

P.I.E. INDUSTRIAL BERHAD (COMPANY NO. : 424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2017

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.03.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2016 RM'000	CURRENT YEAR TO DATE 31.03.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2016 RM'000
Revenue	10	161,870	119,725	161,870	119,725
Cost of sales		(143,216)	(106,229)	(143,216)	(106,229)
Gross profit		18,654	13,496	18,654	13,496
Administrative and distribution expenses		(10,077)	(7,772)	(10,077)	(7,772)
Other operating income/(expenses)		6,488	(3,511)	6,488	(3,511)
Income from other investments		1,060	687	1,060	687
Finance costs		-	(244)	-	(244)
Profit before tax	10	16,125	2,656	16,125	2,656
Income tax expense	20	(4,539)	(552)	(4,539)	(552)
Profit for the period	19	11,586	2,104	11,586	2,104
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		1,052	(3,576)	1,052	(3,576)
Other comprehensive income/(loss), net of tax		1,052	(3,576)	1,052	(3,576)
Total comprehensive income for the period		12,638	(1,472)	12,638	(1,472)
Total comprehensive income attributable to: - Owners of the Company		12,638	(1,472)	12,638	(1,472)
Basic earnings per ordinary share (sen)	24	3.02	0.55	3.02	0.55
Diluted earnings per ordinary share (sen)	24	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 2016 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 2017

	Note	UNAUDITED AS AT 31.03.2017 RM'000	AUDITED AS AT 31.12.2016 RM'000
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ASSETS			
Non-current assets			
Property, plant and equipment	8	86,931	90,072
Investment properties		21,902	21,850
Prepaid lease payments		10,667	10,746
Goodwill on consolidation		1,722	1,722
Deferred tax assets		1,703	1,702
Total non-current assets		<u>122,925</u>	<u>126,092</u>
Current assets			
Inventories		119,306	105,557
Trade and other receivables		148,687	172,464
Other financial assets		5,062	3,820
Current tax assets		11,706	10,087
Short-term deposits with licensed banks		90,014	61,461
Cash and bank balances		37,329	42,431
Total current assets		<u>412,104</u>	<u>395,820</u>
TOTAL ASSETS		<u><u>535,029</u></u>	<u><u>521,912</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		76,808	76,808
Reserves		19,668	18,616
Retained earnings		289,747	278,161
Total equity		<u>386,223</u>	<u>373,585</u>
Non-current liabilities			
Deferred tax liabilities		2,993	3,015
Current liabilities			
Trade and other payables		130,577	133,989
Current tax liabilities		15,236	11,323
Total current liabilities		<u>145,813</u>	<u>145,312</u>
Total liabilities		<u>148,806</u>	<u>148,327</u>
TOTAL EQUITY AND LIABILITIES		<u><u>535,029</u></u>	<u><u>521,912</u></u>
NET ASSETS		386,223	373,585
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		1.01	0.97

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 2016 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 2017

	Share Capital	Treasury Shares	Non- distributable Reserves	Distributable Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Period ended 31 March 2016					
Balance as of 1 January 2016	76,808	-	16,822	268,978	362,608
Net profit for the period	-	-	-	2,104	2,104
Other comprehensive loss for the period	-	-	(3,576)	-	(3,576)
Total comprehensive income for the period	-	-	(3,576)	2,104	(1,472)
Balance as of 31 March 2016	<u>76,808</u>	<u>-</u>	<u>13,246</u>	<u>271,082</u>	<u>361,136</u>
Period ended 31 March 2017					
Balance as of 1 January 2017	76,808	-	18,616	278,161	373,585
Net profit for the period	-	-	-	11,586	11,586
Other comprehensive income for the period	-	-	1,052	-	1,052
Total comprehensive income for the period	-	-	1,052	11,586	12,638
Balance as of 31 March 2017	<u>76,808</u>	<u>-</u>	<u>19,668</u>	<u>289,747</u>	<u>386,223</u>

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 2016 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 2017

	3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	11,586	2,104
Adjustments for:		
Income tax expense	4,539	552
Non-cash items	1,781	3,759
Non-operating items	342	3,191
Operating profit before working capital changes	18,248	9,606
Changes in working capital:		
Net change in current assets	7,929	134,833
Net change in current liabilities	1,565	(64,643)
Cash generated from operations	27,742	79,796
Tax refunded	-	346
Income tax paid	(2,269)	(4,147)
Interest received	265	296
Net cash generated from operating activities	25,738	76,291
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	169	-
Payment for property, plant and equipment	(826)	(3,364)
Proceeds from disposal of income funds	1,011	3,074
Purchase of investment in income funds	(2,224)	(550)
Net cash used in investing activities	(1,870)	(840)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of bank borrowings	-	(58,986)
Interest paid	-	(244)
Bank balances held as security	(2)	6
Net cash used in financing activities	(2)	(59,224)
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,866	16,227
Effect of foreign exchange rate differences	(418)	(10,050)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	103,797	120,945
CASH AND CASH EQUIVALENTS AT END OF PERIOD	127,245	127,122

P.I.E. INDUSTRIAL BERHAD (424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2017

	3 months ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
REPRESENTED BY:-		
Short-term deposits with licensed banks	90,014	77,997
Cash and bank balances	37,329	49,210
Less : Bank balance pledged as security	(98)	(85)
	<u>127,245</u>	<u>127,122</u>

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 2016 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 2017

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 2016, 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 2016.

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 2016 except for the adoption of the following MFRSs, IC Interpretations (“IC Int.”) and amendments to MFRSs for the financial period beginning on 1 January 2017:-

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: *Applying the Consolidation Exception*

Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

Amendments to MFRS 101 *Disclosure Initiative*

Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*

Amendments to MFRS 127 *Equity Method in Separate Financial Statements*

Annual Improvements to MFRS 2012-2014 Cycle

Initial application of the above standards did not have any material impact to the financial statements of the Group.

Effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 12 *Disclosure of Interest in Other Entities (under Annual Improvements to MFRS 2014-2016 Cycle)*

Amendments to MFRS 107 *Statement of Cash Flows: Disclosure Initiatives*

Amendments to MFRS 112 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

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Effective for annual periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures

Amendments to MFRS 140 Investment Property: Transfer of Investment Property

Annual Improvements to MFRS 2014-2016 Cycle

(except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)

IC Int 22 Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019

MFRS 16 Leases

Effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption except as mentioned below:

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* and all previous version of *MFRS 9*. This new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of *MFRS 9*, new “expected credit loss model” under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of *MFRS 9*, financial assets will be measured at either fair value or amortised cost. It is also expected that the Group’s investment in unquoted shares, if any, will be measured at fair value through other comprehensive income.

The adoption of MFRS 9 will result in a change in accounting policy. The Group are currently assessing the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in *MFRS 111 Construction Contracts*, *MFRS 118 Revenue*, *IC Int 13 Customer Loyalty Programmes*, *IC Int 15 Agreements for Construction of Real Estate*, *IC Int 18 Transfers of Assets from Customers* and *IC Int 131 Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of *MFRS 15*, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Group are currently assessing the financial impact of adopting MFRS 15.

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MFRS 16 Leases

The scope of *MFRS 16* includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

MFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under *MFRS 117*. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (e.g., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (e.g., the lease liability) and an asset representing the right to use the underlying asset during the lease term (e.g., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today’s accounting under *MFRS 117*. Lessors will continue to classify all leases using the same classification principle in *MFRS 117* and distinguish between two types of leases: operating and finance leases.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2019 with early adoption permitted. The Group are currently assessing the financial impact of adopting MFRS 16.

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

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.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2017

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 2017.

As of 31 March 2017, total issued and fully paid-up share capital are 384,041,985 ordinary shares.

7 Dividends Paid

The Company did not pay any dividend to its shareholders during the financial period ended 31 March 2017.

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 2016.

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 2017.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2017

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	Trading	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period ended 31 March 2017</u>					
Revenue	160,459	1,407	4	-	161,870
Inter-segment revenue	77	736	1,902	(2,715)	-
	<u>160,536</u>	<u>2,143</u>	<u>1,906</u>	<u>(2,715)</u>	<u>161,870</u>
Segment results	14,359	167	(955)	(32)	13,539
Investment revenue					1,060
Other gains and losses					1,526
Finance costs					-
Profit before tax					<u>16,125</u>

Segments	Manufacturing	Trading	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period ended 31 March 2016</u>					
Revenue	117,564	2,141	20	-	119,725
Inter-segment revenue	104	392	1,554	(2,050)	-
	<u>117,668</u>	<u>2,533</u>	<u>1,574</u>	<u>(2,050)</u>	<u>119,725</u>
Segment results	8,335	413	(173)	75	8,650
Investment revenue					687
Other gains and losses					(6,437)
Finance costs					(244)
Profit before tax					<u>2,656</u>

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2017

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

There was no capital expenditure contracted but not provided for in the unaudited interim financial report of the Group during the current financial period under review.

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.

	31.03.2017		31.12.2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial assets :				
Trade and other receivables (excluding prepayments)	147,469	147,469	171,287	171,287
Financial assets carried at fair value through profit or loss	5,062	5,062	3,820	3,820
Cash and cash equivalents	127,343	127,343	103,892	103,892
	<u>279,874</u>	<u>279,874</u>	<u>278,999</u>	<u>278,999</u>
Financial liabilities :				
Trade and other payables	130,577	130,577	133,989	133,989
	<u>130,577</u>	<u>130,577</u>	<u>133,989</u>	<u>133,989</u>

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
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(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 2017</u>				
Financial assets				
Investment in income fund	5,062	-	-	5,062
	<u>5,062</u>	<u>-</u>	<u>-</u>	<u>5,062</u>
<u>31 December 2016</u>				
Financial assets				
Investment in income fund	3,820	-	-	3,820
	<u>3,820</u>	<u>-</u>	<u>-</u>	<u>3,820</u>

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

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2017

14 Contingent Liabilities

Save as disclosed below, there were no obligations and contingent liabilities for the Group as of 31 March 2017.

	RM '000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	116
b) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	196,842
c) Payment of withholding tax to foreign tax authority if received dividend from foreign subsidiary company out of its non-tax exempted retained earnings	3,407
	<u>200,365</u>
d) Pan-International Electronics (Malaysia) Sdn Bhd (PIESB), a wholly owned subsidiary company of P.I.E. Industrial Berhad, had received demand letters dated 2 February 2015, 19 March 2015, 22 June 2015 and 21 July 2015 from Royal Malaysian Customs (RMC) regarding short collection of import duty and sales tax from PIESB amounted to RM8,432,282.51 and RM841,342.00 respectively.	

PIESB had received a letter from RMC in January 2016 to blacklist the directors of PIESB. Upon request of RMC and advice from consultant, PIESB had paid 20% of the total demand amount by RMC as payment under protest to start the appeal process in January and July 2016 respectively. The consultant, after several discussions with the management and review on the facts, opined that PIESB has a strong base to defend the case.

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 RM161.870 million and profit before tax was RM16.125 million.

The revenue was increased by RM42.145 million or 35% if compared to preceding year corresponding quarter. The increase was mainly attributable to higher demand from existing customers for electronics manufacturing activities and raw wire & cable products, but partly offset with lower revenue achieved by wire harness products and trading activities.

Compared with the preceding year corresponding quarter, the profit before tax was increased by RM13.469 million or 507%, which was mainly due to higher revenue achieved, higher foreign currency exchange gain and reversal of slow moving inventory. However, the increase in profit was partly limited by higher operating expenses and higher provision for doubtful debts.

16 Comparison with Immediate Preceding Quarter's Results

	<u>Individual Quarter Ended</u>		Variance RM '000	Variance %
	31.03.2017 RM '000	31.12.2016 RM '000		
Revenue	161,870	193,517	(31,647)	-16%
Profit before tax	16,125	29,022	(12,897)	-44%

The Group's revenue for the quarter under review has decreased by 16% as compared with the preceding quarter. The decrease was mainly due to lower demand for electronics manufacturing products but partly offset with higher demand on raw wire & cable products, wire harness and higher revenue achieved by trading activities.

The Group profit before tax for the current quarter has dropped by 44% as compared to preceding quarter. The decrease was mainly due to lower revenue achieved and lower margin of products mix, lower foreign currency exchange gain and higher doubtful debt provision. However, the decrease in profit was partly offset by lower operating expenses and reversal of slow moving inventories provision.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2017

17 Current Year Prospect

With increasing orders from existing customers and on-going new projects with potential customers, the Group foresee a steady grow of revenue in the year 2017, while the drastic fluctuation of Ringgit Malaysia against USD and labour shortage will continue to be the main factors to affect the Group's future earning. However, the Group will ceaselessly strengthen its vertical integration of manufacturing capability and maintain sufficient manufacturing capacity to cater to outsourcing orders from new and existing customers. Barring any unforeseen circumstances, the Group anticipate to achieve a satisfactory performance for year 2017.

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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	265	243	265	243
Investment income	795	444	795	444
Interest expenses	-	(244)	-	(244)
Depreciation and amortisation	(4,197)	(4,043)	(4,197)	(4,043)
Net (allowance)/reversal of impairment losses				
- trade receivables	(794)	(1,543)	(794)	(1,543)
Net reversal/(write down) of inventories	3,210	1,826	3,210	1,826
Net gain/(loss) on disposal of :				
- property, plant and equipment	131	-	131	-
- investment	4	8	4	8
Net foreign exchange gain/(loss)	2,166	(4,896)	2,166	(4,896)
Gain/(Loss) from fair value adjustment of financial assets through profit and loss	20	(6)	20	(6)

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.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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20 Income Tax Expense

	Quarter Ended		Period Ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	4,562	575	4,562	575
Underprovision in prior year	-	12	-	12
Deferred tax income	(23)	(35)	(23)	(35)
	<u>4,539</u>	<u>552</u>	<u>4,539</u>	<u>552</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.

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 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.

23 Dividends

The following Dividends for the year ended 31 December 2016, has been approved by the Company's shareholders at the Twentieth Annual General Meeting on 26 May 2017 and will be paid on 14 June 2017 to depositors registered in the Record of Depositors on 2 June 2017:

- (a) A Special Single Tier Dividend of 2.6 sen per share; and
- (b) A First and Final Single Tier Dividend of 2.4 sen per share.

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24 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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Profit attributable to ordinary equity shareholders (RM'000)	11,586	2,104	11,586	2,104
Weighted average number of ordinary share in issue (units'000)	384,042	384,042	384,042	384,042
Basic earnings per ordinary share (sen)	<u>3.02</u>	<u>0.55</u>	<u>3.02</u>	<u>0.55</u>

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

	Quarter Ended		Period Ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	'000	'000	'000	'000
Issued ordinary shares at beginning of the period	384,042	76,808	384,042	76,808
* Effect of share split	<u>-</u>	<u>307,234</u>	<u>-</u>	<u>307,234</u>
Weighted average number of ordinary shares	<u>384,042</u>	<u>384,042</u>	<u>384,042</u>	<u>384,042</u>

* On 15 July 2016, every existing ordinary share of the Company of RM1.00 each was sub-divided into five ordinary shares of RM0.20 each.

(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.

25 Derivative Financial Instruments

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

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

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

27 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.

28 Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 March 2017, into realised and unrealised profits, pursuant to directives by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000 (Restated)
Total retained profits of P.I.E. Industrial Berhad and it's subsidiaries		
- Realised	331,296	304,401
- Unrealised	1,796	17,840
	<u>333,092</u>	<u>322,241</u>
Total share of retained loss from associate company		
- Realised	(25)	(25)
	<u>333,067</u>	<u>322,216</u>
Add : Consolidation adjustments	(43,320)	(44,055)
Total Group retained profits as per consolidated accounts	<u><u>289,747</u></u>	<u><u>278,161</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.