

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE**  
**FOURTH QUARTER ENDED 30 JUNE 2004**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2004**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2004 RM'000	30/06/2003 RM'000	30/06/2004 RM'000	30/06/2003 RM'000
Revenue	328,645	239,028	1,183,363	882,522
Operating expenses	(280,158)	(217,408)	(1,012,035)	(820,980)
Other operating (income) / expenses	(1,087)	(1,151)*	1,996	(3,664)*
Operating profit	47,400	20,469	173,324	57,878
Finance cost	(3,797)	(3,975)	(14,967)	(17,905)
Interest income	1,202	1,377	4,973	7,580
Profit before taxation	44,805	17,871	163,330	47,553
Taxation	28,537	37,341	22,248	19,733
Profit after taxation	73,342	55,212	185,578	67,286
Minority interest	(22,229)	(16,782)	(54,395)	(20,619)
Net Profit for the period	51,113	38,430	131,183	46,667
Earnings per share (sen): -				
(a) Basic	25.70	19.32	65.95	23.46
(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  
FOURTH QUARTER ENDED 30 JUNE 2004****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2004**

	<b>As at end of current quarter 30/06/2004 RM'000</b>	<b>As at preceding financial year end 30/06/2003 RM'000</b>
Property, plant and equipment	1,009,934	939,308
Investments	4,663	55,541
Intangible assets	18,839	21,002
Other assets	62,678	-
<b>Current assets</b>		
Inventories	68,468	47,045
Trade and other receivables	202,208	160,125
Tax recoverable	12,749	11,339
Cash and bank balances	151,615	157,397
	<u>435,040</u>	<u>375,906</u>
<b>Current Liabilities</b>		
Trade and other payables	208,506	137,780
Short term borrowings and overdraft (unsecured)	326,358	118,116
Taxation	10	253
	<u>534,874</u>	<u>256,149</u>
<b>Net current assets</b>	<u>(99,834)</u>	<u>119,757</u>
	<u>996,280</u>	<u>1,135,608</u>
<b>Share capital</b>	104,942	104,942
<b>Reserves</b>	747,693	733,077
<b>Treasury shares, at cost</b>	(163,620)	(163,620)
	<u>689,015</u>	<u>674,399</u>
<b>Minority shareholders' interests</b>	235,577	230,132
<b>Long term and deferred liabilities</b>		
Borrowings (unsecured)	38,000	171,873
Deferred taxation	33,102	54,612
Retirement benefits	586	4,592
	<u>71,688</u>	<u>231,077</u>
	<u>996,280</u>	<u>1,135,608</u>
<b>Net tangible assets per share (sen)</b>	337	328

**The Condensed Consolidated Balance Sheets 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  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 30 JUNE 2004**

	Current Year- To-Date 30/06/2004 RM'000	Preceding Year corresponding period ended 30/06/2003 RM'000
Profit before taxation	163,330	47,553
Adjustment for:-		
Depreciation and amortisation	203,563	202,727
Non-cash items	(452)	3,522
Gain on disposal of quoted investments	(7,988)	-
Net financing cost	9,994	10,325
Operating profit before changes in working capital	368,447	264,127
Changes in working capital		
Net change in long term / current assets	(126,184)	49,935
Net change in current liabilities	24,253	(77,945)
Taxation paid	(915)	(22,854)
Net financing cost paid	(9,994)	(10,325)
Net dividend received	402	1,268
Other operating expenses paid	(301)	(626)
<b>Net cash flow generated from operating activities</b>	<b>255,708</b>	<b>203,580</b>
Investing Activities		
Equity investments	58,866	(54,000)
Other investments	(229,208)	(86,239)
<b>Net cash flow used in investing activities</b>	<b>(170,342)</b>	<b>(140,239)</b>
Financing Activities		
Dividends paid	(165,517)	(152,909)
Net proceeds (repayment) of borrowings	83,668	(35,534)
Securities Issued	-	114,000
<b>Net cash flow used in financing activities</b>	<b>(81,849)</b>	<b>(74,443)</b>
Net change in cash and cash equivalent	3,517	(11,102)
Cash & cash equivalent at beginning of period	147,387	158,489
Cash & cash equivalent at end of period	150,904	147,387

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

	30/06/2004 RM'000	30/06/2003 RM'000
Cash	151,615	157,397
Bank Overdraft	(711)	(10,010)
	150,904	147,387

**The Condensed Consolidated Cash Flow 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  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 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
<b>Year ended 30 June 2004</b>						
<b>At 1 July 2003</b>	104,942	250,022	(3,629)	486,684	(163,620)	674,399
Net Profit for the period				131,183		131,183
Dividends Paid				(116,567)		(116,567)
Transfer to capital redemption reserves		140		(140)		-
<b>At 30 June 2004</b>	104,942	250,162	(3,629)	501,160	(163,620)	689,015
<b>Preceding year ended 30 June 2003</b>						
<b>At 1 July 2002</b>	104,942	249,952	(4,637)	524,359	(163,620)	710,996
Effect of adopting MASB 25				(14,000)		(14,000)
<b>Restated at 1 July 2002</b>	104,942	249,952	(4,637)	510,359	(163,620)	696,996
Currency Translation Differences			1,008	(1,008)		-
Net Profit for the period				46,667		46,667
Dividends Paid				(69,264)		(69,264)
Transfer to capital redemption reserves		70		(70)		-
<b>At 30 June 2003</b>	104,942	250,022	(3,629)	486,684	(163,620)	674,399

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  
FOURTH QUARTER ENDED 30 JUNE 2004**

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**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**

There were no material changes to the factors affecting the sources of income and performance of the Group for 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.

**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 30 June 2004.

# MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2004

The figures have not been audited

### 7. Dividend

The company has paid the following dividends during the financial year-to-date:-

	<b>Current year-to-date RM'000</b>
Gross first interim dividend of 15 sen tax exempt per RM0.50 ordinary share paid on 24 December 2003.	29,838
Gross second interim dividend of 20 sen tax exempt, 5 sen less tax and a further special interim dividend of 20 sen tax exempt per RM0.50 ordinary share, paid on 23 June 2004	86,729
	<hr/> <b>116,567</b> <hr/>

### 8. Segmental Reporting

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

	<b>Semiconductor RM'000</b>	<b>Investment holding RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>	<u>1,182,961</u>	<u>402</u>	<u>1,183,363</u>
Operating profit	<u>168,972</u>	<u>4,352</u>	173,324
Finance cost			(14,967)
Interest income			4,973
Profit before taxation			<u>163,330</u>
Taxation			<u>22,248</u>
Profit after taxation			185,578
Minority interest			<u>(54,395)</u>
Net profit for the period			<u><u>131,183</u></u>

### 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  
FOURTH QUARTER ENDED 30 JUNE 2004**

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**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 voluntary liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. Techad was dissolved on 2 July 2004 and consequently ceased to be a subsidiary of the Company.

**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 RM328.6 million or 37.5% from RM239 million. Similarly, profit before tax also rose from RM17.9 million to RM44.8 million. The improvement in performance can be attributed to the recovery of the global semiconductor industry.

The Group recorded improved factory utilisation rates as the Group's new product range continued to grow.

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

The Group's PBT for the quarter under review was RM44.8 million as compared with RM51.8 million for the preceding quarter. The decrease was attributable mainly to the provision for legal fees and the start-up cost of the Group's new China plant.

**15. Prospects**

Barring any unforeseen circumstances, the Board expects the Group's performance to improve further in the financial year ending 30 June 2005.

**16. Profit forecast / profit guaranteed**

This note is not applicable.

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**17. Taxation**

Taxation comprise: -

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year- To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30/06/2004 RM'000</b>	<b>30/06/2003 RM'000</b>	<b>30/06/2004 RM'000</b>	<b>30/06/2003 RM'000</b>
<b>Current taxation</b>				
Malaysia				
- Current Year	212	(1,983)	319	48
- (Over) / under provision in prior years	(1,002)	-	(1,129)	427
Outside Malaysia				
- Current Year	-	-	72	-
<b>Deferred taxation</b>				
- Current Year	(27,747)	(35,358)	(21,510)	(20,208)
	<u>(28,537)</u>	<u>(37,341)</u>	<u>(22,248)</u>	<u>(19,733)</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:-

	<b>Current Year Quarter 30/06/2004 RM'000</b>	<b>Current Year To-Date 30/06/2004 RM'000</b>
Disposal		
Sale proceeds	-	58,866
Cost of investment	-	50,878
Gain on disposal	-	<u>7,988</u>

- (b) Particulars of investments in quoted securities as at 30 June 2004: -

	<b>RM'000</b>
At cost	<u>3,970</u>
At book value	<u>3,970</u>
At market value	<u>11,787</u>



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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 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 30 June 2004 are as follows:

	<b>RM'000</b>
(i) Unsecured short term borrowings and overdraft	326,358
(ii) Unsecured long term borrowings	38,000
	<u>364,358</u>

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

	<b>RM'000</b>
USD borrowings	238,647

### 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 19 August 2004 are as follow: -

	<b>Contract amount (RM'000)</b>
Foreign exchange forward contracts	603,916

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 trial started on 6 July 2004 and concluded on 10 August 2004. Judgement was expected to be delivered in November 2004.

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**24. Dividend**

- (a) The Board does not recommend any final dividend for the year ended 30 June 2004 (financial year 2002/2003: nil)
- (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 30 June 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 RM51,113,000 (2002/2003 : RM38,430,000) 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 RM131,183,000 (2002/2003 : RM46,667,000) 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  
26 August 2004