		
Cash and bank balances	5,522	9,693
Fixed deposits	12,160	15,264
	17,682	24,957
Less: Fixed deposits and bank balances pledged	(152)	(155)
	17,530	**24,802**

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

PNE Industries Ltd (the "Company") is incorporated and domiciled in Singapore. Its shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Its principal place of business and registered office is at 996 Bendemeer Road, #07-06, Singapore 339944. The condensed interim consolidated financial statements for the financial year ended 30 September 2025 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the significant subsidiaries are those relating to manufacturing, dealing and trading of electrical and electronic products and appliances.

2. BASIS OF PREPARATION

The condensed interim financial statements for the financial year ended 30 September 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.

The condensed interim financial statements are presented in Singapore Dollars ("$"), the functional currency of the Company. All financial information presented in Singapore Dollars has been rounded to the nearest thousand ("$'000"), unless otherwise stated.

2.1 New and Amended Standards Adopted by the Group

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations that are mandatory for the accounting periods beginning on or after 1 October 2024. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current and prior financial period reported on.

2.2 Use of Judgements and Estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2024. Details can be found in Note 3 to annual financial statements for the year ended 30 September 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revisions affect only that period, or in the period of the revisions and future periods, if the revisions affect both current and future periods.

3. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. SEGMENT AND REVENUE INFORMATION

4.1 Reportable Segments

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group is organised into business units based on their products on which information is prepared and reportable to the Group's chief operating decision maker for the purposes of resources allocation and assessment of performance.

The Group's reportable segments are therefore contract manufacturing, trading and others, as described below:

Contract Manufacturing - The products sold include electronic controllers and electronic and electrical products.
Trading - The products sold include emergency lighting equipment and related products.
Others - Refer to others which do not fall into the above segments.

Information regarding the Group's reporting segments is presented below.

	Revenue		Profit	
	FY25H2	FY24H2	FY25H2	FY24H2
Group	$'000	$'000	$'000	$'000
Contract Manufacturing	31,705	28,251	(574)	705
Trading	4,462	3,750	159	314
Others	10	9	148	(44)
Total	36,177	32,010	(267)	975
Interest income			259	522
Share of results of associate			97	66
Finance costs			(25)	(38)
Profit before tax			64	1,525
Income tax expense			(2)	(433)
Profit for the period			62	1,092

	Revenue		Profit	
	FY25	FY24	FY25	FY24
Group	$'000	$'000	$'000	$'000
Contract Manufacturing	62,893	53,322	86	710
Trading	8,218	7,644	372	545
Others	10	9	(379)	(418)
Total	71,121	60,975	79	837
Interest income			626	1,038
Share of results of associate			97	66
Finance costs			(58)	(78)
Profit before tax			744	1,863
Income tax expense			(221)	(579)
Profit for the year			523	1,284

4. SEGMENT AND REVENUE INFORMATION (CONT'D)

4.1 Reportable Segments (Cont'd)

	Group	
	FY25 $'000	FY24 $'000
Segment assets		
Contract manufacturing	55,320	51,883
Trading	4,100	3,837
Others	752	741
Total segment assets	60,172	56,461
Unallocated	20,048	26,977
Consolidated assets	80,220	83,438
Segment liabilities		
Contract manufacturing	12,450	13,220
Trading	1,088	791
Others	319	414
Total segment liabilities	13,857	14,425
Unallocated	40	57
Consolidated liabilities	13,897	14,482

4.2 Disaggregation of Revenue

The Group derives its revenue from the transfer of goods at a point in time in the following major product lines.

Group	FY25H2 $'000	FY24H2 $'000	FY25 $'000	FY24 $'000
Contract Manufacturing	31,705	28,251	62,893	53,322
Trading	4,462	3,750	8,218	7,644
Others	10	9	10	9
	36,177	32,010	71,121	60,975

4.3 Geographical Information

The Group's activities are mainly located in Europe, Malaysia, Singapore and the People's Republic of China.

	Revenue				Non-current assets	
Group	FY25H2 $'000	FY24H2 $'000	FY25 $'000	FY24 $'000	30-09-25 $'000	30-09-24 $'000
Romania	14,328	12,141	27,803	24,692	-	-
Netherlands	1,967	2,703	5,569	5,308	522	474
Europe (excluding Romania and Netherlands)	1,658	2,691	5,373	4,511	-	-
People's Republic of China	9,590	7,704	16,525	11,461	714	1,379
Malaysia	3,289	3,168	6,137	6,235	5,404	5,361
Singapore	3,839	2,001	6,611	5,226	426	685
Others	1,506	1,602	3,103	3,542	-	-
	36,177	32,010	71,121	60,975	7,066	7,899

5. PROFIT BEFORE TAX

5.1 Significant Items

Group	FY25H2 $'000	FY24H2 $'000	FY25 $'000	FY24 $'000
Adjustment for over provision of tax in respect of prior years	90	125	90	59
Depreciation of property, plant and equipment	(481)	(327)	(918)	(721)
Depreciation of right-of-use assets	(363)	(386)	(732)	(781)
Foreign exchange gain, net	41	785	433	496
(Loss) Gain on disposal of property, plant and equipment	(43)	124	(39)	62
Loss allowance recognised on trade receivables (net)	(67)	(505)	(67)	(505)
Other income - interest income	259	522	626	1,038
Other income - others	417	238	706	519
Property, plant and equipment written off	(4)	(18)	(4)	(21)
Loss of allowance for inventories (net)	(51)	(147)	(45)	(135)
Reversal (Loss) of impairment on property, plant and equipment	2	(75)	2	(10)

5.2 Significant Related Party Transactions

During the period, a subsidiary of the Group entered into the following transactions with a related party:

Group	FY25H2 $'000	FY24H2 $'000	FY25 $'000	FY24 $'000
Transactions with associate:				
- Purchase of goods	-	1	-	11
- Commission expense	520	487	1,037	912

6. INCOME TAX EXPENSE

Group	FY25H2 $'000	FY24H2 $'000	FY25 $'000	FY24 $'000
Current tax:				
Singapore	-	(17)	-	-
Foreign	293	263	512	326
Withholding tax	-	246	-	246
Deferred tax	(201)	66	(201)	66
Under (Over) provision in prior years:				
Current tax	26	(176)	26	(112)
Deferred tax	(116)	51	(116)	53
	2	433	221	579

7. EARNINGS PER SHARE

	FY25H2	FY24H2	FY25	FY24
Profit per ordinary share of the Group after deducting any provision for preference dividends:				
(a) Based on the weighted average number of ordinary shares on issue	0.1 cents	1.3 cents	0.6 cents	1.5 cents
Number of ordinary shares	83,916,757	83,916,757	83,916,757	83,916,757
(b) On a fully diluted basis	0.1 cents	1.3 cents	0.6 cents	1.5 cents
Adjusted number of ordinary shares	83,916,757	83,916,757	83,916,757	83,916,757

8. NET ASSET VALUE

	Group	Company
Net asset value per ordinary share based on issued share capital as at the end of the:		
(a) Current year reported on (30 September 2025)	79.0 cents	47.4 cents
(b) Immediately preceding financial year (30 September 2024)	82.1 cents	50.5 cents

9. PROPERTY, PLANT AND EQUIPMENT

During the financial year ended 30 September 2024, the Group acquired assets with cost amounting to $967,000 (FY24: $1,302,000) and disposed of assets with net book value amounting to $64,000 (FY24: $1,000).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	30-09-25	**30-09-24**	**30-09-25**	**30-09-24**
	$'000	**$'000**	**$'000**	**$'000**
Investments in equity instruments designated at FVTOCI:				
Quoted equity shares	170	156	170	156
Unquoted equity shares	1,249	1,185	-	-
	1,419	1,341	170	156

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as management believes that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

30-09-25	Level 1	Level 2	Level 3	Total
Financial assets, at FVTOCI	**$'000**	**$'000**	**$'000**	**$'000**
- Quoted equity shares	170	-	-	170
- Unquoted equity shares	-	-	1,249	1,249
	170	-	1,249	1,419

30-09-24				
Financial assets, at FVTOCI				
- Quoted equity shares	156	-	-	156
- Unquoted equity shares	-	-	1,185	1,185
	156	-	1,185	1,341

11. BANK BORROWINGS AND DEBT SECURITIES

(a) Amount repayable in one year or less, or on demand

As at 30 September 2025		As at 30 September 2024	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Nil	Nil	Nil	Nil

(b) Amount repayable after one year

As at 30 September 2025		As at 30 September 2024	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Nil	Nil	Nil	Nil

(c) Details of any collateral

Approximately $152,000 (FY24: $155,000) of the Group's fixed deposits is pledged to a bank in return for bank guarantees issued to third parties.

12. SHARE CAPITAL

	Group and Company			
	30-09-25	**30-09-24**	**30-09-25**	**30-09-24**
	'000	**'000**	**$'000**	**$'000**
	Number of ordinary shares			
Issued and paid-up capital:				
At the beginning and end of period/year	83,917	83,917	36,991	36,991

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

There were no outstanding convertibles or treasury shares as at the end of the current financial period and previous financial year, and as at the end of the corresponding period of the previous financial year.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any share scheme.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. REVIEW

(a) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

(b) Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

(c) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

i. Updates on the efforts taken to resolve each outstanding audit issue.
ii. Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

2. REVIEW OF PERFORMANCE OF THE GROUP

Statements of Comprehensive Income

Second half year ended 30 September 2025
For second half year ended September 30, 2025 (“FY25H2”), the Group recorded revenue and profit before tax of $36.2m and $0.1m respectively. Revenue increased $4.2m or 13.0% compared to second half year ended September 30, 2024 (“FY24H2”) due to improvement in both contract manufacturing and trading sales as a result of higher customer demand.

Gross profit in FY25H2 declined by $1.0m or 16.3% despite higher sales, due to a less favorable product mix and price reductions to customers arising from competitive pricing pressure, which resulted in the decline of gross profit margin to 14.1% from 19.0% in FY24H2.

Other operating income declined by $0.5m mainly due to reduction in foreign exchange gain and interest income from fixed deposits. Income tax expense in FY25H2 declined by $0.4m due mainly to deferred tax reversals, as well as the absence of withholding taxes during the period, whereas in FY24H2, a $0.2m withholding tax was incurred on dividend from the Group’s subsidiary in China.

As a result of the above, the Group reported a profit after tax of $0.1m for the period.

2. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Statements of Comprehensive Income (cont'd)

Full year ended 30 September 2025
For the year ended September 30, 2025 ("FY25"), the Group recorded revenue and profit before tax of $71.1m and $0.7m respectively. Revenue improved $10.1m or 16.6% compared to the prior year ended September 30, 2024 ("FY24") due to improvement in contract manufacturing and trading sales as a result of higher customer demand.

Gross profit in FY25 declined by $1.0m or 9.1% despite higher sales, due to less favorable product mix and price reductions extended to customers amid competitive pricing pressures, which resulted in a lower gross profit margin 14.5% vs 18.6% in FY24.

In FY25, other operating income declined by $0.3m, primarily due to reduction in interest income from fixed deposits. Administrative expenses in FY25 rose by $0.2m mainly due to increase in staff costs. Other operating expenses declined by $0.4m due to reduction in loss allowance recognised on trade receivables.

Income tax expense in FY25 declined by $0.4m due mainly to deferred tax reversals, as well as the absence of withholding taxes during the year, whereas in FY24, a $0.2m withholding tax was incurred on dividend from the Group's subsidiary in China.

As a result of the above, the Group reported a profit after tax of $0.5m for the year.

Under other comprehensive income, the Group recorded a fair value gain of $0.1m in FY25 primarily due to improvement in the fair value of the Group's investment in DSP Innovation BV. The $0.7m exchange loss on translation of foreign operations was attributable mainly to the Group's subsidiaries in Malaysia and arose due to the weaker Malaysian Ringgit against the Singapore Dollar as at the end of FY25 vs the end of FY24.

Statements of Financial Position
Trade receivables rose by $1.9m in line with higher sales. The higher sales also resulted in higher inventories, which rose by $3.0m vs last year. In addition, inventories also rose due to customers' requests to hold higher buffer stocks to safeguard against potential supply chain disruptions and to delay certain models.

Cash and bank balances reduced by $7.2m due to higher working capital requirements, dividend payments as well as purchases of plant and equipment.

The Group has no bank borrowings. The lease liabilities are all attributable to right-of-use assets recognised pursuant to SFRS(I) 16 Leases.

3. WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS

Not applicable.

4. COMMENTARY OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS

The Group operated in a challenging environment in FY25, shaped by global economic uncertainty, fluctuating demand, and sustained cost pressures. Overall market sentiment remained cautious amid geopolitical tensions, supply chain disruptions, and currency volatility. Direct exports by the Group to the United States remained low in FY25, but there may be indirect impact through the re-exporting of the Group's products to the United States by the Group's customers. The ripple effect of tariffs, trade policies, and shifting sourcing decisions continues to affect global demand and business sentiment.

Competition remains intense with strong demands from customers for lower pricing. The Group continues to focus on differentiation through engineering capability, product quality, and delivery reliability, supported by investments in automation and process improvement to strengthen cost efficiency and productivity.

Rising costs in Malaysia and China, including an increase in statutory minimum wages during the year, continue to pressure margins. Foreign exchange volatility remains a key risk. As a significant amount of the Group's sales are denominated in U.S. Dollars, a weakening of the U.S. Dollars could adversely affect the Group to the extent where costs are not similarly denominated in the same currency.

Looking ahead, the operating environment is expected to remain challenging. The Group remains vigilant in monitoring global developments and will continue to work closely with customers and partners to provide flexible manufacturing solutions and support sustainable long-term growth.

5. DIVIDEND INFORMATION

The directors are pleased to propose as follows:

Current period reported on:	
Type of dividend	Final
Amount per share	2.0 cents
Tax rate	One-tier tax exempt
Corresponding period of previous financial year:	
Type of dividend	Final
Amount per share	2.0 cents
Tax rate	One-tier tax exempt

Payment of the dividend, if approved by the shareholders at the forthcoming Annual General Meeting of the Company, will be made on 13 February 2026.

Notice is hereby given that the Share Transfer Books and Register of Members of PNE Industries Ltd will be closed at 5.00 p.m. on 27 January 2026 for the preparation of dividend entitlement and shall reopen on the following working day.

Duly completed and stamped registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on 27 January 2026 will be registered to determine shareholders' entitlements to the said dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 27 January 2026 will be entitled to the proposed dividend.

5. DIVIDEND INFORMATION (CONT'D)

Breakdown of total annual dividend

	Latest Full Year ended September 30, 2025 (One-tier tax exempt dividend*)	Previous Full Year ended September 30, 2024 (One-tier tax exempt dividend*)
Ordinary	$2,517,503	$2,517,503
Preference	-	-
Total:	$2,517,503	$2,517,503

* Includes interim dividends declared and paid during the financial year, as well as final dividend recommended in respect of that financial year, but payable/paid in the following financial year.

6. BREAKDOWN OF SALES AND PROFIT

		Latest financial year $'000	Previous financial year $'000	% increase / (decrease)
(a)	Sales reported for first half year	34,944	28,965	20.6
(b)	Operating profit after tax before deducting minority interests reported for first half year	461	192	140.1
(c)	Sales reported for second half year	36,177	32,010	13.0
(d)	Operating profit after tax before deducting minority interests reported for second half year	62	1,092	(94.3)

7. INTERESTED PERSON TRANSACTIONS

No IPT mandate has been obtained.

8. CONFIRMATION PURSUANT TO RULE 704(13) OF THE LISTING MANUAL OF THE SGX-ST

Name	Age	Family relationship	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Bee Foon	65	Sister of both executive directors and aunt of the non-independent cum non-executive director	General Manager in Human Resource and Administration - in charge of human resource management and general admin matters. - Position held since 1st Jan 2000. Chief Sustainability Officer - in charge of formulation of the Group's sustainability agenda and ESG related matters. - Position held since 1st Oct 2019.	No changes

8. CONFIRMATION PURSUANT TO RULE 704(13) OF THE LISTING MANUAL OF THE SGX-ST (CONT'D)

Name	Age	Family relationship	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Eugene Tan Wei Kang	54	Nephew of both executive directors and cousin of the non-independent cum non-executive director	Head of Business Development of PNE Appliance Controls Pte Ltd. - in charge of developing new business for the company. - Position held since 1st Jul 2006.	No changes
Tan Meng Siew	53	Niece of both executive directors and cousin of the non-independent cum non-executive director	Financial Controller - in charge of finance and accounting functions. - Position first held in 1999. Also appointed as Company Secretary on 31st Dec 2004.	No changes

9. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL OF THE SGX-ST

The Company has obtained undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1).

10. CONFIRMATION BY BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF THE SGX-ST

Not applicable for full year results announcement.

BY ORDER OF THE BOARD

Ms Tan Meng Siew
Company Secretary
November 27, 2025