

P.I.E. INDUSTRIAL BERHAD (COMPANY NO. : 424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.09.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2013 RM'000	CURRENT YEAR TO DATE 30.09.2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2013 RM'000
Revenue	10	131,428	116,394	404,022	306,316
Cost of sales		(118,233)	(101,508)	(365,153)	(269,346)
Gross profit		13,195	14,886	38,869	36,970
Administrative and distribution expenses		(6,253)	(6,634)	(17,078)	(16,658)
Other operating income		2,973	4,439	8,812	11,340
Income from other investments		711	681	2,074	2,025
Finance costs		(93)	(56)	(238)	(108)
Share of results in associated company		(1)	(1)	(4)	(10)
Profit before tax	10	10,532	13,315	32,435	33,559
Income tax expense	20	(2,246)	(2,832)	(7,129)	(7,990)
Profit for the period	19	8,286	10,483	25,306	25,569
<u>Other comprehensive income</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		1,124	981	669	2,032
Other comprehensive income, net of tax		1,124	981	669	2,032
Total comprehensive income for the period		9,410	11,464	25,975	27,601
Total comprehensive income attributable to: - Owners of the Company		9,410	11,464	25,975	27,601
Basic earnings per ordinary share (sen)	25	10.79	13.66	32.97	33.31
Diluted earnings per ordinary share (sen)	25	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2013 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 30 SEPTEMBER 2014

	Note	UNAUDITED AS AT 30.09.2014 RM'000	AUDITED AS AT 31.12.2013 RM'000
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ASSETS			
Non-current assets			
Property, plant and equipment	8	67,324	68,629
Investment properties		19,342	19,320
Prepaid lease payments		7,486	7,640
Goodwill on consolidation		1,722	1,722
Investment in associated company		7	11
Deferred tax assets		1,325	1,323
Total non-current assets		<u>97,206</u>	<u>98,645</u>
Current assets			
Inventories		73,304	99,693
Trade and other receivables		140,364	168,498
Other financial assets		554	541
Current tax assets		1,379	1,170
Restricted cash		36	36
Short-term deposits with licensed banks		109,565	65,229
Cash and bank balances		37,028	33,406
Total current assets		<u>362,230</u>	<u>368,573</u>
TOTAL ASSETS		<u>459,436</u>	<u>467,218</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		76,808	64,007
Less: Treasury shares, at cost		0	(317)
Reserves		7,496	19,363
Retained earnings		217,386	204,881
Total equity		<u>301,690</u>	<u>287,934</u>
Non-current liabilities			
Deferred tax liabilities		3,773	3,844
Current liabilities			
Short-term borrowings		46,220	43,789
Trade and other payables		106,714	129,733
Current tax liabilities		1,039	1,918
Total current liabilities		<u>153,973</u>	<u>175,440</u>
Total liabilities		<u>157,746</u>	<u>179,284</u>
TOTAL EQUITY AND LIABILITIES		<u>459,436</u>	<u>467,218</u>
NET ASSETS		301,690	287,934
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		3.93	4.50

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 2013 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 3RD QUARTER ENDED 30 SEPTEMBER 2014

	Share Capital	Treasury Shares	Non- distributable	Distributable Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Period ended 30 September 2013					
Balance as of 1 January 2013	64,007	(101)	19,502	182,204	265,612
Net profit for the period	0	0	0	25,569	25,569
Other comprehensive income for the period	0	0	2,032	0	2,032
Total comprehensive income for the period	0	0	2,032	25,569	27,601
Buy-back of ordinary shares	0	(216)	0	0	(216)
Payment of dividends	0	0	0	(15,355)	(15,355)
Balance as of 30 September 2013	<u>64,007</u>	<u>(317)</u>	<u>21,534</u>	<u>192,418</u>	<u>277,642</u>
Period ended 30 September 2014					
Balance as of 1 January 2014	64,007	(317)	19,363	204,881	287,934
Net profit for the period	0	0	0	25,306	25,306
Other comprehensive income for the period	0	0	669	0	669
Total comprehensive income for the period	0	0	669	25,306	25,975
Sale of treasury shares	0	317	265	0	582
Bonus issued	12,801	0	(12,801)	0	0
Payment of dividends	0	0	0	(12,801)	(12,801)
Balance as of 30 September 2014	<u>76,808</u>	<u>0</u>	<u>7,496</u>	<u>217,386</u>	<u>301,690</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 2013 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 3RD QUARTER ENDED 30 SEPTEMBER 2014

	9 months ended	
	30.09.2014	30.09.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	25,306	25,569
Adjustments for:		
Income tax expense	7,129	7,990
Non-cash items	12,189	8,149
Non-operating items	(3,643)	963
Operating profit before working capital changes	40,981	42,671
Changes in working capital:		
Net change in current assets	50,002	(68,497)
Net change in current liabilities	(20,470)	56,866
Cash generated from operations	70,513	31,040
Tax paid	(8,286)	(5,890)
Net cash generated from operating activities	62,227	25,150
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,323	1,179
Proceeds from disposal of property, plant and equipment	220	111
Payment for property, plant and equipment	(6,467)	(6,345)
Net cash used in investing activities	(4,924)	(5,055)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(12,801)	(15,355)
Repurchase of treasury shares	0	(216)
Proceed from re-sale of treasury shares	582	0
Bank balances held as security	0	(1)
Net proceeds from bank borrowings	1,306	28,881
Interest paid	(238)	(108)
Net cash (used in)/generated from financing activities	(11,151)	13,201
NET INCREASE IN CASH AND CASH EQUIVALENTS	46,152	33,296
Effect of foreign exchange rate differences	1,806	2,424
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	98,635	98,385
CASH AND CASH EQUIVALENTS AT END OF PERIOD	146,593	134,105
REPRESENTED BY:-		
Short-term deposits with licensed banks	109,565	90,602
Cash and bank balances	37,028	43,503
	146,593	134,105

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 2013 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 3RD QUARTER ENDED 30 SEPTEMBER 2014

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 2013.

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 2013.

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 2013 except for the adoption of the following MFRSs, IC Interpretations (“IC Int.”) and amendments to MFRSs for the financial period beginning on 1 January 2014:-

Amendments to MFRS 10	Investment Entities
Amendments to MFRS 12	Investment Entities
Amendments to MFRS 127	Investment Entities
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Int. 21	Levies

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

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

Amendments to MFRS 119	Defined Benefit Plans : Employee Contribution
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 9	Financial Instruments : Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139

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3 Seasonal or Cyclical Factors

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

4 Unusual Items Due To Their Nature, Size or Incidence

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

5 Changes in Estimates

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

6 Debt and Equity Securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 September 2014.

- a) During the financial period ended 30 September 2014, the company had sold 73,900 treasury shares in the open market for an average price of RM7.88 per share.
- b) During the financial period ended 30 September 2014, the company had obtained approval from the company's shareholders at the extraordinary general meeting on 23 May 2014 for a bonus issue of up to 12,801,400 new shares of P.I.E Industrial Berhad (PIB) to be credited as fully paid-up on the basis of one (1) Bonus Share for every five (5) existing PIB Shares held on 12 June 2014. The company had issued 12,801,397 bonus shares and had completed crediting on 12 June 2014.

As of 30 September 2014, total issued and fully paid-up share capital are 76,808,397 ordinary shares of RM1 each.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014

7 Dividends Paid

	9 months ended	
	<u>30.09.2014</u>	<u>30.09.2013</u>
	RM'000	RM'000
Dividends declared and paid:		
a) Special dividend:		
- 8 sen per ordinary share of RM1.00 each, single tier, for 2013	5,120	-
- 15 sen per ordinary share of RM1.00 each, net of tax, for 2012	-	9,597
b) First and final dividend:		
- 12 sen per ordinary share of RM1.00 each, single tier, for 2013	7,681	-
- 9 sen per ordinary share of RM1.00 each, net of tax, for 2012	-	5,758
	<u>12,801</u>	<u>15,355</u>

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 2013.

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 30 September 2014.

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 30 September 2014</u>					
Revenue	403,324	698	-	-	404,022
Inter-segment revenue	557	1,232	11,601	(13,390)	-
	<u>403,881</u>	<u>1,930</u>	<u>11,601</u>	<u>(13,390)</u>	<u>404,022</u>
Segment results	24,871	(59)	9,198	(7,339)	26,671
Investment revenue					2,074
Other gains and losses					3,932
Finance costs					(238)
Share of results in associated company					(4)
Profit before tax					<u>32,435</u>

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
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Segments	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Period ended 30 September 2013					
Revenue	304,828	1,488	-	-	306,316
Inter-segment revenue	1,446	1,119	2,745	(5,310)	-
	<u>306,274</u>	<u>2,607</u>	<u>2,745</u>	<u>(5,310)</u>	<u>306,316</u>
Segment results	24,362	(50)	750	143	25,205
Investment revenue					2,025
Other gains and losses					6,447
Finance costs					(108)
Share of results in associated company					(10)
Profit before tax					<u>33,559</u>

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.

	30.09.2014		30.09.2013	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial assets :				
Trade and other receivables	141,743	141,743	131,002	131,002
Cash and cash equivalents	146,593	146,593	134,105	134,105
	<u>288,336</u>	<u>288,336</u>	<u>265,107</u>	<u>265,107</u>
Financial liabilities :				
Trade and other payables	107,753	107,753	120,097	120,097
Short term borrowings	46,220	46,220	30,031	30,031
	<u>153,973</u>	<u>153,973</u>	<u>150,128</u>	<u>150,128</u>

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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
30 September 2014				
Financial assets				
Investment in income fund	554	-	-	554
	<u>554</u>	<u>-</u>	<u>-</u>	<u>554</u>
30 September 2013				
Financial assets				
Investment in income fund	537	-	-	537
	<u>537</u>	<u>-</u>	<u>-</u>	<u>537</u>

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

14 Contingent Liabilities

Save as disclosed below, there were no obligations and contingent liabilities for the Group as of 30 September 2014.

	RM '000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	219
b) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	111,503
c) Payment of withholding tax to foreign tax authority if received dividend from foreign subsidiary company out of its non-tax exempted retained earnings	4,357
	<u>116,079</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014

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

15 Review of Performance

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

The Group's revenue for the current quarter under review was RM131.428 million and profit before tax was RM10.532 million.

The revenue was increased by RM15.034 million or 13% if compared to the figure of preceding year corresponding quarter. The increase was mainly attributable to higher revenue from electronic manufacturing activities but partly offset with lower demand on raw wire and cable products.

Compared with the preceding year corresponding quarter, the profit before tax was reduced by RM2.783 million or 21%, which was mainly due to the lower margin of product mix, higher provision for slow moving inventory and lower gain from foreign currency exchange transactions. However, the reduction in profit was partly limited by higher revenue achieved and reversal of doubtful debts provision.

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

The Group recorded a revenue of RM404.022 million and a profit before tax of RM32.435 million in the period ended 30 September 2014.

As compared to revenue of RM306.316 million and a profit before tax of RM33.559 million in the preceding year corresponding period, the revenue increased by RM97.706 million or 32%.

The increase of revenue was mainly due to more order from new and existing customers, especially on electronic manufacturing products. However, it was partially offset by lower demand on wire harness products.

The profit before tax was decreased by RM1.124 million or 3% if compared with preceding year corresponding period. This decreased in profit was mainly due to lower margin of products mix, higher provision for slow moving inventory and higher operating expenses. However, the reduction was limited by higher revenue achieved and lower provision of doubtful debts.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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16 Comparison with Immediate Preceding Quarter's Results

	<u>Individual Quarter Ended</u>		Variance RM '000	Variance %
	30.09.2014 RM '000	30.06.2014 RM '000		
Revenue	131,428	115,228	16,200	14%
Profit before tax	10,532	10,038	494	5%

The Group's revenue for the quarter under review has increased by 14% as compared with the preceding quarter. The increase was mainly due to higher demand for electronics manufacturing products but partly offset with lower demand for raw wire and cable products.

The Group profit before tax for the current quarter has increased by 5% as compared to preceding quarter. The increase was mainly due to higher revenue achieved and lower provision of doubtful debts. However, the increase in profit was partly offset by higher operating expenses.

17 Current Year Prospect

The Group will continue upgrading its capacity and capability to provide integrated manufacturing services to new and existing customers where they are more willing to outsource their products to the Group. Barring any unforeseen circumstances, the Group expects better performance for coming year.

18 Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was announced and published.

19 Profit for the Period

	<u>Quarter Ended</u>		<u>Period Ended</u>	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	452	439	1,332	1,133
Investment income	259	242	742	892
Interest expenses	(94)	(56)	(238)	(108)
Depreciation and amortisation	(2,692)	(2,286)	(7,967)	(6,605)
Net reversal of impairment losses				
- trade receivables	249	(1,032)	(235)	(828)
Net write down of inventories	(1,565)	(882)	(3,981)	(705)
Net gain on disposal of :				
- property, plant and equipment	188	0	220	12
Property, plant and equipment written off	0	0	(1)	0
Net foreign exchange gain/(loss)	2,472	4,117	7,930	7,969

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	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	2,269	2,854	7,199	7,505
Overprovision in prior year	0	8	0	(41)
Deferred tax expenses	(23)	(30)	(70)	526
	<u>2,246</u>	<u>2,832</u>	<u>7,129</u>	<u>7,990</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 main 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 Group Borrowings and Debt Securities

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

		Foreign Currency <u>'000</u>	Equivalent in RM <u>RM'000</u>
<u>Unsecured Borrowings</u>			
Short-term loan	USD	14,178	46,220
Total			<u>46,220</u>

23 Changes in Material Litigation

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

24 Dividends

The following Dividends for the year ended 31 December 2013, has been approved by the Company's shareholders at the Seventeenth Annual General Meeting on 23 May 2014 and has been paid on 11 June 2014 to depositors registered in the Record of Depositors on 29 May 2014:

- (a) A Special Single Tier Dividend of 8 sen per share; and
- (b) A First and Final Single Tier Dividend of 12 sen per share.

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FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014

25 Earnings Per Ordinary Share

(a) Basic earnings per ordinary share

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

	Quarter Ended		Period Ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Profit attributable to ordinary equity shareholders (RM'000)	8,286	10,483	25,306	25,569
Weighted average number of ordinary share in issue (units'000)	76,808	76,755	76,763	76,769
Basic earnings per ordinary share (sen)	<u>10.79</u>	<u>13.66</u>	<u>32.97</u>	<u>33.31</u>

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

	Quarter Ended		Period Ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	'000	'000	'000	'000
Issued ordinary shares at beginning of the period	63,933	63,980	63,933	63,980
Effect of re-purchase of treasury shares	-	(17)	-	(6)
Effect of re-sale of treasury shares	74	-	36	-
Effect of bonus issue	<u>12,801</u>	<u>12,792</u>	<u>12,794</u>	<u>12,795</u>
Weighted average number of ordinary shares	<u>76,808</u>	<u>76,755</u>	<u>76,763</u>	<u>76,769</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.

26 Derivative Financial Instruments

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

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

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

28 Auditors' Report on Preceding Annual Financial Statements

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

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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29 Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 September 2014, into realised and unrealised profits, pursuant to directives by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at 30.09.2014	As at 30.06.2014
	RM'000	RM'000
Total retained profits of P.I.E. Industrial Berhad and it's subsidiaries		
- Realised	242,743	233,432
- Unrealised	16,649	17,715
	<u>259,392</u>	<u>251,147</u>
Total share of retained loss from associate company		
- Realised	(18)	(16)
	<u>259,374</u>	<u>251,131</u>
Add : Consolidation adjustments	(41,988)	(42,031)
Total Group retained profits as per consolidated accounts	<u><u>217,386</u></u>	<u><u>209,100</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.