

**P.I.E. INDUSTRIAL BERHAD ( COMPANY NO. : 424086-X )**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 4TH QUARTER ENDED 31 DECEMBER 2014**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.12.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2013 RM'000	CURRENT YEAR TO DATE 31.12.2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2013 RM'000
Revenue	10	157,687	142,711	561,710	449,027
Cost of sales		(141,376)	(133,234)	(506,529)	(402,579)
Gross profit		16,311	9,477	55,181	46,448
Administrative and distribution expenses		(7,355)	(5,827)	(24,434)	(22,486)
Other operating income		9,890	11,152	18,702	22,492
Income from other investments		926	923	3,000	2,948
Finance costs		(129)	(49)	(367)	(156)
Share of results in associated company		(4)	(5)	(8)	(15)
Profit before tax	10	19,639	15,671	52,074	49,231
Income tax expense	20	(5,460)	(3,209)	(12,588)	(11,199)
Profit for the period	19	14,179	12,462	39,486	38,032
<u>Other comprehensive income</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		2,831	(2,171)	3,500	(139)
Other comprehensive income, net of tax		2,831	(2,171)	3,500	(139)
Total comprehensive income for the period		17,010	10,291	42,986	37,893
Total comprehensive income attributable to: - Owners of the Company		17,010	10,291	42,986	37,893
Basic earnings per ordinary share (sen)	25	18.46	16.24	51.43	49.55
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 31 DECEMBER 2014**

	Note	UNAUDITED AS AT 31.12.2014 RM'000	AUDITED AS AT 31.12.2013 RM'000
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<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	68,182	68,629
Investment properties		19,977	19,320
Prepaid lease payments		7,435	7,640
Goodwill on consolidation		1,722	1,722
Investment in associated company		3	11
Deferred tax assets		1,368	1,323
<b>Total non-current assets</b>		<u>98,687</u>	<u>98,645</u>
<b>Current assets</b>			
Inventories		78,088	99,693
Trade and other receivables		165,530	168,498
Other financial assets		559	541
Current tax assets		1,162	1,170
Restricted cash		38	36
Short-term deposits with licensed banks		191,312	65,229
Cash and bank balances		18,589	33,406
<b>Total current assets</b>		<u>455,278</u>	<u>368,573</u>
<b>TOTAL ASSETS</b>		<u>553,965</u>	<u>467,218</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		76,808	64,007
Less: Treasury shares, at cost		0	(317)
Reserves		10,264	19,363
Retained earnings		231,566	204,881
<b>Total equity</b>		<u>318,638</u>	<u>287,934</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,184	3,844
<b>Current liabilities</b>			
Short-term borrowings		95,231	43,789
Trade and other payables		132,864	129,733
Current tax liabilities		4,048	1,918
<b>Total current liabilities</b>		<u>232,143</u>	<u>175,440</u>
<b>Total liabilities</b>		<u>235,327</u>	<u>179,284</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>553,965</u>	<u>467,218</u>
<b>NET ASSETS</b>		318,638	287,934
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		4.15	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 4TH QUARTER ENDED 31 DECEMBER 2014**

	<u>Share Capital</u> RM'000	<u>Treasury Shares</u> RM'000	<u>Non- distributable</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Total</u> RM'000
<b>Year ended 31 December 2013</b>					
Balance as of 1 January 2013	64,007	(101)	19,502	182,204	265,612
Net profit for the year	0	0	0	38,032	38,032
Other comprehensive income for the year	0	0	(139)	0	(139)
Total comprehensive income for the year	0	0	(139)	38,032	37,893
Buy-back of ordinary shares	0	(216)	0	0	(216)
Payment of dividends	0	0	0	(15,355)	(15,355)
Balance as of 31 December 2013	<u>64,007</u>	<u>(317)</u>	<u>19,363</u>	<u>204,881</u>	<u>287,934</u>
<b>Year ended 31 December 2014</b>					
Balance as of 1 January 2014	64,007	(317)	19,363	204,881	287,934
Net profit for the year	0	0	0	39,486	39,486
Other comprehensive income for the year	0	0	3,500	0	3,500
Total comprehensive income for the year	0	0	3,500	39,486	42,986
Sale of treasury shares	0	317	265	0	582
Bonus issued	12,801	0	(12,864)	0	(63)
Payment of dividends	0	0	0	(12,801)	(12,801)
Balance as of 31 December 2014	<u>76,808</u>	<u>0</u>	<u>10,264</u>	<u>231,566</u>	<u>318,638</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 4TH QUARTER ENDED 31 DECEMBER 2014**

	12 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	39,486	38,032
Adjustments for:		
Income tax expense	12,588	11,199
Non-cash items	8,913	8,739
Non-operating items	(1,682)	(1,654)
Operating profit before working capital changes	59,305	56,316
Changes in working capital:		
Net change in current assets	22,864	(133,251)
Net change in current liabilities	5,930	70,734
Cash generated from/(used in) operations	88,099	(6,201)
Tax paid	(11,242)	(10,193)
Net cash generated from/(used in) operating activities	76,857	(16,394)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,958	1,656
Proceeds from disposal of property, plant and equipment	220	124
Payment for property, plant and equipment	(9,873)	(13,051)
Net cash used in investing activities	(7,695)	(11,271)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	(2)	0
Net proceeds from bank borrowings	46,662	43,789
Interest paid	(367)	(156)
Net cash generated from financing activities	34,074	28,062
NET INCREASE IN CASH AND CASH EQUIVALENTS	103,236	397
Effect of foreign exchange rate differences	8,030	(147)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	98,635	98,385
CASH AND CASH EQUIVALENTS AT END OF PERIOD	209,901	98,635
REPRESENTED BY:-		
Short-term deposits with licensed banks	191,312	65,229
Cash and bank balances	18,589	33,406
	209,901	98,635

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.

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*NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT*  
*FOR THE 4TH QUARTER ENDED 31 DECEMBER 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 year-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 year ended 31 December 2014.

- a) During the financial year ended 31 December 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 year ended 31 December 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 31 December 2014, total issued and fully paid-up share capital are 76,808,397 ordinary shares of RM1 each.

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**7 Dividends Paid**

	12 months ended	
	<u>31.12.2014</u>	<u>31.12.2013</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 year ended 31 December 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
<b><u>Year ended 31 December 2014</u></b>					
Revenue	559,498	2,212	-	-	561,710
Inter-segment revenue	<u>1,308</u>	<u>1,594</u>	<u>12,981</u>	<u>(15,883)</u>	<u>-</u>
	<u>560,806</u>	<u>3,806</u>	<u>12,981</u>	<u>(15,883)</u>	<u>561,710</u>
Segment results	37,299	(51)	6,667	(7,289)	36,626
Investment revenue					3,000
Other gains and losses					12,823
Finance costs					(367)
Share of results in associated company					(8)
Profit before tax					<u>52,074</u>

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<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>Year ended 31 December 2013</u></b>					
Revenue	447,255	1,772	-	-	449,027
Inter-segment revenue	1,607	1,312	3,660	(6,579)	-
	<u>448,862</u>	<u>3,084</u>	<u>3,660</u>	<u>(6,579)</u>	<u>449,027</u>
Segment results	35,524	(88)	(1,817)	190	33,809
Investment revenue					2,948
Other gains and losses					12,645
Finance costs					(156)
Share of results in associated company					(15)
Profit before tax					<u>49,231</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 year-to-date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

#### **12 Capital Commitment**

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

	As at
	31.12.2014
	RM '000
Commitments in respect of capital expenditure:	
Approved and contracted for :	
Machinery and equipment	<u>173</u>



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**13 Fair Value of Instruments**

**(a) Determination of fair value**

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

	31.12.2014		31.12.2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets :</b>				
Trade and other receivables	166,692	166,692	169,668	169,668
Cash and cash equivalents	209,901	209,901	98,635	98,635
	<u>376,593</u>	<u>376,593</u>	<u>268,303</u>	<u>268,303</u>
<b>Financial liabilities :</b>				
Trade and other payables	136,912	136,912	131,651	131,651
Short term borrowings	95,231	95,231	43,789	43,789
	<u>232,143</u>	<u>232,143</u>	<u>175,440</u>	<u>175,440</u>

**(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
<b>31 December 2014</b>				
<b>Financial assets</b>				
Investment in income fund	559	-	-	559
	<u>559</u>	<u>-</u>	<u>-</u>	<u>559</u>

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**31 December 2013**

**Financial assets**

Investment in income fund	541	-	-	541
	541	-	-	541

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

**14 Contingent Liabilities**

Save as disclosed below, there were no obligations and contingent liabilities for the Group as of 31 December 2014.

	RM '000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	230
b) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	115,168
c) Payment of withholding tax to foreign tax authority if received dividend from foreign subsidiary company out of its non-tax exempted retained earnings	4,654
	120,052

**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 RM157.687 million and profit before tax was RM19.639 million.

The revenue was increased by RM14.976 million or 10% if compared to the figure of preceding year corresponding quarter. The increase was mainly attributable to higher revenue from electronic manufacturing and wire harness 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 increased by RM3.968 million or 25%, which was mainly due to the higher revenue achieved and higher reversal of slow moving inventories provision. However, the increase in profit was partly offset by higher operating expenses, lower proceed from sales of scrap, lower gain from foreign currency exchange transaction and lower of miscellaneous income.

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

The Group recorded a revenue of RM561.710 million and a profit before tax of RM52.074 million in the year ended 31 December 2014.

As compared to revenue of RM449.027 million and a profit before tax of RM49.231 million in the year ended 31 December 2013, the revenue increased by RM112.683 million or 25%.

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 and raw wire and cable products.

The profit before tax was increased by RM2.843 million or 6% if compared with preceding year. The increase in profit was mainly due to higher revenue achieved. However, the increase in profit was partially offset by lower margin of products mix, higher operating expenses, lower gain from foreign currency exchange transaction and lower of miscellaneous income.

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

	<u>Individual Quarter Ended</u>		Variance RM '000	Variance %
	31.12.2014 RM '000	30.09.2014 RM '000		
Revenue	157,687	131,428	26,259	20%
Profit before tax	19,639	10,532	9,107	86%

The Group's revenue for the quarter under review has increased by 20% as compared with the preceding quarter. The increase was mainly due to higher demand for electronics manufacturing and wire harness products but partly offset with lower demand for raw wire and cable products.

The Group profit before tax for the current quarter has soared by 86% as compared to preceding quarter. The increase was mainly due to higher revenue achieved, higher margin of products mix and reversal of slow moving inventories provision. However, the increase in profit was partly offset by higher operating expenses.

**17 Current Year Prospect**

The Group foresee that new and existing customers will continue to outsource their manufacturing activities in future. Therefore, the Group expects to secure more orders from those customers by continuing upgrade of its capacity and capability to provide integrated manufacturing services to the customers. 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.

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**19 Profit for the Period**

	Quarter Ended		Year Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	656	636	1,988	1,769
Investment income	270	287	1,012	1,179
Interest expenses	(129)	(49)	(367)	(156)
Depreciation and amortisation	(2,799)	(2,524)	(10,766)	(9,129)
Net reversal/(allowance) of impairment losses				
- trade receivables	80	288	(155)	(540)
Net reversal of inventories	5,446	2,422	1,464	1,716
Net gain on disposal of :				
- property, plant and equipment	0	13	220	25
Property, plant and equipment written off	0	0	(1)	0
Net foreign exchange gain	2,566	3,068	10,496	11,038
Gain from fair value adjustment of investment properties	553	405	553	405

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

**20 Income Tax Expense**

	Quarter Ended		Year Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	6,091	2,506	13,290	10,011
Overprovision in prior year	0	54	0	13
Deferred tax (income)/expenses	(631)	649	(702)	1,175
	<u>5,460</u>	<u>3,209</u>	<u>12,588</u>	<u>11,199</u>

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

The Group's taxation for the financial year-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.

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**21 Status of Corporate Proposals Announced**

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

**22 Group Borrowings and Debt Securities**

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

		<u>Foreign Currency</u> '000	<u>Equivalent in RM</u> RM'000
<i>Unsecured Borrowings</i>			
Short-term loan	USD	27,252	<u>95,231</u>
Total			<u><u>95,231</u></u>

**23 Changes in Material Litigation**

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

**24 Dividends**

The following Dividends for the year ended 31 December 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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**25 Earnings Per Ordinary Share**

**(a) Basic earnings per ordinary share**

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

	Quarter Ended		Year Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit attributable to ordinary equity shareholders (RM'000)	14,179	12,462	39,486	38,032
Weighted average number of ordinary share in issue (units'000)	76,808	76,720	76,774	76,756
Basic earnings per ordinary share (sen)	<u>18.46</u>	<u>16.24</u>	<u>51.43</u>	<u>49.55</u>

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

	Quarter Ended		Year Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	'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	-	(47)	-	(16)
Effect of re-sale of treasury shares	74	-	45	-
Effect of bonus issue	<u>12,801</u>	<u>12,787</u>	<u>12,796</u>	<u>12,792</u>
Weighted average number of ordinary shares	<u>76,808</u>	<u>76,720</u>	<u>76,774</u>	<u>76,756</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 year-to-date.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
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**26 Derivative Financial Instruments**

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

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

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

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

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

**29 Disclosure of Realised and Unrealised Profits**

The breakdown of the retained profits of the Group as at 31 December 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 31.12.2014 RM'000	As at 30.09.2014 RM'000
Total retained profits of P.I.E. Industrial Berhad and it's subsidiaries		
- Realised	253,781	242,743
- Unrealised	20,429	16,649
	<u>274,210</u>	<u>259,392</u>
Total share of retained loss from associate company		
- Realised	(22)	(18)
	<u>274,188</u>	<u>259,374</u>
Add : Consolidation adjustments	(42,622)	(41,988)
Total Group retained profits as per consolidated accounts	<u><u>231,566</u></u>	<u><u>217,386</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.