

P.I.E. INDUSTRIAL BERHAD (COMPANY NO. : 424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.03.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2014 RM'000	CURRENT YEAR TO DATE 31.03.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2014 RM'000
Revenue	10	111,067	157,367	111,067	157,367
Cost of sales		(98,237)	(143,620)	(98,237)	(143,620)
Gross profit		12,830	13,747	12,830	13,747
Administrative and distribution expenses		(6,468)	(6,120)	(6,468)	(6,120)
Other operating income		5,173	3,701	5,173	3,701
Income from other investments		1,043	608	1,043	608
Finance costs		(165)	(69)	(165)	(69)
Share of results in associated company		(1)	(1)	(1)	(1)
Profit before tax	10	12,412	11,866	12,412	11,866
Income tax expense	20	(2,162)	(2,747)	(2,162)	(2,747)
Profit for the period	19	10,250	9,119	10,250	9,119
<u>Other comprehensive income</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		4,212	551	4,212	551
Other comprehensive income, net of tax		4,212	551	4,212	551
Total comprehensive income for the period		14,462	9,670	14,462	9,670
Total comprehensive income attributable to: - Owners of the Company		14,462	9,670	14,462	9,670
Basic earnings per ordinary share (sen)	25	13.35	11.88	13.35	11.88
Diluted earnings per ordinary share (sen)	25	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO. : 424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	UNAUDITED AS AT 31.03.2015 RM'000	AUDITED AS AT 31.12.2014 RM'000
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ASSETS			
Non-current assets			
Property, plant and equipment	8	69,386	68,182
Investment properties		21,563	19,977
Prepaid lease payments		7,384	7,435
Goodwill on consolidation		1,722	1,722
Investment in associated company		2	3
Deferred tax assets		1,370	1,368
Total non-current assets		<u>101,427</u>	<u>98,687</u>
Current assets			
Inventories		94,636	76,788
Trade and other receivables		132,068	165,530
Other financial assets		564	559
Other investments		37,146	34,334
Current tax assets		451	1,162
Restricted cash		87	38
Short-term deposits with licensed banks		75,550	156,978
Cash and bank balances		56,446	18,588
Total current assets		<u>396,948</u>	<u>453,977</u>
TOTAL ASSETS		<u>498,375</u>	<u>552,664</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		76,808	76,808
Reserves		14,476	10,264
Retained earnings		240,840	230,590
Total equity		<u>332,124</u>	<u>317,662</u>
Non-current liabilities			
Deferred tax liabilities		2,836	2,859
Current liabilities			
Short-term borrowings		33,483	95,231
Trade and other payables		125,847	132,863
Current tax liabilities		4,085	4,049
Total current liabilities		<u>163,415</u>	<u>232,143</u>
Total liabilities		<u>166,251</u>	<u>235,002</u>
TOTAL EQUITY AND LIABILITIES		<u>498,375</u>	<u>552,664</u>
NET ASSETS		332,124	317,662
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		4.32	4.14

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD (424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

	Share Capital	Treasury Shares	Non- distributable	Distributable Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period ended 31 March 2014</u>					
Balance as of 1 January 2014	64,007	(317)	19,363	204,881	287,934
Net profit for the period	0	0	0	9,119	9,119
Other comprehensive income for the period	0	0	551	0	551
Total comprehensive income for the period	0	0	551	9,119	9,670
Balance as of 31 March 2014	64,007	(317)	19,914	214,000	297,604
<u>Period ended 31 March 2015</u>					
Balance as of 1 January 2015	76,808	0	10,264	230,590	317,662
Net profit for the period	0	0	0	10,250	10,250
Other comprehensive income for the period	0	0	4,212	0	4,212
Total comprehensive income for the period	0	0	4,212	10,250	14,462
Balance as of 31 March 2015	76,808	0	14,476	240,840	332,124

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD (424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

	3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	10,250	9,119
Adjustments for:		
Income tax expense	2,162	2,747
Non-cash items	4,068	3,633
Non-operating items	(429)	(6)
Operating profit before working capital changes	16,051	15,493
Changes in working capital:		
Net change in current assets	14,544	28,168
Net change in current liabilities	(8,803)	(5,836)
Cash generated from operations	21,792	37,825
Tax refunded	1,130	0
Income tax paid	(2,568)	(2,930)
Interest received	770	389
Net cash generated from operating activities	21,124	35,284
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in other investments	(2,813)	(1,667)
Proceeds from disposal of property, plant and equipment	0	14
Payment for property, plant and equipment	(3,790)	(481)
Payment for investment property	(1,461)	0
Net cash used in investing activities	(8,064)	(2,134)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of bank borrowings	(61,748)	(9,826)
Interest paid	(165)	(69)
Bank balances held as security	(49)	0
Net cash used in financing activities	(61,962)	(9,895)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(48,902)	23,255
Effect of foreign exchange rate differences	5,331	583
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	175,567	72,351
CASH AND CASH EQUIVALENTS AT END OF PERIOD	131,996	96,189

P.I.E. INDUSTRIAL BERHAD (424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

	3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000 (Restated)
REPRESENTED BY:-		
Short-term deposits with licensed banks	75,550	56,596
Cash and bank balances	56,446	39,593
	131,996	96,189

The Group had changed its accounting policy with respect to classification of cash and cash equivalents and classified short-term deposits with maturity period of more than 3 months as investments compared to prior where all short-term deposits are classified as cash and cash equivalents.

The following table summarises the restatement made:

	31.03.2014 RM'000	31.12.2013 RM'000
CASH AND CASH EQUIVALENTS		
- As previously stated	124,140	98,635
- As restated	96,189	72,351

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING

1 Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Chapter 9, Continuing Disclosure, Paragraph 9.22 of the Main Market Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (MASB), and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2014, which have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The explanatory notes attached to these interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

2 Significant Accounting Policies

The significant accounting policies, methods of computation and basis of consolidation adopted by the Group for the preparation of the interim financial report are consistent with those adopted in the annual audited financial statements for the year ended 31 December 2014 except for the adoption of the following MFRSs, IC Interpretations (“IC Int.”) and amendments to MFRSs for the financial period beginning on 1 January 2015:-

- Amendments to MFRS 119, Employee Benefits – Defined Benefit Plans : Employee Contribution
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle

The initial adoption of the above standards and interpretations are not expected to have any material financial impact to the Group's results.

The Group has not adopted the following MFRSs and Amendments to MFRSs, which were issued by the MASB but not yet effective:-

- Amendments to MFRS 10, MFRS 12 and MFRS 128, Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiative
- Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation

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- Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
- Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements
- Annual Improvements to MFRSs 2012-2014 Cycle
- MFRS 9, Financial Instruments (IFRS 9 as issued by IASB in July 2014)
- MFRS 14, Regulatory Deferral Accounts
- MFRS 15, Revenue from Contracts with Customers

3 Seasonal or Cyclical Factors

The cyclical nature of the manufacturing sector is generally correlated to the global economy and is normally seasonal with demand peaking at the year-end festive seasons.

4 Unusual Items Due To Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period-to-date because of their nature, size or incidence.

5 Changes in Estimates

There were no material changes in estimates of amount reported in either the prior interim period of the current financial period or prior financial years that have a material effect on the results during the current quarter and financial period-to-date.

6 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 March 2015.

As of 31 March 2015, total issued and fully paid-up share capital are 76,808,397 ordinary shares of RM1 each.

7 Dividends Paid

The Company did not pay any dividend to its shareholders during the financial period ended 31 March 2015.

8 Revaluation of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward without amendment from the previous annual audited financial statements for the year ended 31 December 2014.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

9 Material Post Balance Sheet Events

There are no material events subsequent to the end of the current quarter that requires adjustment to, or disclosure in the unaudited interim financial report for the financial period ended 31 March 2015.

10 Operating Segment

Segment information is presented in respect of the Group's business segments.

The Group comprises the following main business segments:

- a) Manufacturing Manufacturing of industrial products
- b) Trading Trading of electrical products
- c) Others Investment holdings

Segments	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Period ended 31 March 2015</u>					
Revenue	107,717	3,350	-	-	111,067
Inter-segment revenue	513	292	1,554	(2,359)	-
	<u>108,230</u>	<u>3,642</u>	<u>1,554</u>	<u>(2,359)</u>	<u>111,067</u>
Segment results	7,779	588	295	48	8,710
Investment revenue					1,043
Other gains and losses					2,825
Finance costs					(165)
Share of results in associated company					(1)
Profit before tax					<u>12,412</u>

Segments	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Period ended 31 March 2014</u>					
Revenue	157,271	96	-	-	157,367
Inter-segment revenue	20	401	1,380	(1,801)	-
	<u>157,291</u>	<u>497</u>	<u>1,380</u>	<u>(1,801)</u>	<u>157,367</u>
Segment results	8,551	(42)	707	(18)	9,198
Investment revenue					608
Other gains and losses					2,130
Finance costs					(69)
Share of results in associated company					(1)
Profit before tax					<u>11,866</u>

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

11 Changes in the Composition of the Group

There was no change in the composition of the Group for the current quarter and financial period-to-date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

12 Capital Commitment

Save as disclosed below, there was no capital expenditure contracted but not provided for in the unaudited interim financial report of the Group during the current financial year under review.

	As at 31.03.2015 RM '000
Commitments in respect of capital expenditure:	
Approved and contracted for :	
Land and factory building	<u>9,720</u>

13 Fair Value of Instruments

(a) Determination of fair value

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, by class, which are not carried at fair value in the financial statements.

	31.03.2015		31.03.2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000 (Restated)	RM'000 (Restated)
Financial assets :				
Trade and other receivables	132,519	132,519	176,954	176,954
Other investments	37,146	37,146	27,951	27,951
Cash and cash equivalents	131,996	131,996	96,189	96,189
	<u>301,661</u>	<u>301,661</u>	<u>301,094</u>	<u>301,094</u>
Financial liabilities :				
Trade and other payables	129,932	129,932	125,680	125,680
Short term borrowings	33,483	33,483	33,963	33,963
	<u>163,415</u>	<u>163,415</u>	<u>159,643</u>	<u>159,643</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

(b) Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at the reporting date, the Group held the following financial assets and liabilities that were measured at fair value by level of fair value hierarchy :

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>31 March 2015</u>				
Financial assets				
Investment in income fund	564	-	-	564
	564	-	-	564
<u>31 March 2014</u>				
Financial assets				
Investment in income fund	545	-	-	545
	545	-	-	545

There have been no transfers between any levels during the current quarter under review and the comparative period.

14 Contingent Liabilities

Save as disclosed below, there were no obligations and contingent liabilities for the Group as of 31 March 2015.

	RM '000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	247
b) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	174,548
c) Payment of withholding tax to foreign tax authority if received dividend from foreign subsidiary company out of its non-tax exempted retained earnings	4,850
	179,645

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15 Review of Performance

Comparison with Previous Year Corresponding Quarter's Results

The Group's revenue for the current quarter under review was RM111.067 million and profit before tax was RM12.412 million.

The revenue was decreased by RM46.300 million or 29% if compared to preceding year corresponding quarter. The decrease was mainly attributable to lower demand on electronic manufacturing products from existing customers but partly offset with higher demand on raw wire and cable products and higher revenue achieved by wire harness activities and trading activities.

Compared with the preceding year corresponding quarter, the profit before tax was increased by RM0.546 million or 5%, which was mainly due to the higher margin of products mix, higher gain from foreign currency exchange transactions and reversal of slow moving inventories provision. However, the increase in profit was partly offset by lower revenue achieved and higher provision of doubtful debts.

16 Comparison with Immediate Preceding Quarter's Results

	<u>Individual Quarter Ended</u>		Variance RM '000	Variance %
	31.03.2015 RM '000	31.12.2014 RM '000		
Revenue	111,067	157,687	(46,620)	-30%
Profit before tax	12,412	18,339	(5,927)	-32%

The Group's revenue for the quarter under review has decreased by 30% as compared with the preceding quarter. The decrease was mainly due to lower demand for electronics manufacturing products but partly offset with higher revenue achieved by trading activities.

The Group profit before tax for the current quarter has dropped by 32% as compared to preceding quarter. The decrease was mainly due to lower revenue achieved and lower reversal of slow moving inventories provision and doubtful debt provision. However, the decrease in profit was partly offset by higher margin of products mix, lower operating expenses, higher gain from foreign currency exchange transactions.

17 Current Year Prospect

The Group will continue to strengthen its vertical integration of manufacturing capability and expand sufficient manufacturing capacity to meet more outsourcing orders from new and existing customers. Barring any unforeseen circumstances, the Group anticipate to achieve satisfactory performance for year 2015.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

18 Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was announced and published.

19 Profit for the Period

	Quarter Ended		Period Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	767	367	767	367
Investment income	276	241	276	241
Interest expenses	(165)	(69)	(165)	(69)
Depreciation and amortisation	(2,969)	(2,630)	(2,969)	(2,630)
Net (allowance)/reversal of impairment losses				
- trade receivables	(1,489)	52	(1,489)	52
Net reversal/(write down) of inventories	392	(1,053)	392	(1,053)
Net gain on disposal of :				
- property, plant and equipment	0	14	0	14
Net foreign exchange gain	4,314	3,117	4,314	3,117

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Securities Main Market Listing Requirements are not applicable.

20 Income Tax Expense

	Quarter Ended		Period Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	2,186	2,771	2,186	2,771
Deferred tax (income)/expenses	(24)	(24)	(24)	(24)
	<u>2,162</u>	<u>2,747</u>	<u>2,162</u>	<u>2,747</u>

The Group's taxation for the current quarter and financial period-to-date reflects an effective tax rate which is lower than the statutory income tax rate mainly due to certain income which is not taxable and investment tax incentives enjoyed by the certain subsidiaries in the Group.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

21 Status of Corporate Proposals Announced

There were no corporate proposals announced but pending completion as at the date of this unaudited interim financial report.

22 Group Borrowings and Debt Securities

The details of the Group's borrowings as at end of current quarter are as follows:

		<u>Foreign Currency</u> '000	<u>Equivalent in RM</u> RM'000
<i>Unsecured Borrowings</i>			
Short-term loan	USD	9,049	<u>33,483</u>
Total			<u><u>33,483</u></u>

23 Changes in Material Litigation

The Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings, pending or threatened, against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

24 Dividends

The following Dividends for the year ended 31 December 2014, has been approved by the Company's shareholders at the Eighteenth Annual General Meeting on 25 May 2015 and will be paid on 16 June 2015 to depositors registered in the Record of Depositors on 29 May 2015:

- (a) A Special Single Tier Dividend of 13 sen per share; and
- (b) A First and Final Single Tier Dividend of 12 sen per share.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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25 Earnings Per Ordinary Share

(a) Basic earnings per ordinary share

Basic earnings per ordinary share amounts are calculated by dividing profit attributable to the ordinary equity shareholders by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	Quarter Ended		Period Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Profit attributable to ordinary equity shareholders (RM'000)	10,250	9,119	10,250	9,119
Weighted average number of ordinary share in issue (units'000)	76,808	76,776	76,808	76,776
Basic earnings per ordinary share (sen)	<u>13.35</u>	<u>11.88</u>	<u>13.35</u>	<u>11.88</u>

The weighted average number of ordinary shares in issue for the current quarter and financial period-to-date are calculated as follows:

	Quarter Ended		Period Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	'000	'000	'000	'000
Issued ordinary shares at beginning of the period	76,808	63,980	76,808	63,980
Effect of bonus issue	<u>-</u>	<u>12,796</u>	<u>-</u>	<u>12,796</u>
Weighted average number of ordinary shares	<u>76,808</u>	<u>76,776</u>	<u>76,808</u>	<u>76,776</u>

(b) Diluted earnings per ordinary share

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter and financial period-to-date.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

26 Derivative Financial Instruments

There were no material outstanding derivatives entered into by the Group as at the end of the quarter under review.

27 Gains/Losses Arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities.

28 Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group's most recent annual audited financial statements did not contain any qualification.

29 Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 March 2015, into realised and unrealised profits, pursuant to directives by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of P.I.E. Industrial Berhad and it's subsidiaries		
- Realised	269,248	260,476
- Unrealised	12,685	12,759
	<u>281,933</u>	<u>273,235</u>
Total share of retained loss from associate company		
- Realised	(24)	(22)
	<u>281,909</u>	<u>273,213</u>
Add : Consolidation adjustments	(41,069)	(42,623)
Total Group retained profits as per consolidated accounts	<u><u>240,840</u></u>	<u><u>230,590</u></u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purpose of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.