



**P.I.E. INDUSTRIAL BERHAD**

( Registration No. 199701008590 (424086-X) )

(Incorporated in Malaysia)

Interim Financial Report for the Financial  
Period Ended 30 June 2023

**P.I.E. INDUSTRIAL BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000	CURRENT YEAR TO DATE 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2022 RM'000
Revenue	11	286,514	296,302	618,964	563,286
Cost of sales		(277,575)	(280,413)	(592,769)	(527,955)
Gross profit		8,939	15,889	26,195	35,331
Administrative and distribution expenses		(6,977)	(5,850)	(14,352)	(11,537)
Other operating income		12,693	1,917	21,015	9,989
Income from other investments		1,388	1,258	2,651	3,037
Finance costs		(617)	(264)	(1,514)	(294)
Profit before tax	11	15,426	12,950	33,995	36,526
Income tax expense	23	(3,833)	(4,678)	(8,782)	(9,422)
Profit for the period	22	11,593	8,272	25,213	27,104
<u>Other comprehensive loss</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		501	(268)	886	(2)
Other comprehensive income/(loss), net of tax		501	(268)	886	(2)
Total comprehensive income for the period		12,094	8,004	26,099	27,102
Total comprehensive income attributable to:					
- Owners of the Company		12,094	8,004	26,099	27,102
Basic earnings per ordinary share (sen)	27	3.02	2.15	6.57	7.06
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 2022 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 30 JUNE 2023**

	Note	UNAUDITED AS AT 30.06.2023 RM'000	AUDITED AS AT 31.12.2022 RM'000
	-----	-----	-----
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	192,128	164,011
Investment properties		21,621	21,507
Right-of-use assets		5,692	22,746
Goodwill on consolidation		1,722	1,722
Investment in associated company		175	-
Deferred tax assets		1,227	1,216
		<u>222,565</u>	<u>211,202</u>
<b>Current assets</b>			
Inventories		270,174	287,798
Trade and other receivables		299,024	336,011
Other financial assets		1,548	1,471
Current tax assets		3,382	7,203
Short-term deposits with licensed banks		34,894	19,646
Cash and bank balances		48,282	43,530
<b>Total current assets</b>		<u>657,304</u>	<u>695,659</u>
<b>TOTAL ASSETS</b>		<u>879,869</u>	<u>906,861</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		83,203	83,203
Reserves		16,249	15,363
Retained earnings		460,231	461,901
<b>Total equity</b>		<u>559,683</u>	<u>560,467</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		10,668	10,682
<b>Current liabilities</b>			
Short-term borrowings	14	65,865	105,569
Trade and other payables		242,308	228,087
Current tax liabilities		1,345	2,056
<b>Total current liabilities</b>		<u>309,518</u>	<u>335,712</u>
<b>Total liabilities</b>		<u>320,186</u>	<u>346,394</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>879,869</u>	<u>906,861</u>
<b>NET ASSETS</b>		559,683	560,467
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		1.46	1.46

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 2022 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 2ND QUARTER ENDED 30 JUNE 2023**

	Share Capital RM'000	Non-distributable Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
<b>Period ended 30 June 2022</b>					
Balance as of 1 January 2022	83,203	11,873	2,660	418,753	516,489
Net profit for the period				27,104	27,104
Other comprehensive loss for the period		(2)			(2)
Total comprehensive (loss)/income for the period		(2)	-	27,104	27,102
Payment of dividends				(26,883)	(26,883)
Balance as of 30 June 2022	83,203	11,871	2,660	418,974	516,708
<b>Period ended 30 June 2023</b>					
Balance as of 1 January 2023	83,203	12,703	2,660	461,901	560,467
Net profit for the period	-	-	-	25,213	25,213
Other comprehensive income for the period	-	886	-	-	886
Total comprehensive income for the period	-	886	-	25,213	26,099
Payment of dividends	-	-	-	(26,883)	(26,883)
Balance as of 30 June 2023	83,203	13,589	2,660	460,231	559,683

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 2022 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 2ND QUARTER ENDED 30 JUNE 2023**

	6 months ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	25,213	27,104
Adjustments for:		
Income tax expense	8,782	9,422
Non-cash items	13,391	12,583
Non-operating items	(10,255)	1,470
Operating profit before working capital changes	37,131	50,579
Changes in working capital:		
Net change in current assets	55,052	(1,150)
Net change in current liabilities	26,999	(34,457)
Cash generate from operations	119,182	14,972
Income tax paid	(5,689)	(5,965)
Interest received	1,258	136
Net cash generated from operating activities	114,751	9,143
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	175	375
Payment for property, plant and equipment	(23,984)	(27,662)
Proceeds from divestment of interest in a subsidiary company	(175)	-
Net cash used in investing activities	(23,984)	(27,287)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(26,883)	(26,883)
Net proceeds from bank borrowings	22,628	21,930
Net repayment of bank borrowings	(63,369)	(20,908)
Interest paid	(1,514)	(294)
Bank balances held as security	(2)	2
Net cash used in financing activities	(69,140)	(26,153)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	21,627	(44,297)
Effect of foreign exchange rate differences	(1,630)	495
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	63,079	78,180
CASH AND CASH EQUIVALENTS AT END OF PERIOD	83,076	34,378

**P.I.E. INDUSTRIAL BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

	6 months ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
REPRESENTED BY:-		
Short-term deposits with licensed banks	34,894	10,038
Cash and bank balances	48,282	24,435
Less : Bank balance pledged as security	(100)	(95)
	<u>83,076</u>	<u>34,378</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 2022 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 2ND QUARTER ENDED 30 JUNE 2023**

**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 2022, 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 2022.

**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 2022.

**Effective for annual periods beginning on or after 1 January 2023**

*MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Initial Application of MFRS 17 Insurance Contracts and  
MFRS 9 Financial Instruments - Comparative Information*

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

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

*Amendments to MFRS 101 and MFRS Practice Statements 2 Disclosure of Accounting Policies*

*Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a  
Single Transaction*

Effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

**2 Significant Accounting Policies (Continued)**

**Effective for annual periods beginning on or after 1 January 2024**

*Amendments to MFRS 108 Definition of Accounting Estimates*

*Amendments to MFRS 16 Lease Liability in a Sale and Leaseback*

*Amendments to MFRS 101 Non-current Liability with Covenants*

Effective for annual periods beginning on or after January 1, 2024, with earlier application permitted.

**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 2022 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 2ND QUARTER ENDED 30 JUNE 2023**

**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 30 June 2023.

As of 30 June 2023, total issued and fully paid-up share capital are 384,041,985 ordinary shares.

**8 Dividends Paid**

	6 months ended	
	<u>30.06.2023</u>	<u>30.06.2022</u>
	RM'000	RM'000
Dividends declared and paid:		
a) Special interim dividend:		
- 2 sen per ordinary share, single tier, for 2023	7,681	-
- 2 sen per ordinary share, single tier, for 2022	-	7,681
b) Interim dividend:		
- 5 sen per ordinary share, single tier, for 2023	19,202	-
- 5 sen per ordinary share, single tier, for 2022	-	19,202
	<u>26,883</u>	<u>26,883</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 30 June 2023.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

**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 30 June 2023.

**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

<b>Segments</b>	<b>Manufacturing</b>	<b>Trading</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Period ended 30 June 2023</u></b>					
Revenue	618,943	20	1	-	618,964
Inter-segment revenue	1,346	361	-	(1,707)	-
	<u>620,289</u>	<u>381</u>	<u>1</u>	<u>(1,707)</u>	<u>618,964</u>
Segment results	14,999	(21)	29,363	(28,384)	15,957
Investment revenue					2,651
Other gains and losses					16,901
Finance costs					(1,514)
Profit before tax					<u>33,995</u>

<b>Segments</b>	<b>Manufacturing</b>	<b>Trading</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Period ended 30 June 2022</u></b>					
Revenue	563,187	98	1	-	563,286
Inter-segment revenue	80	1,000	-	(1,080)	-
	<u>563,267</u>	<u>1,098</u>	<u>1</u>	<u>(1,080)</u>	<u>563,286</u>
Segment results	27,949	(29)	27,762	(26,989)	28,693
Investment revenue					3,037
Other gains and losses					5,090
Finance costs					(294)
Profit before tax					<u>36,526</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

**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**

	6 months ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
Current		
- Secured	65,865	74,851
	65,865	74,851

The breakdown of Group borrowings by currency is as follows:

Functional currency		
- EUR	2,800	-
- RM	42,217	-
- USD	2,000	17,000
	2,800	17,000

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

**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.

	30.06.2023		31.12.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets :</b>				
Trade and other receivables (excluding prepayments)	295,816	295,816	333,062	333,062
Financial assets carried at fair value through profit or loss	1,548	1,548	1,471	1,471
Cash and cash equivalents	83,176	83,176	63,176	63,176
	<u>380,540</u>	<u>380,540</u>	<u>397,709</u>	<u>397,709</u>

**(b) Fair value hierarchy**

	30.06.2023		31.12.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
<b>Financial liabilities :</b>				
Trade and other payables	242,308	242,308	228,087	228,087
Short term borrowings	65,865	65,865	105,569	105,569
	<u>308,173</u>	<u>308,173</u>	<u>333,656</u>	<u>333,656</u>

**P.I.E. INDUSTRIAL BERHAD**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

**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
<b><u>30 June 2023</u></b>				
<b>Financial assets</b>				
Investment in unit trusts	1,548	-	-	1,548
	<u>1,548</u>	<u>-</u>	<u>-</u>	<u>1,548</u>
<b><u>31 December 2022</u></b>				
<b>Financial assets</b>				
Investment in unit trusts	1,471	-	-	1,471
	<u>1,471</u>	<u>-</u>	<u>-</u>	<u>1,471</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 30 June 2023.

	RM'000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	119
b) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	317,797
	<u>317,916</u>

**P.I.E. INDUSTRIAL BERHAD**

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

**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 (2nd quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter ended			Current Year Quarter Ended	Preceding Year Corresponding Quarter ended		
	30.06.2023	30.06.2022	RM'000	RM'000	RM'000	RM'000	Amount	%
<b>Revenue by segments</b>								
- Manufacturing	286,513	296,245	(9,732)	-3%	618,943	563,187	55,756	10%
- Trading	-	57	(57)	-100%	20	98	(78)	-80%
- Others	1	-	1	100%	1	1	-	0%
Total revenue	286,514	296,302	(9,788)	-3%	618,964	563,286	55,678	10%
<b>Revenue by geographical location of the Group's operations</b>								
- Malaysia	281,736	291,890	(10,154)	-3%	610,726	554,961	55,765	10%
- Thailand	4,778	4,355	423	10%	8,218	8,227	(9)	0%
- Singapore	-	57	(57)	-100%	20	98	(78)	-80%
Total revenue	286,514	296,302	(9,788)	-3%	618,964	563,286	55,678	10%
<b>Operating profit/(loss)</b>	15,426	12,950	2,476	19%	33,995	36,526	(2,531)	-7%
<b>Profit before tax by segments</b>								
- Manufacturing	14,223	12,540	1,683	13%	31,571	35,740	(4,169)	-12%
- Trading	(1)	(6)	5	83%	(15)	(30)	15	50%
- Others	1,204	416	788	189%	2,439	816	1,623	199%
Total profit/(loss) before tax	15,426	12,950	2,476	19%	33,995	36,526	(2,531)	-7%
<b>Profit/(loss) after tax</b>	11,593	8,272	3,321	40%	25,213	27,104	(1,891)	-7%
<b>Total comprehensive income attributable to:</b>								
- Owners of the Company	12,094	8,004	4,090	51%	26,099	27,102	(1,003)	-4%

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

**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 RM286.514 million and profit before tax was RM15.426 million.

The revenue decreased by RM9.788 million or 3% as compared to preceding year corresponding quarter. The decrease was mainly attributable to lower demand from new and existing customers for raw wire & cable products but partly offset with higher revenue from electronics manufacturing activities (EMS) 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 30 June 2023:**

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	233,553	48,182	4,778	286,513	100%
Trading	-	-	-	-	0%
Others	-	-	-	1	0%
<b>Total</b>	<b>233,553</b>	<b>48,182</b>	<b>4,778</b>	<b>286,514</b>	<b>100%</b>

**Breakdown of segmental revenue for the quarter ended 30 June 2022:**

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	219,876	72,014	4,355	296,245	100%
Trading	-	-	-	57	0%
Others	-	-	-	-	0%
<b>Total</b>	<b>219,876</b>	<b>72,014</b>	<b>4,355</b>	<b>296,302</b>	<b>100%</b>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2023**

**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 RM2.476 million or 19%. The increase was mainly attributable to gain from foreign exchange transactions, reversal of impairment of trade receivables and lower provision for slow moving inventories in the current quarter as compared to the corresponding quarter. However, the discrepancy noted above were offset against lower revenue and higher administrative and distribution 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 30 June 2023:**

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	8,161	5,855	207	14,223	92%
Trading	-	-	-	(1)	0%
Others	-	-	-	1,204	8%
<b>Total</b>	<b>8,161</b>	<b>5,855</b>	<b>207</b>	<b>15,426</b>	<b>100%</b>

**Breakdown of segmental profit before tax for the quarter ended 30 June 2022:**

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	2,854	9,389	297	12,540	97%
Trading	-	-	-	(6)	0%
Others	-	-	-	416	3%
<b>Total</b>	<b>2,854</b>	<b>9,389</b>	<b>297</b>	<b>12,950</b>	<b>100%</b>



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**17 Review of Group Performance (Continued)**

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

For the financial period ended 30 June 2023, the Group recorded revenue of RM618,964 million, a increase of 10% or RM55.678 million as compared to the corresponding period ended 30 June 2022 of RM563.286 million.

The increase of revenue was mainly attributable to increased new product orders from new customers for electronics manufacturing activities (EMS) but partly offset with lower revenue from raw wire & cable products, wire harness products and 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 30 June 2023:**

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	513,656	97,069	8,218	618,943	100%
Trading	-	-	-	20	0%
Others	-	-	-	1	0%
<b>Total</b>	<b>513,656</b>	<b>97,069</b>	<b>8,218</b>	<b>618,964</b>	<b>100%</b>

**Breakdown of segmental revenue for the period ended 30 June 2022:**

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	418,985	135,975	8,227	563,187	100%
Trading	-	-	-	98	0%
Others	-	-	-	1	0%
<b>Total</b>	<b>418,985</b>	<b>135,975</b>	<b>8,227</b>	<b>563,286</b>	<b>100%</b>

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**17 Review of Group Performance (Continued)**

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

For the financial period ended 30 June 2023, the Group recorded profit before tax of RM33.995 million, a decrease of 7% or RM2.531 million as compared to the corresponding period ended 30 June 2022 the profit before tax of RM36.526 million.

The decrease in our profit before tax was mainly due to lower income from scrap sales and higher administrative and distribution expenses. The decrease was partially offset against increased new product orders from new customers, gain from foreign exchange transactions, lower provision for slow moving inventories and reversal of impairment of trade receivables.

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 30 June 2023:**

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	21,475	10,699	(603)	31,571	93%
Trading	-	-	-	(15)	0%
Others	-	-	-	2,439	7%
<b>Total</b>	<b>21,475</b>	<b>10,699</b>	<b>(603)</b>	<b>33,995</b>	<b>100%</b>

**Breakdown of segmental profit before tax for the period ended 30 June 2022:**

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	18,735	16,264	741	35,740	98%
Trading	-	-	-	(30)	0%
Others	-	-	-	816	2%
<b>Total</b>	<b>18,735</b>	<b>16,264</b>	<b>741</b>	<b>36,526</b>	<b>100%</b>

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

Financial review for current quarter compared with immediate preceding quarter

	Individual Quarter Ended		Changes	
	30.06.2023	31.03.2023	Amount	Variance
	RM '000	RM '000	RM '000	%
Revenue				
Manufacturing segments				
- EMS activities	233,553	280,102	(46,549)	-17%
- Raw wire & cable	48,182	48,888	(706)	-1%
- Wire harness	4,778	3,440	1,338	39%
Trading segment	-	20	(20)	-100%
	<u>286,514</u>	<u>332,450</u>	<u>(45,936)</u>	-14%
Operating profit	15,426	18,569	(3,143)	-17%
Profit before tax	15,426	18,569	(3,143)	-17%
Profit after tax	11,593	13,619	(2,026)	-15%
Total comprehensive income attributable to:				
- Owners of the Company	12,094	14,004	(1,910)	-14%

The Group's revenue in the quarter under review decreased by 14% as compared with the preceding quarter. The decrease was mainly due to lower demand recorded for EMS and raw wire and cable products segments but partly offset with higher revenue from wire harness products.

The Group profit before tax for the current quarter has decreased by 17% as compared to preceding quarter. The decrease was mainly due to lower revenue and lower margin of products mix. The decrease was partially offset against gain from foreign exchange transactions, reversal of impairment of trade receivables and higher income from scrap sales.

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**19 Review of Group Assets and Liabilities**

	As at	As at	Changes	
	30.06.2023	31.12.2022	Amount	Variance
	RM'000	RM'000	RM '000	%
Total assets	879,869	906,861	(26,992)	-3%
Total liabilities	320,186	346,394	(26,208)	-8%
Total equity	559,683	560,467	(784)	0%

**Total assets**

As at 30 June 2023, the Group's total assets decreased by 3% or RM26.992 million to RM879,869 million from RM906,861 million as at 31 December 2022. The decreased was mainly due to decrease in trade receivables as a result of collection of overdue trade receivables.

**Total liabilities**

As at 30 June 2023, the Group's total liabilities decreased by 8% or RM26.208 million to RM320.186 million from RM346.394 million as at 31 December 2022. The decrease was mainly due to repayment to short term borrowings.

**Total equity**

The Group's total equity as at 30 June 2023 decreased by RM0.784 million to RM559.683 million as compared to RM560.467 million as at 31 December 2022. The decrease in total equity is due to increased in distributable retained earnings as a net result of net profit of RM25.213 million for the current financial period under review and payment of dividends amounting to RM26.883 million. During the financial period under review, non-distributable reserves increased by RM0.886 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 (comprising 83% of the manufacturing segment), orders have shown some weakness beginning June from many existing customers. This situation may continue for the next few months. The Group remain optimistic in engaging potential new customers mainly in server, medical, consumer and industrial industries, with on-going discussion which could potentially have very positive contribution in the continuous growth if successfully engaged. In order to accommodate the new business opportunity, 2 existing plants are under major renovation and expansion and expected to be ready for production in Q3 2023 and Q1 2024 respectively.

Furthermore, the Group has kick start the installation of solar panels in 5 plants for green electric energy generation which will mitigate the high rising electricity cost. The solar panels are expected to be completed by end of 2023.

Revenue derived from the manufacturing activity of raw wire & cable (16%) is also affected with current slowdown. We expect business to again pick up in Q4 this year. 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 new business opportunities now available in Thailand. There are many new manufacturing moving and setting up new operation in Thailand. In addition, PIT will have a very good opportunity to enter into the electric vehicle ("EV") industry as a supplier of EV wire harness in view of the rising EV manufacturing industry in Thailand.

The trading segment will continue to promote the products of the respective parent companies for 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 electronic products from the parent companies.

On February 24, 2023, an unrelated company subscribed to 233,334 newly issued ordinary shares of PIS at an issue price of SGD1.30 per ordinary share for a total cost of SGD303,335 in cash. The shareholding of the Company's subsidiary, Pan-International Electronics (Malaysia) Sdn. Bhd. ("PIESB") in PIS was reduced from 100% to 30% subsequent to this and PIS was no longer a subsidiary of PIESB and became an associate company instead.

**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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	778	77	1,257	136
Investment income	610	1,181	1,394	2,901
Interest expenses	(617)	(264)	(1,514)	(294)
Depreciation and amortisation	(6,124)	(5,889)	(12,807)	(10,898)
Net reversal of impairment losses				
- trade receivables	624	11	224	58
Net additional of inventories written down	(403)	(3,801)	(807)	(1,743)
Net gain on disposal of :				
- property, plant and equipment	51	375	69	375
- investment	-	-	-	-
Net foreign exchange gain	9,737	2,684	16,586	4,655
Gain from fair value adjustment of financial assets through profit and loss	14	1	22	2

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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	3,835	4,579	8,797	9,394
Deferred tax income	(2)	99	(15)	28
	<u>3,833</u>	<u>4,678</u>	<u>8,782</u>	<u>9,422</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.

**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.

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**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.

On 10 May 2023, the external legal counsel of PIESB had a follow up meeting with MOF. However, the case is still in the midst of discussion in MOF within Legal & Law Department as per informed by Puan Faeza Afandi, Penolong Setiausaha Bahagian Cukai, Kementerian Kewangan, Putrajaya.

On 22 May 2023, MOF has rejected the appeal and seeking PIESB to continue the appeal with Court. The external legal counsel of PIESB has advised and proposed PIESB to go for Juridical Review (JR) with the legal team. In the meantime, the process application for JR is in progress and still pending to receive the JR documentation in order to make the final confirmation on the JR action.

Technically, the JR would review the MOF decision on the rejection reason. The external legal counsel believes that the chances of the JR will have a high possibility for PIESB to succeed in the case.

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**26 Dividends**

The following Dividends for the year ended 31 December 2023, has been announced by the Company on 15 May 2023 and had been paid on 20 June 2023 to depositors registered in the record of Depositors on 30 May 2023.

- (a) A Special Interim Single Tier Dividend of 2.0 sen per share; and
- (b) A Interim Single Tier 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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Profit attributable to ordinary equity shareholders (RM'000)	11,593	8,272	25,213	27,104
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>3.02</u>	<u>2.15</u>	<u>6.57</u>	<u>7.06</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 4 August 2023.