

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Revenue	372,806	321,870	1,390,090	1,291,840
Cost of sales	(305,898)	(284,466)	(1,182,475)	(1,156,213)
Gross profit	66,908	37,404	207,615	135,627
Operating expenses	(15,885)	(15,460)	(59,796)	(57,115)
Other operating income/(expenses)	(3,503)	(9,742)	6,500	(10,583)
Profit from operation	47,520	12,202	154,319	67,929
Interest income	318	270	983	870
Finance costs	(648)	(644)	(2,316)	(3,982)
Profit before taxation	47,190	11,828	152,986	64,817
Taxation	(8,638)	(2,143)	(30,376)	(11,172)
Profit for the period	38,552	9,685	122,610	53,645
Attributable to:				
Owners of the company	34,320	8,733	108,468	45,144
Non-controlling interests	4,232	952	14,142	8,501
Profit for the period	38,552	9,685	122,610	53,645
Earnings per ordinary share (sen): -				
(a) Basic	18.07	4.62	57.12	23.87
(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 30 JUNE 2015 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year-	Preceding Year
	Quarter	Corresponding	To-Date	Corresponding
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	38,552	9,685	122,610	53,645
Foreign currency translation differences for foreign operations	7,046	(4,289)	54,671	(425)
Cash flow hedge	6,878	-	(6,434)	-
Total comprehensive income for the period	<u>52,476</u>	<u>5,396</u>	<u>170,847</u>	<u>53,220</u>
Total comprehensive income attributable to:				
Owners of the Company	46,423	4,444	158,166	44,719
Non-controlling interests	6,053	952	12,681	8,501
Total comprehensive income for the period	<u>52,476</u>	<u>5,396</u>	<u>170,847</u>	<u>53,220</u>

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
30 JUNE 2015

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/06/2015 RM'000	30/06/2014 RM'000
Property, plant and equipment	809,260	823,171
Investment properties	34,288	-
Investments	46	46
Total non-current assets	843,594	823,217
Inventories	93,481	94,458
Trade and other receivables	297,036	197,299
Deposits, cash and bank balances	152,014	78,114
Total current assets	542,531	369,871
TOTAL ASSETS	1,386,125	1,193,088
Equity attributable to owners of the Company		
Share capital	104,942	104,942
Reserves	917,931	791,179
Treasury shares, at cost	(163,808)	(163,803)
	859,065	732,318
Non-controlling interests	169,101	174,811
TOTAL EQUITY	1,028,166	907,129
Employee benefits	332	332
Deferred tax liabilities	31,989	29,035
Total non-current liabilities	32,321	29,367
Trade and other payables	222,728	162,574
Borrowings (unsecured)	93,592	93,442
Current tax liabilities	9,318	576
Total current liabilities	325,638	256,592
TOTAL LIABILITIES	357,959	285,959
TOTAL EQUITY AND LIABILITIES	1,386,125	1,193,088
Net assets per share attributable to owners of the Company (RM)	4.52	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

The figures have not been audited

Attributable to owners of the Company

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2015 (Cont'd)

	Attributable to owners of the Company				Attributable to owners of the Company					
	Non-distributable				Distributable					
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Exchange fluctuation reserve	Reserve for own shares	Executive shares scheme	Treasury shares	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period ended 30 June 2014										
At 1 July 2013	104,942	249,952	1,050	9,382	24,752	(60,426)	-	(163,803)	550,339	716,188
Profit for the period	-	-	-	-	-	-	-	-	45,144	45,144
Other comprehensive expense-foreign currency translation differences	-	-	-	-	(425)	-	-	-	-	(425)
Total comprehensive (expense)/income for the period	-	-	-	-	(425)	-	-	-	45,144	44,719
Purchase of own shares	-	-	-	-	-	(1,053)	-	-	-	(1,053)
Dividends	-	-	-	-	-	-	-	-	(28,366)	(28,366)
Share-based payments	-	-	-	-	-	-	830	-	-	830
Issuance of Shares to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-
Total transaction with Owners	-	-	-	-	-	(1,053)	830	-	(28,366)	(28,589)
Transfer to capital reserve	-	-	-	865	-	-	-	-	(865)	-
At 30 June 2014	104,942	249,952	1,050	10,247	24,327	(61,479)	830	(163,803)	566,252	732,318

Dividends received by the trust set up for the executive share scheme ("ESS") ("ESS Trust") amounted to RM1,794,000 (2013/2014: RM1,468,620) 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 30 JUNE 2015

	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2015 RM'000	30/06/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	152,986	64,817
Adjustments for:-		
Depreciation and amortisation	204,113	204,908
Dividend income	(1,528)	(531)
Non-cash items	(9,407)	(12,694)
Net financing cost	1,333	3,112
Operating profit before changes in working capital	347,497	259,612
Changes in working capital		
Net change in current assets	(59,311)	11,713
Net change in current liabilities	36,599	(1,032)
Taxation paid	(17,646)	(4,441)
Net financing cost paid	(1,333)	(3,112)
Dividend received	1,528	531
Net cash generated from operating activities	307,334	263,271
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(176,452)	(72,417)
Proceeds from disposal of property, plant and equipment	2,637	5,946
Additional equity investment in subsidiary from non-controlling equity	-	2,417
Net cash used in investing activities	(173,815)	(64,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owner of the Company	(37,985)	(28,366)
Dividend paid to non-controlling shareholders of a subsidiary	(18,768)	(36,300)
Drawdown of borrowings	107,259	161,634
Repayments of borrowings	(119,493)	(252,817)
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	(63,867)	(156,902)
NET CHANGE IN CASH AND CASH EQUIVALENTS	69,652	42,315
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	78,114	35,788
EFFECT ON FOREIGN EXCHANGE	4,248	11
CASH & CASH EQUIVALENTS AT END OF PERIOD	152,014	78,114

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

	30/06/2015 RM'000	30/06/2014 RM'000
Deposits, cash and bank balances	152,014	78,114

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 except for the adoption of hedge accounting pursuant to MFRS 139 Financial instruments: Recognition and measurement.

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) There were no additional shares bought back during the quarter under review. During the 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 30 June 2015 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 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 30 June 2015 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

The Company has paid the following dividend during the current financial year to-date:-

	Current year-to-date RM'000
First interim dividend of 7.0 sen per share tax exempt, paid on 12 December 2014	13,923
Second interim dividend of 13.0 sen per share tax exempt, paid on 2 June 2015	25,857
	<u>39,780</u>

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	105,134	26,621	25,224	156,979
Included in the measure of segment profit are:				
Revenue from external customers	778,063	291,147	319,993	1,389,203
Depreciation and amortisation	116,109	43,973	43,856	203,938
Reconciliation of segment profit				
Profit				RM'000
Reportable segments				156,979
Non-reportable segments				(2,660)
Interest income				983
Finance costs				(2,316)
Consolidated profit before taxation				<u>152,986</u>
			External revenue RM'000	Depreciation and amortisation RM'000
Reportable segments			1,389,203	203,938
Non-reportable segments			887	175
Total			<u>1,390,090</u>	<u>204,113</u>

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.

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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.

11. Review of performance

For the quarter under review, the Group recorded a revenue and profit before taxation ("PBT") of RM372.8 million and RM47.2 million respectively, representing an improvement of 16% in revenue and 299% in PBT against the corresponding quarter of the preceding year. Revenue for Europe segment recorded the highest increase by 24% whilst the Asia and USA segments increased by 19% and 2% respectively against the corresponding quarter of the preceding year.

The Group's revenue for the financial year-to-date was RM1,390.1 million, 8% higher as compared with the preceding year's corresponding period. The revenues for Asia and Europe segments increased by 10% and 23% respectively whilst the USA segment declined by 11% against the corresponding period of the preceding year. PBT for the financial year-to-date closed at RM153.0 million, representing 136% growth against the corresponding period of the preceding year.

The higher PBT for the quarter under review was mainly due to the strengthening of the USD against the RM and lower material cost arising from lower commodity price during the quarter under review.

The higher PBT for the financial year-to-date was mainly due to the strengthening of the USD against the RM, lower material cost arising from lower commodity price and the planned shift towards better profit margin products during the period under review.

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

The Group's revenue for the quarter under review was RM372.8 million against the preceding quarter of RM351.3 million. Revenue for the Europe segment recorded the highest increase by 8% whilst the Asia and USA segments increased by 7% and 2% respectively against the preceding quarter.

PBT for the quarter under review closed at RM47.2 million against RM43.8 million in the preceding quarter. The higher PBT was mainly due to higher revenue achieved during the quarter under review.

13. Prospects

The Board anticipates the business prospects to be challenging for the coming quarters due to the current softening in demand and the increasing uncertainty in the macro-economy. Barring any unforeseen circumstances, the Board expects the performance of the Group to be satisfactory for the financial year ending 30 June 2016.

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
	30/06/2015 RM'000	30/06/2015 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	(632)	(1,528)
Depreciation and amortization	52,381	204,113
Reversal of allowance for impairment loss on trade receivables	(1,011)	(763)
Loss/(gain) on foreign exchange	5,222	(4,100)
Fair value loss on derivative instruments	2,363	7,122
Share-based payments	537	1,823
Impairment/(reversal of impairment) of property, plant and equipment	89	(251)
Inventories written down	-	-
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
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Current taxation				
Malaysian				
- current year	3,794	443	13,996	738
- prior years	(45)	-	587	(228)
	3,749	443	14,583	510
Overseas				
- current year	3,638	305	11,217	1,305
- prior years	1	-	(3)	-
	3,639	305	11,214	1,305
Deferred taxation				
- current year	1,250	1,265	4,918	9,227
- prior years	-	130	(339)	130
	1,250	1,395	4,579	9,357
	8,638	2,143	30,376	11,172

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

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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 30 June 2015 are as follows:-

Unsecured short term borrowings	RM'000 93,592
The above include borrowings denominated in foreign currencies as follows: - USD	RM'000 93,592

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 final dividend for the financial year ended 30 June 2015 (2013/2014: nil).
- (b) For the financial year-to-date, a total dividend of 20.0 sen per share tax exempt (2013/2014: 15.0 sen per share tax exempt) has been declared.

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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 RM34,320,000 (4th quarter 2013/2014: RM8,733,000) and the weighted average number of ordinary shares during the quarter of 189,927,419 (4th 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 RM108,468,000 (2013/2014 : RM45,144,000) and the weighted average number of ordinary shares during the period of 189,884,189 (2013/2014 : 189,111,293).

	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
	30/06/2015 '000	30/06/2014 '000	30/06/2015 '000	30/06/2014 '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	(8,971)	(9,790)	(9,790)	(9,379)
	189,927	189,108	189,108	189,519
Effect of disposal /(purchase) of ESS Trust Shares	-	-	776	(408)
Weighted average number of ordinary shares	189,927	189,108	189,884	189,111

(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
	30/06/2015 RM'000	30/06/2014 RM'000
Total retained earnings of the Company and its subsidiaries:-		
-realised	664,284	604,360
-unrealised	(14,279)	(18,810)
	<u>650,005</u>	<u>585,550</u>
Less: Consolidation adjustments	(16,798)	(19,298)
Group's retained earnings	<u>633,207</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
24 August 2015