

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2016

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Revenue	344,818	372,806	1,463,279	1,390,090
Cost of sales	(286,496)	(305,898)	(1,194,524)	(1,182,475)
Gross profit	58,322	66,908	268,755	207,615
Operating expenses	(15,700)	(15,885)	(60,783)	(59,796)
Other operating income/ (expenses)	6,144	(3,503)	(10,469)	6,500
Profit from operation	48,766	47,520	197,503	154,319
Interest income	417	318	1,051	983
Finance costs	(671)	(648)	(2,168)	(2,316)
Profit before taxation	48,512	47,190	196,386	152,986
Taxation	1,143	(8,638)	435	(30,376)
Profit for the period	49,655	38,552	196,821	122,610
Attributable to:				
Owners of the company	38,676	34,320	157,518	108,468
Non-controlling interests	10,979	4,232	39,303	14,142
Profit for the period	49,655	38,552	196,821	122,610
Earnings per ordinary share (sen): -				
(a) Basic	20.36	18.07	82.94	57.12
(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.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2016 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Profit for the period	49,655	38,552	196,821	122,610
Foreign currency translation differences for foreign operations	(255)	7,046	(3,637)	54,671
Cash flow hedge	(3,749)	6,878	13,528	(6,434)
Total comprehensive income for the period	45,651	52,476	206,712	170,847
Total comprehensive income attributable to:				
Owners of the Company	35,789	46,423	164,181	158,166
Non-controlling interests	9,862	6,053	42,531	12,681
Total comprehensive income for the period	45,651	52,476	206,712	170,847

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 JUNE 2016

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/06/2016 RM'000	30/06/2015 RM'000
Property, plant and equipment	719,967	809,260
Investment properties	33,429	34,288
Investments	46	46
Total non-current assets	753,442	843,594
Inventories	87,670	93,481
Trade and other receivables	212,368	297,036
Deposits, cash and bank balances	317,339	152,014
Total current assets	617,377	542,531
TOTAL ASSETS	1,370,819	1,386,125
Equity attributable to owners of the Company		
Share capital	104,942	104,942
Reserves	1,038,520	917,931
Treasury shares, at cost	(163,816)	(163,808)
	979,646	859,065
Non-controlling interests	190,470	169,101
TOTAL EQUITY	1,170,116	1,028,166
Employee benefits	245	332
Deferred tax liabilities	3,648	31,989
Total non-current liabilities	3,893	32,321
Trade and other payables	160,604	222,728
Borrowings (unsecured)	33,297	93,592
Current tax liabilities	2,909	9,318
Total current liabilities	196,810	325,638
TOTAL LIABILITIES	200,703	357,959
TOTAL EQUITY AND LIABILITIES	1,370,819	1,386,125
Net assets per share attributable to owners of the Company (RM)	5.16	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 JUNE 2016

	← Attributable to owners of the Company →									Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Hedging reserve	Exchange fluctuation reserve	Reserve for own shares	Executive share reserve	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 June 2016													
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	-	-	-	-	-	-	-	-	-	157,518	157,518	39,303	196,821
Other comprehensive income/(expenses)													
-foreign currency translation differences	-	-	-	-	-	(3,637)	-	-	-	-	(3,637)	-	(3,637)
-cash flow hedge	-	-	-	-	10,300	-	-	-	-	-	10,300	3,228	13,528
Total comprehensive income/(expense) for the period	-	-	-	-	10,300	(3,637)	-	-	-	157,518	164,181	42,531	206,712
Dividend	-	-	-	-	-	-	-	-	-	(43,683)	(43,683)	(21,000)	(64,683)
Purchase of treasury shares	-	-	-	-	-	-	-	-	(8)	-	(8)	-	(8)
Share-based payments	-	-	-	-	-	-	-	91	-	-	91	(162)	71
Total transaction with owners	-	-	-	-	-	-	-	91	(8)	(43,683)	(43,600)	(21,162)	(64,762)
Transfer to capital reserve	-	-	-	1,589	-	-	-	-	-	(1,589)	-	-	-
At 30 June 2016	104,942	247,431	1,050	15,364	5,327	75,361	(53,833)	2,367	(163,816)	745,453	979,646	190,470	1,170,116

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016 (Cont'd)

	← Attributable to owners of the Company →										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 share reserve	Treasury shares	Retained earnings	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	RM'000	RM'000	RM'000
Preceding year corresponding period ended 30 June 2015													
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	-	-	-	-	-	-	-	-	-	108,468	108,468	14,142	122,610
Other comprehensive (expenses)/income													
-foreign currency translation differences	-	-	-	-	-	54,671	-	-	-	-	54,671	-	54,671
-cash flow hedge	-	-	-	-	(4,973)	-	-	-	-	-	(4,973)	(1,461)	(6,434)
Total comprehensive income for the period	-	-	-	-	(4,973)	54,671	-	-	-	108,468	158,166	12,681	170,847
Disposal of trust shares	-	(2,521)	-	-	-	-	7,646	-	-	-	5,125	-	5,125
Dividends	-	-	-	-	-	-	-	-	-	(37,985)	(37,985)	(18,768)	(56,753)
Share-based payment	-	-	-	-	-	-	-	1,446	-	-	1,446	377	1,823
Purchase of treasury shares	-	-	-	-	-	-	-	-	(5)	-	(5)	-	(5)
Total transaction with Owners	-	(2,521)	-	-	-	-	7,646	1,446	(5)	(37,985)	(31,419)	(18,391)	(49,810)
Transfer to capital reserve	-	-	-	3,528	-	-	-	-	-	(3,528)	-	-	-
At 30 June 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

Dividends received by the trust set up for the Executive Share Scheme ("ESS") ("ESS Trust") amounted to RM2,063,100 (2014/2015: RM627,900) 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 2015.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016

	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2016	30/06/2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	196,386	152,986
Adjustments for:-		
Depreciation and amortisation	209,424	204,113
Dividend income	(4,508)	(1,528)
Non-cash items	13,931	(8,630)
Net financing cost	1,117	1,333
Operating profit before changes in working capital	416,350	348,274
Changes in working capital		
Net change in current assets	122,449	(60,088)
Net change in current liabilities	(89,767)	36,599
Taxation paid	(38,130)	(17,646)
Net financing cost paid	(1,117)	(1,333)
Retirement benefit paid	(87)	-
Dividend received	4,508	1,528
Net cash generated from operating activities	414,206	307,334
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(125,068)	(176,452)
Proceeds from disposal of property, plant and equipment	600	2,637
Net cash used in investing activities	(124,468)	(173,815)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owner of the company	(43,683)	(37,985)
Dividends paid to non-controlling shareholders of a subsidiary	(21,000)	(18,768)
Drawdown of borrowings	143,664	107,259
Repayments of borrowings	(203,408)	(119,493)
Purchase of treasury shares	(8)	(5)
Proceeds from disposal of trust shares	-	5,125
Net cash used in financing activities	(124,435)	(63,867)
NET CHANGE IN CASH AND CASH EQUIVALENTS	165,303	69,652
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	152,014	78,114
EFFECT ON FOREIGN EXCHANGE	22	4,248
CASH & CASH EQUIVALENTS AT END OF PERIOD	317,339	152,014
Cash and cash equivalents included in the consolidated statements of cash flows comprise the following consolidated statements of financial position amounts:		
	30/06/2016	30/06/2015
	RM'000	RM'000
Deposits, cash and bank balances	317,339	152,014

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 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. During the financial year-to-date, the Company bought back 1,000 of its own shares from the open market for total consideration of RM7,980. The total number of shares bought back as at 30 June 2016 was 10,988,000 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 June 2016, 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.

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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 single tier dividend of 8.0 sen per share, paid on 18 December 2015	15,912
Second interim single tier dividend of 15.0 sen per share, paid on 31 May 2016	29,834
	<u>45,746</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	106,806	33,778	55,987	196,571
Included in the measure of segment profit are:				
Revenue from external customers	773,496	327,818	359,339	1,460,653
Depreciation and amortisation	114,723	48,634	46,000	209,357

Reconciliation of segment profit

	RM'000
Profit	
Reportable segments	196,571
Non-reportable segments	932
Interest income	1,051
Finance costs	(2,168)
Consolidated profit before taxation	<u>196,386</u>

	External revenue RM'000	Depreciation and amortisation RM'000
Reportable segments	1,460,653	209,357
Non-reportable segments	2,626	67
Total	<u>1,463,279</u>	<u>209,424</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 a final meeting to be convened.

11. Review of performance

For the quarter under review, the Group recorded a revenue of RM344.8 million and profit before taxation ("PBT") of RM48.5 million as compared with a revenue and PBT of RM372.8 million and RM47.2 million respectively for the corresponding quarter of the preceding year ended 30 June 2015 ("FY2015"). Revenues for the Asia and USA segments were both lower by 13% and 6% respectively whilst the Europe segment was higher by 3% against the corresponding quarter of FY2015.

The Group's revenue for the financial year-to-date was RM1,463.3 million, 5% higher as compared with a revenue of RM1,390.1 million for the corresponding period of FY2015. Revenues for the USA and Europe segments were both higher by 13% and 12% respectively whilst the Asia segment was lower by 1% against the last year's corresponding period. PBT for the financial year-to-date closed at RM196.4 million as compared with a PBT of RM153.0 million in the corresponding period of FY2015. The higher PBT was mainly contributed by the higher margin products and positive effect from the stronger US Dollar. Included in the results of the financial year-to-date was a net of tax insurance claim of RM16.7 million.

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

The Group's revenue for the quarter under review was RM344.8 million against the preceding quarter of RM352.1 million. Revenues for the Asia and USA segments were lower by 1% whilst the Europe segment was lower by 6% against the preceding quarter.

For the quarter under review, the Group recorded a PBT of RM48.5 million as compared with a PBT of RM47.5 million (inclusive of an insurance claim as mentioned in Note 11) in the preceding quarter. The improved results for the quarter under review as compared with the preceding quarter was mainly due to favourable foreign exchange rate and higher USD revenue.

13. Prospects

The Board anticipates the operating environment to remain challenging due to uncertainty in the macro economy and with global semiconductor industry revenue forecast to fall by 3% this year. Despite the short-term industry decline, we believe the Group can maintain its revenue position by offering differentiated technology in expanding markets. Barring any unforeseen circumstances, the Board expects the performance of the Group to be satisfactory for the financial year ending 30 June 2017.

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
	30/06/2016 RM'000	30/06/2016 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	(1,742)	(4,508)
Depreciation and amortization	49,449	209,424
Impairment and write off of trade receivables	52	837
(Gain)/Loss on foreign exchange	(2,681)	48,273
Fair value gain on derivative instruments	(910)	(6,392)
Share-based payments	(1,786)	(71)
Provision for and write off of inventories	1,560	4,038
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
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Current taxation				
Malaysian				
- current year	5,955	3,794	29,976	13,996
- prior years	(551)	(45)	(543)	587
	5,404	3,749	29,433	14,583
Overseas				
- current year	1,529	3,639	4,710	11,214
- prior years	49	-	(2,753)	-
	1,578	3,639	1,957	11,214
Deferred taxation				
- current year	(8,125)	1,250	(31,825)	4,918
- prior years	-	-	-	(339)
	(8,125)	1,250	(31,825)	4,579
	(1,143)	8,638	(435)	30,376

The Group's taxation for the quarter under review mainly represent tax provision for the local subsidiary and the reassessment of deferred tax position by a subsidiary of the Group following a tax incentive granted to the subsidiary.

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 June 2016 are as follows:-

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18. Group's borrowings and debt securities (cont'd)

Unsecured short term borrowings	RM'000 33,297
The above include borrowings denominated in foreign currencies as follows: - Chinese Yuan	RM'000 33,297

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 2016 (2014/2015: nil).
- (b) For the financial year-to-date, a total single tier dividend of 23.0 sen per share (2014/2015: 20.0 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 RM38,676,000 (4th quarter 2014/2015: RM34,320,000) by the weighted average number of ordinary shares during the quarter of 189,926,419 (4th quarter 2014/2015: 189,927,419).

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 RM157,518,000 (2014/2015 : RM108,468,000) and the weighted average number of ordinary shares during the period of 189,926,807 (2014/2015 : 189,884,189).

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
	30/06/2016 '000	30/06/2015 '000	30/06/2016 '000	30/06/2015 '000
Issued ordinary shares at beginning of period	209,884	209,884	209,884	209,884
Treasury shares held at beginning of period	(10,988)	(10,986)	(10,987)	(10,986)
ESS Trust Shares held at beginning of period	(8,970)	(8,971)	(8,970)	(9,790)
	189,926	189,927	189,927	189,108
Effect of disposal of ESS Trust Shares	-	-	-	776
Weighted average number of ordinary shares (basic)	189,926	189,927	189,927	189,884

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19. Earnings per ordinary share (cont'd)

(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.

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
	30/06/2016 RM'000	30/06/2015 RM'000
Total retained earnings of the Company and its subsidiaries:-		
-realised	790,728	664,284
-unrealised	(6,217)	(14,279)
	<u>784,511</u>	<u>650,005</u>
Less: Consolidation adjustments	(39,058)	(16,798)
Group's retained earnings	<u>745,453</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
18 August 2016