



**P.I.E. INDUSTRIAL BERHAD**

( Registration No. 199701008590 (424086-X) )

(Incorporated in Malaysia)

Interim Financial Report for the Financial  
Period Ended 30 September 2023

**P.I.E. INDUSTRIAL BERHAD**

( REGISTRATION NO. : 199701008590 (424086-X) )

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.09.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2022 RM'000	CURRENT YEAR TO DATE 30.09.2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2022 RM'000
Revenue	11	300,799	260,578	919,763	823,863
Cost of sales		(277,077)	(240,500)	(869,846)	(768,455)
Gross profit		23,722	20,078	49,917	55,408
Administrative and distribution expenses		(5,296)	(5,237)	(19,648)	(16,775)
Other operating income		5,670	4,393	26,685	14,382
Income from other investments		1,075	1,270	3,726	4,307
Finance costs		(514)	(557)	(2,028)	(850)
Profit before tax	11	24,657	19,947	58,652	56,472
Income tax expense	23	(4,271)	(3,668)	(13,053)	(13,090)
Profit for the period	22	20,386	16,279	45,599	43,382
<u>Other comprehensive (loss)/ income</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		(768)	(583)	118	(585)
Other comprehensive (loss)/ income, net of tax		(768)	(583)	118	(585)
Total comprehensive income for the period		19,618	15,696	45,717	42,797
Total comprehensive income attributable to:					
- Owners of the Company		19,618	15,696	45,717	42,797
Basic earnings per ordinary share (sen)	27	5.31	4.24	11.87	11.30
Diluted earnings per ordinary share (sen)	27	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 2022 and the accompanying explanatory notes attached to the interim financial report.

**P.I.E. INDUSTRIAL BERHAD**

( REGISTRATION NO. : 199701008590 (424086-X) )

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2023**

	Note	UNAUDITED AS AT 30.09.2023 RM'000	AUDITED AS AT 31.12.2022 RM'000
	-----	-----	-----
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	185,337	164,011
Investment properties		21,520	21,507
Right-of-use assets		5,641	22,746
Goodwill on consolidation		1,722	1,722
Investment in associated company		175	-
Deferred tax assets		1,217	1,216
		<u>215,612</u>	<u>211,202</u>
<b>Current assets</b>			
Inventories		291,355	287,798
Trade and other receivables		329,035	336,011
Other financial assets		1,568	1,471
Current tax assets		1,789	7,203
Short-term deposits with licensed banks		50,418	19,646
Cash and bank balances		31,746	43,530
<b>Total current assets</b>		<u>705,911</u>	<u>695,659</u>
<b>TOTAL ASSETS</b>		<u>921,523</u>	<u>906,861</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		83,203	83,203
Reserves		15,481	15,363
Retained earnings		480,617	461,901
<b>Total equity</b>		<u>579,301</u>	<u>560,467</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		10,564	10,682
<b>Current liabilities</b>			
Short-term borrowings	14	56,199	105,569
Trade and other payables		274,587	228,087
Current tax liabilities		872	2,056
<b>Total current liabilities</b>		<u>331,658</u>	<u>335,712</u>
<b>Total liabilities</b>		<u>342,222</u>	<u>346,394</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>921,523</u>	<u>906,861</u>
<b>NET ASSETS</b>		579,301	560,467
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		1.51	1.46

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 2022 and the accompanying explanatory notes attached to the interim financial report.

**P.I.E. INDUSTRIAL BERHAD**

( REGISTRATION NO. : 199701008590 (424086-X) )

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

	Share Capital RM'000	Non-distributable Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
<b><u>Period ended 30 September 2022</u></b>					
Balance as of 1 January 2022	83,203	11,873	2,660	418,753	516,489
Net profit for the period	-	-	-	43,382	43,382
Other comprehensive loss for the period	-	(585)	-	-	(585)
Total comprehensive income for the period	-	(585)	-	43,382	42,797
Payment of dividends	-	-	-	(26,883)	(26,883)
Balance as of 30 September 2022	<u>83,203</u>	<u>11,288</u>	<u>2,660</u>	<u>435,252</u>	<u>532,403</u>
<b><u>Period ended 30 September 2023</u></b>					
Balance as of 1 January 2023	83,203	12,703	2,660	461,901	560,467
Net profit for the period	-	-	-	45,599	45,599
Other comprehensive income for the period	-	118	-	-	118
Total comprehensive income for the period	-	118	-	45,599	45,717
Payment of dividends	-	-	-	(26,883)	(26,883)
Balance as of 30 September 2023	<u>83,203</u>	<u>12,821</u>	<u>2,660</u>	<u>480,617</u>	<u>579,301</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 2022 and the accompanying explanatory notes attached to the interim financial report.

**P.I.E. INDUSTRIAL BERHAD****( REGISTRATION NO. : 199701008590 (424086-X) )****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

	9 months ended	
	30.09.2023	30.09.2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	45,599	43,382
Adjustments for:		
Income tax expense	13,053	13,090
Non-cash items	18,446	20,000
Non-operating items	(9,156)	3,333
Operating profit before working capital changes	67,942	79,805
Changes in working capital:		
Net change in current assets	(589)	(32,736)
Net change in current liabilities	58,892	(13,354)
Cash generated from operations	126,245	33,715
Income tax paid	(8,943)	(10,109)
Interest received	1,926	227
Net cash generated from operating activities	119,228	23,833
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	784	382
Payment for property, plant and equipment	(22,875)	(34,547)
Net cash used in investing activities	(22,091)	(34,165)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(26,883)	(26,883)
Net proceeds from bank borrowings	22,628	60,012
Net repayment of bank borrowings	(72,713)	(34,370)
Interest paid	(2,028)	(850)
Bank balances held as security	-	2
Net cash used in financing activities	(78,996)	(2,089)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	18,141	(12,421)
Effect of foreign exchange rate differences	847	1,321
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	63,079	78,180
CASH AND CASH EQUIVALENTS AT END OF PERIOD	82,067	67,080

**P.I.E. INDUSTRIAL BERHAD**

( REGISTRATION NO. : 199701008590 (424086-X) )

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

	9 months ended	
	30.09.2023	30.09.2022
	RM'000	RM'000
REPRESENTED BY:-		
Short-term deposits with licensed banks	50,418	22,074
Cash and bank balances	31,746	45,099
Less : Bank balance pledged as security	(97)	(93)
	<u>82,067</u>	<u>67,080</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 2022 and the accompanying explanatory notes attached to the interim financial report.

*P.I.E. INDUSTRIAL BERHAD*  
( REGISTRATION NO. : 199701008590 (424086-X) )  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**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 2022, which have been prepared in accordance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016, 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 2022.

**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 2022.

**Effective for annual periods beginning on or after 1 January 2023**

*MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Initial Application of MFRS 17 Insurance Contracts and  
MFRS 9 Financial Instruments - Comparative Information*

*Amendments to MFRS 4 Extension of the Temporary Exemption from Applying  
MFRS 9 Financial Instruments*

*Amendments to MFRS 101 Classification of Liabilities as Current or Non-current*

*Amendments to MFRS 101 and MFRS Practice Statements 2 Disclosure of Accounting Policies*

*Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a  
Single Transaction*

Effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**2 Significant Accounting Policies (Continued)**

**Effective for annual periods beginning on or after 1 January 2024**

*Amendments to MFRS 108 Definition of Accounting Estimates*

*Amendments to MFRS 16 Lease Liability in a Sale and Leaseback*

*Amendments to MFRS 101 Non-current Liability with Covenants*

Effective for annual periods beginning on or after January 1, 2024, with earlier application permitted.

**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*

**3 Auditors' Report on Preceding Annual Financial Statements**

The auditors' reports for the Company and its subsidiaries for the financial year ended 31 December 2022 were not subject to any qualification.

**4 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.

**5 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 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**6 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.

**7 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 September 2023.

As of 30 September 2023, total issued and fully paid-up share capital are 384,041,985 ordinary shares.

**8 Dividends Paid**

	9 months ended	
	<u>30.09.2023</u>	<u>30.09.2022</u>
	RM'000	RM'000
Dividends declared and paid:		
a) Special interim dividend:		
- 2 sen per ordinary share, single tier, for 2023	7,681	-
- 2 sen per ordinary share, single tier, for 2022	-	7,681
b) Interim dividend:		
- 5 sen per ordinary share, single tier, for 2023	19,202	-
- 5 sen per ordinary share, single tier, for 2022	-	19,202
	<u>26,883</u>	<u>26,883</u>

**9 Revaluation of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual audited financial statements for the financial period ended 30 September 2023.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**10 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 30 September 2023.

**11 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

<b>Segments</b>	<b>Manufacturing</b> RM'000	<b>Trading</b> RM'000	<b>Others</b> RM'000	<b>Elimination</b> RM'000	<b>Total</b> RM'000
<b><u>Period ended 30 September 2023</u></b>					
Revenue	919,741	20	2	-	919,763
Inter-segment revenue	1,328	361	-	(1,689)	-
	<u>921,069</u>	<u>381</u>	<u>2</u>	<u>(1,689)</u>	<u>919,763</u>
Segment results	34,152	(23)	30,427	(28,272)	36,284
Investment revenue					3,726
Other gains and losses					20,670
Finance costs					(2,028)
Profit before tax					<u>58,652</u>
<b>Segments</b>	<b>Manufacturing</b> RM'000	<b>Trading</b> RM'000	<b>Others</b> RM'000	<b>Elimination</b> RM'000	<b>Total</b> RM'000
<b><u>Period ended 30 September 2022</u></b>					
Revenue	823,752	110	1	-	823,863
Inter-segment revenue	85	1,566	-	(1,651)	-
	<u>823,837</u>	<u>1,676</u>	<u>1</u>	<u>(1,651)</u>	<u>823,863</u>
Segment results	42,558	(42)	30,503	(26,863)	46,156
Investment revenue					4,307
Other gains and losses					6,859
Finance costs					(850)
Profit before tax					<u>56,472</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**12 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.

**13 Capital Commitments**

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.

**14 Short-Term Borrowings**

	9 months ended	
	<u>30.09.2023</u>	<u>30.09.2022</u>
	RM'000	RM'000
Current		
- Secured	<u>56,199</u>	<u>102,559</u>

The breakdown of Group borrowings by currency is as follows:

Functional currency		
- EUR	2,800	2,800
- MYR	42,217	-
- USD	<u>-</u>	<u>19,700</u>

**P.I.E. INDUSTRIAL BERHAD**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**15 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.

	30.09.2023		31.12.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets :</b>				
Trade and other receivables (excluding prepayments)	325,048	325,048	333,062	333,062
Financial assets carried at fair value through profit or loss	1,568	1,568	1,471	1,471
Cash and cash equivalents	82,164	82,164	63,176	63,176
	<u>408,780</u>	<u>408,780</u>	<u>397,709</u>	<u>397,709</u>

**(b) Fair value hierarchy**

	30.09.2023		31.12.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
<b>Financial liabilities :</b>				
Trade and other payables	274,587	274,587	228,087	228,087
Short term borrowings	56,199	56,199	105,569	105,569
	<u>330,786</u>	<u>330,786</u>	<u>333,656</u>	<u>333,656</u>

**P.I.E. INDUSTRIAL BERHAD**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**15 Fair Value of Instruments (Continued)**

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
<b><u>30 September 2023</u></b>				
<b>Financial assets</b>				
Investment in unit trusts	1,568	-	-	1,568
	1,568	-	-	1,568
<b><u>31 December 2022</u></b>				
<b>Financial assets</b>				
Investment in unit trusts	1,471	-	-	1,471
	1,471	-	-	1,471

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

**16 Contingent Liabilities**

Save as disclosed below, there were no obligations and contingent liabilities for the Group as of 30 September 2023.

	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	318,464
	318,580

**P.I.E. INDUSTRIAL BERHAD**

( REGISTRATION NO. : 199701008590 (424086-X) )

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA**

**17 Review of Group Performance**

Financial review for current quarter and financial period to date

	Individual Period (3rd quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter ended			Current Year Quarter Ended	Preceding Year Corresponding Quarter ended		
	30.09.2023	30.09.2022	RM'000	RM'000	RM'000	RM'000	Amount	%
<b>Revenue by segments</b>								
- Manufacturing	300,798	260,566	40,232	15%	919,741	823,752	95,989	12%
- Trading	-	12	(12)	-100%	20	110	(90)	-82%
- Others	1	-	1	100%	2	1	1	100%
Total revenue	300,799	260,578	40,221	15%	919,763	823,863	95,900	12%
<b>Revenue by geographical location of the Group's operations</b>								
- Malaysia	296,264	255,177	41,087	16%	906,989	810,136	96,853	12%
- Thailand	4,535	5,389	(854)	-16%	12,754	13,617	(863)	-6%
- Singapore	-	12	(12)	-100%	20	110	(90)	-82%
Total revenue	300,799	260,578	40,221	15%	919,763	823,863	95,900	12%
<b>Operating profit</b>	24,657	19,947	4,710	24%	58,652	56,472	2,180	4%
<b>Profit before tax by segments</b>								
- Manufacturing	23,575	17,187	6,388	37%	55,147	52,926	2,221	4%
- Trading	(2)	(15)	13	87%	(17)	(45)	28	62%
- Others	1,084	2,775	(1,691)	-61%	3,522	3,591	(69)	-2%
Total profit before tax	24,657	19,947	4,710	24%	58,652	56,472	2,180	4%
<b>Profit after tax</b>	20,386	16,279	4,107	25%	45,599	43,382	2,217	5%
<b>Total comprehensive income attributable to:</b>								
- Owners of the Company	19,618	15,696	3,922	25%	45,717	42,797	2,920	7%

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**17 Review of Group Performance (Continued)**

**(a) Comparison with Previous Year Corresponding Quarter's Results**

The Group's revenue for the current quarter under review was RM300.799 million and profit before tax was RM24.657 million.

The revenue increased by RM40.221 million or 15% as compared to preceding year corresponding quarter. The increase was mainly attributable to higher demand from new and existing customers from electronics manufacturing activities (EMS) but partly offset with lower revenue from raw wire & cable products and wire harness products. For comparison of segmental revenue for the respective quarters discussed, please refer to the tables below:

**Breakdown of segmental revenue for the quarter ended 30 September 2023:**

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	252,635	43,628	4,535	300,798	100%
Trading	-	-	-	-	0%
Others	-	-	-	1	0%
<b>Total</b>	<b>252,635</b>	<b>43,628</b>	<b>4,535</b>	<b>300,799</b>	<b>100%</b>

**Breakdown of segmental revenue for the quarter ended 30 September 2022:**

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	199,761	55,416	5,389	260,566	100%
Trading	-	-	-	12	0%
Others	-	-	-	-	0%
<b>Total</b>	<b>199,761</b>	<b>55,416</b>	<b>5,389</b>	<b>260,578</b>	<b>100%</b>

**P.I.E. INDUSTRIAL BERHAD**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

**17 Review of Group Performance (Continued)**

**(a) Comparison with Previous Year Corresponding Quarter's Results (Continued)**

Compared with the preceding year corresponding quarter, the profit before tax increase by RM4.710 million or 24%. The increase was mainly attributable to higher revenue recorded, gain from foreign currency exchange transactions and reversal of impairment of trade receivables in the current quarter as compared to the corresponding quarter. However, the improvement noted above were partly offset against lower income from other investments.

For comparison of segmental profit before tax for the respective quarters discussed, please refer to the tables below:

**Breakdown of segmental profit before tax for the quarter ended 30 September 2023:**

Profit/(loss) before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	18,960	5,418	(803)	23,575	96%
Trading	-	-	-	(2)	0%
Others	-	-	-	1,084	4%
<b>Total</b>	<b>18,960</b>	<b>5,418</b>	<b>(803)</b>	<b>24,657</b>	<b>100%</b>

**Breakdown of segmental profit before tax for the quarter ended 30 September 2022:**

Profit/(loss) before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	9,803	6,506	878	17,187	86%
Trading	-	-	-	(15)	0%
Others	-	-	-	2,775	14%
<b>Total</b>	<b>9,803</b>	<b>6,506</b>	<b>878</b>	<b>19,947</b>	<b>100%</b>



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**17 Review of Group Performance (Continued)**

**(b) Comparison with Previous Year Corresponding Period's Results**

For the financial period ended 30 September 2023, the Group recorded revenue of RM919.763 million, an increase of 12% or RM95.900 million as compared to the corresponding period ended 30 September 2022 of RM823.863 million.

The increase of revenue was mainly attributable to obtained new product orders and increased orders received from new & existing customers for electronics manufacturing activities (EMS) but partly offset with lower revenue from raw wire & cable products, wire harness products and trading segments. For comparison of segmental revenue for the respective periods discussed, please refer to the tables below:

**Breakdown of segmental revenue for the period ended 30 September 2023:**

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	766,290	140,697	12,754	919,741	100%
Trading	-	-	-	20	0%
Others	-	-	-	2	0%
<b>Total</b>	<b>766,290</b>	<b>140,697</b>	<b>12,754</b>	<b>919,763</b>	<b>100%</b>

**Breakdown of segmental revenue for the period ended 30 September 2022:**

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	618,743	191,392	13,617	823,752	100%
Trading	-	-	-	110	0%
Others	-	-	-	1	0%
<b>Total</b>	<b>618,743</b>	<b>191,392</b>	<b>13,617</b>	<b>823,863</b>	<b>100%</b>

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**17 Review of Group Performance (Continued)**

**(b) Comparison with Previous Year Corresponding Period's Results (Continued)**

For the financial period ended 30 September 2023, the Group recorded profit before tax of RM58.652 million, a increase of 4% or RM2.180 million as compared to the corresponding period ended 30 September 2022 the profit before tax of RM56.472.

The improvement recorded in our profit before tax was mainly due to higher revenue recorded and increased orders received from new and existing customers for electronics manufacturing activities, gain from foreign currency exchange transactions, lower provision for slow moving inventories and impairment of trade receivables. However, the increase was partly offset against lower income from other investments.

For comparison of segmental profit before tax for the respective periods discussed, please refer to the tables below:

**Breakdown of segmental profit before tax for the period ended 30 September 2023:**

Profit/(loss) before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	40,437	16,117	(1,407)	55,147	94%
Trading	-	-	-	(17)	0%
Others	-	-	-	3,522	6%
<b>Total</b>	<b>40,437</b>	<b>16,117</b>	<b>(1,407)</b>	<b>58,652</b>	<b>100%</b>

**Breakdown of segmental profit before tax for the period ended 30 September 2022:**

Profit/(loss) before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	28,539	22,769	1,618	52,926	94%
Trading	-	-	-	(45)	0%
Others	-	-	-	3,591	6%
<b>Total</b>	<b>28,539</b>	<b>22,769</b>	<b>1,618</b>	<b>56,472</b>	<b>100%</b>

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**18 Comparison with Immediate Preceding Quarter's Results**

Financial review for current quarter compared with immediate preceding quarter

	Individual Quarter Ended		Changes	
	30.09.2023	30.06.2023	Amount	Variance
	RM '000	RM '000	RM '000	%
Revenue				
Manufacturing segments				
- EMS activities	252,635	233,553	19,082	8%
- Raw wire & cable	43,628	48,182	(4,554)	-9%
- Wire harness	4,535	4,778	(243)	-5%
Other segment	1	1	-	0%
	<u>300,799</u>	<u>286,514</u>	<u>14,285</u>	5%
Operating profit	24,657	15,426	9,231	60%
Profit before tax	24,657	15,426	9,231	60%
Profit after tax	20,386	11,593	8,793	76%
Total comprehensive income attributable to:				
- Owners of the Company	19,618	12,094	7,524	62%

The Group's revenue in the quarter under review increase by 5% as compared with the preceding quarter. The increase was mainly due to higher demand recorded for EMS but partly offset with lower revenue from raw wire & cable products and wire harness products.

The Group profit before tax for the current quarter has increased by 60% as compared to preceding quarter. The increase was mainly due to higher revenue and margin of product mix, gain from foreign currency exchange transactions and lower administrative and distribution expenses but was partly offset against provision of impairment of trade receivables and lower income from other investments.

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**19 Review of Group Assets and Liabilities**

	As at	As at	Changes	
	30.09.2023	31.12.2022	Amount	Variance
	RM'000	RM'000	RM '000	%
Total assets	921,523	906,861	14,662	2%
Total liabilities	342,222	346,394	(4,172)	-1%
Total equity	579,301	560,467	18,834	3%

**Total assets**

As at 30 September 2023, the Group's total assets increased by 2% or RM14.662 million to RM921.523 million from RM906.861 million as at 31 December 2022. The growth was mainly contributed by the increase of plant and equipment (PPE) and cash & bank balances. The increase in PPE which is equivalent to increase in capital expenditure is vital in order to fulfill increasing sales orders received from new and existing customers. The increase in cash and bank balance signifies good cash flow management and practice being executed by the top management.

**Total liabilities**

As at 30 September 2023, the Group's total liabilities decreased by 1% or RM4.172 million to RM342.222 million from RM346.394 million as at 31 December 2022. The decrease was mainly due to repayment to short term borrowings.

**Total equity**

The Group's total equity as at 30 September 2023 increased by RM18.834 million to RM579.301 million as compared to RM560.467 million as at 31 December 2022. The increase in total equity is due to increased in distributable retained earnings as a net result of net profit of RM45.599 million for the current financial period under review and payment of dividends amounting to RM26.883 million. During the financial period under review, non-distributable reserves increased by RM0.118 million due to changes in foreign exchange translation reserve.

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**20 Current Year Prospect**

The major source of revenue and profit of the Group is from its manufacturing segment (99%).

For EMS activities (comprising 83% of the manufacturing segment), orders have shown some weaknesses since June from many existing customers due to the downward revision of global semiconductor sales and excess inventory correction. Even though weakness continued with wire and cable business which is dealing mostly with local industries, most EMS customers began to pick up their orders from middle of Q3 resulting in a strong Q3 performance.

The Group remains optimistic in engaging potential new customers from diverse industries in medical, industrial, consumer and telecommunication industries. Good on-going discussion is in progress which could potentially have very positive contribution in the continuous growth of PIE if successfully engaged. In order to accommodate the new business opportunity, plant 5 and plant 6 are under major renovation and expansion. Plant 5 has just completed necessary renovation and plant 6 is expected to be ready in Q3 2024. Both expanded facilities will be able to support PIE's next 5 years' growth.

The Group has kick start the installation of solar panels in 6 plants for green electric energy generation which will mitigate the high rising electricity cost. The solar panel installations are expected to be completed by the end of 2023. Meanwhile, the Group also implemented various automation and process optimization to improve the yield, consistency and quality of products while utilizing less direct labour. This has resulted in good overall profit margin improvement.

Revenue derived from the manufacturing activity of raw wire & cable (15%) is also affected with current slowdown. We expect business to pick up again in Q4 this year. There is an decreasing trend of the copper price since Q3 2023. However, this division is able to maintain its profit margin as the selling price quoted to customers is pegged to the copper price determined according to the market.

The revenue derived from cable assembly and wire harness (1%) of PIT in Thailand is expected to increase as more new business opportunities now available in Thailand. There are many new manufacturing companies setting up new operation in Thailand. In addition, PIT will have a very good opportunity to enter into the electric vehicle ('EV') industry as a supplier of EV wire harness in view of the rising EV manufacturing industry in Thailand.

The trading segment will continue to promote the products of the respective parent companies for customers in the ASEAN market. However, the management does not expect significant growth from this segment in the near future due to the lack of attractive electronic products from the parent companies.

On February 24, 2023, an unrelated company subscribed to 233,334 newly issued ordinary shares of PIS at an issue price of SGD1.30 per ordinary share for a total cost of SGD303,335 in cash. The shareholding of the Company's subsidiary, Pan-International Electronics (Malaysia) Sdn. Bhd. ("PIESB") in PIS was reduced from 100% to 30% subsequent to this and PIS was no longer a subsidiary of PIESB and became an associate company instead.

**21 Variance of Actual Profit from Forecast Profit**

Not applicable as no profit forecast was announced and published.

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**22 Profit for the Period**

	Quarter Ended		Period Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	669	92	1,926	227
Investment income	406	1,178	1,800	4,080
Interest expenses	(514)	(557)	(2,028)	(850)
Depreciation and amortisation	(4,825)	(6,493)	(17,632)	(17,391)
Net (additional)/reversal of impairment losses				
- trade receivables	(182)	(649)	42	(592)
Net additional of inventories written down	(49)	(274)	(856)	(2,018)
Net (loss)/gain on disposal of :				
- property, plant and equipment	(138)	-	(69)	375
Net foreign exchange gain	4,231	2,414	20,817	7,069
Gain from fair value adjustment of financial assets through profit and loss	14	5	36	7

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.

**23 Income Tax Expense**

	Quarter Ended		Period Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	4,374	3,603	13,171	12,996
Deferred tax (income)/expense	(103)	65	(118)	94
	<u>4,271</u>	<u>3,668</u>	<u>13,053</u>	<u>13,090</u>

The Group's taxation for the current quarter and financial period-to-date reflects an effective tax rate which is higher than the statutory income tax rate mainly due to certain expenses which are not deductible.

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**24 Status of Corporate Proposals Announced**

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

**25 Changes in Material Litigation**

Save for the litigation described below, 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.

In 2015, a subsidiary of the Group, Pan-International Electronics (Malaysia) Sdn. Bhd. ("PIESB") received demand letters from the RMC regarding unpaid import duties and sales tax amounting to RM8,432,283 and RM841,342 respectively.

The RMC had blacklisted all the Directors of PIESB from leaving and entering Malaysia and arising from this, the external legal counsel of PIESB had filed a judicial review application in the High Court of Malaya to challenge the condition imposed by the RMC. The RMC had subsequently withdrawn the blacklisting of all Directors with the condition that PIESB remit a payment of 28% of the disputed sum and placed a bank guarantee with the RMC for the remaining sum. PIESB had complied with the instructions of the RMC without prejudice.

To date, the RMC had not filed any suit against PIESB for the above said claim. PIESB had filed an appeal with the Ministry of Finance ("MOF"), Malaysia regarding the alleged unpaid import duties and sales tax of which its application was verbally rejected by the MOF on October 31, 2017. Subsequent to the rejection, the external legal counsel of PIESB had applied for a judicial review on the decision of the MOF with the High Court of Penang. The High Court of Penang dismissed PIESB's application for a judicial review. Following the dismissal by the High Court of Penang, PIESB had submitted an appeal application against the decision of the High Court of Penang to the Court of Appeals of which hearing of the case was fixed on June 24, 2019.

The Court of Appeal however decided that the appeal was premature as there was no documentary proof that the MOF had issued a letter to dismiss PIESB appeal for remission of the custom duties and sales tax. As such, the solicitor had advised PIESB to write a fresh letter of appeal to the MOF to request the Minister of Finance to reconsider and allow its appeal for the remission of the custom duties and sales tax.

On 10 May 2023, the external legal counsel of PIESB had a follow up meeting with MOF. However, the case is still in the midst of discussion in MOF within Legal & Law Department as per informed by Puan Faeza Afandi, Penolong Setiausaha Bahagian Cukai, Kementerian Kewangan, Putrajaya.

On 22 May 2023, MOF has rejected the appeal and seeking PIESB to continue the appeal with Court. The external legal counsel of PIESB has advised and proposed PIESB to go for Juridical Review (JR) with the legal team. In the meantime, the process application for JR is in progress and still pending to receive the JR documentation in order to make the final confirmation on the JR action.

On 14 September 2023, the legal team has commenced an application for Judicial Review before the High Court against the Ministry of Finance and the Jabatan Kastam Dan Eksais Diraja. In the meantime, the application is pending hearing before the court.

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**26 Dividends**

The following Dividends for the year ended 31 December 2023, has been announced by the Company on 15 May 2023 and had been paid on 20 June 2023 to depositors registered in the record of Depositors on 30 May 2023.

- (a) A Special Interim Single Tier Dividend of 2.0 sen per share; and
- (b) A Interim Single Tier Dividend of 5.0 sen per share.

**27 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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Profit attributable to ordinary equity shareholders (RM'000)	20,386	16,279	45,599	43,382
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>5.31</u>	<u>4.24</u>	<u>11.87</u>	<u>11.30</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.

**28 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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**29 Gains/Losses Arising from Fair Value Changes of Financial Liabilities**

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

**30 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 17 November 2023.