

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2004**

The figures have not been audited

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2004 RM'000	30/09/2003 RM'000	30/09/2004 RM'000	30/09/2003 RM'000
Revenue	315,119	246,884	315,119	246,884
Operating expenses	(275,177)	(222,472)	(275,177)	(222,472)
Other operating (income) / expenses	(6,920)	307	(6,920)	307
Operating profit	33,022	24,719	33,022	24,719
Finance cost	(4,640)	(3,794)	(4,640)	(3,794)
Interest income	1,306	1,194	1,306	1,194
Profit before taxation	29,688	22,119	29,688	22,119
Taxation	(2,800)	(3,010)	(2,800)	(3,010)
Profit after taxation	26,888	19,109	26,888	19,109
Minority interest	(8,996)	(6,174)	(8,996)	(6,174)
Net Profit for the period	17,892	12,935	17,892	12,935
Earnings per share (sen): -				
(a) Basic	8.99	6.50	8.99	6.50
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2004.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2004****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2004**

	As at end of current quarter 30/09/2004 RM'000	As at preceding financial year end 30/06/2004 RM'000
Property, plant and equipment	1,049,847	1,009,934
Investments	4,663	4,663
Intangible assets	18,298	18,839
Other assets	56,547	62,678
Current assets		
Inventories	73,453	68,468
Trade and other receivables	198,928	202,208
Tax recoverable	13,551	12,749
Cash and bank balances	289,239	151,615
	575,171	435,040
Current Liabilities		
Trade and other payables	219,188	208,506
Short term borrowings and overdraft (unsecured)	292,399	326,358
Taxation	3	10
	511,590	534,874
Net current assets	63,581	(99,834)
	1,192,936	996,280
Share capital	104,942	104,942
Reserves	765,585	747,693
Treasury shares, at cost	(163,620)	(163,620)
	706,907	689,015
Minority shareholders' interests	244,572	235,577
Long term and deferred liabilities		
Borrowings (unsecured)	201,836	38,000
Deferred taxation	39,141	33,102
Retirement benefits	480	586
	241,457	71,688
	1,192,936	996,280
Net tangible assets per share (sen)	346	337

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual
Financial Report for the Year Ended 30 June 2004.**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2004**

	Current Year- To-Date 30/09/2004 RM'000	Preceding Year corresponding period ended 30/09/2003 RM'000
Profit before taxation	29,688	22,119
Adjustment for:-		
Depreciation and amortisation	53,095	50,425
Non-cash items	9	150
Gain on disposal of quoted investments	-	(2,174)
Net financing cost	3,334	2,600
Operating profit before changes in working capital	86,126	73,120
Changes in working capital		
Net change in long term / current assets	4,425	(15,447)
Net change in current liabilities	10,682	27
Taxation paid	2,430	(19)
Net financing cost paid	(3,334)	(2,600)
Net dividend received	-	-
Other operating expenses paid	(115)	(85)
Net cash flow generated from operating activities	100,214	54,996
Investing Activities		
Equity investments	-	34,322
Other investments	(92,467)	(46,033)
Net cash flow used in investing activities	(92,467)	(11,711)
Financing Activities		
Dividends paid	-	-
Net proceeds (repayment) of borrowings	130,588	(13,616)
Securities Issued	-	-
Net cash flow generated from / (used in) financing activities	130,588	(13,616)
Net change in cash and cash equivalent	138,335	29,669
Cash & cash equivalent at beginning of period	150,904	147,387
Cash & cash equivalent at end of period	289,239	177,056

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

	30/09/2004 RM'000	30/09/2003 RM'000
Cash	289,239	190,314
Bank Overdraft	-	(13,258)
	289,239	177,056

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2004.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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 30 September 2004						
At 1 July 2004	104,942	250,162	(3,629)	501,160	(163,620)	689,015
Net Profit for the period				17,892		17,892
At 30 September 2004	104,942	250,162	(3,629)	519,052	(163,620)	706,907
Preceding year corresponding period ended 30 September 2003						
At 1 July 2003	104,942	249,952	(3,629)	486,684	(163,620)	674,399
Net Profit for the period				12,935		12,935
At 30 September 2003	104,942	250,022	(3,629)	499,619	(163,620)	687,334

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2004.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2004**

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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 2004.

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 2004.

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 coincides with the summer holidays when lower levels of activities from Europe and USA are normally seen.

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 quarter ended 30 September 2004.

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7. Dividend

There were no dividend paid during the current financial year-to-date.

8. Segmental Reporting

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

	Semiconductor RM'000	Investment holding RM'000	Total RM'000
Revenue	315,119	-	315,119
Operating profit	39,450	(6,428)	33,022
Finance cost			(4,640)
Interest income			1,306
Profit before taxation			29,688
Taxation			(2,800)
Profit after taxation			26,888
Minority interest			(8,996)
Net profit for the period			17,892

9. Valuations of property, plant and equipment

The valuation of property, plant and equipment has 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
FIRST QUARTER ENDED 30 SEPTEMBER 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.

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 RM315.1 million or 27.6% from RM246.9 million. Similarly, profit before tax also rose from RM22.1 million to RM29.7 million. The improvement in performance is attributable to the higher sales.

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

The Group's PBT for the quarter under review was RM29.7 million as compared with RM44.8 million for the preceding quarter. The decrease was attributable mainly to the drop in revenue and the provision for diminution in value of a long-term asset.

The decrease in revenue is the result of what the Board believes to be an inventory correction exercise that the Semiconductor Industry is undergoing.

15. Prospects

The Board views the current stock reduction exercise by the Group's customers as a prudent move that should help the Industry avoid building excessive inventories experienced in the year 2001. Although visibility is poor and the global economy remains uncertain, the Board expects this slow-down to be short-term and the Industry should see some recovery by the third quarter of the current financial year ending 30 June 2005. The Board views the prospect for the year cautiously in view of global demand uncertainty.

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
	30/09/2004 RM'000	30/09/2003 RM'000	30/09/2004 RM'000	30/09/2003 RM'000
Current taxation				
Malaysia				
- Current Year	70	6	70	6
- (Over) / under provision in prior years	(3,309)	10	(3,309)	10
Deferred taxation				
- Current Year	6,039	2,994	6,039	2,994
	<u>2,800</u>	<u>3,010</u>	<u>2,800</u>	<u>3,010</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 financial year-to-date.

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

	RM'000
At cost	<u>3,970</u>
At book value	<u>3,970</u>
At market value	<u>12,042</u>

20. Corporate Proposals

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

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21. Group's borrowings and debt securities

Particulars of the Group's borrowings and debts securities as at 30 September 2004 are as follows:

	RM'000
(i) Unsecured short term borrowings and overdraft	292,399
(ii) Unsecured long term borrowings	201,836
	<u>494,235</u>

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

	RM'000
USD borrowings	369,235

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 25 November 2004 are as follow: -

	Contract amount (RM'000)
Foreign exchange forward contracts	446,592

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

The International Trade Commission ("ITC") in Washington D.C. has on 18 November 2004, issued an initial determination **in favour** of Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd and Carsem Inc. (collectively "Carsem Group") in relation to a complaint filed by Amkor Technology, Inc. ("Amkor") on 17 November 2003.

The complaint alleged Carsem Group of infringing three of Amkor's Micro Lead Frame patents by making, using, selling, offering for sale, and importing into the United States Carsem's MLP (Micro Leadframe Package) products.

Administrative Law Judge Honorable Charles E. Bullock determined that Amkor's asserted claims were invalid, not infringed or both, and that no violation of Section 337 of the Tarriff Act of 1930 occurred.

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24. Dividend

- (a) The Board has declared a gross interim dividend of 15 sen per share tax exempt for the quarter ended 30 September 2004 of the financial year ending 30 June 2005 (financial year 2003/2004: 15 sen) to be paid on 28 December 2004 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 15 December 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 15 December 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, total gross dividend of 15 sen per share tax exempt has been declared (2003/2004: 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 RM17,892,000 (2003/2004 : RM12,935,000) and the weighted average number of ordinary shares outstanding during the quarter of 198,918,419 (2003/2004: 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 RM17,892,000 (2003/2004 : RM12,935,000) and the weighted average number of ordinary shares outstanding during the period of 198,918,419 (2003/2004: 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
25 November 2004