



P.I.E. INDUSTRIAL BERHAD

(Registration No. 199701008590 (424086-X))

(Incorporated in Malaysia)

Interim Financial Report for the Financial
Period Ended 31 December 2021

P.I.E. INDUSTRIAL BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.12.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2020 RM'000	CURRENT YEAR TO DATE 31.12.2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2020 RM'000
Revenue	11	285,879	246,866	1,025,204	686,354
Cost of sales		(262,866)	(220,794)	(945,946)	(636,058)
Gross profit		23,013	26,072	79,258	50,296
Administrative and distribution expenses		(6,834)	(10,128)	(29,809)	(27,186)
Other operating income		7,242	22,913	19,741	25,614
Income from other investments		1,424	1,385	5,787	6,280
Finance costs		(125)	(11)	(270)	(11)
Profit before tax	11	24,720	40,231	74,707	54,993
Income tax expense	23	(2,908)	(5,154)	(14,032)	(9,396)
Profit for the period	22	21,812	35,077	60,675	45,597
<u>Other comprehensive (loss)/ income</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		(659)	599	(2,206)	(681)
Other comprehensive loss, net of tax		(659)	599	(2,206)	(681)
Total comprehensive income for the period		21,153	35,676	58,469	44,916
Total comprehensive income attributable to: - Owners of the Company		21,153	35,676	58,469	44,916
Basic earnings per ordinary share (sen)	27	5.68	9.13	15.80	11.87
Diluted earnings per ordinary share (sen)	27	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	UNAUDITED AS AT 31.12.2021 RM'000	AUDITED AS AT 31.12.2020 RM'000
	-----	-----	-----
ASSETS			
Non-current assets			
Property, plant and equipment	9	131,607	85,400
Investment properties		47,823	44,731
Right-of-use assets		5,999	6,204
Goodwill on consolidation		1,722	1,722
Deferred tax assets		1,262	827
		<u>188,413</u>	<u>138,884</u>
Current assets			
Inventories		300,927	164,724
Trade and other receivables		256,116	207,008
Other financial assets		1,390	7,203
Current tax assets		1,590	1,125
Short-term deposits with licensed banks		15,362	105,858
Cash and bank balances		62,913	37,848
Total current assets		<u>638,298</u>	<u>523,766</u>
TOTAL ASSETS		<u>826,711</u>	<u>662,650</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		83,203	83,203
Reserves		14,533	16,739
Retained earnings		419,108	377,635
Total equity		<u>516,844</u>	<u>477,577</u>
Non-current liabilities			
Deferred tax liabilities		7,329	3,336
Current liabilities			
Short-term borrowings	14	71,502	28,318
Trade and other payables		229,392	151,085
Refund liabilities		-	1,325
Current tax liabilities		1,644	1,009
Total current liabilities		<u>302,538</u>	<u>181,737</u>
Total liabilities		<u>309,867</u>	<u>185,073</u>
TOTAL EQUITY AND LIABILITIES		<u>826,711</u>	<u>662,650</u>
NET ASSETS		516,844	477,577
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		1.35	1.24

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 2020 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021**

	Share Capital RM'000	Non-distributable Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
<u>Period ended 31 December 2020</u>					
Balance as of 1 January 2020	83,203	14,760	2,660	351,240	451,863
Net profit for the period	-	-	-	45,597	45,597
Other comprehensive loss for the period	-	(681)	-	-	(681)
Total comprehensive (loss)/income for the period	-	(681)	-	45,597	44,916
Payment of dividends	-	-	-	(19,202)	(19,202)
Balance as of 31 December 2020	<u>83,203</u>	<u>14,079</u>	<u>2,660</u>	<u>377,635</u>	<u>477,577</u>
<u>Period ended 31 December 2021</u>					
Balance as of 1 January 2021	83,203	14,079	2,660	377,635	477,577
Net profit for the period	-	-	-	60,675	60,675
Other comprehensive loss for the period	-	(2,206)	-	-	(2,206)
Total comprehensive (loss)/income for the period	-	(2,206)	-	60,675	58,469
Payment of dividends	-	-	-	(19,202)	(19,202)
Balance as of 31 December 2021	<u>83,203</u>	<u>11,873</u>	<u>2,660</u>	<u>419,108</u>	<u>516,844</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 2020 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD**(REGISTRATION NO. : 199701008590 (424086-X))****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021**

	12 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	60,675	45,597
Adjustments for:		
Income tax expense	14,032	9,396
Non-cash items	13,199	19,887
Non-operating items	(2,295)	(4,133)
Operating profit before working capital changes	85,611	70,747
Changes in working capital:		
Net change in current assets	(170,772)	(135,465)
Net change in current liabilities	70,275	71,849
Cash (used in)/generated from operations	(14,886)	7,131
Tax refunded	-	281
Income tax paid	(11,836)	(12,807)
Interest received	620	2,040
Net cash used in from operating activities	(26,102)	(3,355)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	778	502
Payment for property, plant and equipment	(66,058)	(29,443)
Proceeds from disposal of income funds	5,900	12,700
Purchase of investment in income funds	-	(9,200)
Net cash used in investing activities	(59,380)	(25,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(19,202)	(19,202)
Net proceeds from bank borrowings	124,529	28,318
Net repayment of bank borrowings	(82,832)	-
Interest paid	(270)	(11)
Bank balances held as security	6	2
Net cash generated from financing activities	22,231	9,107
NET DECREASE IN CASH AND CASH EQUIVALENTS	(63,251)	(19,689)
Effect of foreign exchange rate differences	(2,174)	(3,988)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	143,605	167,282
CASH AND CASH EQUIVALENTS AT END OF PERIOD	78,180	143,605

P.I.E. INDUSTRIAL BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021**

	12 months ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
REPRESENTED BY:-		
Short-term deposits with licensed banks	15,362	105,858
Cash and bank balances	62,913	37,848
Less : Bank balance pledged as security	(95)	(101)
	<u>78,180</u>	<u>143,605</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD
(REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

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 2020, which have been prepared in accordance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016, in Malaysia.

The explanatory notes attached to these interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

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 2020.

The Group also applied the following standards, IC Interpretations and amendment to standard that have been issued by the Malaysian Accounting Standards Board (“MASB”) effective from 1 January 2021:

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform - Phase 2

Initial application of the above standards did not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

P.I.E. INDUSTRIAL BERHAD
(REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

2 Significant Accounting Policies (Continued)

Effective for annual periods beginning on or after 1 April 2021

Amendments to MFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 References to the Conceptual Framework

Amendments to MFRS 116 Property, Plant, and Equipment – Proceeds before Intended Use

Amendments to MFRS 137 Onerous Contracts – Costs of Fulfilling a Contract

Effective for annual periods beginning on or after 1 January 2023

Annual improvements to MFRS Standards 2018-2020 Amendments to MFRS 1 First-time

Adoption of Malaysian Financial Reporting Standards, MFRS 9 Financial Instruments,

MFRS 16 Leases and MFRS 141 Agriculture

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 101 Classification of Liabilities as Current or Non-current Insurance Contract

Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies

Amendments to MFRS 108 Definition of Accounting Estimates

Amendments to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities

arising from a Single Transaction

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

3 Auditors' Report on Preceding Annual Financial Statements

The auditors' reports for the Company and its subsidiaries for the financial year ended 31 December 2020 were not subject to any qualification.

4 Seasonal or Cyclical Factors

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

5 Unusual Items Due To Their Nature, Size or Incidence

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

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

6 Changes in Estimates

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

7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 December 2021.

As of 31 December 2021, total issued and fully paid-up share capital are 384,041,985 ordinary shares.

8 Dividends Paid

	12 months ended	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000
Dividends declared and paid:		
a) Special dividend:		
- 2.6 sen per ordinary share, single tier, for 2020	9,985	-
- 2.6 sen per ordinary share, interim single tier, for 2019	-	9,985
b) First and final dividend:		
- 2.4 sen per ordinary share, single tier, for 2020	9,217	-
- 2.4 sen per ordinary share, interim single tier, for 2019	-	9,217
	<u>19,202</u>	<u>19,202</u>

9 Revaluation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual audited financial statements for the financial period ended 31 December 2021.

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

10 Material Post Balance Sheet Events

There are no material events subsequent to the end of the current quarter that requires adjustment to, or disclosure in the unaudited interim financial report for the financial period ended 31 December 2021.

11 Operating Segment

Segment information is presented in respect of the Group's business segments.

The Group comprises the following main business segments:

- a) Manufacturing Manufacturing of industrial products
- b) Trading Trading of electrical products
- c) Others Investment holdings

Segments	Manufacturing	Trading	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period ended 31 December 2021</u>					
Revenue	1,025,003	169	32	-	1,025,204
Inter-segment revenue	91	1,346	-	(1,437)	-
	<u>1,025,094</u>	<u>1,515</u>	<u>32</u>	<u>(1,437)</u>	<u>1,025,204</u>
Segment results	62,080	(52)	9,475	(9,778)	61,725
Investment revenue					5,787
Other gains and losses					7,465
Finance costs					(270)
Profit before tax					<u>74,707</u>

Segments	Manufacturing	Trading	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period ended 31 December 2020</u>					
Revenue	685,950	184	220	-	686,354
Inter-segment revenue	140	904	11,876	(12,920)	-
	<u>686,090</u>	<u>1,088</u>	<u>12,096</u>	<u>(12,920)</u>	<u>686,354</u>
Segment results	25,904	(137)	7,937	(7,775)	25,929
Investment revenue					6,280
Other gains and losses					22,795
Finance costs					(11)
Profit before tax					<u>54,993</u>

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

12 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.

13 Capital Commitments

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

	12 months ended	
	31.12.2021	31.12.2020
	<u>RM'000</u>	<u>RM'000</u>
Authorised and contracted for :		
- Property, plant & equipment	10,309	17,963
	<u>10,309</u>	<u>17,963</u>

14 Short-Term Borrowings

	12 months ended	
	31.12.2021	31.12.2020
	<u>RM'000</u>	<u>RM'000</u>
Current		
- Secured	71,502	28,318
	<u>71,502</u>	<u>28,318</u>

The breakdown of Group borrowings by currency is as follows:

Functional currency		
- USD	17,000	7,060
	<u>17,000</u>	<u>7,060</u>

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

15 Fair Value of Instruments

(a) Determination of fair value

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

	31.12.2021		31.12.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial assets :				
Trade and other receivables (excluding prepayments)	254,935	254,935	202,634	202,634
Financial assets carried at fair value through profit or loss	1,390	1,390	7,203	7,203
Cash and cash equivalents	78,275	78,275	143,706	143,706
	<u>334,600</u>	<u>334,600</u>	<u>353,543</u>	<u>353,543</u>

(b) Fair value hierarchy

	31.12.2021		31.12.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities :				
Trade and other payables	229,392	229,392	151,085	151,085
Short term borrowings	71,502	71,502	28,318	28,318
	<u>300,894</u>	<u>300,894</u>	<u>179,403</u>	<u>179,403</u>

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

15 Fair Value of Instruments (Continued)

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at the reporting date, the Group held the following financial assets and liabilities that were measured at fair value by level of fair value hierarchy :

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>31 December 2021</u>				
Financial assets				
Investment in unit trusts	1,390	-	-	1,390
	<u>1,390</u>	<u>-</u>	<u>-</u>	<u>1,390</u>
<u>31 December 2020</u>				
Financial assets				
Investment in unit trusts	7,203	-	-	7,203
	<u>7,203</u>	<u>-</u>	<u>-</u>	<u>7,203</u>

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

16 Contingent Liabilities

Save as disclosed below, there were no obligations and contingent liabilities for the Group as of 31 December 2021.

	RM '000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	113
b) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	176,234
	<u>176,347</u>

P.I.E. INDUSTRIAL BERHAD

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021**

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

17 Review of Group Performance

Financial review for current quarter and financial period to date

	Individual Period (4th quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter ended			Current Year Quarter Ended	Preceding Year Corresponding Quarter ended		
	31.12.2021 RM'000	31.12.2020 RM'000	Amount	%	31.12.2021 RM'000	31.12.2020 RM'000	Amount	%
Revenue by segments								
- Manufacturing	285,836	246,826	39,010	16%	1,025,003	685,950	339,053	49%
- Trading	42	20	22	110%	169	184	(15)	-8%
- Others	1	20	(19)	-95%	32	220	(188)	-85%
Total revenue	285,879	246,866	39,013	16%	1,025,204	686,354	338,850	49%
Revenue by geographical location of the Group's operations								
- Malaysia	281,688	243,322	38,366	16%	1,008,940	673,449	335,491	50%
- Thailand	4,149	3,524	625	18%	16,169	12,721	3,448	27%
- Singapore	42	20	22	110%	95	184	(89)	-48%
Total revenue	285,879	246,866	39,013	16%	1,025,204	686,354	338,850	49%
Operating profit	24,720	40,231	(15,511)	-39%	74,707	54,993	19,714	36%
Profit before tax by segments								
- Manufacturing	26,329	42,106	(15,777)	-37%	75,189	55,201	19,988	36%
- Trading	(7)	(96)	89	93%	(12)	(95)	83	-87%
- Others	(1,602)	(1,779)	177	-10%	(470)	(113)	(357)	316%
Total profit before tax	24,720	40,231	(15,511)	-39%	74,707	54,993	19,714	36%
Profit after tax	21,812	35,077	(13,265)	-38%	60,675	45,597	15,078	33%
Total comprehensive income attributable to:								
- Owners of the Company	21,153	35,676	(14,523)	-41%	58,469	44,916	13,553	30%

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

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

17 Review of Group Performance (Continued)

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

The Group's revenue for the current quarter under review was RM285.879 million and profit before tax was RM24.720 million.

The revenue increased by RM39.013 million or 16% as compared to preceding year corresponding quarter. The increase was mainly attributable to higher demand from new and existing customers for electronics manufacturing (EMS), raw wire & cable products and wire harness products. For comparison of segmental revenue for the respective quarters discussed, please refer to the tables below:

Breakdown of segmental revenue for the quarter ended 31 December 2021:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	231,542	50,145	4,149	285,836	100%
Trading	-	-	-	42	0%
Others	-	-	-	1	0%
Total	231,542	50,145	4,149	285,879	100%

Breakdown of segmental revenue for the quarter ended 31 December 2020:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	211,831	31,471	3,524	246,826	100%
Trading	-	-	-	20	0%
Others	-	-	-	20	0%
Total	211,831	31,471	3,524	246,866	100%

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

17 Review of Group Performance (Continued)

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

Compared with the preceding year corresponding quarter, the profit before tax decrease by RM15.511 million or 39%. The decrease was mainly attributable to higher cost of sales recorded, lower gain from foreign currency exchange transaction in the current quarter as compared to the corresponding quarter. However, the decrease is offset against reversal of provision for slow moving inventories and lower operating expenses.

For comparison of segmental profit before tax for the respective quarters discussed, please refer to the tables below:

Breakdown of segmental profit before tax for the quarter ended 31 December 2021:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	19,989	6,912	(572)	26,329	106%
Trading	-	-	-	(7)	0%
Others	-	-	-	(1,602)	-6%
Total	19,989	6,912	(572)	24,720	100%

Breakdown of segmental profit before tax for the quarter ended 31 December 2020:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	35,763	5,988	355	42,106	104%
Trading	-	-	-	(96)	0%
Others	-	-	-	(1,779)	-4%
Total	35,763	5,988	355	40,231	100%

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

17 Review of Group Performance (Continued)

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

For the financial period ended 31 December 2021, the Group recorded revenue of RM1,025.204 million, a increase of 49% or RM338.850 million as compared to the corresponding period ended 31 December 2020 of RM686.354 million.

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

Breakdown of segmental revenue for the period ended 31 December 2021:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	830,176	178,658	16,169	1,025,003	100%
Trading	-	-	-	169	0%
Others	-	-	-	32	0%
Total	830,176	178,658	16,169	1,025,204	100%

Breakdown of segmental revenue for the period ended 31 December 2020:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	573,321	99,908	12,721	685,950	100%
Trading	-	-	-	184	0%
Others	-	-	-	220	0%
Total	573,321	99,908	12,721	686,354	100%

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

17 Review of Group Performance (Continued)

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

For the financial period ended 31 December 2021, the Group recorded profit before tax of RM74.707 million, a increase of 36% or RM19.714 million as compared to the corresponding period ended 31 December 2020 the profit before tax of RM54.993 million.

The improvement recorded in our profit before tax was mainly due to higher margin of unfavorable product mix, obtained new product orders from new customers for electronics manufacturing activities (EMS), higher income from scrap sales and reversal of provision for slow moving inventories. The increase was partially offset against higher administrative and distribution and lower gain from foreign currency exchange transaction.

For comparison of segmental profit before tax for the respective periods discussed, please refer to the tables below:

Breakdown of segmental profit before tax for the period ended 31 December 2021:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	54,351	19,606	1,232	75,189	101%
Trading	-	-	-	(12)	0%
Others	-	-	-	(470)	-1%
Total	54,351	19,606	1,232	74,707	100%

Breakdown of segmental profit before tax for the period ended 31 December 2020:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	41,381	13,787	33	55,201	100%
Trading	-	-	-	(95)	0%
Others	-	-	-	(113)	0%
Total	41,381	13,787	33	54,993	100%

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

18 Comparison with Immediate Preceding Quarter's Results

Financial review for current quarter compared with immediate preceding quarter

	Individual Quarter Ended		Changes	
	31.12.2021	30.09.2021	Amount	Variance
	RM '000	RM '000	RM '000	%
Revenue				
Manufacturing segments				
- EMS activities	231,542	200,155	31,387	16%
- Raw cable & wire	50,145	36,574	13,571	37%
- Wire harness	4,149	4,014	135	3%
Trading segment	42	36	6	17%
Other segment	1	1	-	0%
	<u>285,879</u>	<u>240,780</u>	<u>45,099</u>	19%
Operating profit	24,720	17,883	6,837	38%
Profit before tax	24,720	17,883	6,837	38%
Profit after tax	21,812	13,452	8,360	62%
Total comprehensive income attributable to:				
- Owners of the Company	21,153	11,905	9,248	78%

The Group's revenue in the quarter under review increase by 19% as compared with the preceding quarter. The increase was mainly due to higher demand recorded for EMS, raw cable & wire products, wire harness products segments.

The Group profit before tax for the current quarter has increased by 38% as compared to preceding quarter. The increase was mainly due to higher revenue and higher margin of products mix, fair value gain adjustment on investment properties, gain from foreign currency exchange transaction, and reversal of provision slow moving inventories but was offset against higher administrative and distribution expenses.

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

19 Review of Group Assets and Liabilities

	As at	As at	Changes	
	31.12.2021	31.12.2020	Amount	Variance
	RM'000	RM'000	RM '000	%
Total assets	826,711	662,650	164,061	25%
Total liabilities	309,867	185,073	124,794	67%
Total equity	516,844	477,577	39,267	8%

Total assets

As at 31 December 2021, the Group's total assets increased by 25% or RM164.061 million to RM826.711 million from RM662.650 million as at 31 December 2020. The growth was mainly contributed by the increase investment in property, plant and equipment (PPE), inventories and trade receivables. The increase in PPE and inventories was to fulfil sales order received from new and existing customers. Therefore, the increase in revenue this year has led to an increase in trade receivables.

Total liabilities

As at 31 December 2021, the Group's total liabilities increased by 67% or RM124.794 million to RM309.867 million from RM185.073 million as at 31 December 2020. The increase was mainly due to increase in short term borrowings and trade payables. The increase was mainly due to purchases of raw materials to meet the new and existing customers sales order and the expansion of factories.

Total equity

The Group's total equity as at 31 December 2021 increased by RM39.267 million to RM516.844 million as compared to RM477.577 million as at 31 December 2020. The increase in total equity is due to increase in distributable retained earnings as a net result of net profit of RM60.675 million for the current financial period under review and payment of dividends amounting to RM19.202 million. During the financial period under review, non-distributable reserves decreased by RM2.206 million due to changes in foreign exchange translation reserve.

P.I.E. INDUSTRIAL BERHAD
(REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

20 Current Year Prospect

The major source of revenue and profit of the Group is from its manufacturing segment (99%).

For EMS activities (81%), orders are expected to increase from existing customers and potential new customers through its fully built-up vertical integrated manufacturing facilities which will be further improved in operation for the coming years. PIE has engaged another new major customer this year and is expected to be a major contributor in business growth. As there is a high growth business opportunity in mobile energy device, a new Research and Development (R&D) division was set up to provide potential customers with one stop total solution to enhance our capabilities as the preferred EMS provider. As the pandemic is stabilizing and many businesses resuming operation, the local labour shortages getting more severe. PIE has submitted the application for new foreign labour pending approval from government.

Revenue derived from the manufacturing activity of raw wire & cable (17%) will continue to grow, with consistent profit margin in near future. There is an increasing trend of the copper price since the end of FY2020. However, this division is able to maintain its profit margin as the selling price quoted to customers is pegged to the copper price determined according to the market.

The revenue from PIT in Thailand is expected to increase as more orders are expected to be transferred from PIE since there are more available labour supply there and customers in general acceptable to have dual sites supporting the manufacturing of their product as a contingency measure.

The trading segment (1%) will continue to promote respective parent companies products for the customers in the ASEAN market. However, the management does not expect significant growth from this segment in the near future due to the lack of attractive electronics products from the parent companies.

21 Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was announced and published.

P.I.E. INDUSTRIAL BERHAD
(REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

22 Profit for the Period

	Quarter Ended		Period Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	108	244	620	2,040
Investment income	1,316	1,141	5,167	4,240
Interest expenses	(125)	(11)	(270)	(11)
Depreciation and amortisation	(4,754)	(4,606)	(18,365)	(17,818)
Net (additional)/reversal of impairment losses				
- trade receivables	(100)	572	(1)	4
Net reversal/(additional) of inventories written down	1,482	6,329	4,119	(2,622)
Net (loss)/gain on disposal of :				
- property, plant and equipment	-	(197)	(398)	(197)
- investment	-	-	30	26
Property, plant and equipment written off	-	-	(93)	-
Bad debts written off	-	(2)	-	(2)
Net foreign exchange gain/(loss)	1,571	13,885	6,804	22,470
Gain from fair value adjustment of investment properties	1,140	550	1,140	550
Gain/(loss) from fair value adjustment of financial assets through profit and loss	-	9	(18)	(55)

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

23 Income Tax Expense

	Quarter Ended		Period Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	452	4,544	11,441	8,693
Underprovision in prior year	(128)	1,753	(128)	1,968
Deferred tax income	2,584	(1,143)	2,719	(1,265)
	<u>2,908</u>	<u>5,154</u>	<u>14,032</u>	<u>9,396</u>

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

P.I.E. INDUSTRIAL BERHAD
(REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

24 Status of Corporate Proposals Announced

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

25 Changes in Material Litigation

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

In 2015, a subsidiary of the Group, Pan-International Electronics (Malaysia) Sdn. Bhd. (“PIESB”) received demand letters from the RMC regarding unpaid import duties and sales tax amounting to RM8,432,283 and RM841,342 respectively.

The RMC had blacklisted all the Directors of PIESB from leaving and entering Malaysia and arising from this, the external legal counsel of PIESB had filed a judicial review application in the High Court of Malaya to challenge the condition imposed by the RMC. The RMC had subsequently withdrawn the blacklisting of all Directors with the condition that PIESB remit a payment of 28% of the disputed sum and placed a bank guarantee with the RMC for the remaining sum. PIESB had complied with the instructions of the RMC without prejudice.

To date, the RMC had not filed any suit against PIESB for the above said claim. PIESB had filed an appeal with the Ministry of Finance (“MOF”), Malaysia regarding the alleged unpaid import duties and sales tax of which its application was verbally rejected by the MOF on October 31, 2017. Subsequent to the rejection, the external legal counsel of PIESB had applied for a judicial review on the decision of the MOF with the High Court of Penang. The High Court of Penang dismissed PIESB’s application for a judicial review. Following the dismissal by the High Court of Penang, PIESB had submitted an appeal application against the decision of the High Court of Penang to the Court of Appeals of which hearing of the case was fixed on June 24, 2019.

The Court of Appeal however decided that the appeal was premature as there was no documentary proof that the MOF had issued a letter to dismiss PIESB appeal for remission of the custom duties and sales tax. As such, the solicitor had advised PIESB to write a fresh letter of appeal to the MOF to request the Minister of Finance to reconsider and allow its appeal for the remission of the custom duties and sales tax. The external legal counsel of PIESB is still awaiting the Minister of Finance to reply to its fresh letter of appeal and believes that the chances of PIESB’s judicial review on the decision of the Ministry of Finance are reasonably good.

P.I.E. INDUSTRIAL BERHAD
 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

26 Dividends

The following Dividends for the year ended 31 December 2020, has been approved by the Company's shareholders at the Twenty-Fourth Annual General Meeting on 21 May 2021 and had been paid on 18 June 2021 to depositors registered in the Record of Depositors on 28 May 2021:

- (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.

27 Earnings Per Ordinary Share

(a) Basic earnings per ordinary share

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

	Quarter Ended		Period Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit attributable to ordinary equity shareholders (RM'000)	21,812	35,077	60,675	45,597
Weighted average number of ordinary share in issue (units'000)	384,042	384,042	384,042	384,042
Basic earnings per ordinary share (sen)	<u>5.68</u>	<u>9.13</u>	<u>15.80</u>	<u>11.87</u>

(b) Diluted earnings per ordinary share

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter and financial period-to-date.

28 Derivative Financial Instruments

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

P.I.E. INDUSTRIAL BERHAD
(REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2021

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

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

30 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 25 February 2022.