

P.I.E. INDUSTRIAL BERHAD (COMPANY NO. : 424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2015

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.12.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2014 RM'000	CURRENT YEAR TO DATE 31.12.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2014 RM'000
Revenue	10	262,281	157,705	662,241	561,727
Cost of sales		(216,310)	(141,376)	(556,664)	(506,529)
Gross profit		45,971	16,329	105,577	55,198
Administrative and distribution expenses		(11,541)	(7,355)	(31,824)	(24,434)
Other operating (expenses)/income		(8,231)	8,590	(5,561)	17,402
Income from other investments		751	908	3,508	2,982
Finance costs		(66)	(129)	(399)	(367)
Share of results in associated company		0	(4)	(1)	(8)
Profit before tax	10	26,884	18,339	71,300	50,773
Income tax expense	20	(11,620)	(5,135)	(22,272)	(12,263)
Profit for the period	19	15,264	13,204	49,028	38,510
<u>Other comprehensive income</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		21,579	2,831	29,259	3,500
Other comprehensive income, net of tax		21,579	2,831	29,259	3,500
Total comprehensive income for the period		36,843	16,035	78,287	42,010
Total comprehensive income attributable to:					
- Owners of the Company		36,843	16,035	78,287	42,010
Basic earnings per ordinary share (sen)	25	20	17	64	50
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 2014 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 2015

	Note	UNAUDITED AS AT 31.12.2015 RM'000	AUDITED AS AT 31.12.2014 RM'000
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ASSETS			
Non-current assets			
Property, plant and equipment	8	104,989	68,182
Investment properties		21,681	19,977
Prepaid lease payments		12,099	7,435
Goodwill on consolidation		1,722	1,722
Investment in associated company		2	3
Deferred tax assets		1,700	1,368
Total non-current assets		<u>142,193</u>	<u>98,687</u>
Current assets			
Inventories		100,667	76,788
Trade and other receivables		263,770	165,530
Financial assets carried at fair value through profit or loss		3,159	559
Other investments		16,087	34,333
Current tax assets		100	1,162
Short-term deposits with licensed banks		45,776	156,978
Cash and bank balances		74,977	18,627
Total current assets		<u>504,536</u>	<u>453,977</u>
TOTAL ASSETS		<u>646,729</u>	<u>552,664</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		76,808	76,808
Reserves		39,523	10,264
Retained earnings		260,416	230,590
Total equity		<u>376,747</u>	<u>317,662</u>
Non-current liabilities			
Deferred tax liabilities		<u>3,023</u>	<u>2,859</u>
Current liabilities			
Short-term borrowings		106,620	95,231
Trade and other payables		150,552	132,863
Current tax liabilities		9,787	4,049
Total current liabilities		<u>266,959</u>	<u>232,143</u>
Total liabilities		<u>269,982</u>	<u>235,002</u>
TOTAL EQUITY AND LIABILITIES		<u>646,729</u>	<u>552,664</u>
NET ASSETS		376,747	317,662
Net Assets Per Share Attributable to Ordinary			
Equity Holders of the Parent (RM)		4.91	4.14

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 2014 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 2015

	<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
Year ended 31 December 2014					
Balance as of 1 January 2014	64,007	(317)	19,363	204,881	287,934
Net profit for the year	0	0	0	38,510	38,510
Other comprehensive income for the year	0	0	3,500	0	3,500
Total comprehensive income for the year	0	0	3,500	38,510	42,010
Sale of treasury shares	0	317	265	0	582
Bonus issued	12,801	0	(12,801)	0	0
Issue expenses for bonus issue	0	0	(63)	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>230,590</u>	<u>317,662</u>
Year ended 31 December 2015					
Balance as of 1 January 2015	76,808	0	10,264	230,590	317,662
Net profit for the year	0	0	0	49,028	49,028
Other comprehensive income for the year	0	0	29,259	0	29,259
Total comprehensive income for the year	0	0	29,259	49,028	78,287
Payment of dividends	0	0	0	(19,202)	(19,202)
Balance as of 31 December 2015	<u>76,808</u>	<u>0</u>	<u>39,523</u>	<u>260,416</u>	<u>376,747</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 2014 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 2015

	12 months ended	
	31.12.2015	31.12.2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	49,028	38,510
Adjustments for:		
Income tax expense	22,272	12,263
Non-cash items	29,496	10,776
Non-operating items	(3,262)	(2,412)
Operating profit before working capital changes	97,534	59,137
Changes in working capital:		
Net change in current assets	(134,095)	25,874
Net change in current liabilities	20,609	3,130
Cash (used in)/from operations	(15,952)	88,141
Tax refunded	1,167	0
Income tax paid	(17,101)	(11,152)
Interest received	2,231	1,988
Net cash (used in)/from operating activities	(29,655)	78,977
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for other investments	0	(8,049)
Proceeds from disposal of other investments	18,246	0
Proceeds from disposal of property, plant and equipment	58	220
Payment for property, plant and equipment	(36,037)	(9,873)
Payment for investment property	(1,461)	0
Payment for prepaid lease payment on leasehold land	(3,878)	0
Purchase of investment in income funds	(2,536)	0
Net cash used in investing activities	(25,608)	(17,702)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(19,202)	(12,801)
Proceed from re-sale of treasury shares	0	582
Net proceeds from bank borrowings	11,388	51,442
Interest paid	(399)	(367)
Bank balances held as security	(52)	0
Cost of bonus issue	0	(63)
Net cash (used in)/from financing activities	(8,265)	38,793
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(63,528)	100,068
Effect of foreign exchange rate differences	8,624	3,148
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	175,567	72,351
CASH AND CASH EQUIVALENTS AT END OF YEAR	120,663	175,567
REPRESENTED BY:-		
Short-term deposits with licensed banks	45,776	156,978
Cash and bank balances	74,977	18,627
Less : Bank balance pledged as security	(90)	(38)
	120,663	175,567

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 2014 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 4TH QUARTER ENDED 31 DECEMBER 2015

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 2014, which have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The explanatory notes attached to these interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

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 2014 except for the adoption of the following MFRSs, IC Interpretations (“IC Int.”) and amendments to MFRSs for the financial period beginning on 1 January 2015:-

- Amendments to MFRS 119, Employee Benefits – Defined Benefit Plans : Employee Contribution
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle

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 10, MFRS 12 and MFRS 128, Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiative
- Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation

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- Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
- Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements
- Annual Improvements to MFRSs 2012-2014 Cycle
- MFRS 9, Financial Instruments (IFRS 9 as issued by IASB in July 2014)
- MFRS 14, Regulatory Deferral Accounts
- MFRS 15, Revenue from Contracts with Customers

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 year-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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year ended 31 December 2015.

As of 31 December 2015, total issued and fully paid-up share capital are 76,808,397 ordinary shares of RM1 each.

7 Dividends Paid

	12 months ended	
	<u>31.12.2015</u>	<u>31.12.2014</u>
	RM'000	RM'000
Dividends declared and paid:		
a) Special dividend:		
- 13 sen per ordinary share of RM1.00 each, single tier, for 2014	9,985	-
- 8 sen per ordinary share of RM1.00 each, single tier, for 2013	-	5,120
b) First and final dividend:		
- 12 sen per ordinary share of RM1.00 each, single tier, for 2014	9,217	-
- 12 sen per ordinary share of RM1.00 each, single tier, for 2013	-	7,681
	<u>19,202</u>	<u>12,801</u>

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FOR THE 4TH QUARTER ENDED 31 DECEMBER 2015

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 2014.

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 2015.

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 RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Year ended 31 December 2015</u>					
Revenue	654,587	7,598	56	-	662,241
Inter-segment revenue	523	1,241	30,683	(32,447)	-
	<u>655,110</u>	<u>8,839</u>	<u>30,739</u>	<u>(32,447)</u>	<u>662,241</u>
Segment results	68,635	1,890	22,784	(25,117)	68,192
Investment revenue					3,508
Finance costs					(399)
Share of results in associated company					(1)
Profit before tax					<u>71,300</u>

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Segments	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Year ended 31 December 2014</u>					
Revenue	559,498	2,212	17	-	561,727
Inter-segment revenue	1,308	1,594	12,981	(15,883)	-
	<u>560,806</u>	<u>3,806</u>	<u>12,998</u>	<u>(15,883)</u>	<u>561,727</u>
Segment results	49,567	(107)	6,712	(8,006)	48,166
Investment revenue					2,982
Finance costs					(367)
Share of results in associated company					(8)
Profit before tax					<u>50,773</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

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.

P.I.E. INDUSTRIAL BERHAD (COMPANY NO.: 424086-X)
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2015

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.

	31.12.2015		31.12.2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial assets :				
Trade and other receivables (excluding prepayments)	262,927	262,927	164,251	164,251
Financial assets carried at fair value through profit or loss	3,159	3,159	559	559
Other investments	16,087	16,087	34,333	34,333
Cash and cash equivalents	120,753	120,753	175,605	175,605
	<u>402,926</u>	<u>402,926</u>	<u>374,748</u>	<u>374,748</u>
Financial liabilities :				
Trade and other payables	150,552	150,552	132,863	132,863
Short term borrowings	106,620	106,620	95,231	95,231
	<u>257,172</u>	<u>257,172</u>	<u>228,094</u>	<u>228,094</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).

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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
31 December 2015				
Financial assets				
Investment in Islamic income fund	3,159	-	-	3,159
	<u>3,159</u>	<u>-</u>	<u>-</u>	<u>3,159</u>
31 December 2014				
Financial assets				
Investment in Islamic income fund	559	-	-	559
	<u>559</u>	<u>-</u>	<u>-</u>	<u>559</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 31 December 2015.

	RM '000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	258
b) Letter of guarantee by a bank to foreign Revenue Department for a foreign subsidiary's tax liabilities	26
c) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	192,619
d) Payment of withholding tax to foreign tax authority if received dividend from foreign subsidiary company out of its non-tax exempted retained earnings	4,281
	<u>197,184</u>
e) Pan-International Electronics (Malaysia) Sdn Bhd (PIESB), a wholly owned subsidiary company of P.I.E. Industrial Berhad, had received demand letters dated 2 February 2015, 19 March 2015, 22 June 2015 and 21 July 2015 from Royal Malaysian Customs (RMC) regarding short collection of import duty and sales tax from PIESB amounted to RM8,432,282.51 and RM841,342.00 respectively.	

PIESB had received a letter from RMC in January 2016 to blacklist the directors of PIESB. Upon request of RMC and advice from consultant, PIESB had paid 10% of the total demand amount by RMC to start the appeal process in January 2016. The consultant, after several discussions with the management and review on the facts, opined that PIESB has a strong base to defend the case.

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

15 Review of Performance

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

The Group's revenue for the current quarter under review was RM262.281 million and profit before tax was RM26.884 million.

The revenue was soared by RM104.576 million or 66% if compared to preceding year corresponding quarter. The increase was mainly attributable to higher demand on electronic manufacturing products and raw wire and cable products from new and existing customers but partly offset with lower demand on wire harness products.

Compared with the preceding year corresponding quarter, the profit before tax was increased by RM8.545 million or 47%, which was mainly due to higher revenue achieved and higher margin of products mix. However, the increase in profit was partly limited by higher operating expenses, higher provision of doubtful debts, higher provision of slow moving inventories, lower gain from foreign exchange transactions and loss from fair value adjustment on investment properties of RM 5.281 million which is impacted by the change in functional currency by a subsidiary.

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

The Group recorded a revenue of RM662.241 million and a profit before tax of RM71.300 million in the year ended 31 December 2015.

As compared to revenue of RM561.727 million and a profit before tax of RM50.773 million in the year ended 31 December 2014, the revenue has increased by RM100.514 million or 18%.

The increase of revenue was mainly due to more order from new and existing customers, especially on electronic manufacturing products.

The profit before tax was increased by RM20.527 million or 40% if compared with preceding year. The increase in profit was mainly due to higher revenue achieved, higher margin of products mix, higher of investment income and higher miscellaneous income. However, the increase in profit was partially limited by higher operating expenses, lower proceed from scrap sales, higher provision of doubtful debts, higher provision of slow moving inventories, lower gain from foreign currency exchange transactions and loss from fair value adjustment on investment properties of RM 5.281 million which is mainly arise from the impact of change in functional currency by a subsidiary.

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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 %
	31.12.2015 RM '000	30.09.2015 RM '000		
Revenue	262,281	152,538	109,743	72%
Profit before tax	26,884	18,009	8,875	49%

The Group's revenue for the quarter under review has increased by 72% as compared with the preceding quarter. The increase was mainly due to higher demand for electronics manufacturing products and raw wire and cable products but partly offset by lower demand on wire harness products.

The Group's profit before tax for the current quarter has increased by 49% as compared to preceding quarter. The increase was mainly due to higher revenue achieved, higher proceed from scrap sales and gain from foreign exchange transactions. However, the increase in profit was partly offset by lower margin of products mix, higher operating expenses, higher provision of doubtful debts, lower miscellaneous income and loss from fair value adjustment of investment properties of RM 5.281 million which is mainly arise from the impact of change in functional currency by a subsidiary.

17 Current Year Prospect

The Group is keeping emphasis on continuous integration of automatic manufacturing capability and confident that this able to obtain more orders from existing and potential customers by outsource their current products to the Group in the coming years. Barring any unforeseen circumstances, the Group expects better performance for next 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	312	656	2,136	1,988
Investment income	439	252	1,372	994
Interest expenses	(66)	(129)	(399)	(367)
Depreciation and amortisation	(4,935)	(2,799)	(14,326)	(10,766)
Net (allowance)/reversal of impairment losses				
- trade receivables	(1,438)	80	(2,507)	(155)
Net (write down)/reversal of inventories	(3,087)	4,145	(7,381)	164
Net (loss)/gain on disposal of :				
- property, plant and equipment	(9)	-	39	220
Property, plant and equipment written off	-	-	-	(1)
Net foreign exchange gain	270	2,566	3,555	10,496
(Loss)/Gain from fair value adjustment of investment properties	(5,281)	553	(5,281)	553
Gain from fair value adjustment of financial assets through profit and loss	3	-	9	-

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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	12,055	6,091	22,729	13,290
Underprovision in prior year	(342)	-	(293)	-
Deferred tax income	(93)	(956)	(164)	(1,027)
	<u>11,620</u>	<u>5,135</u>	<u>22,272</u>	<u>12,263</u>

The Group's taxation for the current quarter and financial year-to-date reflects an effective tax rate which is higher than the statutory income tax rate mainly due to certain expenses are not deductible and net effect of change of functional currency by a major subsidiary.

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.

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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	24,795	106,620
Total			<u>106,620</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 2014, has been approved by the Company's shareholders at the Eighteenth Annual General Meeting on 25 May 2015 and has been paid on 16 June 2015 to depositors registered in the Record of Depositors on 29 May 2015:

- (a) A Special Single Tier Dividend of 13 sen per share; and
- (b) A First and Final Single Tier Dividend of 12 sen per share.

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.

	<u>Quarter Ended</u>		<u>Year Ended</u>	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit attributable to ordinary equity shareholders (RM'000)	15,264	13,204	49,028	38,510
Weighted average number of ordinary share in issue (units'000)	76,808	76,808	76,808	76,774
Basic earnings per ordinary share (sen)	<u>20</u>	<u>17</u>	<u>64</u>	<u>50</u>

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

	Quarter Ended		Year Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	'000	'000	'000	'000
Issued ordinary shares at beginning of the period	76,808	63,933	76,808	63,933
Effect of re-sale of treasury shares	-	74	-	45
Effect of bonus issue	-	12,801	-	12,796
Weighted average number of ordinary shares	<u>76,808</u>	<u>76,808</u>	<u>76,808</u>	<u>76,774</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.

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.

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29 Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 2015, into realised and unrealised profits, pursuant to directives by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	<u>As at</u> 31.12.2015	<u>As at</u> 31.12.2014
	RM'000	RM'000
Total retained profits of P.I.E. Industrial Berhad and it's subsidiaries		
- Realised	292,094	260,476
- Unrealised	11,041	12,759
	<u>303,135</u>	<u>273,235</u>
Total share of retained loss from associate company		
- Realised	(23)	(22)
	<u>303,112</u>	<u>273,213</u>
Add : Consolidation adjustments	(42,696)	(42,623)
Total Group retained profits as per consolidated accounts	<u><u>260,416</u></u>	<u><u>230,590</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.

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30 Additional Explanation Note for the Impact of Change in Functional Currency

There are significant impact to the performance of the Group in Year 2015 as a subsidiary company changed its functional currency from RM to USD, especially in the environment where RM had depreciated against USD about 23% during the year.

The summary of impact to the income statement and balance sheet of the Group are listed as below.

(a) Profit for the year

Profit had decreased by RM8.7 million mainly due to following factors:-

- i. Depreciation had increased by RM 1.2 million due to difference in historical cost of property, plant and equipment in USD and RM
- ii. reversal of gain on forex exchange of RM 2.1 million
- iii. loss in fair value of investment properties (IP) of RM 5.3 million considering the IP carrying amount is maintained in USD

(b) Currency translation differences in respect of foreign operations

Currency translation differences in respect of foreign operations was increased by RM 22.7 million resulting from the use of USD as functional currency and conversion to RM as presentation currency for consolidation.

(c) Property, plant and equipment (PPE)

PPE was increased by RM 13.0 million resulting from the difference in historical cost of PPE in USD and conversion to RM as presentation currency for consolidation. The difference was transferred to translation reserves.

(d) Prepaid lease payments (PLP)

PLP was increased by RM 1.0 million resulting from the difference in historical cost of PLP in USD and conversion to RM as presentation currency for consolidation. The difference was transferred to translation reserves.

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30 Additional Explanation Note for the Impact of Change in Functional Currency (Cont'd)

The detail impact to the income statement of the Group is as per below.

	Current Year To Date 31.12.2015		
	UNAUDITED As Announced - subsidiary's functional currency had changed to USD RM'000	UNAUDITED As Comparative - subsidiary's functional currency if remain as RM RM'000	Difference RM'000
Revenue	662,241	662,241	0
Cost of sales	(556,664)	(555,432)	(1,232)
Gross profit	105,577	106,809	(1,232)
Administrative and distribution expenses	(31,824)	(31,808)	(16)
Other operating income/(expenses)	(5,561)	1,850	(7,411)
Income from other investments	3,508	3,508	0
Finance costs	(399)	(399)	0
Share of results in associated company	(1)	(1)	0
Profit before tax	71,300	79,959	(8,659)
Income tax expense	(22,272)	(22,272)	0
Profit for the year	<u>49,028</u>	<u>57,687</u>	<u>(8,659)</u>
<u>Other comprehensive income</u>			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences in respect of foreign operations	29,259	6,558	22,701
Other comprehensive income, net of tax	<u>29,259</u>	<u>6,558</u>	<u>22,701</u>
Total comprehensive income for the year	<u><u>78,287</u></u>	<u><u>64,245</u></u>	<u><u>14,042</u></u>
Total comprehensive income attributable to:			
- Owners of the Company	<u>78,287</u>	<u>64,245</u>	<u>14,042</u>
Basic earnings per ordinary share (sen)	<u>64</u>	<u>75</u>	<u>(11)</u>

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30 Additional Explanation Note for the Impact of Change in Functional Currency (Cont'd)

The detail impact to the balance sheet of the Group is as per below.

	As At 31.12.2015		
	UNAUDITED	UNAUDITED	
	As Announced - subsidiary's functional currency had changed to USD RM'000	As Comparative - subsidiary's functional currency if remain as RM RM'000	Difference RM'000
	-----	-----	-----
ASSETS			
Non-current assets			
Property, plant and equipment	104,989	91,938	13,051
Investment properties	21,681	21,681	0
Prepaid lease payments	12,099	11,108	991
Goodwill on consolidation	1,722	1,722	0
Investment in associated company	2	2	0
Deferred tax assets	1,700	1,700	0
Total non-current assets	<u>142,193</u>	<u>128,151</u>	<u>14,042</u>
Current assets			
Inventories	100,667	100,667	0
Trade and other receivables	263,770	263,770	0
Financial assets carried at fair value through profit or loss	3,159	3,159	0
Other investments	16,087	16,087	0
Current tax assets	100	100	0
Short-term deposits with licensed banks	45,776	45,776	0
Cash and bank balances	74,977	74,977	0
Total current assets	<u>504,536</u>	<u>504,536</u>	<u>0</u>
TOTAL ASSETS	<u><u>646,729</u></u>	<u><u>632,687</u></u>	<u><u>14,042</u></u>

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30 Additional Explanation Note for the Impact of Change in Functional Currency (Cont'd)

	As At 31.12.2015		
	UNAUDITED As Announced - subsidiary's functional currency had changed to USD RM'000	UNAUDITED As Comparative - subsidiary's functional currency if remain as RM RM'000	Difference RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	76,808	76,808	0
Reserves	39,523	16,822	22,701
Retained earnings	260,416	269,075	(8,659)
Total equity	<u>376,747</u>	<u>362,705</u>	<u>14,042</u>
Non-current liabilities			
Deferred tax liabilities	<u>3,023</u>	<u>3,023</u>	<u>0</u>
Current liabilities			
Short-term borrowings	106,620	106,620	0
Trade and other payables	150,552	150,552	0
Current tax liabilities	9,787	9,787	0
Total current liabilities	<u>266,959</u>	<u>266,959</u>	<u>0</u>
Total liabilities	<u>269,982</u>	<u>269,982</u>	<u>0</u>
TOTAL EQUITY AND LIABILITIES	<u>646,729</u>	<u>632,687</u>	<u>14,042</u>
NET ASSETS	376,747	362,705	14,042
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)	4.91	4.72	0.19