

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2003****The figures have not been audited****CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2003**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2003 RM'000	Preceding Year Corresponding Quarter 31/12/2002 RM'000	Current Year- To-Date 31/12/2003 RM'000	Preceding Year Corresponding Period 31/12/2002 RM'000
Revenue	293,182	210,405	540,066	430,271
Operating expenses	(244,465)	(199,324)	(466,937)	(399,687)
Other operating expenses	(1,864)	(1,014)*	(1,557)	(1,924)*
Operating profit	46,853	10,067	71,572	28,660
Finance cost	(3,725)	(4,563)	(7,519)	(9,393)
Interest income	1,454	2,006	2,648	4,293
Profit before taxation	44,582	7,510	66,701	23,560
Taxation	(3,158)	(6,492)	(6,168)	(12,946)
Profit after taxation	41,424	1,018	60,533	10,614
Minority interest	(12,520)	(389)	(18,694)	(2,988)
Net Profit for the period	28,904	629	41,839	7,626
Earnings per share (sen): -				
(a) Basic	14.53	0.32	21.03	3.83
(b) Fully diluted	N/A	N/A	N/A	N/A

* Other operating expense for preceding year has been adjusted to exclude interest income.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2003.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2003****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2003**

	As at end of current quarter 31/12/2003 RM'000	As at preceding financial year end 30/06/2003 (AUDITED) RM'000
Property, plant and equipment	953,659	939,308
Investments	23,393	55,541
Intangible assets	19,919	21,002
Other assets	18,042	-
Current assets		
Inventories	56,695	47,045
Trade and other receivables	192,008	160,125
Tax recoverable	12,877	11,339
Cash and bank balances	197,641	157,397
	459,221	375,906
Current Liabilities		
Trade and other payables	272,180	196,484
Short term borrowings and overdraft (unsecured)	194,711	59,412
Taxation	253	253
	467,144	256,149
Net current (liabilities) / assets	(7,923)	119,757
	1,007,090	1,135,608
Share capital	104,942	104,942
Reserves	745,078	733,077
Treasury shares, at cost	(163,620)	(163,620)
	686,400	674,399
Minority shareholders' interests	236,826	230,132
Long term and deferred liabilities		
Borrowings (unsecured)	22,162	171,873
Deferred taxation	60,600	54,612
Retirement benefits	1,102	4,592
	83,864	231,077
	1,007,090	1,135,608
Net tangible assets per share (sen)	335	328

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual
Financial Report for the Year Ended 30 June 2003.**

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2003**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2003**

	Current Year- To-Date	Preceding Year corresponding period ended
	31/12/2003 RM'000	31/12/2002 RM'000
Profit before taxation	66,701	23,560
Adjustment for:-		
Depreciation and amortisation	100,738	101,398
Non-cash items	302	198
Gain on disposal of quoted investments	(2,174)	-
Net financing cost	4,871	5,100
Operating profit before changes in working capital	170,438	130,256
Changes in working capital		
Net change in long term / current assets	(61,276)	29,153
Net change in current liabilities	72,203	(9,234)
Taxation paid	(19)	(19,273)
Other operating expenses paid	(172)	-
Net financing cost paid	(4,871)	(5,100)
Net cash flows generated from operating activities	176,303	125,802
Investing Activities		
Equity investments	34,197	-
Other investments	(114,006)	(70,881)
Net cash flows used in investing activities	(79,809)	(70,881)
Financing Activities		
Dividends paid	(41,838)	(10,555)
Securities issued	-	-
Net repayment of bank borrowings	(15,242)	(53,075)
Net cash flows used in financing activities	(57,080)	(63,630)
Net change in cash and cash equivalent	39,414	(8,709)
Cash & cash equivalent at beginning of period	147,387	158,489
Cash & cash equivalent at end of period	186,801	149,780

Cash and cash equivalent included in the cash flow statement comprise the following balance sheet amounts:

	31/12/2003 RM'000	31/12/2002 RM'000
Cash	197,641	192,215
Bank Overdraft	(10,840)	(42,435)
	186,801	149,780

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2003.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2003**

<i>Current Period</i>	Share Capital	Reserve attributable to capital	Reserve attributable to revenue	Retained profits	Treasury Shares	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 31 December 2003						
At 1 July 2003	104,942	250,022	(3,629)	486,684	(163,620)	674,399
Net Profit for the period				41,839		41,839
Dividends Paid				(29,838)		(29,838)
Transfer to capital redemption reserves		80		(80)		-
At 31 December 2003	104,942	250,102	(3,629)	498,605	(163,620)	686,400
Preceding year corresponding period ended 31 December 2002						
At 1 July 2002	104,942	249,952	(4,637)	524,359	(163,620)	710,996
Effect of adopting MASB 25				(14,000)		(14,000)
Restated at 1 July 2002	104,942	249,952	(4,637)	510,359	(163,620)	696,996
Net Profit for the period				7,626		7,626
Transfer to capital redemption reserves		70		(70)		-
At 31 December 2002	104,942	250,022	(4,637)	517,915	(163,620)	704,622

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2003.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2003**

The figures have not been audited

1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with MASB 26 “Interim Financial Reporting” and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2003.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2003 except for the adoption of MASB 28 “Discontinuing Operations” and MASB 29 “Employee Benefits”.

The adoption of the above MASB standards does not have any material effect on the financial results of the Group for the financial year-to-date nor shareholders’ funds 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

The increase in sales during the quarter under review can be partly attributed to a strong seasonal year-end festive demand.

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.

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 prior financial years.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter other than as mentioned below:-

- (i) The Executive Share Option Scheme (“ESOS”) of the Company was implemented with effect from 24 December 1999. During the current financial year to-date, there was no ordinary shares of RM0.50 each issued and allotted pursuant to the exercise of the ESOS.
- (ii) There was no share buy back from the open market during the current quarter. The total number of shares bought back as at 31 December 2003 was 10,966,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2003

The figures have not been audited

7. Dividend paid

During the current financial year-to-date, the Company paid a gross first interim dividend of 15 sen tax exempt per RM0.50 ordinary share amounting to RM29.838 million on 24 December 2003.

8. Segmental Reporting

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

	Semiconductor RM'000	Investment holdings RM'000	Total RM'000
Revenue	539,941	125	540,066
Operating profit	70,632	940	71,572
Finance cost			(7,519)
Interest income			2,648
Profit before taxation			66,701
Taxation			(6,168)
Profit after taxation			60,533
Minority interest			(18,694)
Net profit for the period			41,839

9. Valuations of property, plant and equipment

The valuation of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

10. Material Events Not Reflected In The Financial Statements

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2003**

The figures have not been audited

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations other than as mentioned below:-

- (i) Techad Sdn Bhd (formerly known as Carsem Advanced Technologies Sdn Bhd), a wholly owned subsidiary of the Company, had been placed under member's liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. The liquidation is currently pending tax clearance from the Inland Revenue Board.
- (ii) The Company had incorporated Carsem Holdings Limited ("CHL"), a wholly-owned subsidiary, in Bermuda. The intended principal activity of CHL is investment holding. The authorised capital and issued share capital of CHL is USD12,000.00 divided into 12,000 ordinary shares of USD1.00 each.

12. Contingent liabilities or contingent assets

Save as disclosed in Note 23, there are no contingent liabilities or contingent assets as at the date of this report.

13. Review of Performance

Compared with the same quarter last year, the Group's revenue rose to RM293.2 million or 39.3% from RM210.4 million. Similarly, profit before tax also rose from RM7.5 million to RM44.6 million. The better performance can be attributed to year-end seasonal demand and an overall improvement in the world economy, resulting in higher consumer demand.

14. Material changes in profit before taxation ("PBT")

The Group's PBT for the quarter under review was RM44.6 million as compared with RM22.1 million for the preceding quarter, on the back of a 18.8% increase in revenue. The improvement was attributable mainly to higher sales volume, improved factory utilisation rates and the success of the Group's new product range.

15. Prospects

Barring any unforeseen circumstances, the Board expects the Group's performance to improve further in the remaining quarters of the current financial year ending 30 June 2004.

16. Profit forecast / profit guaranteed

This note is not applicable.

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17. Taxation

Taxation comprise: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2003 RM'000	31/12/2002 RM'000	31/12/2003 RM'000	31/12/2002 RM'000
Current taxation				
- Current Year	39	572	45	1,546
- Under provision in prior years	125	-	135	-
Deferred taxation				
- Current Year	2,994	5,920	5,988	11,400
	3,158	6,492	6,168	12,946

The Group's effective tax rate is lower than the statutory tax rate mainly due to tax incentive / allowances granted to certain subsidiaries.

18. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the current quarter and year to-date.

19. Quoted securities

(a) There were no purchases or disposals of quoted securities (other than securities in existing subsidiaries and associated companies) for the current quarter and year-to-date other than as mentioned below:-

	Current Year Quarter 31/12/2003 RM'000	Current Year To-Date 31/12/2003 RM'000
Disposal		
Sale proceeds	-	34,322
Cost of investment	-	32,148
Gain on disposal	-	2,174

(b) Particulars of investments in quoted securities as at 31 December 2003: -

	RM'000
At cost	22,701
At book value	22,701
At market value	34,613

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20. Corporate Proposals

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

21. Group's borrowings and debt securities

Particulars of the Group's borrowings and debts securities as at 31 December 2003 are as follows:

	RM'000
(i) Unsecured short term borrowings and overdraft	194,711
(ii) Unsecured long term borrowings	22,162
	<u>216,873</u>

The above include borrowing denominated in foreign currency as follows: -

	RM'000
USD borrowings	81,033

22. Financial Instruments with Off Balance Sheet Risk

The Group enters into short-term foreign exchange contracts to hedge its exposure to currency fluctuations affecting certain foreign currency denominated trade payables and receivables.

Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

The Instruments with Off Balance Sheet Risk as at 11 February 2004 are as follow: -

	Contract amount (RM'000)
Foreign exchange forward contracts	339,791

The above contracts are maturing within a period of 9 months.

There is minimal credit and market risk because the contracts were executed with established financial institutions.

Gains and losses on foreign exchange contracts are recognised in the income statements upon realisation.

23. Changes in Material Litigation

On 21 November 2003, the Company informed the MSEB that Amkor Technology, Inc ("Amkor") had filed a complaint against Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd and Carsem Inc (collectively "Carsem Group") with the U.S.A International Trade Commission ("ITC") alleging infringement of three of Amkor's Micro Lead Frame patents and that Carsem Group would vigorously defend its right to use the technology it has developed.

ITC has conducted its investigation and is holding a public hearing on the alleged infringement. Carsem Group has appointed patent lawyers in the USA to represent Carsem Group in the proceedings before the ITC. The proceedings are now at discovery stage.

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24. Dividend

- (a) The Board does not recommend any interim dividend for the financial quarter ended 31 December 2003. (Quarter ended 31 December 2002 : 15 sen tax exempt)
- (b) For the financial year-to-date, a total gross dividend of 15 sen per share tax exempt has been declared (6 month ended 31 December 2002: 15 sen tax exempt).

25. Earnings Per Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the current quarter are based on the net profit attributable to ordinary shareholders of RM28,904,000 (2002/2003 : RM629,000) and the weighted average number of ordinary shares outstanding during the quarter of 198,918,419 (2002/2003: 198,918,419).

The calculation of basic earnings per ordinary share for the current year-to-date are based on the net profit attributable to ordinary shareholders of RM41,839,000 (2002/2003 : RM7,626,000) and the weighted average number of ordinary shares outstanding during the period of 198,918,419 (2002/2003: 198,918,419).

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share in the current quarter / year-to-date and preceding year corresponding quarter / period as the fair value of the ordinary shares for the periods were lower than the exercise price of the options. Therefore, no consideration for adjustment in the form of increase in the number of shares was used in calculating the potential dilution of its earnings per share.

By Order of the Board
Malaysian Pacific Industries Berhad

Queek Chai Choo
Joanne Leong Wei Yin
Company Secretaries

Kuala Lumpur
18 February 2004