



PNE INDUSTRIES LTD

(Company registration no. 199905792R)

PNE INDUSTRIES LTD AND ITS SUBSIDIARIES

Registration Number: 199905792R

CONDENSED FINANCIAL STATEMENTS
FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

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**A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FULL YEAR ENDED 30 SEPTEMBER**

	Group		
	<u>30-09-22</u> <u>\$'000</u>	<u>30-09-21</u> <u>\$'000</u>	<u>+ / (-)</u> <u>%</u>
Revenue	73,725	64,644	14.0
Cost of sales	<u>(59,288)</u>	<u>(52,317)</u>	13.3
Gross profit	14,437	12,327	17.1
Other operating income	1,743	1,016	71.6
Distribution costs	(1,832)	(1,979)	(7.4)
Administrative expenses	(9,875)	(9,953)	(0.8)
Other operating expenses	(419)	(724)	(42.1)
Share of results of associate	79	55	43.6
Finance costs	<u>(148)</u>	<u>(65)</u>	127.7
Profit before tax	3,985	677	488.6
Income tax expense	<u>(381)</u>	<u>(1,456)</u>	(73.8)
Profit (Loss) for the year	<u>3,604</u>	<u>(779)</u>	n.m.
Other comprehensive income:			
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Net fair value gain (loss) on financial assets at FVTOCI	1,698	(330)	n.m.
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange difference arising on translation of foreign operations	<u>(887)</u>	496	n.m.
Other comprehensive income for the year, net of tax	<u>811</u>	<u>166</u>	388.6
Total comprehensive income for the year	<u>4,415</u>	<u>(613)</u>	n.m.
Earnings per share (cents)			
Basic and diluted	<u>4.3</u>	<u>(0.9)</u>	n.m.

B. CONDENSED STATEMENTS OF FINANCIAL POSITION

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>30-09-22</u>	<u>30-09-21</u>	<u>30-09-22</u>	<u>30-09-21</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
ASSETS					
Current assets					
Cash and bank balances		31,112	38,740	21,994	22,895
Trade receivables		23,070	20,629	-	-
Other receivables		1,261	1,584	414	537
Inventories		22,631	23,122	-	-
		<u>78,074</u>	<u>84,075</u>	<u>22,408</u>	<u>23,432</u>
Asset held-for-sale	9	211	-	-	-
Total current assets		<u>78,285</u>	<u>84,075</u>	<u>22,408</u>	<u>23,432</u>
Non-current assets					
Property, plant and equipment	10	5,375	5,321	-	-
Right-of-use assets		3,570	4,710	-	-
Investments in subsidiaries		-	-	19,514	19,514
Investment in associate		477	570	-	-
Financial assets at fair value through other comprehensive income	11	1,825	127	122	119
Deferred tax assets		181	442	-	-
Total non-current assets		<u>11,428</u>	<u>11,170</u>	<u>19,636</u>	<u>19,633</u>
Total assets		<u>89,713</u>	<u>95,245</u>	<u>42,044</u>	<u>43,065</u>
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables		9,336	13,329	25	58
Other payables		1,961	2,436	395	532
Lease liabilities		836	778	-	-
Income tax payable		251	661	3	9
Total current liabilities		<u>12,384</u>	<u>17,204</u>	<u>423</u>	<u>599</u>
Non-current liabilities					
Lease liabilities		2,095	2,992	-	-
Deferred tax liabilities		2	36	-	-
Total non-current liabilities		<u>2,097</u>	<u>3,028</u>	<u>-</u>	<u>-</u>
Capital and reserves					
Share capital	13	36,991	36,991	36,991	36,991
Currency translation reserve		(227)	660	-	-
Capital reserve		938	938	-	-
Investment revaluation reserve		754	(944)	30	27
Accumulated profits		36,776	37,368	4,600	5,448
Equity attributable to equity holders of the Company, representing total equity		<u>75,232</u>	<u>75,013</u>	<u>41,621</u>	<u>42,466</u>
Total liabilities and equity		<u>89,713</u>	<u>95,245</u>	<u>42,044</u>	<u>43,065</u>

C. CONDENSED STATEMENTS OF CHANGES IN EQUITY

	<u>Share capital</u> \$'000	<u>Currency translation reserve</u> \$'000	<u>Capital reserve</u> \$'000	<u>Investment revaluation reserve</u> \$'000	<u>Accumulated profits</u> \$'000	<u>Total attributable to equity holders of the Company</u> \$'000
GROUP						
Balance at October 1, 2020	36,991	164	642	(614)	44,317	81,500
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(779)	(779)
Other comprehensive income for the year	-	496	-	(330)	-	166
Total	-	496	-	(330)	(779)	(613)
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(5,874)	(5,874)
Transfer to reserve fund	-	-	296	-	(296)	-
Total	-	-	296	-	(6,170)	(5,874)
Transfer of investment revaluation reserve of equity instrument at FVTOCI upon disposal	-	-	-	-	-	-
Balance at September 30, 2021	36,991	660	938	(944)	37,368	75,013
Total comprehensive income for the year						
Profit for the year	-	-	-	-	3,604	3,604
Other comprehensive income for the year	-	(887)	-	1,698	-	811
Total	-	(887)	-	1,698	3,604	4,415
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(4,196)	(4,196)
Transfer to reserve fund	-	-	-	-	-	-
Total	-	-	-	-	(4,196)	(4,196)
Balance at September 30, 2022	36,991	(227)	938	754	36,776	75,232

	<u>Share capital</u> \$'000	<u>Investment revaluation reserve</u> \$'000	<u>Accumulated profits</u> \$'000	<u>Total</u> \$'000
COMPANY				
Balance at October 1, 2020	36,991	(5)	7,363	44,349
Total comprehensive income for the year				
Profit for the year	-	-	3,959	3,959
Other comprehensive income for the year	-	32	-	32
Total	-	32	3,959	3,991
Dividends, representing transaction with owners, recognised directly in equity	-	-	(5,874)	(5,874)
Balance at September 30, 2021	36,991	27	5,448	42,466
Total comprehensive income for the year				
Profit for the year	-	-	3,348	3,348
Other comprehensive income for the year	-	3	-	3
Total	-	3	3,348	3,351
Dividends, representing transaction with owners, recognized directly in equity	-	-	(4,196)	(4,196)
Balance at September 30, 2022	36,991	30	4,600	41,621

D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended:	<u>30-09-22</u>	<u>30-09-21</u>
	<u>\$'000</u>	<u>\$'000</u>
Operating activities		
Profit before tax	3,985	677
Adjustments for:		
Share of results of associate	(79)	(55)
Depreciation of property, plant and equipment	887	815
Depreciation of right-of-use assets	906	889
Loss on impairment on property, plant and equipment	16	-
Reversal of impairment on right-of-use asset	(66)	-
Interest income	(298)	(202)
Dividend income	(6)	(3)
Finance cost	148	65
Loss (Gain) on disposal of property, plant and equipment	10	(2)
Property, plant and equipment written off	-	55
Loss allowance (Reversal of loss) recognised on trade receivables	362	(28)
Reversal of inventory obsolescence	(428)	(646)
Operating profit before movements in working capital	5,437	1,565
Trade receivables	(2,370)	13,221
Other receivables	284	(431)
Inventories	203	(4,998)
Trade payables	(3,887)	(2,860)
Other payables	(523)	(611)
Cash (used in) generated from operations	(856)	5,886
Interest received	298	202
Interest paid	(148)	(65)
Income tax paid	(555)	(2,552)
Net cash (used in) from operating activities	(1,261)	3,471
Investing activities		
Dividend received from associate	114	-
Dividends received from equity instruments held at FVTOCI	6	3
Proceeds from disposal of property, plant and equipment	24	21
Purchase of property, plant and equipment	(1,199)	(519)
Net cash used in investing activities	(1,055)	(495)
Financing activities		
Dividends paid	(4,196)	(5,874)
Repayment of lease liabilities	(780)	(724)
Net cash used in financing activities	(4,976)	(6,598)
Net decrease in cash and cash equivalents	(7,292)	(3,622)
Cash and cash equivalents at beginning of year	38,578	43,021
Net effect of foreign exchange rate changes	(330)	(821)
Cash and cash equivalents at end of year	30,956	38,578
Cash and cash equivalents represent:		
Cash and bank balances	8,234	11,952
Fixed deposits	22,878	26,788
	31,112	38,740
Less: Fixed deposits and bank balances pledged	(156)	(162)
	30,956	38,578

E. NOTES TO THE CONDENSED 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 consolidated financial statements for the financial year ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is investment holding.

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

2. BASIS OF PREPARATION

The condensed financial statements for the full year ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting and should be read in conjunction with the Group’s audited financial statements as at and for the year ended 30 September 2021. SFRS(I) are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”). The condensed 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 2021.

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 2.1.

The condensed 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 Interpretations (“SFRS(I) INTs”) that are mandatory for the accounting periods beginning on or after 1 October 2021. The adoptions 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 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 2021. Details can be found in Note 3 to the annual financial statements for the year ended 30 September 2021.

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.

	<u>Group</u>		<u>Group</u>	
	<u>Revenue</u>		<u>Profit</u>	
	<u>30-09-22</u>	<u>30-09-21</u>	<u>30-09-22</u>	<u>30-09-21</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Contract Manufacturing	65,783	57,686	3,092	440
Trading	7,936	6,952	1,121	413
Others	6	6	(457)	(368)
Total	73,725	64,644	3,756	485
Interest income			298	202
Share of results of associate			79	55
Finance costs			(148)	(65)
Profit before tax			3,985	677
Income tax expense			(381)	(1,456)
Profit (Loss) for the year			3,604	(779)

	<u>Group</u>	
	<u>30-09-22</u>	<u>30-09-21</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Segment assets</u>		
Contract manufacturing	51,626	51,408
Trading	4,248	3,699
Others	721	829
Total segment assets	56,595	55,936
Unallocated	33,118	39,309
Consolidated assets	89,713	95,245

4. SEGMENT AND REVENUE INFORMATION (Cont'd)

4.1 Reportable segments (Cont'd)

	Group	
	30-09-22	30-09-21
	\$'000	\$'000
<i><u>Segment liabilities</u></i>		
Contract manufacturing	10,060	14,316
Trading	840	901
Others	397	548
Total segment liabilities	11,297	15,765
Unallocated	3,184	4,467
Consolidated liabilities	14,481	20,232

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	
	30-09-22	30-09-21
	\$'000	\$'000
Contract Manufacturing	65,783	57,686
Trading	7,936	6,952
Others	6	6
	73,725	64,644

	Group	
	30-09-22	30-09-21
	\$'000	\$'000
<u>Geographical information:</u>		
Romania	35,277	27,030
Netherlands	10,251	10,374
Europe (excluding Romania and Netherlands)	4,903	7,819
People's Republic of China	7,954	4,878
Malaysia	6,141	5,341
Singapore	5,271	4,360
Others	3,928	4,842
	73,725	64,644

The decline in sales to Europe (excluding Romania and Netherlands) is due to lower customer demand.

5. PROFIT BEFORE TAX

5.1 SIGNIFICANT ITEMS

	Group	
	30-09-22	30-09-21
	\$'000	\$'000
Other income - interest income	298	202
- others	852	784
Depreciation of property, plant and equipment	(887)	(815)
Depreciation of right-of-use assets	(906)	(889)
(Loss allowance) Reversal of loss recognised on trade receivables	(362)	28
Reversal of inventory obsolescence	428	646
Foreign exchange gain (loss), net	527	(558)
Adjustment for over (under) provision of tax in respect of prior years	450	(924)
(Loss) Gain on disposal of property, plant and equipment	(10)	2
Property, plant and equipment written off	-	(55)
Impairment loss on plant and equipment	(16)	-
Reversal of impairment on right-of-use asset	66	-
	381	1,456

6. INCOME TAX EXPENSE

	Group	
	30-09-22	30-09-21
	\$'000	\$'000
Current tax:		
Singapore	100	144
Foreign	478	491
Deferred tax	253	(103)
(Over) Under provision in prior years:		
Current tax	(450)	854
Deferred tax	-	70
	381	1,456

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2021: 17%) to profit before tax as a result of the following differences:

	Group	
	30-09-22	30-09-21
	\$'000	\$'000
Profit before tax	3,985	677
Income tax expense at statutory rate	678	115
Non-deductible items	77	153
Effects of different tax rates of overseas operations	96	275
Exempt income	(37)	(17)
(Over) Under provision of taxes in prior years	(450)	924
Others	17	6
	381	1,456

7. EARNINGS PER SHARE

	Year ended 30 September 2022	Year ended 30 September 2021
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	4.3 cents	(0.9 cents)
Number of ordinary shares	83,916,757	83,916,757
(b) On a fully diluted basis	4.3 cents	(0.9 cents)
Adjusted number of ordinary shares	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 period reported on (30 September 2022)	89.6 cents	49.6 cents
(b) Immediately preceding financial year (30 September 2021)	89.3 cents	50.6 cents

9. ASSET HELD-FOR-SALE

During the year, one of the Group's subsidiaries entered into a sales and purchase agreement to dispose part of its leasehold land to a third party at a selling price of approximately \$421,000. The disposal is conditional upon obtaining of approval from the Malaysia State Authority. Such approval has been received subsequent to the financial year-end. The carrying value of the leasehold land has been reclassified from right-of-use asset to asset held-for-sale during FY22. A reversal of impairment loss previously recognised on this leasehold land amounting to \$66,000 has also been taken up in FY22.

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 September 2022, the Group acquired assets amounting to \$1,199,000 (2021: \$519,000) and disposed of assets amounting to \$324,000 (2021: \$186,000).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	<u>30-09-22</u> <u>\$'000</u>	<u>30-09-21</u> <u>\$'000</u>	<u>30-09-22</u> <u>\$'000</u>	<u>30-09-21</u> <u>\$'000</u>
Investments in equity instruments designated at FVTOCI:				
Quoted equity shares	122	119	122	119
Unquoted equity shares	1,703	8	-	-
	<u>1,825</u>	<u>127</u>	<u>122</u>	<u>119</u>

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.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Cont'd)

The Group's investment in unquoted equity shares represents its interest in DSP Innovation B.V. ("DSP"). The fair value of the Group's interest in DSP is determined by an independent valuer engaged by the Group. During the current year, pursuant to the issuance of new ordinary shares by DSP to a third party, the Comparable Transactions method under the Market Approach was used to determine the fair value of the Group's investment in DSP. Consequently, a fair value gain of \$1,695,000 was recognised in OCI.

12. BANK BORROWINGS AND DEBT SECURITIES

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

As at September 30, 2022		As at September 30, 2021	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Nil	836*	Nil	778*

(b) Amount repayable after one year

As at September 30, 2022		As at September 30, 2021	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Nil	2,095*	Nil	2,992*

* Being lease liabilities on right-of-use assets.

(c) Details of any collateral

Approximately \$156,000 (2021: \$162,000) of the Group's fixed deposits is pledged to a bank in return for bank guarantees issued to third parties.

13. SHARE CAPITAL

	Group and Company			
	<u>30-09-22</u> <u>'000</u>	<u>30-09-21</u> <u>'000</u>	<u>30-09-22</u> <u>\$'000</u>	<u>30-09-21</u> <u>\$'000</u>
	Number of ordinary shares			
Issued and paid-up capital:				
At the beginning and end of 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 and previous financial years.

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.

14. SUBSEQUENT EVENTS

There are no known subsequent events which led to adjustments to this set of financial statements other than Note 9.

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

Statement of Comprehensive Income

For the year ended September 30, 2022 ("FY22"), the Group recorded revenue and profit before tax of \$73.7m and \$4.0m respectively.

Revenue increased by \$9.1m or 14% vs FY21 due to higher sales from both the contract manufacturing segment as well as the trading segment.

FY22 gross profit increased \$2.1m vs FY21, with gross profit margin increasing to 19.6% in FY22 from 19.1% in FY21 due to the higher sales.

Other operating income increased \$0.7m due mainly to foreign exchange gain of \$0.5m and income from scrap sales of \$0.5m, offset partially by lower government grants.

Distribution costs and administrative expenses declined by \$0.1m respectively due to tight cost control.

Income tax expense for the year declined by \$1.1m despite higher profit before tax vs FY21. Current year taxes were lower due to a \$0.5m overprovision of prior year taxes. In addition, in FY21, there was a one-off charge of \$0.8m arising on the Group's subsidiary in China pursuant to a transfer pricing review on it in respect of prior years.

As a result of the above, the Group reported a profit after tax of \$3.6m for the year.

In FY22, the Group also recorded a \$1.7m fair value gain on its investment in DSP Innovation B.V. ("DSP") based on a valuation carried out by an independent external valuer. This gain has been recorded under other comprehensive income.

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

Statement of Financial Position

Trade receivables increased by \$2.4m vs September 30, 2021 in line with higher sales.

Inventories declined \$0.5m due to depletion of stocks.

Trade payables declined by \$4.0m due to faster payments to suppliers as the Group made relatively more purchases from suppliers that gave shorter credit periods.

Cash balance reduced \$7.6m during the year due to lower cash generated from operating activities as a result of higher working capital requirements.

The Group has no bank borrowings.

Right-of-use assets decreased due to depreciation recognised on existing leases and reclassification to asset held-for-sale.

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 global economic outlook remains highly volatile and uncertain with heightened geopolitical tensions and inflationary pressures.

While there has been some improvement in the global shortage of electronic components, lead times for many of the components required by the Group still have not returned to pre-pandemic levels yet. Thus, this continues to pose challenges for the Group with extended lead times and higher purchasing costs, and the Group's margin in future may be affected if it is not able to pass on the higher costs to its customers. The Group actively liaises with both its customers and suppliers to better manage its costs and supply chain.

The Group continues to face intense pressures from customers for lower pricing on its products, as well as cost pressures in China and Malaysia, where its manufacturing operations are based in. The Group continuously monitors its activities to enforce stringent control of its costs and to identify opportunities to streamline operations for better efficiencies and operational excellence.

Foreign exchange rates still remain volatile. As the Group has sales denominated in the United States Dollar, any weakening of the United States Dollar will have an adverse impact on the Group to the extent that the revenue is not matched by costs denominated in the United States Dollar.

5. DIVIDEND INFORMATION

The directors are pleased to propose as follows:

Current period reported on:		
Type of dividend	Final	Special
Amount per share	3.0 cents	Nil
Tax rate	One-tier tax exempt	One-tier tax exempt
Corresponding period of previous financial year:		
Type of dividend	Final	Special
Amount per share	3.0 cents	Nil
Tax rate	One-tier tax exempt	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 17 February 2023.

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 2023 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 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 27 January 2023 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 2023 will be entitled to the proposed dividend.

Breakdown of total annual dividend

	Latest Full Year ended September 30, 2022 (One-tier tax exempt dividend*)	Previous Full Year ended September 30, 2021 (One-tier tax exempt dividend*)
Ordinary	\$4,195,838	\$4,195,838
Preference	-	-
Total:	\$4,195,838	\$4,195,838

* 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	38,219	33,373	14.5
(b)	Operating profit after tax before deducting minority interests reported for first half year	1,981	(815)	n.m.
(c)	Sales reported for second half year	35,506	31,271	13.5
(d)	Operating profit after tax before deducting minority interests reported for second half year	1,623	36	4408.3

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	62	Sister of all directors (except independent directors)	General Manager in Human Resource and Administration - in charge of human resource management and general admin matters. - Position held since 1 st Jan 2000.	No changes
Eugene Tan Wei Kang	51	Nephew of all directors (except independent directors)	Head of Business Development of PNE Appliance Controls Pte Ltd. - in charge of developing new business for the company. - Position held since 1 st Jul 2006.	No changes
Tan Meng Siew	50	Daughter of chairman, Mr Tan Kong Heng, niece of all other directors (except independent directors)	Financial Controller - in charge of finance and accounting functions. - Position first held in 1999. Also appointed as Company Secretary on 31 st 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 28, 2022