



P.I.E. INDUSTRIAL BERHAD

(Registration No. 199701008590 (424086-X))

(Incorporated in Malaysia)

Interim Financial Report for the Financial
Period Ended 31 MARCH 2022

P.I.E. INDUSTRIAL BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2022**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.03.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2021 RM'000	CURRENT YEAR TO DATE 31.03.2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2021 RM'000
Revenue	11	266,984	263,168	266,984	263,168
Cost of sales		(247,543)	(251,430)	(247,543)	(251,430)
Gross profit		19,441	11,738	19,441	11,738
Administrative and distribution expenses		(5,688)	(6,550)	(5,688)	(6,550)
Other operating income		8,072	7,833	8,072	7,833
Income from other investments		1,779	1,917	1,779	1,917
Finance costs		(30)	(32)	(30)	(32)
Profit before tax	11	23,574	14,906	23,574	14,906
Income tax expense	23	(4,744)	(2,848)	(4,744)	(2,848)
Profit for the period	22	18,830	12,058	18,830	12,058
<u>Other comprehensive income/(loss)</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		266	(324)	266	(324)
Other comprehensive income/(loss), net of tax		266	(324)	266	(324)
Total comprehensive income for the period		19,096	11,734	19,096	11,734
Total comprehensive income attributable to: - Owners of the Company		19,096	11,734	19,096	11,734
Basic earnings per ordinary share (sen)	27	4.90	3.14	4.90	3.14
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 2021 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 MARCH 2022**

	Note	UNAUDITED AS AT 31.03.2022 RM'000	AUDITED AS AT 31.12.2021 RM'000
	-----	-----	-----
ASSETS			
Non-current assets			
Property, plant and equipment	9	126,855	124,536
Investment properties		47,466	47,433
Right-of-use assets		12,903	13,065
Goodwill on consolidation		1,722	1,722
Deferred tax assets		1,266	1,262
		<u>190,212</u>	<u>188,018</u>
Current assets			
Inventories		298,698	300,927
Trade and other receivables		237,899	256,143
Other financial assets		1,397	1,390
Current tax assets		3,150	1,590
Short-term deposits with licensed banks		12,412	15,362
Cash and bank balances		50,328	62,913
Total current assets		<u>603,884</u>	<u>638,325</u>
TOTAL ASSETS		<u>794,096</u>	<u>826,343</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		83,203	83,203
Reserves		14,799	14,533
Retained earnings		437,583	418,753
Total equity		<u>535,585</u>	<u>516,489</u>
Non-current liabilities			
Deferred tax liabilities		7,293	7,364
Current liabilities			
Short-term borrowings	14	50,544	71,502
Trade and other payables		195,854	229,415
Current tax liabilities		4,820	1,573
Total current liabilities		<u>251,218</u>	<u>302,490</u>
Total liabilities		<u>258,511</u>	<u>309,854</u>
TOTAL EQUITY AND LIABILITIES		<u>794,096</u>	<u>826,343</u>
NET ASSETS		535,585	516,489
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		1.39	1.34

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 2021 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 1ST QUARTER ENDED 31 MARCH 2022**

	Share Capital RM'000	Non-distributable Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
Period ended 31 March 2021					
Balance as of 1 January 2021	83,203	14,079	2,660	377,635	477,577
Net profit for the period	-	-	-	12,058	12,058
Other comprehensive loss for the period	-	(324)	-	-	(324)
Total comprehensive (loss)/income for the period	-	(324)	-	12,058	11,734
Balance as of 31 March 2021	<u>83,203</u>	<u>13,755</u>	<u>2,660</u>	<u>389,693</u>	<u>489,311</u>
Period ended 31 March 2022					
Balance as of 1 January 2022	83,203	11,873	2,660	418,753	516,489
Net profit for the period	-	-	-	18,830	18,830
Other comprehensive profit for the period	-	266	-	-	266
Total comprehensive income for the period	-	266	-	18,830	19,096
Balance as of 31 March 2022	<u>83,203</u>	<u>12,139</u>	<u>2,660</u>	<u>437,583</u>	<u>535,585</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 2021 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 1ST QUARTER ENDED 31 MARCH 2022**

	3 months ended	
	31.03.2022 RM'000	31.03.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	18,830	12,058
Adjustments for:		
Income tax expense	4,744	2,848
Non-cash items	2,904	(2,187)
Non-operating items	83	(1,029)
Operating profit before working capital changes	26,561	11,690
Changes in working capital:		
Net change in current assets	21,718	(44,440)
Net change in current liabilities	(31,953)	25,541
Cash generated from/(used in) operations	16,326	(7,209)
Income tax paid	(3,159)	(2,053)
Interest received	58	235
Net cash generated from/(used in) operating activities	13,225	(9,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	78
Payment for property, plant and equipment	(7,122)	(1,890)
Proceeds from disposal of income funds	-	1,900
Net cash (used in)/generated from investing activities	(7,122)	88
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from bank borrowings	-	(8,545)
Net repayment of bank borrowings	(20,907)	-
Interest paid	(30)	(32)
Bank balances held as security	(1)	1
Net cash used in financing activities	(20,938)	(8,576)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,835)	(17,515)
Effect of foreign exchange rate differences	(701)	(1,777)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	78,180	143,605
CASH AND CASH EQUIVALENTS AT END OF PERIOD	62,644	124,313

P.I.E. INDUSTRIAL BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2022**

	3 months ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
REPRESENTED BY:-		
Short-term deposits with licensed banks	12,412	78,626
Cash and bank balances	50,328	45,788
Less : Bank balance pledged as security	(96)	(101)
	<u>62,644</u>	<u>124,313</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 2021 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 1ST QUARTER ENDED 31 MARCH 2022

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 2021, 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 2021.

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 2021.

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.

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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 2021 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.

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FOR THE 1ST QUARTER ENDED 31 MARCH 2022

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 March 2022.

As of 31 March 2022, total issued and fully paid-up share capital are 384,041,985 ordinary shares.

8 Dividends Paid

The Company did not pay any dividend to its shareholders during the financial period ended 31 March 2022.

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 March 2022.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2022

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 March 2022.

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 March 2022</u>					
Revenue	266,943	41	-	-	266,984
Inter-segment revenue	567	538	-	(1,105)	-
	<u>267,510</u>	<u>579</u>	<u>-</u>	<u>(1,105)</u>	<u>266,984</u>
Segment results	19,167	(24)	391	273	19,807
Investment revenue					1,779
Other gains and losses					2,018
Finance costs					(30)
Profit before tax					<u>23,574</u>

Segments	Manufacturing	Trading	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period ended 31 March 2021</u>					
Revenue	263,113	38	17	-	263,168
Inter-segment revenue	12	-	-	(12)	-
	<u>263,125</u>	<u>38</u>	<u>17</u>	<u>(12)</u>	<u>263,168</u>
Segment results	13,264	(11)	389	135	13,777
Investment revenue					1,917
Other gains and losses					(756)
Finance costs					(32)
Profit before tax					<u>14,906</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2022

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

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.

14 Short-Term Borrowings

	3 months ended	
	31.03.2022	31.03.2021
	<u>RM'000</u>	<u>RM'000</u>
Current		
- Secured	50,544	20,039

The breakdown of Group borrowings by currency is as follows:

Functional currency		
- USD	12,000	5,000

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2022

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.

	31.03.2022		31.12.2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial assets :				
Trade and other receivables (excluding prepayments)	229,725	229,725	248,305	248,305
Financial assets carried at fair value through profit or loss	1,397	1,397	1,390	1,390
Cash and cash equivalents	62,740	62,740	78,275	78,275
	<u>293,862</u>	<u>293,862</u>	<u>327,970</u>	<u>327,970</u>

(b) Fair value hierarchy

	31.03.2022		31.12.2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities :				
Trade and other payables	195,854	195,854	229,415	229,415
Short term borrowings	50,544	50,544	71,502	71,502
	<u>246,398</u>	<u>246,398</u>	<u>300,917</u>	<u>300,917</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2022

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 March 2022</u>				
Financial assets				
Investment in unit trusts	1,397	-	-	1,397
	<u>1,397</u>	<u>-</u>	<u>-</u>	<u>1,397</u>
<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>

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 March 2022.

	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	177,254
	<u>177,368</u>

P.I.E. INDUSTRIAL BERHAD

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2022**

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 (1st quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter ended			Current Year Quarter Ended	Preceding Year Corresponding Quarter ended		
	31.03.2022 RM'000	31.03.2021 RM'000	Amount	%	31.03.2022 RM'000	31.03.2021 RM'000	Amount	%
Revenue by segments								
- Manufacturing	266,943	263,113	3,830	1%	266,943	263,113	3,830	1%
- Trading	41	38	3	8%	41	38	3	8%
- Others	-	17	(17)	-100%	-	17	(17)	-100%
Total revenue	266,984	263,168	3,816	1%	266,984	263,168	3,816	1%
Revenue by geographical location of the Group's operations								
- Malaysia	263,071	259,173	3,898	2%	263,071	259,173	3,898	2%
- Thailand	3,872	3,995	(123)	-3%	3,872	3,995	(123)	-3%
- Singapore	41	-	41	100%	41	-	41	100%
Total revenue	266,984	263,168	3,816	1%	266,984	263,168	3,816	1%
Operating profit	23,574	14,906	8,668	58%	23,574	14,906	8,668	58%
Profit before tax by segments								
- Manufacturing	23,198	14,480	8,718	60%	23,198	14,480	8,718	60%
- Trading	(23)	(7)	(16)	-229%	(23)	(7)	(16)	229%
- Others	399	433	(34)	-8%	399	433	(34)	-8%
Total profit before tax	23,574	14,906	8,668	58%	23,574	14,906	8,668	58%
Profit after tax	18,830	12,058	6,772	56%	18,830	12,058	6,772	56%
Total comprehensive income attributable to:								
- Owners of the Company	19,096	11,734	7,362	63%	19,096	11,734	7,362	63%

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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 RM266.984 million and profit before tax was RM23.574 million.

The revenue increased by RM3.816 million or 1% as compared to preceding year corresponding quarter. The increased was mainly attributable to higher demand from existing customers from raw wire & cable products but partly offset with lower revenue from electronics manufacturing activities (EMS) and wire harness products segments. 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 March 2022:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	199,110	63,961	3,872	266,943	100%
Trading	-	-	-	41	0%
Others	-	-	-	-	0%
Total	199,110	63,961	3,872	266,984	100%

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

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	213,691	45,427	3,995	263,113	100%
Trading	-	-	-	38	0%
Others	-	-	-	17	0%
Total	213,691	45,427	3,995	263,168	100%

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 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2022

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 increased by RM8.668 million or 58%. The increase was mainly attributable to higher revenue, income from scrap sales, gain from foreign currency exchange transaction and lower administrative and distribution expenses in the current quarter as compared to the corresponding quarter. However the improvement noted above were offset against provision for slow moving inventories.

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 March 2022:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	15,880	6,875	443	23,198	98%
Trading	-	-	-	(23)	0%
Others	-	-	-	399	2%
Total	15,880	6,875	443	23,574	100%

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

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	8,916	4,536	1,028	14,480	97%
Trading	-	-	-	(7)	0%
Others	-	-	-	433	3%
Total	8,916	4,536	1,028	14,906	100%

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 (REGISTRATION NO. : 199701008590 (424086-X))
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 31 MARCH 2022

18 Comparison with Immediate Preceding Quarter's Results

Financial review for current quarter compared with immediate preceding quarter

	Individual Quarter Ended		Changes	
	31.03.2022	31.12.2021	Amount	Variance
Revenue	RM '000	RM '000	RM '000	%
Manufacturing segments				
- EMS activities	199,110	231,542	(32,432)	-14%
- Raw cable & wire	63,961	50,145	13,816	28%
- Wire harness	3,872	4,149	(277)	-7%
Trading segment	41	42	(1)	-2%
Other segment	-	1	(1)	-100%
	<u>266,984</u>	<u>285,879</u>	<u>(18,895)</u>	-7%
Operating profit	23,574	24,720	(1,146)	-5%
Profit before tax	23,574	24,720	(1,146)	-5%
Profit after tax	18,830	21,812	(2,982)	-14%
Total comprehensive income attributable to:				
- Owners of the Company	19,096	21,153	(2,057)	-10%

The Group's revenue in the quarter under review decreased by 7% as compared with the preceding quarter. The decrease was mainly due to lower demand recorded for EMS and wire harness products segments but partly offset with higher revenue from raw wire & cable products.

The Group profit before tax for the current quarter has decreased by 5% as compared to preceding quarter. The decrease was mainly due to lower revenue, lower margin of products mix and fair value gain adjustment on investment properties but was offset against lower administrative and distribution expenses, income from scrap sales and reversal of provision slow moving inventories.

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19 Review of Group Assets and Liabilities

	As at	As at	Changes	
	31.03.2022	31.12.2021	Amount	Variance
	RM'000	RM'000	RM '000	%
Total assets	794,096	826,343	(32,247)	-4%
Total liabilities	258,511	309,854	(51,343)	-17%
Total equity	535,585	516,489	19,096	4%

Total assets

As at 31 March 2022, the Group's total assets decreased by 4% or RM32.247 million to RM794.096 million from RM826.343 million as at 31 December 2021. The decreased was mainly due to decrease in trade receivables as a result of collection of overdue trade receivables.

Total liabilities

As at 31 March 2022, the Group's total liabilities decreased by 17% or RM51.343 million to RM258.511 million from RM309.854 million as at 31 December 2021. The decrease was mainly due to repayment of short term borrowing and trade payables.

Total equity

The Group's total equity as at 31 March 2022 increased by RM19.096 million to RM535.585 million as compared to RM516.489 million as at 31 December 2021. The increase in total equity is due to increase in distributable retained earnings as a net result of net profit of RM18.830 million for the current financial period under review. During the financial period under review, non-distributable reserves increased by RM0.266 million due to changes in foreign exchange translation reserve.

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20 Current Year Prospect

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

For EMS activities (75%), 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 (23%) 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.

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22 Profit for the Period

	Quarter Ended		Period Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	58	235	58	235
Investment income	1,720	1,682	1,720	1,682
Interest expenses	(30)	(32)	(30)	(32)
Depreciation and amortisation	(5,009)	(4,462)	(5,009)	(4,462)
Net reversal/(additional) of impairment losses				
- trade receivables	47	(10)	47	(10)
Net reversal/(additional) of inventories written down	2,058	6,659	2,058	6,659
Net (loss)/gain on disposal of :				
- property, plant and equipment	-	(326)	-	(326)
- investment	-	7	-	7
Net foreign exchange gain/(loss)	1,971	(425)	1,971	(425)
Gain/(loss) from fair value adjustment of financial assets through profit and loss	1	(1)	1	(1)

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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	4,815	2,760	4,815	2,760
Deferred tax income	(71)	88	(71)	88
	<u>4,744</u>	<u>2,848</u>	<u>4,744</u>	<u>2,848</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.

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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 20% 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. In December 2021, an additional payment of RM741,889 had been made by PIESB to the RMC based on a notice of demand received from the RMC. 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.

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26 Dividends

The following Dividends for the year ended 31 December 2022, has been announced by the Company on 27 April 2022 and will be paid on 20 June 2022 to depositors registered in the Record of Depositors on 27 May 2022:

- (a) A Special Single Tier Interim Dividend of 2.0 sen per share; and
- (b) A Single Tier Interim Dividend of 5.0 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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to ordinary equity shareholders (RM'000)	18,830	12,058	18,830	12,058
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>4.90</u>	<u>3.14</u>	<u>4.90</u>	<u>3.14</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.

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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 20 May 2022.