P.I.E. INDUSTRIAL BERHAD (COMPANY NO. : 424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 JUNE 2017

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	CURRENT YEAR QUARTER 30.06.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2016 RM'000	CURRENT YEAR TO DATE 30.06.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2016 RM'000
Revenue	10	176,069	135,886	337,939	255,611
Cost of sales		(157,394)	(120,906)	(300,610)	(227,135)
Gross profit		18,675	14,980	37,329	28,476
Administrative and distribution expenses		(7,651)	(9,122)	(17,728)	(16,894)
Other operating income/(expenses)		1,412	1,102	7,901	(2,409)
Income from other investments		1,154	1,092	2,213	1,779
Finance costs		-	(91)	-	(335)
Profit before tax	10	13,590	7,961	29,715	10,617
Income tax expense	20	(2,891)	(1,829)	(7,430)	(2,381)
Profit for the period	19	10,699	6,132	22,285	8,236
Other comprehensive income Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		(751)	1,396	301	(2,180)
Other comprehensive (loss)/income, net of tax		(751)	1,396	301	(2,180)
Total comprehensive income for the period		9,948	7,528	22,586	6,056
Total comprehensive income attributable to: - Owners of the Company		9,948	7,528	22,586	6,056
Basic earnings per ordinary share (sen)	25	2.79	1.60	5.80	2.14
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 2016 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 JUNE 2017

	Note	UNAUDITED AS AT 30.06.2017 RM'000	AUDITED AS AT 31.12.2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	86,238	90,072
Investment properties		22,006	21,850
Prepaid lease payments		10,588	10,746
Goodwill on consolidation		1,722	1,722
Deferred tax assets		1,702	1,702
Total non-current assets		122,256	126,092
Current assets			
Inventories		128,099	105,557
Trade and other receivables		164,278	172,464
Other financial assets		7,088	3,820
Current tax assets		13,679	10,087
Short-term deposits with licensed banks		54,795	61,461
Cash and bank balances		25,849	42,431
Total current assets		393,788	395,820
TOTAL ASSETS		516,044	521,912
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		76,808	76,808
Reserves		18,917	18,616
Retained earnings		281,244	278,161
Total equity		376,969	373,585
Non-current liabilities			
Deferred tax liabilities		2,969	3,015
Current liabilities			
Short-term borrowings		5,000	-
Trade and other payables		113,548	133,989
Current tax liabilities		17,558	11,323
Total current liabilities		136,106	145,312
Total liabilities		139,075	148,327
TOTAL EQUITY AND LIABILITIES		516,044	521,912
NET ASSETS		376,969	373,585
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		0.98	0.97

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 2016 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD (424086-X)
UNAUDIITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2ND QUARTER ENDED 30 JUNE 2017

	Share Capital	Treasury Shares	Non-distributable Reserves	Distributable Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Period ended 30 June 2016					
Balance as of 1 January 2016	76,808	-	16,822	268,978	362,608
Net profit for the period	-	-	-	8,236	8,236
Other comprehensive loss for the period	-	-	(2,180)	-	(2,180)
Total comprehensive(loss)/income for the period	-	-	(2,180)	8,236	6,056
Payment of dividends	-	-	-	(26,883)	(26,883)
Balance as of 30 June 2016	76,808	-	14,642	250,331	341,781
Period ended 30 June 2017					
Balance as of 1 January 2017	76,808	-	18,616	278,161	373,585
Net profit for the period	-	-	-	22,285	22,285
Other comprehensive income for the period	-	-	301	-	301
Total comprehensive income for the period	-	-	301	22,285	22,586
Payment of dividends	-	-	-	(19,202)	(19,202)
Balance as of 30 June 2017	76,808	-	18,917	281,244	376,969

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 2016 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 2ND QUARTER ENDED 30 JUNE 2017

	6 months ended	
	30.06.2017	**30.06.2016**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	22,285	8,236
Adjustments for:		
Income tax expense	7,430	2,381
Non-cash items	6,476	10,181
Non-operating items	5,436	(5,561)
Operating profit before working capital changes	41,627	15,237
Changes in working capital:		
Net change in current assets	(21,874)	124,972
Net change in current liabilities	(13,989)	(35,019)
Cash generated from operations	5,764	105,190
Tax refunded	-	346
Income tax paid	(4,834)	(7,702)
Interest received	610	652
Net cash generated from operating activities	1,540	98,486
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of other investments	-	14,771
Proceeds from disposal of property, plant and equipment	185	-
Payment for property, plant and equipment	(4,252)	(6,765)
Proceeds from disposal of income funds	1,518	3,728
Purchase of investment in income funds	(4,724)	(550)
Net cash (used in)/generated from investing activities	(7,273)	11,184
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(19,202)	(26,883)
Net repayment of bank borrowings	5,000	(82,008)
Interest paid	-	(335)
Bank balances held as security	(1)	4
Net cash used in financing activities	(14,203)	(109,222)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(19,936)	448
Effect of foreign exchange rate differences	(3,313)	(5,920)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	103,797	120,945
CASH AND CASH EQUIVALENTS AT END OF PERIOD	80,548	115,473

P.I.E. INDUSTRIAL BERHAD (424086-X)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 2ND QUARTER ENDED 30 JUNE 2017

	6 months ended	
	30.06.2017	**30.06.2016**
	RM'000	**RM'000**
REPRESENTED BY:-		
Short-term deposits with licensed banks	54,795	67,618
Cash and bank balances	25,849	47,942
Less : Bank balance pledged as security	(96)	(87)
	80,548	115,473

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 2016 and the accompanying explanatory notes attached to the interim financial report.

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 2016, which have been prepared in accordance with MFRS, 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 2016.

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 2016 except for the adoption of the following MFRS, IC Interpretations ("IC Int.") and amendments to MFRS for the financial period beginning on 1 January 2017:-

MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: *Applying the Consolidation Exception*
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
Amendments to MFRS 101 *Disclosure Initiative*
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
Annual Improvements to MFRS 2012-2014 Cycle

Initial application of the above standards did not have any material impact to the financial statements of the Group.

Effective for annual periods beginning on or after 1 January 2017
Amendments to MFRS 12 *Disclosure of Interest in Other Entities (under Annual Improvements to MFRS 2014-2016 Cycle)*
Amendments to MFRS 107 *Statement of Cash Flows: Disclosure Initiatives*
Amendments to MFRS 112 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

Effective for annual periods beginning on or after 1 January 2018
MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in July 2014)*
MFRS 15 *Revenue from Contracts with Customers*
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
Amendments to MFRS 4 *Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
Amendments to MFRS 7 *Mandatory Date of MFRS 9 and Transition Disclosures*
Amendments to MFRS 140 *Investment Property: Transfer of Investment Property*
Annual Improvements to MFRS 2014-2016 Cycle
(except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)
IC Int 22 Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019
MFRS 16 Leases

Effective date yet to be confirmed
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption except as mentioned below:

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* and all previous version of *MFRS 9*. This new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of *MFRS 9*, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of *MFRS 9*, financial assets will be measured at either fair value or amortised cost. It is also expected that the Group's investment in unquoted shares, if any, will be measured at fair value through other comprehensive income.

The adoption of MFRS 9 will result in a change in accounting policy. The Group are currently assessing the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in *MFRS 111 Construction Contracts*, *MFRS 118 Revenue*, *IC Int 13 Customer Loyalty Programmes*, *IC Int 15 Agreements for Construction of Real Estate*, *IC Int 18 Transfers of Assets from Customers* and *IC Int 131 Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of *MFRS 15*, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Group are currently assessing the financial impact of adopting MFRS 15.

MFRS 16 Leases

The scope of *MFRS 16* includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

MFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under *MFRS 117*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (e.g., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (e.g., the lease liability) and an asset representing the right to use the underlying asset during the lease term (e.g., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under *MFRS 117*. Lessors will continue to classify all leases using the same classification principle in *MFRS 117* and distinguish between two types of leases: operating and finance leases.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2019 with early adoption permitted. The Group are currently assessing the financial impact of adopting MFRS 16.

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

On initial application of the amendments, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure to be provided by the Group.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 June 2017.

As of 30 June 2017, total issued and fully paid-up share capital are 384,041,985 ordinary shares.

7 Dividends Paid

	6 months ended	
	30.06.2017	30.06.2016
	RM'000	RM'000
Dividends declared and paid:		
a) Special dividend:		
- 2.6 sen per ordinary share of RM0.20 each, single tier, for 2016	9,985	-
- 23 sen per ordinary share of RM1.00 each, single tier, for 2015	-	17,666
b) First and final dividend:		
- 2.4 sen per ordinary share of RM0.20 each, single tier, for 2016	9,217	-
- 12 sen per ordinary share of RM1.00 each, single tier, for 2015	-	9,217
	19,202	26,883

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 2016.

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 June 2017.

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
Period ended 30 June 2017					
Revenue	331,126	6,789	24	-	337,939
Inter-segment revenue	130	1,292	18,955	(20,377)	-
	331,256	8,081	18,979	(20,377)	337,939
Segment results	28,176	880	13,606	(15,180)	27,482
Investment revenue					2,213
Other gains and losses					20
Finance costs					-
Profit before tax					29,715

Segments	**Manufacturing**	**Trading**	**Others**	**Elimination**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000
Period ended 30 June 2016					
Revenue	249,780	5,799	32	-	255,611
Inter-segment revenue	237	616	29,713	(30,566)	-
	250,017	6,415	29,745	(30,566)	255,611
Segment results	12,135	1,499	25,370	(26,486)	12,518
Investment revenue					1,779
Other gains and losses					(3,345)
Finance costs					(335)
Profit before tax					10,617

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.

	30.06.2017		31.12.2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial assets :				
Trade and other receivables (excluding prepayments)	163,362	163,362	171,287	171,287
Financial assets carried at fair value through profit or loss	7,088	7,088	3,820	3,820
Cash and cash equivalents	80,644	80,644	103,892	103,892
	251,094	251,094	278,999	278,999
Financial liabilities :				
Trade and other payables	113,548	113,548	133,989	133,989
Short term borrowings	5,000	5,000	-	-
	118,548	118,548	133,989	133,989

(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 June 2017				
Financial assets				
Investment in income fund	7,088	-	-	7,088
	7,088	-	-	7,088
31 December 2016				
Financial assets				
Investment in income fund	3,820	-	-	3,820
	3,820	-	-	3,820

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 June 2017.

		RM '000
a)	Letter of guarantee by a bank for a foreign subsidiary's import duties	114
b)	Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	192,682
c)	Payment of withholding tax to foreign tax authority if received dividend from foreign subsidiary company out of its non-tax exempted retained earnings	2,528
		195,324

d) 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 20% of the total demand amount by RMC as payment under protest to start the appeal process in January and July 2016 respectively. The consultant, after several discussions with the management and review on the facts, opined that PIESB has a strong base to defend the case.

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

15 Review of Performance

Comparison with Previous Year Corresponding Quarter's Results

The Group's revenue for the current quarter under review was RM176.069 million and profit before tax was RM13.590 million.

The revenue was increased by RM40.183 million or 30% if compared to preceding year corresponding quarter. The increase was mainly attributable to higher demand from existing customers for electronics manufacturing activities, raw wire & cable products and trading activities, but partly offset with lower revenue achieved by wire harness products.

Compared with the preceding year corresponding quarter, the profit before tax was increased by RM5.629 million or 71%, which was mainly due to higher revenue achieved, lower operating expenses and reversal of slow moving inventory. However, the increase in profit was partly limited by losses from foreign currency exchange transaction and higher provision for doubtful debts.

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

The Group recorded a revenue of RM337.939 million and a profit before tax of RM29.715 million in the period ended 30 June 2017.

As compared to revenue of RM255.611 million and a profit before tax of RM10.617 million in the period ended 30 June 2016, the revenue increased by RM82.328 million or 32%.

The increase of revenue was mainly due to more order from new and existing customers on all manufacturing activities and trading activities.

The profit before tax was increased by RM19.098 million or 180% if compared with preceding year corresponding period. The increase in profit was mainly due to higher revenue achieved, higher income from other investments, higher scrap sales, higher foreign currency exchange gain and reversal of slow moving inventories. However, the increase in profit was partly limited by higher operating expenses and higher provision for doubtful debts.

16 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter Ended			
	30.06.2017	31.03.2017	Variance	Variance
	RM '000	RM '000	RM '000	%
Revenue	176,069	161,870	14,199	9%
Profit before tax	13,590	16,125	(2,535)	-16%

The Group's revenue for the quarter under review has increased by 9% as compared with the preceding quarter. The increase was mainly due to higher demand for electronics manufacturing products, raw wire & cable products and trading activities but party offset with lower revenue achieved by wire harness.

The Group profit before tax for the current quarter has dropped by 16% as compared to preceding quarter. The decrease was mainly due to lower margin of products mix , lower foreign currency exchange gain, higher doubtful debt provision and higher slow moving inventories provision. However, the decrease in profit was partly offset by lower operating expenses.

17 Current Year Prospect

With increasing orders from existing customers and on-going new projests with potential customers, the Group foresees a steady grow of revenue in the year 2017, while the drastic fluctuation of Ringgit Malaysia against USD, labour and eletronic components shortage will continue to be the main factors to affect the Group's future revenue and earning. The Group will continue to strengthen its vertical integration of manufacturing capability and maintain sufficient manufacturing capacity to cater to outsourcing orders from new and existing customers. Barring any unforeseen circumstances, the Group anticipates to achieve a satisfactory performance for year 2017.

18 Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was announced and published.

19 Profit for the Period

	Quarter Ended		Period Ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	345	314	610	557
Investment income	809	778	1,603	1,222
Interest expenses	-	(90)	-	(335)
Depreciation and amortisation	(4,064)	(3,934)	(8,261)	(7,977)
Net (allowance)/reversal of impairment losses				
- trade receivables	(1,410)	940	(2,204)	(603)
Net reversal/(write down) of inventories	641	(3,427)	3,851	(1,601)
Net gain on disposal of :				
- property, plant and equipment	10	-	140	-
- investment	1	4	4	12
Net foreign exchange (loss)/gain	211	2,153	2,377	(2,744)
Gain from fair value adjustment of investment properties	139	-	139	-
Gain/(Loss) from fair value adjustment of financial assets through profit and loss	14	(4)	34	(10)

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		Period Ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	2,914	1,851	7,475	2,427
Underprovision in prior year	-	-	-	12
Deferred tax income	(23)	(22)	(45)	(58)
	2,891	1,829	7,430	2,381

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 certain 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:

	Equivalent in RM
	RM'000
Unsecured Borrowings	
Short-term loan	5,000
Total	5,000

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 2016, has been approved by the Company's shareholders at the Twentieth Annual General Meeting on 26 May 2017 and have been paid on 14 June 2017 to depositors registered in the Record of Depositors on 2 June 2017:

(a) A Special Single Tier Dividend of 2.6 sen per share; and
(b) A First and Final Single Tier Dividend of 2.4 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.

	Quarter Ended		Period Ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit attributable to ordinary equity shareholders (RM'000)	10,699	6,132	22,285	8,236
Weighted average number of ordinary share in issue (units'000)	384,042	384,042	384,042	384,042
Basic earnings per ordinary share (sen)	2.79	1.60	5.80	2.14

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

	Quarter Ended		Period Ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	'000	'000	'000	'000
Issued ordinary shares at beginning of the period	384,042	76,808	384,042	76,808
* Effect of share split	-	307,234	-	307,234
Weighted average number of ordinary shares	384,042	384,042	384,042	384,042

* On 15 July 2016, every existing ordinary share of the Company of RM1.00 each was sub-divided into five ordinary shares of RM0.20 each.

(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 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 30 June 2017, into realised and unrealised profits, pursuant to directives by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at 30.06.2017	As at 31.12.2016
	RM'000	RM'000 (Restated)
Total retained profits of P.I.E. Industrial Berhad and it's subsidiaries		
- Realised	316,419	304,401
- Unrealised	9,563	17,840
	325,982	322,241
Total share of retained loss from associate company		
- Realised	(25)	(25)
	325,957	322,216
Add : Consolidation adjustments	(44,713)	(44,055)
Total Group retained profits as per consolidated accounts	281,244	278,161

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.