

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Revenue	386,645	327,720	386,645	327,720
Cost of sales	(310,832)	(290,755)	(310,832)	(290,755)
Gross profit	75,813	36,965	75,813	36,965
Operating expenses	(15,995)	(13,591)	(15,995)	(13,591)
Other operating income/(expenses)	3,770	3,749	3,770	3,749
Profit from operation	63,588	27,123	63,588	27,123
Interest income	152	181	152	181
Finance costs	(464)	(546)	(464)	(546)
Profit before taxation	63,276	26,758	63,276	26,758
Taxation	(3,960)	(5,159)	(3,960)	(5,159)
Profit for the period	59,316	21,599	59,316	21,599
Attributable to:				
Owners of the company	46,919	19,909	46,919	19,909
Non-controlling interests	12,397	1,690	12,397	1,690
Profit for the period	59,316	21,599	59,316	21,599
Earnings per ordinary share (sen): -				
(a) Basic	24.70	10.49	24.70	10.49
(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 2015.

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 SEPTEMBER 2015 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Profit for the period	59,316	21,599	59,316	21,599
Foreign currency translation differences for foreign operations	56,016	8,449	56,016	8,449
Cash flow hedge	(30,288)	-	(30,288)	-
Total comprehensive income for the period	85,044	30,048	85,044	30,048
Total comprehensive income attributable to:				
Owners of the Company	79,652	28,358	79,652	28,358
Non-controlling interests	5,392	1,690	5,392	1,690
Total comprehensive income for the period	85,044	30,048	85,044	30,048

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 2015.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2015

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2015 RM'000	30/06/2015 RM'000
Property, plant and equipment	846,412	809,260
Investment properties	34,055	34,288
Investments	46	46
Total non-current assets	<u>880,513</u>	<u>843,594</u>
Inventories	89,041	93,481
Trade and other receivables	273,575	297,036
Deposits, cash and bank balances	221,374	152,014
Total current assets	<u>583,990</u>	<u>542,531</u>
TOTAL ASSETS	<u>1,464,503</u>	<u>1,386,125</u>
Equity attributable to owners of the Company		
Share capital	104,942	104,942
Reserves	998,060	917,931
Treasury shares, at cost	(163,808)	(163,808)
	<u>939,194</u>	<u>859,065</u>
Non-controlling interests	174,588	169,101
TOTAL EQUITY	<u>1,113,782</u>	<u>1,028,166</u>
Employee benefits	245	332
Deferred tax liabilities	24,206	31,989
Total non-current liabilities	<u>24,451</u>	<u>32,321</u>
Trade and other payables	243,096	222,728
Borrowings (unsecured)	79,490	93,592
Current tax liabilities	3,684	9,318
Total current liabilities	<u>326,270</u>	<u>325,638</u>
TOTAL LIABILITIES	<u>350,721</u>	<u>357,959</u>
TOTAL EQUITY AND LIABILITIES	<u>1,464,503</u>	<u>1,386,125</u>
Net assets per share attributable to owners of the Company (RM)	4.95	4.52

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2015

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	← Attributable to owners of the Company →									Retained earnings	Total	Non-controlling interests	Total equity
	← Non-distributable →					Distributable							
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Hedging reserve	Exchange fluctuation reserve	Reserve for own shares	Executive shares scheme	Treasury shares				
	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 30 September 2015													
At 1 July 2015	104,942	247,431	1,050	13,775	(4,973)	78,998	(53,833)	2,276	(163,808)	633,207	859,065	169,101	1,028,166
Profit for the period	-	-	-	-	-	-	-	-	-	46,919	46,919	12,397	59,316
Other comprehensive (expenses)/income													
-foreign currency translation differences	-	-	-	-	-	56,016	-	-	-	-	56,016	-	56,016
-cash flow hedge	-	-	-	-	(23,283)	-	-	-	-	-	(23,283)	(7,005)	(30,288)
Total comprehensive (expense)/income for the period	-	-	-	-	(23,283)	56,016	-	-	-	46,919	79,652	5,392	85,044
Share-based payments	-	-	-	-	-	-	-	477	-	-	477	95	572
Total transaction with owners	-	-	-	-	-	-	-	477	-	-	477	95	572
At 30 September 2015	104,942	247,431	1,050	13,775	(28,256)	135,014	(53,833)	2,753	(163,808)	680,126	939,194	174,588	1,113,782

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

	← 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	Non-controlling interests	Total equity
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
Preceding year corresponding period ended 30 September 2014												
At 1 July 2014	104,942	249,952	1,050	10,247	24,327	(61,479)	830	(163,803)	566,252	732,318	174,811	907,129
Profit for the period	-	-	-	-	-	-	-	-	19,909	19,909	1,690	21,599
Other comprehensive income-foreign currency translation differences	-	-	-	-	8,449	-	-	-	-	8,449	-	8,449
Total comprehensive income for the period	-	-	-	-	8,449	-	-	-	19,909	28,358	1,690	30,048
Disposal of own shares	-	(2,521)	-	-	-	7,646	-	-	-	5,125	-	5,125
Share-based payment	-	-	-	-	-	-	281	-	-	281	94	375
Total transaction with Owners	-	(2,521)	-	-	-	7,646	281	-	-	5,406	94	5,500
At 30 September 2014	104,942	247,431	1,050	10,247	32,776	(53,833)	1,111	(163,803)	586,161	766,082	176,595	942,677

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 2015.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2015 RM'000	30/09/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	63,276	26,758
Adjustments for:-		
Depreciation and amortisation	54,338	48,563
Dividend income	(727)	(152)
Non-cash items	(24,608)	5,650
Net financing cost	313	365
Operating profit before changes in working capital	92,592	81,184
Changes in working capital		
Net change in current assets	84,799	(18,964)
Net change in current liabilities	(34,532)	8,942
Taxation paid	(10,312)	(745)
Net financing cost paid	(313)	(365)
Retirement benefit paid	(87)	-
Dividend received	727	152
Net cash generated from operating activities	132,874	70,204
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(36,326)	(49,305)
Proceeds from disposal of property, plant and equipment	32	29
Net cash used in investing activities	(36,294)	(49,276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	54,341	4,059
Repayments of borrowings	(84,592)	(15,000)
Proceeds from disposal of trust shares	-	5,125
Net cash used in financing activities	(30,251)	(5,816)
NET CHANGE IN CASH AND CASH EQUIVALENTS	66,329	15,112
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	152,014	78,114
EFFECT ON FOREIGN EXCHANGE	3,031	670
CASH & CASH EQUIVALENTS AT END OF PERIOD	221,374	93,896

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

	30/09/2015 RM'000	30/09/2014 RM'000
Deposits, cash and bank balances	221,374	93,896

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2015.

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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 2015. 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 2015.

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 and financial year-to-date. The total number of shares bought back as at 30 September 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 and financial year-to-date. As at 30 September 2015, the total number of shares held by the ESS Trust was 8,970,000 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.

7. Dividend paid

There were no dividend paid during the quarter under review and financial year-to-date.

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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	32,394	13,669	17,128	63,191
Included in the measure of segment profit are:				
Revenue from external customers	207,970	90,561	87,632	386,163
Depreciation and amortisation	30,389	12,885	11,020	54,294

Reconciliation of segment profit

Profit	RM'000
Reportable segments	63,191
Non-reportable segments	397
Interest income	152
Finance costs	(464)
Consolidated profit before taxation	63,276

	External revenue RM'000	Depreciation and amortisation RM'000
Reportable segments	386,163	54,294
Non-reportable segments	482	44
Total	386,645	54,338

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 RM386.6 million and RM63.3 million respectively, representing an improvement of 18% in revenue and 136% in PBT against the corresponding quarter of the preceding year. Revenue growth was higher for all segments with Asia, USA and Europe increasing by 13%, 36% and 14% respectively against the corresponding quarter 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 prices 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 RM386.6 million against the preceding quarter of RM372.8 million. Revenue for the USA segment recorded a growth of 17% whilst the Asia and Europe segments were almost flat against the preceding quarter.

PBT for the quarter under review closed higher at RM63.3 million as compared with RM47.2 million in the preceding quarter. The higher PBT was mainly due to the strengthening of the USD against the RM during the quarter under review.

13. Prospects

The Board anticipates the operating environment to remain challenging for the coming quarters as the semiconductor industry is currently experiencing slower growth coupled with uncertainty in the global 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.

15. Profit before taxation

	Current Year Quarter	Current Year- to-date
	30/09/2015 RM'000	30/09/2015 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	(727)	(727)
Depreciation and amortization	54,338	54,338
Allowance for impairment loss on trade receivables	99	99
Gain on foreign exchange	(6,638)	(6,638)
Fair value loss on derivative instruments	3,785	3,785
Share-based payments	572	572
Impairment of property, plant and equipment	-	-
Inventories written down	-	-
Gain on disposal of quoted /unquoted investments or properties	-	-

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16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2015 RM'000	Preceding Year Corresponding Quarter 30/09/2014 RM'000	Current Year To-date 30/09/2015 RM'000	Preceding Year Corresponding Period 30/09/2014 RM'000
Current taxation				
Malaysian				
- current year	4,644	2,675	4,644	2,675
- prior years	-	-	-	-
	4,644	2,675	4,644	2,675
Overseas				
- current year	2,140	1,316	2,140	1,316
- prior years	(2,824)	-	(2,824)	-
	(684)	1,316	(684)	1,316
Deferred taxation				
- current year	-	1,168	-	1,168
- prior years	-	-	-	-
	-	1,168	-	1,168
	3,960	5,159	3,960	5,159

The Group's effective tax rate for the quarter under review is lower than the statutory tax rate mainly due to the tax exemption on statutory income granted by the relevant authority to a Malaysian subsidiary of the Group.

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 and debt securities as at 30 September 2015 are as follows:-

Unsecured short term borrowings	RM'000 79,490
The above include borrowings denominated in foreign currencies as follows: - USD	RM'000 79,490

19. **Changes in material litigation**

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

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20. Dividend

- (a) The Board has declared an interim single tier dividend of 8.0 sen per share for the quarter ended 30 September 2015 of the financial year ending 30 June 2016 (1st quarter 2014/2015: 7.0 sen per share tax exempt) to be paid on 18 December 2015 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 3 December 2015.

This is to inform that a Depositor shall qualify for the entitlement only in respect of: -

- (i) shares transferred into the Depositor's securities account before 4.00 p.m. on 3 December 2015 in respect of ordinary transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Bursa Malaysia Securities Berhad's Listing Requirements.
- (b) For the financial year-to-date, single tier dividend of 8.0 sen per share (2014/2015: 7.0 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/financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM46,919,000 (1st quarter 2014/2015: RM19,909,000) by the weighted average number of ordinary shares during the quarter of 189,927,419 (1st quarter 2014/2015: 189,755,389).

	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
	30/09/2015 '000	30/09/2014 '000	30/09/2015 '000	30/09/2014 '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)	(8,971)	(9,790)
	189,927	189,108	189,927	189,108
Effect of disposal of ESS Trust Shares	-	647	-	647
Weighted average number of ordinary shares (basic)	189,927	189,755	189,927	189,755

(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
	30/09/2015 RM'000	30/06/2015 RM'000
Total retained earnings of the Company and its subsidiaries:-		
-realised	716,504	664,284
-unrealised	2,089	(14,279)
	<u>718,593</u>	<u>650,005</u>
Less: Consolidation adjustments	(38,467)	(16,798)
Group's retained earnings	<u>680,126</u>	<u>633,207</u>

By Order of the Board
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin
Lee Wui Kien
Company Secretaries

Kuala Lumpur
17 November 2015