



P.I.E. INDUSTRIAL BERHAD

(Registration No. 199701008590 (424086-X))
(Incorporated in Malaysia)

Interim Financial Report for the Financial
Period Ended 31 December 2024

P.I.E. INDUSTRIAL BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2024**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.12.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2023 RM'000	CURRENT YEAR TO DATE 31.12.2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2023 RM'000
Revenue	11	251,534	297,153	975,445	1,216,916
Cost of sales		(236,693)	(261,236)	(893,440)	(1,131,083)
Gross profit		14,841	35,917	82,005	85,833
Administrative and distribution expenses		(10,337)	(8,730)	(30,096)	(28,378)
Other operating income		7,061	2,956	3,904	29,641
Income from other investments		1,444	1,360	6,162	5,086
Finance costs		(1,158)	(675)	(4,120)	(2,703)
Share of results in associated company		-	(10)	-	(10)
Profit before tax	11	11,851	30,818	57,855	89,469
Income tax expense	23	4,741	(2,845)	(5,734)	(15,898)
Profit for the period	22	16,592	27,973	52,121	73,571
<u>Other comprehensive income / (loss)</u> Items that may be subsequently reclassified to profit or loss: Currency translation differences in respect of foreign operations		1,355	1,522	(942)	1,640
Other comprehensive income /(loss), net of tax		1,355	1,522	(942)	1,640
Total comprehensive income for the period		17,947	29,495	51,179	75,211
Profit attributable to:					
- Owners of the Company		17,287	27,973	53,133	73,571
- Non-controlling interests		(695)	-	(1,012)	-
		16,592	27,973	52,121	73,571
Total comprehensive income attributable to:					
- Owners of the Company		18,031	29,495	52,614	75,211
- Non-controlling interests		(84)	-	(1,435)	-
		17,947	29,495	51,179	75,211
Basic earnings per ordinary share (sen)	27	4.32	7.28	13.57	19.16
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 2023 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 31 DECEMBER 2024**

	Note	UNAUDITED AS AT 31.12.2024 RM'000	AUDITED AS AT 31.12.2023 RM'000
	-----	-----	-----
ASSETS			
Non-current assets			
Property, plant and equipment	9	255,213	186,921
Investment properties		22,448	22,079
Right-of-use assets		20,714	21,730
Goodwill on consolidation		1,722	1,722
Investment in associated company		165	165
Deferred tax assets		1,416	1,217
		<u>301,678</u>	<u>233,834</u>
Current assets			
Inventories		213,303	277,654
Trade and other receivables		215,659	330,744
Current-tax assets		10,439	1,969
Short-term investments		1,604	1,577
Short-term deposits with licensed banks		43,479	28,922
Cash and bank balances		72,181	33,934
Total current assets		<u>556,665</u>	<u>674,800</u>
TOTAL ASSETS		<u>858,343</u>	<u>908,634</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		83,203	83,203
Reserves		2,211	16,537
Retained earnings		549,863	509,055
		<u>635,277</u>	<u>608,795</u>
Non-controlling interests		24,323	-
Total equity		<u>659,600</u>	<u>608,795</u>
Non-current liabilities			
Deferred tax liabilities		2,964	11,071
Current liabilities			
Short-term borrowings	14	56,806	67,540
Trade and other payables		134,892	220,262
Current tax liabilities		4,081	966
Total current liabilities		<u>195,779</u>	<u>288,768</u>
Total liabilities		<u>198,743</u>	<u>299,839</u>
TOTAL EQUITY AND LIABILITIES		<u>858,343</u>	<u>908,634</u>
NET ASSETS		659,600	608,795
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		1.72	1.59

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 2023 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 4TH QUARTER ENDED 31 DECEMBER 2024**

	Share Capital RM'000	Non-distributable Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Equity attributable to owners of the Company RM'000	Non- Controlling Interest RM'000	Total RM'000
Period ended 31 December 2023							
Balance as of 1 January 2023	83,203	12,703	2,660	461,901	560,467	-	560,467
Net profit for the period	-	-	-	73,571	73,571	-	73,571
Other comprehensive profit for the period	-	1,174	-	466	1,640	-	1,640
Total comprehensive income for the period	-	1,174	-	74,037	75,211	-	75,211
Payment of dividends	-	-	-	(26,883)	(26,883)	-	(26,883)
Balance as of 31 December 2023	<u>83,203</u>	<u>13,877</u>	<u>2,660</u>	<u>509,055</u>	<u>608,795</u>	<u>-</u>	<u>608,795</u>
Period ended 31 December 2024							
Balance as of 1 January 2024	83,203	13,877	2,660	509,055	608,795	-	608,795
Net (loss)/profit for the period	-	-	-	53,133	53,133	(1,012)	52,121
Other comprehensive loss for the period	-	(519)	-	-	(519)	(423)	(942)
Total comprehensive (loss)/income for the period	-	(519)	-	53,133	52,614	(1,435)	51,179
Change in ownership interest in a subsidiary	-	(13,807)	-	14,558	751	25,758	26,509
Payment of dividends	-	-	-	(26,883)	(26,883)	-	(26,883)
Balance as of 31 December 2024	<u>83,203</u>	<u>(449)</u>	<u>2,660</u>	<u>549,863</u>	<u>635,277</u>	<u>24,323</u>	<u>659,600</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 2023 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 4TH QUARTER ENDED 31 DECEMBER 2024**

	12 months ended	
	31.12.2024	31.12.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	52,121	73,571
Adjustments for:		
Income tax expense	5,734	15,898
Non-cash items	23,543	23,582
Non-operating items	(2,315)	1,750
Operating profit before working capital changes	79,083	114,801
Changes in working capital:		
Net change in current assets	188,062	1,206
Net change in current liabilities	(90,981)	9,872
Cash generate from operations	176,164	125,879
Tax refunded	26	-
Income tax paid	(19,433)	(11,459)
Interest received	2,384	2,685
Net cash generated from operating activities	159,141	117,105
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	53	1,126
Payment for property, plant and equipment	(90,735)	(46,153)
Net cash used in investing activities	(90,682)	(45,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the change in ownership interest in a subsidiary	26,509	-
Dividend paid	(26,883)	(26,883)
Net proceeds from bank borrowings	31,416	91,194
Net repayment of bank borrowings	(40,047)	(129,203)
Interest paid	(4,120)	(2,703)
Bank balances held as security	3	(5)
Net cash used in financing activities	(13,122)	(67,600)
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,337	4,478
Effect of foreign exchange rate differences	(2,529)	(4,804)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	62,753	63,079
CASH AND CASH EQUIVALENTS AT END OF PERIOD	115,561	62,753

P.I.E. INDUSTRIAL BERHAD**(REGISTRATION NO. : 199701008590 (424086-X))****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2024**

	12 months ended	
	31.12.2024	31.12.2023
	RM'000	RM'000
REPRESENTED BY:-		
Short-term deposits with licensed banks	43,479	28,922
Cash and bank balances	72,181	33,934
Less : Bank balance pledged as security	(99)	(103)
	<u>115,561</u>	<u>62,753</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 2023 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 4TH QUARTER ENDED 31 DECEMBER 2024

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 2024, 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 2024.

2 Material Accounting Policy Information

The material accounting policy information, 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 2024 except for the adoption of the following amendments or improvements to MFRSs that are mandatory for the current financial year.

Eff Effective for annual periods beginning on or after 1 January 2025

Am Amendments to MFRS 121 Lack of Exchangeability

The following are accounting standards that have been issued by the Malaysian Accounting Standards Boards but not yet effective to the Group:

Effective for annual periods beginning on or after 1 January 2026

Amendments to the Classification and Measurement of Financial Instruments

(Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)

Annual improvements to MFRS Accounting standards - Volume 11

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

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

The initial application of the above standard and amendments to MFRSs is not expected to have any material impact to the financial statements of the Group upon adoption.

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3 Auditors' Report on Preceding Annual Financial Statements

The auditors' reports for the Company and its subsidiaries for the financial year ended 31 December 2023 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.

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.

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7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 December 2024.

As of 31 December 2024, total issued and fully paid-up share capital are 384,041,985 ordinary shares.

8 Dividends Paid

	12 months ended	
	<u>31.12.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
Dividends declared and paid:		
a) Special interim dividend:		
- 2 sen per ordinary share, single tier, for 2024	7,681	-
- 2 sen per ordinary share, single tier, for 2023	-	7,681
b) Interim dividend:		
- 5 sen per ordinary share, single tier, for 2024	19,202	-
- 5 sen per ordinary share, single tier, for 2023	-	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 31 December 2024.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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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 31 December 2024.

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

Segments	Manufacturing	Trading	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period ended 31 December 2024</u>					
Revenue	975,442	-	3	-	975,445
Inter-segment revenue	-	-	-	-	-
	<u>975,442</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>975,445</u>
Segment results	60,237	(20)	28,238	(27,038)	61,417
Investment revenue					6,162
Other gains and losses					(5,604)
Finance costs					(4,120)
Profit before tax					<u>57,855</u>

Segments	Manufacturing	Trading	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period ended 31 December 2023</u>					
Revenue	1,216,893	20	3	-	1,216,916
Inter-segment revenue	-	-	-	-	-
	<u>1,216,893</u>	<u>20</u>	<u>3</u>	<u>-</u>	<u>1,216,916</u>
Segment results	67,139	(29)	27,770	(28,000)	66,880
Investment revenue					5,086
Other gains and losses					20,216
Finance costs					(2,703)
Share of results in associated company					(10)
Profit before tax					<u>89,469</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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12 Changes in the Composition of the Group

On January 12, 2024, the Group's ultimate holding company, Pan-International Industrial Corp. subscribed to 4,090,900 newly issued ordinary shares of Pan International Electronics (Thailand) Co. Ltd. ("PIT") at an issue price of THB50 per ordinary share for a total cost of THB204,545,000 in cash. The shareholding of the Group, P.I.E. Industrial Berhad ("PIB") in PIT was reduced from 100% to 55% subsequent to this. Arising from the change in ownership interest in a subsidiary, non-controlling interest amounting to RM24.323 million was recognised as at 31 December 2024.

13 Capital Commitments

Authorized capital expenditure not provided for in the interim financial report as at the end of the current quarter were as follows:

	12 months ended	
	31.12.2024	31.12.2023
	<u>RM'000</u>	<u>RM'000</u>
Authorised and contracted for :		
- Property, plant & equipment	1,160	29,304
	<u>1,160</u>	<u>29,304</u>

14 Short-Term Borrowings

	12 months ended	
	31.12.2024	31.12.2023
	<u>RM'000</u>	<u>RM'000</u>
Current		
- Secured	56,806	67,540
	<u>56,806</u>	<u>67,540</u>

The breakdown of Group borrowings by currency is as follows:

Functional currency		
- USD	12,600	14,600
	<u>12,600</u>	<u>14,600</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2024

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.

	31.12.2024		31.12.2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial assets :				
Trade and other receivables (excluding prepayments)	209,910	209,910	321,664	321,664
Financial assets carried at fair value through profit or loss	1,604	1,604	1,577	1,577
Cash and cash equivalents	115,660	115,660	62,856	62,856
	<u>327,174</u>	<u>327,174</u>	<u>386,097</u>	<u>386,097</u>

(b) Fair value hierarchy

	31.12.2024		31.12.2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities :				
Trade and other payables	134,892	134,892	220,262	220,262
Short term borrowings	56,806	56,806	67,540	67,540
	<u>191,698</u>	<u>191,698</u>	<u>287,802</u>	<u>287,802</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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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
<u>31 December 2024</u>				
Financial assets				
Investment in unit trusts	1,604	-	-	1,604
	<u>1,604</u>	<u>-</u>	<u>-</u>	<u>1,604</u>
<u>31 December 2023</u>				
Financial assets				
Investment in unit trusts	1,577	-	-	1,577
	<u>1,577</u>	<u>-</u>	<u>-</u>	<u>1,577</u>

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 31 December 2024.

	RM'000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	117
b) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	<u>305,132</u>
	<u>305,249</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2024**

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

17 Review of Group Performance

Financial review for current quarter and financial period to date

	Individual Period (4th quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended 31.12.2024	Preceding Year Corresponding Quarter ended 31.12.2023			Current Year Quarter Ended 31.12.2024	Preceding Year Corresponding Quarter ended 31.12.2023		
	RM'000	RM'000	Amount	%	RM'000	RM'000	Amount	%
Revenue by segments								
- Manufacturing	251,533	297,152	(45,619)	-15%	975,442	1,216,893	(241,451)	-20%
- Trading	-	-	-	0%	-	20	(20)	-100%
- Others	1	1	-	0%	3	3	-	0%
Total revenue	251,534	297,153	(45,619)	-15%	975,445	1,216,916	(241,471)	-20%
Revenue by geographical location of the Group's operations								
- Malaysia	244,454	292,142	(47,688)	-16%	952,108	1,199,131	(247,023)	-21%
- Thailand	7,080	5,011	2,069	41%	23,337	17,765	5,572	31%
- Singapore	-	-	-	0%	-	20	(20)	-100%
Total revenue	251,534	297,153	(45,619)	-15%	975,445	1,216,916	(241,471)	-20%
Operating profit	11,851	30,818	(18,967)	-62%	57,855	89,469	(31,614)	-35%
Profit before tax by segments								
- Manufacturing	13,882	33,474	(19,592)	-59%	56,612	88,621	(32,009)	-36%
- Trading	(5)	(6)	1	17%	(19)	(24)	5	21%
- Others	(2,026)	(2,650)	624	24%	1,262	872	390	45%
Total profit before tax	11,851	30,818	(18,967)	-62%	57,855	89,469	(31,614)	-35%
Profit after tax	16,592	27,973	(11,381)	-41%	52,121	73,571	(21,450)	-29%
Profit after tax attributable to:								
- Owners of the Company	17,287	27,973	(10,686)	-38%	53,133	73,571	(20,438)	-28%
- Non-controlling interests	(695)	-	(695)	0%	(1,012)	-	(1,012)	0%

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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 RM251.534 million and profit before tax was RM11.851 million.

The revenue decreased by RM45.619 million or 15% as compared to preceding year corresponding quarter. The decrease was mainly attributable to lower demand from new and existing customers for electronics manufacturing activities (EMS) and wire harness products but partly offset with higher revenue from raw wire & cable 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 31 December 2024:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	203,709	40,744	7,080	251,533	100%
Trading	-	-	-	-	0%
Others	-	-	-	1	0%
Total	203,709	40,744	7,080	251,534	100%

Breakdown of segmental revenue for the quarter ended 31 December 2023:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	251,195	40,946	5,011	297,152	100%
Trading	-	-	-	-	0%
Others	-	-	-	1	0%
Total	251,195	40,946	5,011	297,153	100%

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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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 decreased by RM18.967 million or 62%. The decrease was mainly attributable to lower revenue from electronics manufacturing activities (EMS) and higher administrative and distribution expenses in the current quarter as compared to the corresponding quarter. However, the discrepancy noted above were offset against gain from foreign currency exchange transactions and lower provision for slow moving inventories.

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 31 December 2024:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	10,014	5,620	(1,752)	13,882	117%
Trading	-	-	-	(5)	0%
Others	-	-	-	(2,026)	-17%
Total	10,014	5,620	(1,752)	11,851	100%

Breakdown of segmental profit before tax for the quarter ended 31 December 2023:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	27,954	6,962	(1,442)	33,474	109%
Trading	-	-	-	(6)	0%
Others	-	-	-	(2,650)	-9%
Total	27,954	6,962	(1,442)	30,818	100%

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17 Review of Group Performance (Continued)

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

For the financial period ended 31 December 2024, the Group recorded revenue of RM975.445 million, a decrease of 20% or RM241.471 million as compared to the corresponding period ended 31 December 2023 of RM1,216.916 million.

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

Breakdown of segmental revenue for the period ended 31 December 2024:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	763,229	188,876	23,337	975,442	100%
Trading	-	-	-	-	0%
Others	-	-	-	3	0%
Total	763,229	188,876	23,337	975,445	100%

Breakdown of segmental revenue for the period ended 31 December 2023:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	1,017,485	181,643	17,765	1,216,893	100%
Trading	-	-	-	20	0%
Others	-	-	-	3	0%
Total	1,017,485	181,643	17,765	1,216,916	100%

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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 31 December 2024, the Group recorded profit before tax of RM57.855 million, a decrease of 35% or RM31.614 million as compared to the corresponding period ended 31 December 2023 the profit before tax of RM89.469 million.

The decrease in our profit before tax was mainly attributable to lower revenue from electronics manufacturing activities (EMS), higher administrative and distribution expenses and loss from foreign currency exchange transactions. However, the discrepancy noted above were offset against higher income from other investments and lower provision for slow moving inventories.

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 31 December 2024:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	33,995	25,074	(2,457)	56,612	98%
Trading	-	-	-	(19)	0%
Others	-	-	-	1,262	2%
Total	33,995	25,074	(2,457)	57,855	100%

Breakdown of segmental profit before tax for the period ended 31 December 2023:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	68,391	23,079	(2,849)	88,621	99%
Trading	-	-	-	(24)	0%
Others	-	-	-	872	1%
Total	68,391	23,079	(2,849)	89,469	100%

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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	
	31.12.2024	30.09.2024	Amount	Variance
	RM '000	RM '000	RM '000	%
Revenue				
Manufacturing segments				
- EMS activities	203,709	182,286	21,423	12%
- Raw wire & cable	40,744	56,421	(15,677)	-28%
- Wire harness	7,080	5,797	1,283	22%
Other segment	1	1	-	0%
	<u>251,534</u>	<u>244,505</u>	<u>7,029</u>	3%
Operating profit	11,851	10,799	1,052	10%
Profit before tax	11,851	10,799	1,052	10%
Profit after tax	16,592	8,595	7,997	93%
Profit after tax attributable to:				
- Owners of the Company	17,287	8,836	8,451	96%
- Non-controlling interests	(695)	(241)	(454)	188%

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

The Group profit before tax for the current quarter has increased by 10% as compared to preceding quarter. The increase was mainly due to higher margin of product mix, gain from foreign currency exchange transactions and lower provision for slow moving inventories but was offset against higher administrative and distribution expenses.

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19 Review of Group Assets and Liabilities

	As at	As at	Changes	
	31.12.2024	31.12.2023	Amount	Variance
	RM'000	RM'000	RM '000	%
Total assets	858,343	908,634	(50,291)	-6%
Total liabilities	198,743	299,839	(101,096)	-34%
Total equity	659,600	608,795	50,805	8%

Total assets

As at 31 December 2024, the Group's total assets decreased by 6% or RM50.291 million to RM858.343 million from RM908,634 million as at 31 December 2023. The decreased was mainly due to decrease in trade receivables and inventories. These were due to well collection of overdue trade receivables and also proper monitoring on the inventory level by ensuring them to stay at a healthy level.

Total liabilities

As at 31 December 2024, the Group's total liabilities decreased by 34% or RM101.096 million to RM198.743 million from RM299.839 million as at 31 December 2023. The decrease was mainly due to repayment to trade creditors and short term borrowings.

Total equity

The Group's total equity as at 31 December 2024 increased by RM50.805 million to RM659.600 million as compared to RM608.795 million as at 31 December 2023. The increase in total equity is due to increased in distributable retained earnings as a net result of net profit of RM52.121 million for the current financial period under review and payment of dividends amounting to RM26.883 million. During the financial period under review, loss in foreign currency translation differences amounted RM942 million was recognised. Also, there is a change in ownership interest in a subsidiary of which non-controlling interest amounting RM26.509 million was recognised in current financial period under review.

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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 78% of the manufacturing segment), overall orders received from existing customers remain favorable and demands are expected to increase in year 2025 especially in supercomputer products. The Group has dedicated both Plant 3 and Plant 5 for this supercomputer customer in anticipation of the increased orders. There was some material shortages in the final month of Q4 but sufficient supply and strong order resumed for Q1 2025.

In addition, the Plant 6 (280,000 sq-ft) expansion is expected to be ready by Q1 2025 for mass production for switches and pending qualification for servers. The projects will be crucial for the company growth which will boost the Group's revenue and profit margin performance in upcoming years.

The Group prioritized in long-term sustainability in terms of revenue and profitability by actively securing new customers with higher profit margin. There are few major new businesses that the group has engaged and is in various stages of discussion. The Group also has high diversity of projects in automotive, robotic, medical, telecommunication, supercomputer and data center industries.

The Group has completed the installation of solar panels as planned and the overall cost reduction of electricity cost is satisfactory. Meanwhile, the Group also prioritizes investing in various automation and process optimization to improve the yield, efficiency, consistency and quality of products while minimizing labour dependency. The Group strictly monitors and controls the costs of direct labour and factory overheads within the budgeted level in order to maintain a healthy profitability margins.

Revenue derived from the manufacturing activity of raw wire & cable (20%) has increased due to increased orders from existing customers. The copper price has seen a good rally in year 2024. Our customers are gradually loading up on their orders in order to lock the price and avoid the risk of price hike. Nevertheless, 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 (2%) of PIT in Thailand is expected to increase as more new business opportunities now available in Thailand. PIT is now expanding its manufacturing capacities and technical know-how in preparation of new business opportunities.

The trading segment will continue to promote the products of the respective parent companies for customers in the ASEAN market.

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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	499	759	2,384	2,685
Investment income	945	601	3,778	2,401
Interest expenses	(1,158)	(675)	(4,120)	(2,703)
Depreciation and amortisation	(6,432)	(4,768)	(23,010)	(22,400)
Share of loss in associated company	-	(10)	-	(10)
Net reversal of impairment losses				
- trade receivables	70	75	(283)	117
Net additional of inventories				
written down	464	(784)	(635)	(1,640)
Net (loss)/gain on disposal of :				
- property, plant and equipment	(49)	(862)	(59)	(932)
Property, plant and equipment written off	-	-	(114)	-
Net foreign exchange (loss)/gain	3,894	158	(5,203)	20,975
Gain from fair value adjustment of investment properties	500	350	500	350
Gain from fair value adjustment of financial assets through profit and loss	17	19	56	55

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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	(2,108)	2,432	7,825	15,603
Underprovision in prior year	5,683	-	6,226	-
Deferred tax income	(8,316)	413	(8,317)	295
	<u>(4,741)</u>	<u>2,845</u>	<u>5,734</u>	<u>15,898</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.

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.

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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.

On 19 February 2024, the High Court of Penang ruled in favour of PIESB and set aside the demand letters received by PIESB from RMC in 2015. As the decision of the High Court of Penang is consistent with PIESB's assessment of its chances of success made in prior years, no adjustments are required to be made to the financial statements of the Group.

On 18 March 2024, the MOF and RMC have filed an appeal towards the Court of Appeal of Malaysia against the decision made by the High Court of Penang on 19 February 2024.

On 14 September 2024, the Court of Appeal of Malaysia was allowed the appeal from the MOF and RMC against the High Court of Penang’ decision on 19 February 2024. The date of hearing of the appeal is fixed on 3 March 2025.

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26 Dividends

The following Dividends for the year ended 31 December 2024, has been announced by the Company on 22 April 2024 and had been paid on 20 June 2024 to depositors registered in the record of Depositors on 31 May 2024.

- (a) A Special Interim Single Tier Dividend of 2.0 sen per share; and
- (b) An 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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Profit attributable to ordinary equity shareholders (RM'000)	16,592	27,973	52,121	73,571
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>4.32</u>	<u>7.28</u>	<u>13.57</u>	<u>19.16</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 28 February 2025.