



Malaysian Pacific Industries

A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2008

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2008 RM'000	31/12/2007 RM'000	31/12/2008 RM'000	31/12/2007 RM'000
Revenue	293,508	423,868	687,614	809,611
Cost of sales	(275,326)	(328,925)	(601,561)	(651,001)
Gross profit	18,182	94,943	86,053	158,610
Operating expenses	(14,900)	(17,345)	(32,252)	(34,389)
Other expenses	(21,225)	(6,757)	(32,068)	(8,656)
(Loss)/profit from operation	(17,943)	70,841	21,733	115,565
Interest expense	(3,031)	(4,072)	(6,330)	(8,394)
Interest income	943	691	1,596	1,268
(Loss)/profit before taxation	(20,031)	67,460	16,999	108,439
Taxation	(2,117)	(4,257)	(5,454)	(9,775)
(Loss)/profit for the period	(22,148)	63,203	11,545	98,664
Attributable to:				
Equity holders of the parent	(14,732)	49,205	13,066	75,441
Minority interests	(7,416)	13,998	(1,521)	23,223
(Loss)/profit for the period	(22,148)	63,203	11,545	98,664
(Loss)/Earnings per ordinary share (sen): -				
(a) Basic	(7.56)	25.25	6.70	38.71
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2008.

MPIB/A

PM

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2008

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/12/2008 RM'000	30/06/2008 RM'000
Non current assets		
Property, plant and equipment	1,140,483	1,157,994
Prepaid lease payments	20,447	20,467
Investments	693	693
Intangible assets	12,393	12,393
	<u>1,174,016</u>	<u>1,191,547</u>
Current assets		
Inventories	89,126	105,475
Trade and other receivables	167,598	225,668
Deposits, cash and bank balances	105,270	102,245
	<u>361,994</u>	<u>433,388</u>
TOTAL ASSETS	<u>1,536,010</u>	<u>1,624,935</u>
Equity attributable to equity holders of the parent		
Share capital	104,942	104,942
Reserves	828,065	824,397
Treasury shares, at cost	(163,786)	(163,779)
	<u>769,221</u>	<u>765,560</u>
Minority interests	253,667	259,687
TOTAL EQUITY	<u>1,022,888</u>	<u>1,025,247</u>
Non-current liabilities		
Borrowings (unsecured)	119,125	120,166
Employee benefits	442	442
Deferred taxation	63,940	58,525
	<u>183,507</u>	<u>179,133</u>
Current Liabilities		
Trade and other payables	210,570	201,090
Borrowings (unsecured)	119,045	219,465
	<u>329,615</u>	<u>420,555</u>
TOTAL LIABILITIES	<u>513,122</u>	<u>599,688</u>
TOTAL EQUITY AND LIABILITIES	<u>1,536,010</u>	<u>1,624,935</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.95	3.93

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2008.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2008

	Attributable to equity holders of the parent										Minority interest	Total equity	
	Share Capital	Reserves attributable to capital	Capital redemption reserve	Capital reserve	Exchange fluctuation reserve	Reserve for own shares	Share option reserve	Retained profits	Treasury shares	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to date ended 31 December 2008													
At 1 July 2008	104,942	249,952	660	1,806	11,506	(42,603)	1,887	601,189	(163,779)	765,560	259,687	1,025,247	
Net Profit for the period	-	-	-	-	-	-	-	13,066	-	13,066	(1,521)	11,545	
Foreign currency translation differences	-	-	-	-	9,489	-	-	-	-	9,489	-	9,489	
Dividends	-	-	-	-	-	-	-	(19,490)	-	(19,490)	(4,499)	(23,989)	
Transfer to capital redemption reserve	-	-	50	-	-	-	-	(50)	-	-	-	-	
Transfer to capital reserve	-	-	-	483	-	-	-	(483)	-	-	-	-	
Purchase of treasury shares	-	-	-	-	-	-	-	-	(7)	(7)	-	(7)	
Share-based payments	-	-	-	-	-	-	603	-	-	603	-	603	
At 31 December 2008	104,942	249,952	710	2,289	20,995	(42,603)	2,490	594,232	(163,786)	769,221	253,667	1,022,888	

FD

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2008 (Cont'd)

	Share Capital RM'000	Reserves attributable to capital RM'000	Capital redemption reserve RM'000	Attributable to equity holders of the parent					Treasury shares RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
				Capital reserve RM'000	Exchange fluctuation reserve RM'000	Reserve for own shares RM'000	Share option reserve RM'000	Retained profits RM'000				
Preceding year corresponding period ended 31 December 2007	104,942	249,952	560	-	895	(42,603)	689	563,033	(163,761)	713,707	252,740	966,447
At 1 July 2007	-	-	-	-	-	-	-	75,441	-	75,441	23,223	98,664
Net Profit for the period	-	-	-	-	2,625	-	-	-	-	2,625	-	2,625
Foreign currency translation differences	-	-	-	-	-	-	-	(25,337)	-	(25,337)	(12,000)	(37,337)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	(10)	(10)	-	(10)
Share-based payments	-	-	-	-	-	-	612	-	-	612	-	612
At 31 December 2007	104,942	249,952	560	-	3,520	(42,603)	1,301	613,137	(163,771)	767,038	263,963	1,031,001

Dividends received by the ESOS Trust amounted to RM400,000 (2008: RM520,000) are eliminated against the dividend expense of the Company following the consolidation of ESOS Trust.

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2008.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008**

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2008 RM'000	31/12/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,999	108,439
Adjustments for:-		
Depreciation and amortisation	120,392	116,498
Non-cash items	1,309	482
Net financing cost	4,733	7,126
Operating profit before changes in working capital	143,433	232,545
Changes in working capital		
Net change in current assets	73,866	(46,139)
Net change in current liabilities	9,480	75,885
Retirement benefits paid	-	(64)
Tax paid	(39)	(27)
Net financing cost paid	(4,733)	(7,126)
Net cash generated from operating activities	222,007	255,074
CASH FLOW FROM INVESTING ACTIVITY		
Other investments	(90,631)	(199,000)
Net cash used in investing activity	(90,631)	(199,000)
CASH FLOWS FROM FINANCING ACTIVITY		
Net repayments of borrowings	(104,999)	(30,185)
Dividend paid to equity holders of the Company	(19,490)	(25,337)
Dividend paid to minority shareholders of subsidiaries	(4,499)	(12,000)
Purchase of treasury shares	(6)	(10)
Net cash used in financing activity	(128,994)	(67,532)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,382	(11,458)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	102,245	106,758
EFFECT ON FOREIGN EXCHANGE	643	(63)
CASH & CASH EQUIVALENTS AT END OF PERIOD	105,270	95,237

Cash and cash equivalents included in the consolidated cash flow statements comprise the following balance sheet amounts:

	31/12/2008 RM'000	31/12/2007 RM'000
Deposits, cash and bank balances	105,270	95,237

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2008.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2008.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2008.

The Malaysian Accounting Standard Board has issued the following FRSs and IC Interpretations which have not been applied in preparing this interim financial report.

FRS / Interpretation		Effective date
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosure	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The Group plans to first adopt FRS 8 for the financial year ending 30 June 2010, and to adopt FRS 7, FRS 139, IC interpretation 9 and IC Interpretation 10 for the financial year ending 30 June 2011.

The first adoption of the FRS 7, IC Interpretation 9 and IC Interpretation 10 are not expected to have any material financial impact to the Group. The first adoption of FRS 8 may have impact on the Group's reportable segments.

The effects resulting from the adoption of FRS 139 upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors are not disclosed by virtue of the exemption given in the standard.

FRS 4 is not applicable to the Group and hence, no further disclosure is required.

2. Qualification of audit report of the preceding annual financial statements

The audit report for the preceding annual financial statements was not qualified.

3. Seasonality or cyclicity of interim operations

There have been no material seasonal or cyclical factors affecting the results of the quarter under review.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

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

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008**

The figures have not been audited

5. **Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years**

There were no changes in estimates of amounts reported in the prior financial years.

6. **Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

(a) During the quarter under review and financial year-to-date, the Company bought back 1,000 of its own shares from the open market for total cash consideration of RM6,100. The total number of shares bought back as at 31 December 2008 was 10,983,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

(b) There were no share options granted during the quarter under review and financial year-to-date. As at 31 December 2008, the Group granted 3,650,000 conditional incentive share options ("Options") to eligible executives of the Group pursuant to the Executive Share Option Scheme ("ESOS") of the Company which was established on 23 January 2006, subject to the achievement of certain performance criteria over an option performance period.

(c) There were no additional shares purchased by the trust set up for the ESOS ("ESOS Trust") during the quarter under review and financial year-to-date. The total number of shares purchased by the ESOS Trust ("Trust Shares") as at 31 December 2008 was 4,000,000 shares.

There were no issuance of shares, share cancellation, resale of treasury shares nor repayment of debt or equity securities during the quarter under review and financial year-to-date.

7. **Dividend paid**

During the financial year-to-date, the Company paid a first interim dividend of 10.0 sen per share tax exempt amounted to RM19.9 million on 17 December 2008.

8. **Segmental reporting**

The Group's segmental report for the financial year-to-date is as follows: -

	Asia	USA	Europe	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	297,499	162,742	227,373	687,614
Segment results	15,180	6,503	1,482	23,165
Unallocated expenses				(1,432)
Profit from operation				21,733
Interest expense				(6,330)
Interest income				1,596
Profit before taxation				16,999
Taxation				(5,454)
Profit for the period				11,545

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

9. Valuations of property, plant and equipment

There were no revaluation of property, plant and equipment as at the date of this report.

10. Material events not reflected in the financial statements

There were no material subsequent events to be disclosed as at the date of this report.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations other than as mentioned below:-

- (i) Advance Dyna, Inc [formerly known as Dyna-Craft Industries, Inc], a wholly-owned subsidiary of the Company in the United States of America, has been placed under member's voluntary liquidation.

The liquidation is currently pending tax clearance from the Pennsylvania Department of Revenue.

- (ii) The Company has incorporated a wholly-owned subsidiary in Hong Kong known as Carsem Holdings (HK) Limited ("Carsem(HK)") with an initial issued share capital of HK1,000. The intended principal activity of Carsem(HK) is investment holding.

12. Contingent liabilities or contingent assets

Save as disclosed in Note 23, there were no contingent liabilities or contingent assets as at the date of this report.

13. Review of performance

For the quarter under review, the Group recorded a revenue of RM293.5 million and loss before taxation of RM20.0 million as compared with a revenue and profit before taxation ("PBT") of RM423.9 million and RM67.5 million respectively in the preceding year's corresponding quarter.

The Group's revenue for the financial year-to-date was RM687.6 million, a decline of 15% over the preceding year's corresponding period of RM809.6 million. PBT for the financial year-to-date was RM17.0 million, a decline of 84.3% over last year's corresponding period of RM108.4 million.

The significant drop in revenue and PBT recorded for the quarter under review and financial year-to-date were reflective of the severe contraction in consumers' demand affected by the global economic crisis.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

14. Material changes in profit before taxation against the immediate preceding quarter

The Group's revenue and loss before taxation for the quarter under review were RM293.5 million and RM20.0 million respectively as compared with a revenue and PBT of RM394.1 million and RM37.0 million respectively recorded in the preceding quarter. The loss for the quarter reflected the severe reduction in revenue arising from the global economic crisis.

15. Prospects

The worsening of the global economic crisis will inevitably affect the Group's revenue. Consequently, the Group's performance for the financial year ending 30 June 2009 will be affected. However, the Group will continue to take affirmative measures to minimise the negative impact.

16. Profit forecast / profit guaranteed

This note is not applicable.

17. Taxation

Taxation comprise: -

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year- To-	Corresponding
	31/12/2008	31/12/2007	Year- To-	Period
	RM'000	RM'000	Date	31/12/2007
			31/12/2008	RM'000
			RM'000	
Current taxation (Malaysia)				
- current year	17	20	31	27
- under provision in prior year	-	-	8	-
Deferred taxation - current year	2,100	4,237	5,415	9,748
	<u>2,117</u>	<u>4,257</u>	<u>5,454</u>	<u>9,775</u>

The Group's taxation charge for the quarter under review and financial year-to-date represent deferred taxation provided for by a subsidiary.

18. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the quarter under review and financial year-to-date.

19. Quoted securities

- (a) There were no purchases or disposals of quoted securities (other than securities in existing subsidiaries) for the quarter under review and financial year-to-date.
- (b) There were no investments in quoted securities as at 31 December 2008.

20. Corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2008**

The figures have not been audited

21. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 31 December 2008 are as follows: -

	RM'000
(i) Unsecured short term borrowings	119,045
(ii) Unsecured long term borrowings	119,125
	<u>238,170</u>

The above include borrowings denominated in foreign currencies as follows: -

	RM'000
USD borrowings	76,176

22. Financial instruments with off balance sheet risk

The Group enters into short-term foreign exchange contracts to hedge its exposure to currency fluctuations affecting certain foreign currency denominated trade payables and receivables.

Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

The financial instruments with off balance sheet risk as at 18 February 2008 are as follows: -

	Contract amount RM'000
Foreign exchange forward contracts	<u>357,561</u>

The above contracts are maturing within a period of 12 months.

There is minimal credit and market risk because the contracts were executed with established financial institutions.

Gains and losses on foreign exchange contracts are recognised in the income statements upon realisation.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2008**

The figures have not been audited

23. Changes in material litigation

Amkor Technology, Inc. ("Amkor") has filed a complaint with the International Trade Commission ("ITC") on 17 November 2003 alleging Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd and Carsem Inc. (collectively "Carsem Group") of infringing three of Amkor's United States Patents. Amkor has also filed a civil lawsuit at the District Court on even date alleging Carsem Group of infringement of the same three patents which are the subject of the ITC Investigation.

Following a hearing in July and August 2004, an Administrative Law Judge ("ALJ") issued an Initial Determination finding all of the asserted claims of Amkor's patents invalid, not infringed, or both, and no violation by Carsem Group. Subsequently, the ITC reviewed the Initial Determination and remanded to the ALJ for further findings on several issues.

Carsem Group has now been advised by its lawyers that the ALJ has found that some but not all of Carsem Group's devices infringed on Amkor's patents. Carsem Group has filed a petition for review by the ITC and the motion to extend the target date for completion of this investigation by three months pending ASAT, Inc. subpoena enforcement proceeding ("ASAT Proceeding").

Carsem Group's motion is granted to the extent that the target date for completion of this investigation is extended to a date that is three months after completion of the pending ASAT Proceeding.

As at the date of this report, the ASAT Proceeding is still pending. Therefore, there is insufficient information to ascertain the outcome or to estimate the amount of any liability thereof.

24. Dividend

- (a) The Board does not recommend any interim dividend for the quarter ended 31 December 2008 of the financial year ending 30 June 2009 (2007/2008: Nil)
- (b) For the financial year-to-date, a total dividend of 10.0 sen per share tax exempt has been declared (2007/2008: 13.0 sen per share tax exempt).

25. Earnings per ordinary share

Basic (loss)/earnings per ordinary share

The calculation of basic (loss)/earnings per ordinary share for the quarter under review is based on the losses attributable to ordinary equity holders of the parent of RM14,732,000 (2007/2008 : profit attributable to ordinary equity holders of the parent of RM49,205,000) and the weighted average number of ordinary shares outstanding during the quarter of 194,901,962 (2007/2008 : 194,904,039).

The calculation of basic earnings per ordinary share for the financial year-to-date is based on the profit attributable to ordinary equity holders of the parent of RM13,066,000 (2007/2008 : RM75,441,000) and the weighted average number of ordinary shares outstanding during the period of 194,902,191 (2007/2008 : 194,904,229).

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

25. Earnings per ordinary share (cont'd)

Weighted average number of ordinary share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/12/2008 '000	31/12/2007 '000	31/12/2008 '000	31/12/2007 '000
Issued ordinary shares at beginning of period	209,884	209,884	209,884	209,884
Treasury shares held at beginning of period	(10,982)	(10,980)	(10,982)	(10,980)
Trust Shares held at beginning of period	(4,000)	(4,000)	(4,000)	(4,000)
	194,902	194,904	194,902	194,904
Effect of purchase of treasury shares	(0)	(0)	(0)	(0)
Weighted average number of ordinary shares	194,902	194,904	194,902	194,904

Diluted earnings per ordinary share

The Group has no dilution in its (loss)/earnings per ordinary share in the quarter under review / financial year-to-date and preceding year's corresponding quarter / period as the potential ordinary shares from the exercise of Options would (decrease)/ increase the basic (loss)/earnings per ordinary share.

By Order of the Board
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
24 February 2009