

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2004**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2004**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2004 RM'000	Preceding Year Corresponding Quarter 31/03/2003 RM'000	Current Year- To-Date 31/03/2004 RM'000	Preceding Year Corresponding Period 31/03/2003 RM'000
Revenue	314,652	213,223	854,718	643,494
Operating expenses	(264,940)	(203,885)	(731,877)	(603,572)
Other operating (income) / expenses	4,640	(588)*	3,083	(2,513)*
Operating profit	54,352	8,750	125,924	37,409
Finance cost	(3,651)	(4,537)	(11,170)	(13,930)
Interest income	1,123	1,909	3,771	6,203
Profit before taxation	51,824	6,122	118,525	29,682
Taxation	(121)	(4,662)	(6,289)	(17,608)
Profit after taxation	51,703	1,460	112,236	12,074
Minority interest	(13,472)	(849)	(32,166)	(3,837)
Net Profit for the period	38,231	611	80,070	8,237
Earnings per share (sen): -				
(a) Basic	19.22	0.31	40.25	4.14
(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
THIRD QUARTER ENDED 31 MARCH 2004****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2004**

	As at end of current quarter 31/03/2004 RM'000	As at preceding financial year end 30/06/2003 (AUDITED) RM'000
Property, plant and equipment	983,776	939,308
Investments	4,664	55,541
Intangible assets	19,379	21,002
Other assets	54,534	-
Current assets		
Inventories	64,335	47,045
Trade and other receivables	201,700	160,125
Tax recoverable	12,993	11,339
Cash and bank balances	185,111	157,397
	<hr/> 464,139	<hr/> 375,906
Current Liabilities		
Trade and other payables	271,048	196,484
Short term borrowings and overdraft (unsecured)	188,242	59,412
Taxation	253	253
	<hr/> 459,543	<hr/> 256,149
Net current assets	<hr/> 4,596	<hr/> 119,757
	<hr/> <hr/> 1,066,949	<hr/> <hr/> 1,135,608
Share capital	104,942	104,942
Reserves	783,309	733,077
Treasury shares, at cost	(163,620)	(163,620)
	<hr/> 724,631	<hr/> 674,399
Minority shareholders' interests	250,298	230,132
Long term and deferred liabilities		
Borrowings (unsecured)	30,085	171,873
Deferred taxation	60,849	54,612
Retirement benefits	1,086	4,592
	<hr/> 92,020	<hr/> 231,077
	<hr/> <hr/> 1,066,949	<hr/> <hr/> 1,135,608
Net tangible assets per share (sen)	355	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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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2004**

	Current Year- To-Date	Preceding Year corresponding period ended
	31/03/2004 RM'000	31/03/2003 RM'000
Profit before taxation	118,525	29,682
Adjustment for:-		
Depreciation and amortisation	152,082	152,084
Non-cash items	(3,209)	357
Gain on disposal of quoted investments	(7,988)	-
Net financing cost	7,399	2,628
Operating profit before changes in working capital	266,809	184,751
Changes in working capital		
Net change in long term / current assets	(115,099)	41,688
Net change in current liabilities	74,641	(5,945)
Taxation paid	(83)	(20,319)
Net financing cost paid	(297)	-
Other operating expenses paid	(7,399)	(2,628)
Net cash flow generated from operating activities	218,572	197,547
Investing Activities		
Equity investments	58,865	-
Other investments	(194,927)	(83,037)
Net cash flow used in investing activities	(136,062)	(83,037)
Financing Activities		
Dividends paid	(41,838)	(40,393)
Net repayment of bank borrowings	(6,207)	(68,903)
Net cash flow used in financing activities	(48,045)	(109,296)
Net change in cash and cash equivalent	34,465	5,214
Cash & cash equivalent at beginning of period	147,387	158,489
Cash & cash equivalent at end of period	181,852	163,703

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

	31/03/2004 RM'000	31/03/2003 RM'000
Cash	185,111	171,228
Bank Overdraft	(3,259)	(7,525)
	181,852	163,703

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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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2004**

<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 March 2004						
At 1 July 2003	104,942	250,022	(3,629)	486,684	(163,620)	674,399
Net Profit for the period				80,070		80,070
Dividends Paid				(29,838)		(29,838)
Transfer to capital redemption reserves		80		(80)		-
At 31 March 2004	104,942	250,102	(3,629)	536,836	(163,620)	724,631
Preceding year corresponding period ended 31 March 2003						
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				8,237		8,237
Dividends Paid				(29,838)		(29,838)
Transfer to capital redemption reserves		70		(70)		-
At 31 March 2003	104,942	250,022	(4,637)	488,688	(163,620)	675,395

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
THIRD QUARTER ENDED 31 MARCH 2004**

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

This quarter is traditionally a slow quarter, due to the after-effects of the year-end festive holidays in Europe and USA.

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 was no issuance of share, share buy-back, share cancellation, resale of treasury shares nor repayment of debt or equity share during the financial period ended 31 March 2004.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2004

The figures have not been audited

7. Dividend

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	Investment holdings	Total
	RM'000	RM'000	RM'000
Revenue	854,392	326	854,718
Operating profit	119,546	6,378	125,924
Finance cost			(11,170)
Interest income			3,771
Profit before taxation			118,525
Taxation			(6,289)
Profit after taxation			112,236
Minority interest			(32,166)
Net profit for the period			80,070

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
THIRD QUARTER ENDED 31 MARCH 2004**

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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 voluntary liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. The Liquidator of Techad had, on 27 March 2004, convened a Final Meeting to conclude liquidation. Techad will be dissolved and accordingly, will cease to be a subsidiary of the Company on 2 July 2004.

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 RM314.7 million or 47.6% from RM213.2 million. Similarly, profit before tax also rose from RM6.1 million to RM51.8 million. The improvement in revenue was especially encouraging as it was in a quarter that is traditionally weak. The better performance can be attributed to an overall improvement in the world economy, resulting in higher demand.

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

The Group's PBT for the quarter under review was RM51.8 million as compared with RM44.6 million for the preceding quarter, on the back of a 7.3% 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. The Group also experienced recovery in demand for its more mature products.

15. Prospects

Barring any unforeseen circumstances, the Board expects the Group's performance to improve further in the following quarter 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
	31/03/2004 RM'000	31/03/2003 RM'000	31/03/2003 RM'000	31/03/2003 RM'000
Current taxation				
- Current Year	134	912	179	2,458
- Over provision in prior years	(262)	-	(127)	-
Deferred taxation				
- Current Year	249	3,750	6,237	15,150
	<u>121</u>	<u>4,662</u>	<u>6,289</u>	<u>17,608</u>

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	Current Year To-Date
	31/03/2004 RM'000	31/03/2004 RM'000
Disposal		
Sale proceeds	24,543	58,865
Cost of investment	18,729	50,877
Gain on disposal	<u>5,814</u>	<u>7,988</u>

- (b) Particulars of investments in quoted securities as at 31 March 2004: -

	RM'000
At cost	<u>3,971</u>
At book value	<u>3,971</u>
At market value	<u>11,580</u>

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2004

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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 March 2004 are as follows:

	RM'000
(i) Unsecured short term borrowings and overdraft	188,242
(ii) Unsecured long term borrowings	30,085
	<u>218,327</u>

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

	RM'000
USD borrowings	90,068

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 10 May 2004 are as follow: -

	Contract amount (RM'000)
Foreign exchange forward contracts	332,241

The above contracts are maturing within a period of 6 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 Bursa Malaysia Securities Berhad 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.

The ITC proceedings are still at discovery stage and the trial has been set for July 6, 2004.

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24. Dividend

- (a) The Board has declared a gross second interim dividend of 20 sen per share tax exempt and 5 sen per share less tax and a further special interim dividend of 20 sen per share tax exempt for the quarter ended 31 March 2004 of the financial year ending 30 June 2004 (Quarter ended 31 March 2003 : 6.5 sen tax exempt, 18.5 sen per share less tax) to be paid on 23 June 2004 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 8 June 2004.

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 8 June 2004 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, a total gross dividend of 35 sen per share tax exempt, 5 sen per share less tax and a special interim dividend of 20 sen per share tax exempt has been declared (Period ended 31 March 2003: 21.5 sen tax exempt, 18.5 sen per share less tax).

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 RM38,231,000 (2002/2003 : RM611,000) 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 RM80,070,000 (2002/2003 : RM8,237,000) 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

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
17 May 2004