

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2019**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2019**

|   | Individual Quarter   |                                      | Cumulative Quarter   |                                     |
|---|----------------------|--------------------------------------|----------------------|-------------------------------------|
|   | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year-To-Date | Preceding Year Corresponding Period |
|   | 31/03/2019<br>RM'000 | 31/03/2018<br>RM'000                 | 31/03/2019<br>RM'000 | 31/03/2018<br>RM'000                |
| <b>Revenue</b>                              | 330,108              | 366,333                              | 1,142,026            | 1,149,219                           |
| Cost of sales                               | (290,127)            | (318,958)                            | (944,420)            | (965,362)                           |
| <b>Gross profit</b>                         | 39,981               | 47,375                               | 197,606              | 183,857                             |
| Operating expenses                          | (12,286)             | (16,158)                             | (47,983)             | (50,194)                            |
| Other operating (expenses)/income           | (1,407)              | 8,691                                | 682                  | 18,682                              |
| <b>Profit from operation</b>                | 26,288               | 39,908                               | 150,305              | 152,345                             |
| Interest income                             | 98                   | 669                                  | 1,462                | 1,951                               |
| Finance costs                               | (898)                | (682)                                | (2,869)              | (2,378)                             |
| <b>Profit before taxation</b>               | 25,488               | 39,895                               | 148,898              | 151,918                             |
| Taxation                                    | (4,006)              | (8,186)                              | (24,563)             | (27,576)                            |
| <b>Profit for the period</b>                | 21,482               | 31,709                               | 124,335              | 124,342                             |
| <b>Profit attributable to:</b>              |                      |                                      |                      |                                     |
| Owners of the Company                       | 16,767               | 25,984                               | 98,270               | 103,427                             |
| Non-controlling interests                   | 4,715                | 5,725                                | 26,065               | 20,915                              |
| <b>Profit for the period</b>                | 21,482               | 31,709                               | 124,335              | 124,342                             |
| <b>Earnings per ordinary share (sen): -</b> |                      |                                      |                      |                                     |
| (a) Basic                                   | 8.82                 | 13.68                                | 51.72                | 54.44                               |
| (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 2018.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2019**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2019 (cont'd)**

|   | <b>Individual Quarter</b> |                       | <b>Cumulative Quarter</b> |                       |
|---|---------------------------|-----------------------|---------------------------|-----------------------|
|   | <b>Current Year</b>       | <b>Preceding Year</b> | <b>Current Year-</b>      | <b>Preceding Year</b> |
|   | <b>Quarter</b>            | <b>Corresponding</b>  | <b>To-Date</b>            | <b>Corresponding</b>  |
|   | <b>31/03/2019</b>         | <b>31/03/2018</b>     | <b>31/03/2019</b>         | <b>31/03/2018</b>     |
|   | <b>RM'000</b>             | <b>RM'000</b>         | <b>RM'000</b>             | <b>RM'000</b>         |
| <b>Profit for the period</b>                                    | 21,482                    | 31,709                | 124,335                   | 124,342               |
| Foreign currency translation differences for foreign operations | 2,310                     | (7,530)               | 728                       | (17,691)              |
| Cash flow hedge   | 4,152                     | 724                   | 3,909                     | 2,438                 |
| <b>Total comprehensive income for the period</b>                | <b>27,944</b>             | <b>24,903</b>         | <b>128,972</b>            | <b>109,089</b>        |
| <b>Total comprehensive income attributable to:</b>              |                           |                       |                           |                       |
| Owners of the Company   | 22,441                    | 18,918                | 102,119                   | 87,430                |
| Non-controlling interests                                       | 5,503                     | 5,985                 | 26,853                    | 21,659                |
| <b>Total comprehensive income for the period</b>                | <b>27,944</b>             | <b>24,903</b>         | <b>128,972</b>            | <b>109,089</b>        |

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 2018.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**  
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**ENDED 31 MARCH 2019**

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31**  
**MARCH 2019**

|  | As At End of<br>Current Quarter | As At End of<br>Preceding<br>Financial Year |
|--|---------------------------------|---|
|  | 31/03/2019<br>RM'000            | 30/06/2018<br>RM'000                        |
| Property, plant and equipment  | 685,549                         | 646,693                                     |
| Investment properties  | 30,871                          | 31,569                                      |
| Investments  | 46                              | 46  |
| <b>Total non-current assets</b>  | <b>716,466</b>                  | <b>678,308</b>                              |
| Inventories  | 103,802                         | 118,078                                     |
| Trade and other receivables, including derivatives                         | 195,203                         | 248,865                                     |
| Tax Recoverable  | 4,364                           | 2,988                                       |
| Deposits, cash and bank balances   | 736,024                         | 647,621                                     |
| <b>Total current assets</b>  | <b>1,039,393</b>                | <b>1,017,552</b>                            |
| <b>TOTAL ASSETS</b>  | <b>1,755,859</b>                | <b>1,695,860</b>                            |
| <b>Equity attributable to owners of the Company</b>                        |                                 |   |
| Share capital  | 352,373                         | 352,373                                     |
| Reserves   | 1,084,084                       | 998,989                                     |
| Treasury shares  | (163,816)                       | (163,816)                                   |
|  | 1,272,641                       | 1,187,546                                   |
| <b>Non-controlling interests</b>   | <b>234,517</b>                  | <b>217,383</b>                              |
| <b>TOTAL EQUITY</b>  | <b>1,507,158</b>                | <b>1,404,929</b>                            |
| Deferred tax liabilities   | 1,422                           | 30  |
| Employee benefits  | 245                             | 245   |
| <b>Total non-current liabilities</b>                                       | <b>1,667</b>                    | <b>275</b>                                  |
| Trade and other payables, including derivatives                            | 187,819                         | 210,558                                     |
| Borrowings (unsecured)   | 47,440                          | 75,030                                      |
| Current tax liabilities  | 11,775                          | 5,068                                       |
| <b>Total current liabilities</b>   | <b>247,034</b>                  | <b>290,656</b>                              |
| <b>TOTAL LIABILITIES</b>   | <b>248,701</b>                  | <b>290,931</b>                              |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>1,755,859</b>                | <b>1,695,860</b>                            |
| <b>Net assets per share attributable to owners of<br/>the Company (RM)</b> | <b>6.70</b>                     | <b>6.25</b>                                 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2018.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**  
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The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019**

|  | ← Attributable to owners of the Company → |               |                 |                              |                        |                                |                  |                   |                  |                           |                        |
|--|---|---------------|-----------------|------------------------------|------------------------|--------------------------------|------------------|-------------------|------------------|---------------------------|------------------------|
|  | ← Non-distributable →                     |               |                 |                              |                        |                                |                  | Distributable     |                  |                           | Total equity<br>RM'000 |
|  | Share capital                             | Other reserve | Hedging reserve | Exchange fluctuation reserve | Reserve for own shares | Executive share scheme Reserve | Treasury shares  | Retained earnings | Total            | Non-controlling interests |                        |
| RM'000   | RM'000                                    | RM'000        | RM'000          | RM'000                       | RM'000                 | RM'000                         | RM'000           | RM'000            | RM'000           |                           |                        |
| <b>Current year-to-date ended 31 March 2019</b>            |   |               |                 |                              |                        |                                |                  |                   |                  |                           |                        |
| At 1 July 2018   | 352,373                                   | 24,567        | (3,723)         | 76,991                       | (53,043)               | 3,127                          | (163,816)        | 951,070           | 1,187,546        | 217,383                   | 1,404,929              |
| Profit for the period                                      | -   | -             | -               | -                            | -                      | -                              | -                | 98,270            | 98,270           | 26,065                    | 124,335                |
| Other comprehensive income/(expense)                       |   |               |                 |                              |                        |                                |                  |                   |                  |                           |                        |
| -foreign currency translation differences                  | -   | -             | -               | 728                          | -                      | -                              | -                | -                 | 728              | -                         | 728                    |
| -cash flow hedge   | -   | -             | 3,121           | -                            | -                      | -                              | -                | -                 | 3,121            | 788                       | 3,909                  |
| <b>Total comprehensive income/(expense) for the period</b> | -   | -             | 3,121           | 728                          | -                      | -                              | -                | 98,270            | 102,119          | 26,853                    | 128,972                |
| Dividend   | -   | -             | -               | -                            | -                      | -                              | -                | (19,001)          | (19,001)         | (10,500)                  | (29,501)               |
| Share-based payment  | -   | -             | -               | -                            | -                      | 1,977                          | -                | -                 | 1,977            | 781                       | 2,758                  |
| ESS shares exercised                                       | -   | -             | -               | -                            | 272                    | (371)                          | -                | 99                | -                | -                         | -                      |
| <b>Total transaction with owners of the Company</b>        | -   | -             | -               | -                            | 272                    | 1,606                          | -                | (18,902)          | (17,024)         | (9,719)                   | (26,743)               |
| <b>At 31 March 2019</b>                                    | <b>352,373</b>                            | <b>24,567</b> | <b>(602)</b>    | <b>77,719</b>                | <b>(52,771)</b>        | <b>4,733</b>                   | <b>(163,816)</b> | <b>1,030,438</b>  | <b>1,272,641</b> | <b>234,517</b>            | <b>1,507,158</b>       |

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019 (cont'd)**

|  | ← Attributable to owners of the Company → |               |                 |                              |                        |                                |                  | Total             | Non-controlling interests | Total equity   |                  |
|--|---|---------------|-----------------|------------------------------|------------------------|--------------------------------|------------------|-------------------|---------------------------|----------------|------------------|
|  | ← Non-distributable →                     |               |                 | → Distributable              |                        |                                |                  |                   |                           |                |                  |
|  | Share capital                             | Other reserve | Hedging reserve | Exchange fluctuation reserve | Reserve for own shares | Executive share scheme 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         |                  |
| <b>Preceding year corresponding period ended 31 March 2018</b> |   |               |                 |                              |                        |                                |                  |                   |                           |                |                  |
| At 1 July 2017   | 352,373                                   | 19,256        | 1,177           | 93,602                       | (53,833)               | 1,987                          | (163,816)        | 869,246           | 1,119,992                 | 208,965        | 1,328,957        |
| Profit for the period  | -   | -             | -               | -                            | -                      | -                              | -                | 103,427           | 103,427                   | 20,915         | 124,342          |
| Other comprehensive income/(expense)                           |   |               |                 |                              |                        |                                |                  |                   |                           |                |                  |
| -foreign currency translation differences                      | -   | -             | -               | (17,691)                     | -                      | -                              | -                | -                 | (17,691)                  | -              | (17,691)         |
| -cash flow hedge   | -   | -             | 1,694           | -                            | -                      | -                              | -                | -                 | 1,694                     | 744            | 2,438            |
| <b>Total comprehensive income/(expense) for the period</b>     | -   | -             | 1,694           | (17,691)                     | -                      | -                              | -                | 103,427           | 87,430                    | 21,659         | 109,089          |
| Dividend   | -   | -             | -               | -                            | -                      | -                              | -                | (19,001)          | (19,001)                  | (12,300)       | (31,301)         |
| Share-based payment  | -   | -             | -               | -                            | -                      | 619                            | -                | -                 | 619                       | 630            | 1,249            |
| ESS shares exercised   | -   | -             | -               | -                            | 790                    | (103)                          | -                | (225)             | 462                       | -              | 462              |
| <b>Total transaction with owners of the Company</b>            | -   | -             | -               | -                            | -                      | 516                            | -                | (19,226)          | (17,920)                  | (11,670)       | (29,590)         |
| <b>At 31 March 2018</b>  | <b>352,373</b>                            | <b>19,256</b> | <b>2,871</b>    | <b>75,911</b>                | <b>(53,043)</b>        | <b>2,503</b>                   | <b>(163,816)</b> | <b>953,447</b>    | <b>1,189,502</b>          | <b>218,954</b> | <b>1,408,456</b> |

Dividends received by the trust set up for the Executive Share Scheme ("ESS") ("ESS Trust") amounted to RM889,000 (2017/2018: RM889,000) 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 2018.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019**

|   | <b>Current Year-<br/>To-Date</b> | <b>Preceding Year<br/>Corresponding<br/>Period</b> |
|---|----------------------------------|--|
|   | <b>31/03/2019<br/>RM'000</b>     | <b>31/03/2018<br/>RM'000</b>                       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                                  |  |
| Profit before taxation  | 148,898                          | 151,918  |
| Adjustments for:-   |                                  |  |
| Depreciation and amortisation                                 | 129,867                          | 137,542  |
| Dividend income   | (12,693)                         | (10,414)   |
| Non-cash items  | (4,848)                          | (1,106)  |
| Net financing cost  | 1,407                            | 427  |
| Operating profit before changes in working capital            | 262,631                          | 278,367  |
| Changes in working capital                                    |                                  |  |
| Net change in current assets                                  | 78,303                           | 26,455   |
| Net change in current liabilities                             | (19,383)                         | 11,023   |
| Taxation paid   | (18,870)                         | (24,430)   |
| Net financing costs paid                                      | (1,407)                          | (427)  |
| Dividend received   | 12,693                           | 10,414   |
| <b>Net cash generated from operating activities</b>           | <b>313,967</b>                   | <b>301,402</b>                                     |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                                  |  |
| Purchase of property, plant and equipment                     | (170,185)                        | (146,183)  |
| Proceeds from disposal of property, plant and equipment       | 341                              | 400  |
| <b>Net cash used in investing activities</b>                  | <b>(169,844)</b>                 | <b>(145,783)</b>                                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                                  |  |
| Dividend paid to owner of the company                         | (19,001)                         | (19,001)   |
| Dividend paid to non-controlling shareholders of a subsidiary | (10,500)                         | (12,300)   |
| Drawdown from borrowings                                      | 12,066                           | 21,942   |
| Repayments of borrowings                                      | (39,533)                         | (73,920)   |
| Proceeds from disposal of trust shares                        | -                                | 462  |
| <b>Net cash used in financing activities</b>                  | <b>(56,968)</b>                  | <b>(82,817)</b>                                    |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                | <b>87,155</b>                    | <b>72,802</b>                                      |
| <b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>     | <b>647,621</b>                   | <b>535,793</b>                                     |
| <b>EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH HELD</b>       | <b>1,248</b>                     | <b>(6,237)</b>                                     |
| <b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>           | <b>736,024</b>                   | <b>602,358</b>                                     |

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

|                                  | <b>31/03/2019<br/>RM'000</b> | <b>31/03/2018<br/>RM'000</b> |
|----------------------------------|------------------------------|------------------------------|
| Deposits, cash and bank balances | 736,024                      | 602,358                      |

**The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2018.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)  
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ENDED 31 MARCH 2019**

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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 2018. 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 2018 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2018 which are applicable to the Group including MFRS 15 Revenue from Contracts with Customers. The initial adoption of these applicable MFRSs, 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 and financial year-to-date. The total number of shares bought back as at 31 March 2019 was 10,988,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016.

(b) During the quarter under review, a total of 50,000 existing ordinary shares in the Company (“MPI Shares”) held in the ESS Trust were transferred to an eligible executive arising from the vesting of MPI Shares free of consideration pursuant to the Executive Share Scheme. (“ESS”).

There were no additional shares purchased by the ESS Trust during the quarter under review and financial year-to-date.

As at 31 March 2019, the total number of shares held by the ESS Trust was 8,840,000 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**

During the financial year-to-date, the Company paid an interim single tier dividend of 10.0 sen per share amounted to RM19.9 million on 12 December 2018.

8. **Operating Segments**

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

|  | Asia<br>RM'000 | United States<br>of America<br>("USA")<br>RM'000 | Europe<br>RM'000                       | Total<br>RM'000   |
|--|----------------|--|--|---|
| <b>Segment profit</b>                          | 86,522         | 21,938   | 34,707                                 | 143,167   |
| Included in the measure of segment profit are: |                |  |  |   |
| Revenue from external customers                | 687,206        | 175,126  | 274,259                                | 1,136,591   |
| Depreciation and amortisation                  | 84,398         | 18,559   | 26,810                                 | 129,767   |
| <b>Reconciliation of segment profit</b>        |                |  |  |   |
| <b>Profit</b>                                  |                |  |  | <b>RM'000</b>   |
| Reportable segments                            |                |  |  | 143,167   |
| Non-reportable segments                        |                |  |  | 7,138   |
| Interest income                                |                |  |  | 1,462   |
| Finance costs                                  |                |  |  | (2,869)   |
| Consolidated profit before taxation            |                |  |  | 148,898   |
|  |                |  |  | <b>Depreciation<br/>and<br/>amortisation<br/>RM'000</b> |
|  |                |  | <b>External<br/>revenue<br/>RM'000</b> |   |
| Reportable segments                            |                |  | 1,136,591                              | 129,767   |
| Non-reportable segments                        |                |  | 5,435                                  | 100   |
| <b>Total</b>                                   |                |  | <b>1,142,026</b>                       | <b>129,867</b>  |

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.



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**11. Review of performance**

For the quarter under review, the Group recorded revenue of RM330.1 million and profit before taxation (“PBT”) of RM25.5 million as compared with revenue and PBT of RM366.3 million and RM39.9 million respectively for the corresponding quarter of the preceding year ended 30 June 2018 (“FY2018”). Revenue for the Asia, USA and Europe segments were lower by 8%, 28% and 1% respectively against the corresponding quarter of FY2018.

The Group’s revenue for the financial year-to-date was RM1,142.0 million as compared with revenue of RM1,149.2 million for the preceding year’s corresponding period. Revenue for the Asia and Europe segments were both higher by 4% and 1% respectively whilst the USA segment was lower by 18% against the preceding year’s corresponding period. PBT for the financial year-to-date closed at RM148.9 million against RM151.9 million for the corresponding period of the preceding year.

The lower PBT for the quarter and year-to-date under review was mainly due to lower revenue and foreign exchange loss.

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

The Group’s revenue for the quarter under review was RM330.1 million against the preceding quarter of RM398.2 million. Revenue for the Asia, USA and Europe segments were lower by 19%, 22% and 11% respectively against the preceding quarter.

For the quarter under review, the Group recorded PBT of RM25.5 million as compared with RM60.2 million for the preceding quarter. The lower PBT for the quarter under review was primarily due to lower revenue.

**13. Prospects**

The Board anticipates the operating environment to remain challenging due to uncertainties in the global economy for the rest of the financial year ending 30 June 2019. The management will continue to improve our operational efficiencies with more automation and digitalisation and to enhance product development to strengthen the Group’s position in the chosen sectors.

**14. Profit forecast / profit guaranteed**

This note is not applicable.

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**15. Profit before taxation**

|   | Current Year<br>Quarter | Current Year-<br>to-date |
|---|-------------------------|--------------------------|
|   | 31/03/2019<br>RM'000    | 31/03/2019<br>RM'000     |
| Profit before taxation is arrived at after charging/(crediting):- |                         |                          |
| Gross dividend income from short term investments                 | (4,744)                 | (12,693)                 |
| Depreciation and amortization                                     | 43,661                  | 129,867                  |
| Impairment and write off of trade receivables                     | 91                      | 271                      |
| Loss on foreign exchange  | 9,163                   | 14,223                   |
| Fair value (gain)/loss on derivatives                             | (875)                   | 1,171                    |
| Share-based payments  | 1,062                   | 2,758                    |
| Provision for and write off of inventories                        | 662                     | 5,528                    |
| Impairment of property, plant and equipment                       | -                       | -                        |
| Gain on disposal of quoted /unquoted investments or properties    | -                       | -                        |

**16. Taxation**

|                   | Individual Quarter      |  | Cumulative Quarter      |   |
|-------------------|-------------------------|--|-------------------------|---|
|                   | Current Year<br>Quarter | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To-date | Preceding Year<br>Corresponding<br>Period |
|                   | 31/03/2019<br>RM'000    | 31/03/2018<br>RM'000                       | 31/03/2019<br>RM'000    | 31/03/2018<br>RM'000                      |
| Current taxation  |                         |  |                         |   |
| Malaysian         |                         |  |                         |   |
| - current year    | 1,736                   | 5,403                                      | 11,043                  | 15,524                                    |
| - prior years     | (77)                    | 69   | (77)                    | 69  |
|                   | 1,659                   | 5,472                                      | 10,966                  | 15,593                                    |
| Overseas          |                         |  |                         |   |
| - current year    | 2,013                   | 2,914                                      | 13,312                  | 12,152                                    |
| - prior years     | -                       | -  | (49)                    | 31  |
|                   | 2,013                   | 2,914                                      | 13,263                  | 12,183                                    |
| Deferred taxation |                         |  |                         |   |
| - current year    | 334                     | (200)                                      | 334                     | (200)                                     |
|                   | 334                     | (200)                                      | 334                     | (200)                                     |
|                   | 4,006                   | 8,186                                      | 24,563                  | 27,576                                    |

The Group's effective tax rate for the quarter under review is lower than statutory tax rate mainly due to tax incentive granted to subsidiaries of the Company.

**17. Corporate proposals**

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

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**The figures have not been audited**

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

Particulars of the Group's borrowings and debt securities as at 31 March 2019 are as follows:-

|                                 |                                |
|---------------------------------|--------------------------------|
| Unsecured short term borrowings | <b>RM'000</b><br><u>47,440</u> |
|---------------------------------|--------------------------------|

The above borrowings are denominated in Chinese Yuan.

**19. Changes in material litigation**

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

**20. Dividend**

- (a) The Board has declared a second interim single tier dividend of 17.0 sen per share for the quarter ended 31 March 2019 of the financial year ending 30 June 2019 (3<sup>rd</sup> quarter 2017/2018: a second interim single tier dividend of 19.0 sen per share) to be paid on 27 June 2019 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 13 June 2019.
- (b) 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 4.30 p.m. on 13 June 2019 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.
- (c) For the financial year-to-date, a total single tier dividend of 27.0 sen per share (2017/2018: single tier dividend of 29.0 sen per share) 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 RM16,767,000 (3<sup>rd</sup> quarter 2017/2018: RM25,984,000) by the weighted average number of ordinary shares during the quarter of 190,031,419 (3<sup>rd</sup> quarter 2017/2018: 190,006,419).

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 RM98,270,000 (2017/2018: RM103,427,000) and the weighted average number of ordinary shares during the period of 190,014,631 (2017/2018 : 189,973,134).

|  | 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 |
|  | 31/03/2019<br>'000                         | 31/03/2018<br>'000                   | 31/03/2019<br>'000   | 31/03/2018<br>'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)                                   | (10,988)                             | (10,988)             | (10,988)                            |
| Trust Shares held at beginning of period           | (8,890)                                    | (8,890)                              | (8,890)              | (8,970)                             |
|  | 190,006                                    | 190,006                              | 190,006              | 189,926                             |
| Effect of Trust Shares vested                      | 25   | -                                    | 9                    | 47                                  |
| Weighted average number of ordinary shares (basic) | 190,031                                    | 190,006                              | 190,015              | 189,973                             |

b) Diluted earnings per ordinary share

The Group's diluted earnings per ordinary share in the quarter under review/financial year-to-date approximates its basic earnings per ordinary share.

The Group has no dilution in its earnings per ordinary share in the preceding year corresponding quarter/period as there were no dilutive potential ordinary shares.

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**The figures have not been audited**

**22. Derivatives**

The Group has entered into a number of forward foreign exchange contracts by subsidiaries to hedge the cash flow risk in relation to the variations of cash flows arising from future forecasted transactions.

The forward foreign exchange contracts are stated at fair value using observable market prices in active markets, including recent market transactions and valuation techniques that include discounted cash flow models and option pricing models, as appropriate.

As at 31 March 2019, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

|                  | <b>Contract<br/>amount</b> | <b>Fair Value Assets /<br/>(Liabilities)</b> |
|------------------|----------------------------|--|
|                  | <b>RM'000</b>              | <b>RM'000</b>                                |
| Less than 1 year | <u>88,614</u>              | <u>(2,115)</u>                               |

Derivatives (which are classified as financial assets/liabilities) categorised as fair value through profit or loss are subsequently measured at their fair values with the gains/losses recognised in profit or loss. Gains/losses arising from fair value changes of derivatives is as disclosed in Note 15.

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the previous financial year ended 30 June 2018.

**23. Gains/losses arising from fair value changes of financial liabilities**

Other than derivatives which are classified as financial liabilities when they are at fair value loss position, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

By Order of the Board  
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin  
Company Secretary

Kuala Lumpur  
24 May 2019