



P.I.E. INDUSTRIAL BERHAD

(Registration No. 199701008590 (424086-X))

(Incorporated in Malaysia)

Interim Financial Report for the Financial
Period Ended 30 September 2024

P.I.E. INDUSTRIAL BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2024**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.09.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2023 RM'000	CURRENT YEAR TO DATE 30.09.2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2023 RM'000
Revenue	11	244,505	300,799	723,911	919,763
Cost of sales		(217,778)	(277,077)	(656,747)	(869,846)
Gross profit		26,727	23,722	67,164	49,917
Administrative and distribution expenses		(6,140)	(5,296)	(19,758)	(19,648)
Other operating income		(9,641)	5,670	(3,157)	27,179
Income from other investments		1,199	1,075	4,718	3,726
Finance costs		(1,346)	(514)	(2,962)	(2,028)
Profit before tax	11	10,799	24,657	46,005	59,146
Income tax expense	23	(2,204)	(4,271)	(10,475)	(13,053)
Profit for the period	22	8,595	20,386	35,530	46,093
<u>Other comprehensive (loss) / income</u>					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences in respect of foreign operations		(402)	(768)	(2,297)	118
Foreign currency translation reserve arising from deemed disposal of a subsidiary reclassified to profit or loss		-	-	-	(494)
Other comprehensive (loss)/income, net of tax		(402)	(768)	(2,297)	(376)
Total comprehensive income for the period		8,193	19,618	33,233	45,717
Profit attributable to:					
- Owners of the Company		8,836	20,386	35,847	46,093
- Non-controlling interests		(241)	-	(317)	-
		8,595	20,386	35,530	46,093
Total comprehensive income attributable to:					
- Owners of the Company		8,615	19,618	34,584	45,717
- Non-controlling interests		(422)	-	(1,351)	-
		8,193	19,618	33,233	45,717
Basic earnings per ordinary share (sen)	27	2.24	5.31	9.25	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 2023 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 SEPTEMBER 2024**

	Note	UNAUDITED AS AT 30.09.2024 RM'000	AUDITED AS AT 31.12.2023 RM'000
	-----	-----	-----
ASSETS			
Non-current assets			
Property, plant and equipment	9	243,581	186,921
Investment properties		21,837	22,079
Right-of-use assets		20,968	21,730
Goodwill on consolidation		1,722	1,722
Investment in associated company		165	165
Deferred tax assets		1,196	1,217
		<u>289,469</u>	<u>233,834</u>
Current assets			
Inventories		213,984	277,654
Trade and other receivables		250,599	330,744
Current-tax assets		10,695	1,969
Short-term investments		1,546	1,577
Short-term deposits with licensed banks		31,684	28,922
Cash and bank balances		48,468	33,934
Total current assets		<u>556,976</u>	<u>674,800</u>
TOTAL ASSETS		<u>846,445</u>	<u>908,634</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		83,203	83,203
Reserves		1,467	16,537
Retained earnings		532,577	509,055
		<u>617,247</u>	<u>608,795</u>
Non-controlling interests		24,407	-
Total equity		<u>641,654</u>	<u>608,795</u>
Non-current liabilities			
Deferred tax liabilities		11,070	11,071
Current liabilities			
Short-term borrowings	14	58,751	67,540
Trade and other payables		132,539	220,262
Current tax liabilities		2,431	966
Total current liabilities		<u>193,721</u>	<u>288,768</u>
Total liabilities		<u>204,791</u>	<u>299,839</u>
TOTAL EQUITY AND LIABILITIES		<u>846,445</u>	<u>908,634</u>
NET ASSETS		641,654	608,795
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		1.67	1.59

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 2023 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 3RD QUARTER ENDED 30 SEPTEMBER 2024**

	Share Capital RM'000	Non-distributable Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Equity attributable to owners of the Company RM'000	Non- Controlling Interest RM'000	Total RM'000
Period ended 30 September 2023							
Balance as of 1 January 2023	83,203	12,703	2,660	461,901	560,467	-	560,467
Net profit for the period	-	-	-	46,093	46,093	-	46,093
Other comprehensive loss for the period	-	(376)	-	-	(376)	-	(376)
Total comprehensive (loss)/income for the period	-	(376)	-	46,093	45,717	-	45,717
Payment of dividends	-	-	-	(26,883)	(26,883)	-	(26,883)
Balance as of 30 September 2023	<u>83,203</u>	<u>12,327</u>	<u>2,660</u>	<u>481,111</u>	<u>579,301</u>	<u>-</u>	<u>579,301</u>
Period ended 30 September 2024							
Balance as of 1 January 2024	83,203	13,877	2,660	509,055	608,795	-	608,795
Net profit for the period	-	-	-	35,847	35,847	(317)	35,530
Other comprehensive loss for the period	-	(1,263)	-	-	(1,263)	(1,034)	(2,297)
Total comprehensive (loss)/income for the period	-	(1,263)	-	35,847	34,584	(1,351)	33,233
Change in ownership interest in a subsidiary	-	(13,807)	-	14,558	751	25,758	26,509
Payment of dividends	-	-	-	(26,883)	(26,883)	-	(26,883)
Balance as of 30 September 2024	<u>83,203</u>	<u>(1,193)</u>	<u>2,660</u>	<u>532,577</u>	<u>617,247</u>	<u>24,407</u>	<u>641,654</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 2023 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 3RD QUARTER ENDED 30 SEPTEMBER 2024**

	9 months ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	35,530	46,093
Adjustments for:		
Income tax expense	10,475	13,053
Non-cash items	18,145	18,446
Non-operating items	9,352	(9,156)
Operating profit before working capital changes	73,502	68,436
Changes in working capital:		
Net change in current assets	130,901	(589)
Net change in current liabilities	(84,048)	58,892
Cash generate from operations	120,355	126,739
Income tax paid	(17,739)	(8,943)
Interest received	1,886	1,926
Net cash generated from operating activities	104,502	119,722
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	101	784
Payment for property, plant and equipment	(73,298)	(22,875)
Net cash used in investing activities	(73,197)	(22,091)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the change in ownership interest in a subsidiary	26,509	-
Dividend paid	(26,883)	(26,883)
Net proceeds from bank borrowings	23,171	22,628
Net repayment of bank borrowings	(25,779)	(72,713)
Interest paid	(2,962)	(2,028)
Bank balances held as security	5	-
Net cash used in financing activities	(5,939)	(78,996)
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,366	18,635
Effect of foreign exchange rate differences	(8,064)	353
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	62,753	63,079
CASH AND CASH EQUIVALENTS AT END OF PERIOD	80,055	82,067

P.I.E. INDUSTRIAL BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2024**

	9 months ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
REPRESENTED BY:-		
Short-term deposits with licensed banks	31,684	50,418
Cash and bank balances	48,468	31,746
Less : Bank balance pledged as security	(97)	(97)
	<u>80,055</u>	<u>82,067</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 2023 and the accompanying explanatory notes attached to the interim financial report.

P.I.E. INDUSTRIAL BERHAD
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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2024

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 2023, 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 2023.

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 2023 except for the adoption of the following amendments or improvements to MFRSs that are mandatory for the current financial year.

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Lease Liability in a Sale and Leaseback
Amendments to MFRS 101 Non-Current Liabilities with Covenants
Amendments to MFRS 107 & MFRS 7 Supplier Finance Agreements

The following are accounting standards that have been issued by the Malaysian Accounting Standards Boards but not yet effective to the Group:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2026

Amendments to the Classification and Measurement of Financial Instruments
(Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)
Annual improvements to MFRS Accounting standards - Volume 11

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures

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2 Significant Accounting Policies (Continued)

Effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standard and amendments to MFRSs is not expected to have any material impact to the financial statements of the Group upon adoption.

3 Auditors' Report on Preceding Annual Financial Statements

The auditors' reports for the Company and its subsidiaries for the financial year ended 31 December 2023 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.

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.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2024

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 September 2024.

As of 30 September 2024, total issued and fully paid-up share capital are 384,041,985 ordinary shares.

8 Dividends Paid

	9 months ended	
	<u>30.09.2024</u>	<u>30.09.2023</u>
	RM'000	RM'000
Dividends declared and paid:		
a) Special interim dividend:		
- 2 sen per ordinary share, single tier, for 2024	7,681	-
- 2 sen per ordinary share, single tier, for 2023	-	7,681
b) Interim dividend:		
- 5 sen per ordinary share, single tier, for 2024	19,202	-
- 5 sen per ordinary share, single tier, for 2023	-	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 September 2024.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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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 September 2024.

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 RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Period ended 30 September 2024</u>					
Revenue	723,908	-	3	-	723,911
Inter-segment revenue	-	-	-	-	-
	<u>723,908</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>723,911</u>
Segment results	50,433	(15)	30,322	(26,955)	53,785
Investment revenue					4,718
Other gains and losses					(9,536)
Finance costs					(2,962)
Profit before tax					<u>46,005</u>

Segments	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Period ended 30 September 2023</u>					
Revenue	919,741	20	2	-	919,763
Inter-segment revenue	1,328	361	-	(1,689)	-
	<u>921,069</u>	<u>381</u>	<u>2</u>	<u>(1,689)</u>	<u>919,763</u>
Segment results	34,152	(23)	30,427	(28,272)	36,284
Investment revenue					3,726
Other gains and losses					21,164
Finance costs					(2,028)
Profit before tax					<u>59,146</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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12 Changes in the Composition of the Group

On January 12, 2024, the Group's ultimate holding company, Pan-International Industrial Corp. subscribed to 4,090,900 newly issued ordinary shares of Pan International Electronics (Thailand) Co. Ltd. ("PIT") at an issue price of THB50 per ordinary share for a total cost of THB204,545,000 in cash. The shareholding of the Group, P.I.E. Industrial Berhad ("PIB") in PIT was reduced from 100% to 55% subsequent to this. Arising from the change in ownership interest in a subsidiary, non-controlling interest amounting to RM24.407 million was recognised as at 30 September 2024.

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

	9 months ended	
	<u>30.09.2024</u>	<u>30.09.2023</u>
	RM'000	RM'000
Current		
- Secured	<u>58,751</u>	<u>56,199</u>

The breakdown of Group borrowings by currency is as follows:

Functional currency		
- EUR	-	2,800
- RM	-	42,217
- USD	<u>14,000</u>	<u>-</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2024

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.

	30.09.2024		31.12.2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial assets :				
Trade and other receivables (excluding prepayments)	247,324	247,324	321,664	321,664
Financial assets carried at fair value through profit or loss	1,546	1,546	1,577	1,577
Cash and cash equivalents	80,152	80,152	62,856	62,856
	<u>329,022</u>	<u>329,022</u>	<u>386,097</u>	<u>386,097</u>

(b) Fair value hierarchy

	30.09.2024		31.12.2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities :				
Trade and other payables	132,539	132,539	220,262	220,262
Short term borrowings	58,751	58,751	67,540	67,540
	<u>191,290</u>	<u>191,290</u>	<u>287,802</u>	<u>287,802</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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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>30 September 2024</u>				
Financial assets				
Investment in unit trusts	1,546	-	-	1,546
	<u>1,546</u>	<u>-</u>	<u>-</u>	<u>1,546</u>
<u>31 December 2023</u>				
Financial assets				
Investment in unit trusts	1,577	-	-	1,577
	<u>1,577</u>	<u>-</u>	<u>-</u>	<u>1,577</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 September 2024.

	RM'000
a) Letter of guarantee by a bank for a foreign subsidiary's import duties	115
b) Corporate guarantees given by the Company to banks for credit facilities granted to certain subsidiary companies	<u>283,165</u>
	<u>283,280</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2024**

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

17 Review of Group Performance

Financial review for current quarter and financial period to date

	Individual Period (3rd quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter ended			Current Year Quarter Ended	Preceding Year Corresponding Quarter ended		
	30.09.2024	30.09.2023	RM'000	RM'000	RM'000	RM'000	Amount	%
Revenue by segments								
- Manufacturing	244,504	300,798	(56,294)	-19%	723,908	919,741	(195,833)	-21%
- Trading	-	-	-	0%	-	20	(20)	-100%
- Others	1	1	-	0%	3	2	1	50%
Total revenue	244,505	300,799	(56,294)	-19%	723,911	919,763	(195,852)	-21%
Revenue by geographical location of the Group's operations								
- Malaysia	238,708	296,264	(57,556)	-19%	707,653	906,989	(199,336)	-22%
- Thailand	5,797	4,535	1,262	28%	16,258	12,754	3,504	27%
- Singapore	-	-	-	0%	-	20	(20)	-100%
Total revenue	244,505	300,799	(56,294)	-19%	723,911	919,763	(195,852)	-21%
Operating profit	10,799	24,657	(13,858)	-56%	46,005	59,146	(13,141)	-22%
Profit before tax by segments								
- Manufacturing	9,924	23,575	(13,651)	-58%	42,732	55,641	(12,909)	-23%
- Trading	(4)	(2)	(2)	-100%	(15)	(17)	2	12%
- Others	879	1,084	(205)	-19%	3,288	3,522	(234)	-7%
Total profit before tax	10,799	24,657	(13,858)	-56%	46,005	59,146	(13,141)	-22%
Profit after tax	8,595	20,386	(11,791)	-58%	35,530	46,093	(10,563)	-23%
Profit after tax attributable to:								
- Owners of the Company	8,836	20,386	(11,550)	-57%	35,847	46,093	(10,246)	-22%
- Non-controlling interests	(241)	-	(241)	0%	(317)	-	(317)	0%

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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 RM244.505 million and profit before tax was RM10.799 million.

The revenue decreased by RM56.294 million or 19% as compared to preceding year corresponding quarter. The decrease was mainly attributable to lower demand from new and existing customers for electronics manufacturing activities (EMS) but partly offset with higher revenue from 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 30 September 2024:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	182,286	56,421	5,797	244,504	100%
Trading	-	-	-	-	0%
Others	-	-	-	1	0%
Total	182,286	56,421	5,797	244,505	100%

Breakdown of segmental revenue for the quarter ended 30 September 2023:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	252,635	43,628	4,535	300,798	100%
Trading	-	-	-	-	0%
Others	-	-	-	1	0%
Total	252,635	43,628	4,535	300,799	100%

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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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 decreased by RM13.858 million or 56%. The decrease was mainly attributable to lower revenue from electronics manufacturing activities (EMS), foreign exchange loss due to the rapid strengthening of MYR especially during September 2024, with the exchange rate moving from 4.7145 to 4.1075 and higher administrative and distribution expenses in the current quarter as compared to the corresponding quarter. However, the discrepancy noted above were offset against higher income from other investments.

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 September 2024:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	3,004	7,456	(536)	9,924	92%
Trading	-	-	-	(4)	0%
Others	-	-	-	879	8%
Total	3,004	7,456	(536)	10,799	100%

Breakdown of segmental profit before tax for the quarter ended 30 September 2023:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	18,960	5,418	(803)	23,575	96%
Trading	-	-	-	(2)	0%
Others	-	-	-	1,084	4%
Total	18,960	5,418	(803)	24,657	100%

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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 September 2024, the Group recorded revenue of RM723.911 million, a decrease of 21% or RM195.852 million as compared to the corresponding period ended 30 September 2023 of RM919.763 million.

The decrease of revenue was mainly attributable to lower product orders from customers for electronics manufacturing activities (EMS) but partly offset with higher revenue from raw wire & cable products and wire harness products. 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 September 2024:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	559,520	148,130	16,258	723,908	100%
Trading	-	-	-	-	0%
Others	-	-	-	3	0%
Total	559,520	148,130	16,258	723,911	100%

Breakdown of segmental revenue for the period ended 30 September 2023:

Revenue by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	766,290	140,697	12,754	919,741	100%
Trading	-	-	-	20	0%
Others	-	-	-	2	0%
Total	766,290	140,697	12,754	919,763	100%

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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 September 2024, the Group recorded profit before tax of RM46.005 million, a decrease of 22% or RM13.141 million as compared to the corresponding period ended 30 September 2023 the profit before tax of RM59.146 million.

The decrease in our profit before tax was mainly attributable to lower revenue from electronics manufacturing activities (EMS) and foreign exchange loss due to the rapid strengthening of MYR especially during September 2024, with the exchange rate moving from 4.7145 to 4.1075. However, the discrepancy noted above were offset against higher income from other investments.

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 September 2024:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	23,982	19,455	(705)	42,732	93%
Trading	-	-	-	(15)	0%
Others	-	-	-	3,288	7%
Total	23,982	19,455	(705)	46,005	100%

Breakdown of segmental profit before tax for the period ended 30 September 2023:

Profit before tax by segments :	EMS (Malaysia)	Raw Wire & Cable (Malaysia)	Wireharness (Thailand)	Total	%
	RM'000	RM'000	RM'000	RM'000	
Manufacturing	40,931	16,117	(1,407)	55,641	94%
Trading	-	-	-	(17)	0%
Others	-	-	-	3,522	6%
Total	40,931	16,117	(1,407)	59,146	100%

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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	
	30.09.2024	30.06.2024	Amount	Variance
	RM '000	RM '000	RM '000	%
Revenue				
Manufacturing segments				
- EMS activities	182,286	185,085	(2,799)	-2%
- Raw wire & cable	56,421	52,129	4,292	8%
- Wire harness	5,797	3,011	2,786	93%
Trading segment	-	-	-	0%
	<u>244,505</u>	<u>240,225</u>	<u>4,280</u>	2%
Operating profit	10,799	22,276	(11,477)	-52%
Profit before tax	10,799	22,276	(11,477)	-52%
Profit after tax	8,595	17,128	(8,533)	-50%
Profit after tax attributable to:				
- Owners of the Company	8,836	17,307	(8,471)	-49%
- Non-controlling interests	(241)	(179)	(62)	35%

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

The Group profit before tax for the current quarter has decreased by 52% as compared to preceding quarter. The decrease was mainly due to foreign exchange loss resulting from the rapid strengthening of MYR especially during September 2024, with the exchange rate moving from 4.7145 to 4.1075 but was partially offset against higher margin of products mix and lower administrative and distribution expenses.

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19 Review of Group Assets and Liabilities

	As at	As at	Changes	
	30.09.2024	31.12.2023	Amount	Variance
	RM'000	RM'000	RM '000	%
Total assets	846,445	908,634	(62,189)	-7%
Total liabilities	204,791	299,839	(95,048)	-32%
Total equity	641,654	608,795	32,859	5%

Total assets

As at 30 September 2024, the Group's total assets decreased by 7% or RM62.189 million to RM846.445 million from RM908,634 million as at 31 December 2023. The decreased was mainly due to decrease in trade receivables and inventories. These were due to well collection of overdue trade receivables and also proper monitoring on the inventory level by ensuring them to stay at a healthy level.

Total liabilities

As at 30 September 2024, the Group's total liabilities decreased by 32% or RM95.048 million to RM204.791 million from RM299.839 million as at 31 December 2023. The decrease was mainly due to repayment to trade creditors.

Total equity

The Group's total equity as at 30 September 2024 increased by RM32.859 million to RM641.654 million as compared to RM608.795 million as at 31 December 2023. The increase in total equity is due to increased in distributable retained earnings as a net result of net profit of RM35.530 million for the current financial period under review and payment of dividends amounting to RM26.883 million. During the financial period under review, loss in foreign currency translation differences amounted RM2.297 million was recognised. Also, there is a change in ownership interest in a subsidiary of which non-controlling interest amounting RM26.509 million was recognised in current financial period under review.

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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 77% of the manufacturing segment), overall orders received from customers in Q4 2024 remain favorable and orders is expected to increase in super computing products. The Group has dedicated both Plant 3 and Plant 5 for this super computing customer in anticipation of the increased orders. The Group is undergoing rationalisation to reduce orders from lower margin customers to reserve the capacity and resources for higher margin customers. Furthermore, the Group has engaged a new customer specialised in server and switches. In order to accommodate the new customer, entire 280,000 sq-ft Plant 6 is under major renovation and expansion to support the production capacity. Plant 6 is expected to be ready in Q4 2024 for customer's audit and qualification and mass production is expected to begin in financial year 2025 (FY2025) upon full qualification. The Group is in active discussion and optimistic to gain more new customers in near future in diversified automotive, robotic, medical and telecommunication industries.

The Group has completed the installation of solar panels in 4 plants and expected to complete further 2 solar panels installation in another 2 plants for green electric energy generation which will mitigate the high rising electricity cost in future. Investment in the solar panels will also entitle the Group to enjoy green investment tax allowance. Meanwhile, the Group also prioritizes investing in various automation and process optimization to improve the yield, efficiency, consistency and quality of products while minimizing labour dependency.

Revenue derived from the manufacturing activity of raw wire & cable (20%) is gradually starting to pick up once again. The copper price has seen a good rally since the beginning of Q4 2023 till to date. Our customers are gradually loading up on their orders in order to lock the price and avoid the risk of price hike. Nevertheless, 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 derived from cable assembly and wire harness (2%) of PIT in Thailand is expected to increase as more new business opportunities now available in Thailand. The building of a new administration block in PIT has been completed and building of a new manufacturing block will begin in September. PIT is now expanding its manufacturing capacities and technical know-how in preparation of new business opportunities.

The trading segment will continue to promote the products of the respective parent companies for customers in the ASEAN market.

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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	547	669	1,886	1,926
Investment income	652	406	2,832	1,800
Interest expenses	(1,346)	(514)	(2,962)	(2,028)
Depreciation and amortisation	(5,812)	(4,825)	(16,578)	(17,632)
Net reversal of impairment losses				
- trade receivables	(7)	(182)	(353)	42
Net additional of inventories written down	(306)	(49)	(1,099)	(856)
Net (loss)/gain on disposal of :				
- property, plant and equipment	(12)	(138)	(10)	(69)
Property, plant and equipment written off	(114)	-	(114)	-
Net foreign exchange (loss)/gain	(11,687)	4,231	(9,097)	20,817
Gain from fair value adjustment of financial assets through profit and loss	15	14	39	36

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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
Current period	1,737	4,374	9,933	13,171
Underprovision in prior year	543	-	543	-
Deferred tax income	(76)	(103)	(1)	(118)
	<u>2,204</u>	<u>4,271</u>	<u>10,475</u>	<u>13,053</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.

On 19 February 2024, the High Court of Penang ruled in favour of PIESB and set aside the demand letters received by PIESB from RMC in 2015. As the decision of the High Court of Penang is consistent with PIESB's assessment of its chances of success made in prior years, no adjustments are required to be made to the financial statements of the Group.

On 18 March 2024, the MOF and RMC have filed an appeal towards the Court of Appeal of Malaysia against the decision made by the High Court of Penang on 19 February 2024.

On 14 September 2024, the Court of Appeal of Malaysia was allowed the appeal from the MOF and RMC against the High Court of Penang’ decision on 19 February 2024. The date of hearing of the appeal is fixed on 3 March 2025.

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26 Dividends

The following Dividends for the year ended 31 December 2024, has been announced by the Company on 22 April 2024 and had been paid on 20 June 2024 to depositors registered in the record of Depositors on 31 May 2024.

- (a) A Special Interim Single Tier Dividend of 2.0 sen per share; and
- (b) An 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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit attributable to ordinary equity shareholders (RM'000)	8,595	20,386	35,530	46,093
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>2.24</u>	<u>5.31</u>	<u>9.25</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.

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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 8 November 2024.