



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Revenue	338,294	316,396	666,014	647,018
Cost of sales	(290,564)	(285,269)	(581,319)	(577,850)
Gross profit	47,730	31,127	84,695	69,168
Operating expenses	(13,908)	(13,630)	(27,499)	(27,414)
Other operating (expense)/income	1,741	(4,592)	5,490	(3,845)
Profit from operation	35,563	12,905	62,686	37,909
Interest income	229	154	410	344
Finance costs	(517)	(1,089)	(1,063)	(2,485)
Profit before taxation	35,275	11,970	62,033	35,768
Taxation	(9,190)	(1,973)	(14,349)	(4,517)
Profit for the period	26,085	9,997	47,684	31,251
Attributable to:				
Owners of the company	24,062	8,086	43,971	25,921
Non-controlling interests	2,023	1,911	3,713	5,330
Profit for the period	26,085	9,997	47,684	31,251
Earnings per ordinary share (sen): -				
(a) Basic	12.67	4.28	23.16	13.71
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Profit for the period	26,085	9,997	47,684	31,251
Foreign currency translation differences for foreign operations	18,444	7,791	26,893	13,190
Total comprehensive income for the period	44,529	17,788	74,577	44,441
Total comprehensive income attributable to:				
Owners of the Company	42,506	15,877	70,864	39,111
Non-controlling interests	2,023	1,911	3,713	5,330
Total comprehensive income for the period	44,529	17,788	74,577	44,441

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2014

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/12/2014 RM'000	30/06/2014 RM'000
Property, plant and equipment	841,036	823,171
Investments	46	46
Total non-current assets	841,082	823,217
Inventories	81,968	94,458
Trade and other receivables	241,489	197,299
Deposits, cash and bank balances	127,722	78,114
Total current assets	451,179	369,871
TOTAL ASSETS	1,292,261	1,193,088
Equity attributable to owners of the Company		
Share capital	104,942	104,942
Reserves	854,434	791,179
Treasury shares, at cost	(163,808)	(163,803)
	795,568	732,318
Non-controlling interests	170,313	174,811
TOTAL EQUITY	965,881	907,129
Employee benefits	332	332
Deferred tax liabilities	32,053	29,035
Total non-current liabilities	32,385	29,367
Trade and other payables	174,940	162,574
Borrowings (unsecured)	108,996	93,442
Current tax liabilities	10,059	576
Total current liabilities	293,995	256,592
TOTAL LIABILITIES	326,380	285,959
TOTAL EQUITY AND LIABILITIES	1,292,261	1,193,088
Net assets per share attributable to owners of the Company (RM)	4.19	3.87

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014

←----- Atributable to owners of the Company -----→

	←----- Atributable to owners of the Company -----→		Non-distributable			Distributable		Non-controlling interests	Total equity		
	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Reserve for own shares	Executive shares scheme	Treasury shares			Retained earnings	
	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 2014											
At 1 July 2014	104,942	249,952	1,050	10,247	24,327	(61,479)	830	(163,803)	732,318	174,811	907,129
Profit for the period	-	-	-	-	-	-	-	-	43,971	43,971	47,684
Other comprehensive income-foreign currency translation differences	-	-	-	-	26,893	-	-	-	-	26,893	-
Total comprehensive income for the period	-	-	-	26,893	26,893	-	-	43,971	70,864	3,713	74,577
Disposal of own shares	-	(2,521)	-	-	-	7,646	-	-	5,125	-	5,125
Dividends	-	-	-	-	-	-	-	(13,295)	(13,295)	(8,400)	(21,695)
Share-based payments	-	-	-	-	-	-	561	-	561	189	750
Purchase of treasury shares	-	-	-	-	-	-	-	(5)	(5)	-	(5)
Total transaction with owners	-	(2,521)	-	-	-	7,646	561	(5)	(13,295)	(7,614)	(15,825)
At 31 December 2014	104,942	247,431	1,050	10,247	51,220	(53,833)	1,391	(163,808)	596,928	170,313	965,881

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014 (Cont'd)

← Attributable to owners of the Company →

	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Capital reserve RM'000	Non-distributable			Distributable		Non- controlling interests RM'000	Total equity RM'000	
					Exchange fluctuation reserve	Reserve for own shares	Executive shares scheme	Treasury shares	Retained earnings			Total
Preceding year corresponding period ended 31 December 2013	104,942	249,952	1,050	9,382	24,752	(60,426)	-	(163,803)	550,339	716,188	199,868	916,056
Profit for the period	-	-	-	-	-	-	-	-	25,921	25,921	5,330	31,251
Other comprehensive income-foreign currency translation differences	-	-	-	-	13,190	-	-	-	-	13,190	-	13,190
Total comprehensive income for the period	-	-	-	-	13,190	-	-	-	25,921	39,111	5,330	44,441
Purchase of own shares	-	-	-	-	-	(1,053)	-	-	-	(1,053)	-	(1,053)
Dividends	-	-	-	-	-	-	-	-	(9,455)	(9,455)	(8,400)	(17,855)
Share-based payments	-	-	-	-	-	-	380	-	-	380	162	542
Total transaction with owners	-	-	-	-	(1,053)	380	-	(9,455)	(10,128)	(8,238)	(18,366)	
At 31 December 2013	104,942	249,952	1,050	9,382	37,942	(61,479)	380	(163,803)	566,805	745,171	196,960	942,131

Dividends received by the trust set up for the executive share scheme ("ESS") ("ESS Trust") amounted to RM627,900 (2013/2014: RM489,540) are eliminated against the dividend expense of the Company following the consolidation of ESS Trust.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED
31 DECEMBER 2014

	Current Year To-date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	62,033	35,768
Adjustments for:-		
Depreciation and amortisation	99,312	101,655
Non-cash items	4,171	(11,951)
Net financing cost	653	2,141
Operating profit before changes in working capital	166,169	127,613
Changes in working capital		
Net change in current assets	(20,812)	10,419
Net change in current liabilities	752	8,434
Taxation paid	(2,651)	(4,343)
Net financing cost paid	(653)	(2,141)
Dividend received	398	328
Net cash generated from operating activities	143,203	140,310
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(88,449)	(23,732)
Proceeds from disposal of property, plant and equipment	609	3
Net cash used in investing activities	(87,840)	(23,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	50,685	85,077
Repayments of borrowings	(41,993)	(143,568)
Dividend paid to owner of the company	(13,295)	(9,455)
Dividend paid to non-controlling shareholders of a subsidiary	(8,400)	(8,400)
Proceeds from disposal of trust shares	5,125	-
Purchase of treasury shares	(5)	-
Purchase of trust shares	-	(1,053)
Net cash used in financing activities	(7,883)	(77,399)
NET CHANGE IN CASH AND CASH EQUIVALENTS	47,480	39,182
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	78,114	35,788
EFFECT ON FOREIGN EXCHANGE	2,128	128
CASH & CASH EQUIVALENTS AT END OF PERIOD	127,722	75,098

Cash and cash equivalents included in the consolidated statements of cash flows comprise the following consolidated statements of financial position amounts:

	31/12/2014 RM'000	31/12/2013 RM'000
Deposits, cash and bank balances	127,722	75,098

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and the applicable disclosure provisions of the Main Market 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 2014. This interim financial report also complies with International Accounting Standards 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2014.

The Group has adopted the MFRSs, amendments and interpretations effective for annual periods beginning on or after 1 January 2014 and 1 July 2014 where applicable to the Group. The initial adoption of these applicable MFRS, amendments and interpretations do not have any material impact on the financial statements of the Group.

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 has been no material seasonal or cyclical factor 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 quarter under review and financial year-to-date.

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 consideration of RM5,080. The total number of shares bought back as at 31 December 2014 was 10,987,000 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 additional shares purchased by the trust set up for the ESS (“ESS Trust”) during the quarter under review. During the financial year-to-date, 820,800 shares were disposed of by the ESS Trust. The total number of shares purchased by the ESS Trust as at 31 December 2014 was 8,970,000 shares (“Trust Shares”).

There were no issuance of shares, shares cancellation, resale of treasury shares or repayment of debt or equity securities during the quarter under review and financial year-to-date.

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7. **Dividend paid**

During the financial year-to-date, the Company paid an interim dividend of 7.0 sen per share tax exempt amounted to RM13.9 million on 12 December 2014.

8. **Operating Segments**

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

	Asia RM'000	United States of America ("USA") RM'000	Europe RM'000	Total RM'000
Segment profit	45,215	10,682	7,547	63,444
Included in the measure of segment profit are:				
Revenue from external customers	375,522	138,082	152,128	665,732
Depreciation and amortisation	55,962	21,383	21,880	99,225
Reconciliation of segment profit				
Profit				RM'000
Reportable segments				63,444
Non-reportable segments				(758)
Interest income				410
Finance costs				(1,063)
Consolidated profit before taxation				62,033
			External revenue RM'000	Depreciation and amortisation RM'000
Reportable segments			665,732	99,225
Non-reportable segments			282	87
Total			666,014	99,312

9. **Material events not reflected in the financial statements**

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

10. **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:

Recams Sdn Bhd, a wholly-owned subsidiary of Carsem (M) Sdn Bhd which in turn is a subsidiary of the Company, has been placed under member's voluntary winding-up. The winding-up is currently pending tax clearance from the Inland Revenue Board.

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11. Review of performance

For the quarter under review, the Group recorded a revenue and profit before taxation (“PBT”) of RM338.3 million and RM35.3 million respectively as compared with a revenue and PBT of RM316.4 million and RM12.0 million in the corresponding quarter of the preceding year. The revenue mix for Asia and Europe increased by 5 percentage point and 3 percentage point respectively while USA declined by 8 percentage point against the corresponding quarter of the preceding year.

The Group’s revenue for the financial year-to-date was RM666.0 million, 3% higher as compared with the preceding year’s corresponding period. The revenue mix for Asia and Europe increased by 2 percentage point and 4 percentage point respectively while USA declined by 6 percentage point against the corresponding period of the preceding year. PBT for the financial year-to-date closed at RM62.0 million against RM35.8 million in the corresponding period of the preceding year.

The higher PBT for the quarter and financial year-to-date under review was mainly due to higher revenue from the smartphone sector, the strengthening of the USD against the RM coupled with lower material cost arising from lower commodity price during the quarter under review.

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

The Group’s revenue for the quarter under review was RM338.3 million against the preceding quarter of RM327.7 million. The revenue mix shifted from USA by 1 percentage point and Europe by 2 percentage point to Asia by 3 percentage point against the preceding quarter.

PBT for the quarter under review closed at RM35.3 million against RM26.8 million in the preceding quarter. The higher PBT was mainly due to higher revenue from the smartphone sector, the strengthening of the USD against the RM coupled with lower material cost during the quarter under review.

13. Prospects

The Board anticipates that the industry growth rate for all segments will be moderate in the coming quarters. Barring any unforeseen circumstances, the Board expects the Group’s performance to be satisfactory for the financial year ending 30 June 2015.

14. Profit forecast / profit guaranteed

This note is not applicable.

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15. **Profit before taxation**

	Current Year Quarter	Current Year- to-date
	31/12/2014 RM'000	31/12/2014 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	(246)	(398)
Depreciation and amortization	50,749	99,312
Allowance for impairment loss on trade receivables	83	161
Gain on foreign exchange	(7,896)	(10,417)
Fair value loss on derivative instruments	8,405	9,256
Share-based payments	375	750
Inventories written down	-	-
Impairment of property, plant and equipment	-	-
Gain on disposal of quoted /unquoted investments or properties	-	-

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Current taxation				
Malaysian				
- current year	3,493	67	6,168	216
- prior years	-	310	-	310
Overseas - current year	4,447	96	5,763	991
	7,940	473	11,931	1,517
Deferred taxation – current year	1,250	1,500	2,418	3,000
	9,190	1,973	14,349	4,517

The Group's taxation for the current quarter under review mainly represents tax provision for the local and foreign subsidiaries.

17. **Corporate proposals**

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

18. **Group's borrowings and debt securities**

Particulars of the Group's borrowings as at 31 December 2014 are as follows:-

Unsecured short term borrowings	RM'000 108,996
The above include borrowings denominated in foreign currencies as follows: -	RM'000
USD	108,996

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19. Changes in material litigation

There are no material litigations as at the date of this report.

20. Dividend

- (a) The Board does not recommend any interim dividend for the quarter ended 31 December 2014 of the financial year ending 30 June 2015 (2nd quarter 2013/2014: Nil).
- (b) For the financial year-to-date, a total dividend of 7.0 sen per share tax exempt (2013/2014: 5.0 sen per share tax exempt) has been declared.

21. Earnings per ordinary share

(a) Basic earnings per ordinary share

The basic earnings per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to owners of the Company of RM24,062,000 (2nd quarter 2013/2014: RM8,086,000) and the weighted average number of ordinary shares during the quarter of 189,927,941 (2nd quarter 2013/2014: 189,107,619).

The basic earnings per ordinary share for financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM43,971,000 (2013/2014 : RM25,921,000) and the weighted average number of ordinary shares during the period of 189,841,665 (2013/2014 : 189,114,907).

Weighted average number of ordinary shares

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
	31/12/2014 '000	31/12/2013 '000	31/12/2014 '000	31/12/2013 '000
Issued ordinary shares at beginning of period	209,884	209,884	209,884	209,884
Treasury shares held at beginning of period	(10,986)	(10,986)	(10,986)	(10,986)
ESS Trust Shares held at beginning of period	(8,970)	(9,791)	(9,790)	(9,379)
	189,928	189,107	189,108	189,519
Effect of disposal /(purchase) of ESS Trust Shares	-	-	734	(404)
Weighted average number of ordinary shares	189,928	189,107	189,842	189,115

(b) Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share in the quarter under review/financial year-to-date and preceding year corresponding quarter/period as there were no dilutive potential ordinary shares.

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22. Realised and unrealised profits/(losses) disclosure

The breakdowns of the retained earnings of the Group, into realised and unrealised profits/(losses) are as follows:-

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/12/2014 RM'000	30/06/2014 RM'000
Total retained earnings of the Company and its subsidiaries:-		
-realised	643,168	604,360
-unrealised	(31,755)	(18,810)
	<u>611,413</u>	<u>585,550</u>
Less: Consolidation adjustments	(14,485)	(19,298)
Group's retained earnings	<u>596,928</u>	<u>566,252</u>

By Order of the Board
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin
Lee Wui Kien
Company Secretaries

Kuala Lumpur
22 January 2015