

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 30 JUNE 2005**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2005**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	30/06/2005 RM'000	30/06/2004 RM'000	30/06/2005 RM'000	30/06/2004 RM'000
Revenue	278,824	328,645	1,114,402	1,183,363
Operating expenses	(265,704)	(280,158)	(1,039,231)	(1,012,035)
Other operating income / (expenses)	(8,148)	(1,087)	(11,101)	1,996
Operating profit	4,972	47,400	64,070	173,324
Finance cost	(3,562)	(3,797)	(17,047)	(14,967)
Interest income	1,529	1,202	6,340	4,973
Profit before taxation	2,939	44,805	53,363	163,330
Taxation	34,680	28,537	28,899	22,248
Profit after taxation	37,619	73,342	82,262	185,578
Minority interest	(14,418)	(22,229)	(34,784)	(54,395)
Net Profit for the period	23,201	51,113	47,478	131,183
Earnings per share (sen): -				
(a) Basic	11.66	25.70	23.87	65.95
(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
FOURTH QUARTER ENDED 30 JUNE 2005****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2005**

	As at end of current quarter 30/06/2005 RM'000	As at preceding financial year end 30/06/2004 RM'000
Property, plant and equipment	1,026,376	1,009,934
Investments	693	4,663
Intangible assets	16,676	18,839
Other assets	4,125	62,678
Current assets		
Inventories	61,026	68,468
Trade and other receivables	177,939	202,208
Tax recoverable	8,378	12,749
Cash and bank balances	173,449	151,615
	420,792	435,040
Current Liabilities		
Trade and other payables	206,340	208,506
Short term borrowings and overdraft (unsecured)	129,916	326,358
Taxation	-	10
	336,256	534,874
Net current assets	84,536	(99,834)
	1,132,406	996,280
Share capital	104,942	104,942
Reserves	720,576	747,693
Treasury shares, at cost	(163,620)	(163,620)
	661,898	689,015
Minority shareholders' interests	236,916	235,577
Long term and deferred liabilities		
Borrowings (unsecured)	224,204	38,000
Deferred taxation	8,882	33,102
Retirement benefits	506	586
	233,592	71,688
	1,132,406	996,280
Net tangible assets per share (sen)	324	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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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2005**

	Current Year -To-Date 30/06/2005 RM'000	Preceding Year corresponding period ended 30/06/2004 RM'000
Profit before taxation	53,363	163,330
Adjustment for:-		
Depreciation and amortisation	214,139	203,563
Non-cash items	10,001	(50)
Gain on disposal of quoted investments	(8,271)	(7,988)
Net financing cost	10,707	9,994
Operating profit before changes in working capital	279,939	368,849
Changes in working capital		
Net change in long term / current assets	90,264	(126,184)
Net change in current liabilities	(5,509)	24,253
Taxation paid / (Refund)	9,040	(915)
Net financing cost paid	(10,707)	(9,994)
Other operating expenses paid	(115)	(301)
Net cash flow generated from operating activities	362,912	255,708
Investing Activities		
Equity investments	12,241	58,866
Other investments	(229,845)	(229,208)
Net cash flow used in investing activities	(217,604)	(170,342)
Financing Activities		
Dividends paid	(108,040)	(165,517)
Net proceeds (repayment) of borrowings	(14,726)	83,668
Net cash flow generated from / (used in) financing activities	(122,766)	(81,849)
Net change in cash and cash equivalent	22,542	3,517
Cash & cash equivalent at beginning of period	150,904	147,387
Cash & cash equivalent at end of period	173,446	150,904

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

	30/06/2005 RM'000	30/06/2004 RM'000
Cash	173,449	151,615
Bank Overdraft	(3)	(711)
	173,446	150,904

The Condensed Consolidated Cash Flow 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
FOURTH QUARTER ENDED 30 JUNE 2005**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2005**

	Share Capital RM'000	Reserve attributable to capital RM'000	Reserve attributable to revenue RM'000	Retained profits RM'000	Treasury Shares RM'000	Total RM'000
Current year-to-date ended 30 June 2005						
At 1 July 2004	104,942	250,162	(3,629)	501,160	(163,620)	689,015
Net Profit for the period	-	-	-	47,478	-	47,478
Dividends Paid	-	-	-	(74,595)	-	(74,595)
Redemption of RPS	-	100	-	(100)	-	-
At 30 June 2005	104,942	250,262	(3,629)	473,943	(163,620)	661,898
Preceding year corresponding period ended 30 June 2004						
At 1 July 2003	104,942	249,952	(3,629)	486,684	(163,620)	674,399
Net Profit for the period	-	-	-	131,183	-	131,183
Dividends Paid	-	-	-	(116,567)	-	(116,567)
Redemption of RPS	-	140	-	(140)	-	-
At 30 June 2004	104,942	250,162	(3,629)	501,160	(163,620)	689,015

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
FOURTH QUARTER ENDED 30 JUNE 2005**

The figures have not been audited

1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with FRS134 “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

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 quarter ended 30 June 2005.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2005

The figures have not been audited

7. Dividend

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

	Current year-to-date RM'000
First gross interim dividend of 15 sen tax exempt per RM0.50 ordinary share paid on 28 December 2004.	29,838
Second gross interim dividend of 22.5 sen tax exempt per RM0.50 ordinary share, paid on 16 June 2005	44,757
	<hr/> <hr/> 74,595

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	1,113,971	431	1,114,402
Operating profit	66,126	(2,056)	64,070
Finance cost			(17,047)
Interest income			6,340
Profit before taxation			53,363
Taxation			28,899
Profit after taxation			82,262
Minority interest			(34,784)
Net profit for the period			47,478

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
FOURTH QUARTER ENDED 30 JUNE 2005**

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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:-

- The Company had, on 4 March 2005, entered into a Transfer of Shareholding Agreement with Carsem Holdings Limited ("Carsem Holdings"), a wholly-owned subsidiary of the Company incorporated in Bermuda, to transfer its entire interest in Carsem Semiconductor (Suzhou) Co., Ltd, another wholly-owned subsidiary of the Company incorporated in The People's Republic of China, to Carsem Holdings for consideration to be satisfied by the issue and allotment of 15,000,000 new ordinary shares of USD1.00 each in Carsem Holdings at par, credited as fully paid-up, to the Company ("Transfer").

The Transfer was completed on 30 June 2005.

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 decreased to RM278.8 million or 15.2% from RM328.6 million. Consequently, profit before tax also decreased from RM44.8 million to RM2.9 million. The decline in performance is attributable to the lower sales for the quarter under review, a less favourable product mix and the inclusion of a one-off restructuring charge amounting to RM6.8 million.

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

The Group's PBT for the quarter under review was RM2.9 million as compared with RM12.1 million for the preceding quarter. The decrease is attributable mainly to less favourable product mix and a one-off restructuring charge of RM6.8 million, while the previous quarter had included a net gain of RM5.2 million from the sale of quoted investments.

15. Prospects

Barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory in the financial year ending 30 June 2006.

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 30/06/2005 RM'000	Preceding Year Corresponding Quarter 30/06/2004 RM'000	Current Year - To- Date 30/06/2005 RM'000	Preceding Year Corresponding Period 30/06/2004 RM'000
Current taxation				
Malaysia				
- Current Year	18	212	127	319
- (Over) provision in prior years	-	(1,002)	(4,806)	(1,129)
Outside Malaysia				
- Current Year	-	-	-	72
Deferred taxation				
- Current Year	(34,698)	(27,747)	(24,220)	(21,510)
	<u>(34,680)</u>	<u>(28,537)</u>	<u>(28,899)</u>	<u>(22,248)</u>

The Group's effective tax rate is lower than the statutory tax rate due mainly to the reversal of provision for deferred tax liabilities no longer required consequent to the extension of pioneer status granted to one of the 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 30/06/2005 RM'000	Current Year To-Date 30/06/2005 RM'000
Disposal		
Sale proceeds	-	12,241
Cost of investment	-	(3,970)
Gain on disposal	-	<u>8,271</u>

- (b) Particulars of investments in quoted securities as at 30 June 2005: -

	RM'000
At cost	-
At book value	-
At market value	<u>1,636</u>

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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 2005 are as follows:

	RM'000
(i) Unsecured short term borrowings and overdraft	129,916
(ii) Unsecured long term borrowings	224,204
	<u>354,120</u>

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

	RM'000
USD borrowings	288,847

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 9 August 2005 are as follow: -

	Contract amount (RM'000)
Foreign exchange forward contracts	509,139

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") recently issued a notice in Carsem's patent infringement litigation with Amkor Technology, Inc. ("Amkor") (ITC Investigation no. 337-TA-501) that they will re-open the record to make further findings and has notified the parties that it will further extend the target date for completion of the investigation from 21 November 2005 to 9 February 2006.

Amkor filed its original complaint with the ITC on 17 November 2003 alleging Carsem of infringing claims in three of Amkor's United States Patents. Following a hearing in July and August 2004, an Administrative Law Judge ("ALJ") issued an Initial Determination finding all of the asserted claims of Amkor's patents invalid, not infringed, or both, and no violation by Carsem. Subsequently, the ITC reviewed the Initial Determination and remanded to the ALJ for further findings on several issues.

As the ALJ has already issued the Initial Determination in favour of Carsem, the Board is of the view that further findings should also be in Carsem's favour.

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24. Dividend

- (a) The Board does not recommend any final dividend for the year ended 30 June 2005 (financial year 2003/2004: nil)
- (b) For the financial year-to-date, a total gross dividend of 37.5 sen per share tax exempt has been declared (Period ended 30 June 2004: 35 sen per share tax exempt, 5 sen per share less tax, special 20 sen per share 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 RM23,201,000 (2003/2004 : RM51,113,000) 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 RM47,478,000 (2003/2004 : RM131,183,000) 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
16 August 2005