

PNE INDUSTRIES LTD
(Company Registration No. 199905792R)
(Incorporated in the Republic of Singapore)

VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE PRELIMINARY UNAUDITED FULL YEAR RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

The Board of Directors (“**Board**”) of PNE Industries Ltd (the “**Company**” together with its subsidiaries, the “**Group**”) refers to its full year financial results announcement for the financial year ended 30 September 2016 (“**Preliminary Results**”) made on 28 November 2016 via the SGXNET.

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Company wishes to announce that subsequent to the release of the Preliminary Results, the Company has made some reclassifications in its audited financial statements for the financial year ended 30 September 2016 (“**Audited Financial Statements**”) after confirmation with its external auditor.

The reclassifications that have material variances are shown and explained below.

1. Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<u>Audited Financial Statements</u> \$ '000	<u>Preliminary Results</u> \$ '000	<u>Variance</u> \$ '000	<u>Variance</u> %
Other operating income (of continuing operations)	931	7,674	(6,743)	-87.9%
Other operating expenses (of continuing operations)	(548)	(559)	11	-2.0%
	383	7,115	(6,732)	-94.6%
Profit for the year from continuing operations	8,807	15,539	(6,732)	-43.3%
Profit for the year from discontinued operation	7,366	634	6,732	1061.8%
Total profit for the year	16,173	16,173	0	na

Earnings per share (cents)(basic and diluted)

From continuing and discontinued operations	19.3	19.3	-	0.0%
From continuing operations	10.5	18.5	(8.0)	-43.2%

The above variances are due mainly to the reclassification of the \$6,732,000 gain on disposal of discontinued operations from other operating income classified under profit for the year from *continuing* operations to profit for the year from *discontinued* operations. There were also other minor reclassifications amounting to \$11,000 between other operating income and other operating expenses. There is no net impact on the Group’s total profit for the year.

2. Segment Assets and Liabilities

	<u>Audited Financial Statements</u> \$ '000	<u>Preliminary Results</u> \$ '000	<u>Variance</u> \$ '000	<u>Variance</u> %
<u>Segment Assets</u>				
Printed circuit boards	0	3,117	(3,117)	-100%
Unallocated assets	47,536	44,456	3,080	6.9%
Unallocated liabilities	(1,324)	(1,361)	37	-2.7%
Net unallocated assets	46,212	43,095	3,117	7.2%

The above variances are due mainly to the reclassification of the Group's available-for-sale investment amounting to \$3,117,000 from the printed circuit boards segment to unallocated assets. There were also other minor reclassifications between unallocated assets and unallocated liabilities amounting to \$37,000.

BY ORDER OF THE BOARD

Tan Meng Siew
Financial Controller and Company Secretary
3 January 2017