

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

**The figures have not been audited**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2006**

|                                      | Individual Quarter      |  | Cumulative Quarter       |   |
|--------------------------------------|-------------------------|--|--------------------------|---|
|                                      | Current Year<br>Quarter | Preceding Year<br>Corresponding<br>Quarter | Current Year-<br>To-Date | Preceding Year<br>Corresponding<br>Period |
|                                      | 31/03/2006<br>RM'000    | 31/03/2005<br>RM'000                       | 31/03/2006<br>RM'000     | 31/03/2005<br>RM'000                      |
| Revenue                              | 355,914                 | 263,209                                    | 971,683                  | 835,578                                   |
| Operating expenses                   | (301,777)               | (252,508)                                  | (845,064)                | (773,527)                                 |
| Other operating (expenses) / income  | (2,904)                 | 3,441                                      | (11,157)                 | (2,953)                                   |
| Operating profit                     | 51,233                  | 14,142                                     | 115,462                  | 59,098                                    |
| Interest expense                     | (4,814)                 | (3,494)                                    | (12,351)                 | (13,485)                                  |
| Interest income                      | 821                     | 1,495                                      | 2,805                    | 4,811                                     |
| Profit before taxation               | 47,240                  | 12,143                                     | 105,916                  | 50,424                                    |
| Taxation                             | (6,831)                 | (2,120)                                    | (10,148)                 | (5,781)                                   |
| Profit after taxation                | 40,409                  | 10,023                                     | 95,768                   | 44,643                                    |
| Minority interest                    | (10,481)                | (5,469)                                    | (29,414)                 | (20,366)                                  |
| Net Profit for the period            | 29,928                  | 4,554                                      | 66,354                   | 24,277                                    |
| Earnings per ordinary share (sen): - |                         |  |                          |   |
| (a) Basic                            | 15.05                   | 2.29                                       | 33.36                    | 12.20                                     |
| (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 2005.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2006**

|   | As At End of<br>Current Quarter | As At Preceding<br>Financial Year End |
|---|---------------------------------|---------------------------------------|
|   | 31/03/2006<br>RM'000            | 30/06/2005<br>RM'000                  |
| Property, plant and equipment   | 1,113,417                       | 1,026,376                             |
| Investments   | 693                             | 693                                   |
| Intangible assets   | 15,055                          | 16,676                                |
| Other assets  | 40,470                          | 4,125                                 |
| Deferred tax assets   | 1,522                           | -                                     |
| Current assets  |                                 |                                       |
| Inventories   | 90,081                          | 61,026                                |
| Trade and other receivables   | 243,315                         | 177,939                               |
| Tax recoverable   | 3,451                           | 8,378                                 |
| Cash and bank balances  | 99,990                          | 173,449                               |
|   | 436,837                         | 420,792                               |
| Current Liabilities   |                                 |                                       |
| Trade and other payables  | 285,714                         | 199,540                               |
| Short term borrowings and overdraft (unsecured)                                     | 171,583                         | 129,916                               |
| Provision   | -                               | 6,800                                 |
|   | 457,297                         | 336,256                               |
| Net current (liabilities) / assets  | (20,460)                        | 84,536                                |
|   | 1,150,697                       | 1,132,406                             |
| Share capital   | 104,942                         | 104,942                               |
| Reserves  | 758,880                         | 720,576                               |
| Treasury shares, at cost  | (163,669)                       | (163,620)                             |
|   | 700,153                         | 661,898                               |
| Minority shareholders' interests  | 250,050                         | 236,916                               |
| Long term and deferred liabilities  |                                 |                                       |
| Borrowings (unsecured)  | 179,552                         | 224,204                               |
| Retirement benefits   | 506                             | 506                                   |
| Deferred taxation   | 20,436                          | 8,882                                 |
|   | 200,494                         | 233,592                               |
|   | 1,150,697                       | 1,132,406                             |
| Net assets per share attributable to ordinary equity holders of the parent (sen) ** | 352                             | 333                                   |

\*\* Net assets per share attributable to ordinary equity holders of the parent is computed as Total Shareholders' Funds (excluding Minority Interest) divided by total number of ordinary shares in circulation.

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2005.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006****The figures have not been audited****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2006**

|  | Current Year-<br>To-Date | Preceding Year<br>Corresponding<br>Period |
|--|--------------------------|---|
|  | 31/03/2006<br>RM'000     | 31/03/2005<br>RM'000                      |
| Profit before taxation                             | 105,916                  | 50,424                                    |
| Adjustments for:-                                  |                          |   |
| Depreciation and amortisation                      | 163,378                  | 160,732                                   |
| Non-cash items                                     | (2,353)                  | 26  |
| Gain on disposal of quoted investments             | -                        | (8,271)                                   |
| Net financing cost                                 | 9,546                    | 8,674                                     |
| Operating profit before changes in working capital | 276,487                  | 211,585                                   |
| Changes in working capital                         |                          |   |
| Net change in long term / current assets           | (131,432)                | 94,299                                    |
| Net change in current liabilities                  | 80,850                   | (67,883)                                  |
| Taxation refunded                                  | 4,811                    | 9,039                                     |
| Net financing costs paid                           | (9,546)                  | (8,674)                                   |
| Other operating expenses paid                      | -                        | (115)                                     |
| Net cash generated from operating activities       | 221,170                  | 238,251                                   |
| Investing Activities                               |                          |   |
| Equity investments                                 | -                        | 12,241                                    |
| Other investments                                  | (249,024)                | (153,815)                                 |
| Net cash used in investing activities              | (249,024)                | (141,574)                                 |
| Financing Activities                               |                          |   |
| Dividend paid                                      | (46,118)                 | (43,038)                                  |
| Net proceeds of borrowings                         | 556                      | 26,660                                    |
| Purchase of treasury shares                        | (49)                     | -   |
| Net cash used in financing activities              | (45,611)                 | (16,378)                                  |
| Net change in cash and cash equivalents            | (73,465)                 | 80,299                                    |
| Cash & cash equivalents at beginning of period     | 173,446                  | 150,904                                   |
| Effect of foreign exchange rate changes            | 9                        | -   |
| Cash & cash equivalents at end of period           | 99,990                   | 231,203                                   |

Cash and cash equivalents included in the consolidated cash flow statements comprise the following balance sheet amounts:

|                        | 31/03/2006<br>RM'000 | 31/03/2005<br>RM'000 |
|------------------------|----------------------|----------------------|
| Cash and bank balances | 99,990               | 231,203              |

**The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2005.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2006**

|  | Share<br>Capital | Reserves<br>attributable<br>to capital | Reserves<br>attributable<br>to revenue | Retained<br>profits | Treasury<br>shares | Total          |
|--|------------------|--|--|---------------------|--------------------|----------------|
|  | RM'000           | RM'000                                 | RM'000                                 | RM'000              | RM'000             | RM'000         |
| <b>Current year-to-date<br/>ended 31 March 2006</b>                    |                  |  |  |                     |                    |                |
| <b>At 1 July 2005</b>  | 104,942          | 250,262                                | (3,629)                                | 473,943             | (163,620)          | 661,898        |
| Net Profit for the period  | -                | -                                      | -                                      | 66,354              | -                  | 66,354         |
| Dividends  | -                | -                                      | -                                      | (29,837)            | -                  | (29,837)       |
| Purchase of treasury shares  | -                | -                                      | -                                      | -                   | (49)               | (49)           |
| Foreign currency translation<br>differences                            | -                | -                                      | 1,787                                  | -                   | -                  | 1,787          |
| <b>At 31 March 2006</b>  | <b>104,942</b>   | <b>250,262</b>                         | <b>(1,842)</b>                         | <b>510,460</b>      | <b>(163,669)</b>   | <b>700,153</b> |
| <b>Preceding year<br/>corresponding period<br/>ended 31 March 2005</b> |                  |  |  |                     |                    |                |
| <b>At 1 July 2004</b>  | 104,942          | 250,162                                | (3,629)                                | 501,160             | (163,620)          | 689,015        |
| Net Profit for the period  | -                | -                                      | -                                      | 24,277              | -                  | 24,277         |
| Dividends  | -                | -                                      | -                                      | (29,838)            | -                  | (29,838)       |
| Transfer to capital<br>redemption reserve                              | -                | 100                                    | -                                      | (100)               | -                  | -              |
| <b>At 31 March 2005</b>  | <b>104,942</b>   | <b>250,262</b>                         | <b>(3,629)</b>                         | <b>495,499</b>      | <b>(163,620)</b>   | <b>683,454</b> |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2005.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

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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 2005.

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 2005.

**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 this seasonally weak quarter under review is attributable to a strong broad based demands across all products.

**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 during the current financial year-to-date.

**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**

During the current financial year-to-date, the Company bought back 5,000 of its own shares from the open market for a total consideration of RM48,000. The total number of shares bought back as at 31 March 2006 was 10,971,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

There were no issuance of shares, shares cancellation, resale of treasury shares nor repayment of debt or equity during the current financial year-to-date.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

**The figures have not been audited**

**7. Dividend paid**

During the current financial year-to-date, the Company paid a first interim dividend of 15 sen per share tax exempt amounting to RM29.8 million on 23 December 2005.

**8. Segmental reporting**

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

|                           | <b>Semiconductor</b> | <b>Investment holding</b> | <b>Total</b>    |
|---------------------------|----------------------|---------------------------|-----------------|
|                           | <b>RM'000</b>        | <b>RM'000</b>             | <b>RM'000</b>   |
| <b>Revenue</b>            | <u>971,663</u>       | <u>20</u>                 | <u>971,683</u>  |
| <b>Results</b>            |                      |                           |                 |
| Operating profit          | <u>115,451</u>       | <u>11</u>                 | 115,462         |
| Interest expense          |                      |                           | (12,351)        |
| Interest income           |                      |                           | <u>2,805</u>    |
| Profit before taxation    |                      |                           | 105,916         |
| Taxation                  |                      |                           | <u>(10,148)</u> |
| Profit after taxation     |                      |                           | 95,768          |
| Minority interest         |                      |                           | <u>(29,414)</u> |
| Net profit for the period |                      |                           | <u>66,354</u>   |

**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.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

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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 quarter under review, 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 increased to RM355.9 million or 35.2% from RM263.2 million while profit before taxation increased from RM12.1 million to RM47.1 million. The improvement in performance amidst a typical seasonally weak quarter was attributable to strong broad based demand across all products.

For the current financial year-to-date, the Group recorded a PBT of RM105.9 million compared with RM50.4 million recorded in the previous year's corresponding period. The increase was attributable mainly to higher revenue resulting in better factory utilisation.

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

The Group's PBT for the quarter under review was RM47.2 million as compared with RM35.9 million for the preceding quarter. The increase was attributable mainly to higher revenue resulting in better factory utilisation.

**15. Prospects**

As the business environment continues to be encouraging, barring any unforeseen circumstances, the Board is optimistic that the Group's performance should improve further in the fourth quarter of 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: -

|   | <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>31/03/2006<br/>RM'000</b> | <b>31/03/2005<br/>RM'000</b>                | <b>31/03/2006<br/>RM'000</b>  | <b>31/03/2005<br/>RM'000</b>               |
| Current taxation                        |                              |   |                               |  |
| Malaysia                                |                              |   |                               |  |
| - current year                          | -                            | 20  | -                             | 109  |
| - under/(over) provision in prior years | -                            | -   | 51                            | (4,806)                                    |
| Overseas - current year                 | 24                           | -   | 65                            | -  |
|   | <u>24</u>                    | <u>20</u>                                   | <u>116</u>                    | <u>(4,697)</u>                             |
| Deferred taxation                       |                              |   |                               |  |
| - current year                          | 6,807                        | 2,100                                       | 12,832                        | 10,478                                     |
| - overprovision in prior years          | -                            | -   | (2,800)                       | -  |
|   | <u>6,807</u>                 | <u>2,100</u>                                | <u>10,032</u>                 | <u>10,478</u>                              |
|   | <u>6,831</u>                 | <u>2,120</u>                                | <u>10,148</u>                 | <u>5,781</u>                               |

The Group's effective tax rate for the current quarter / year-to-date are lower than the statutory tax rate mainly due to tax incentives/ 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.

(b) Particulars of investments in quoted securities as at 31 March 2006: -

|                 | <b>RM'000</b> |
|-----------------|---------------|
| At cost         | <u>-</u>      |
| At book value   | <u>-</u>      |
| At market value | <u>1,740</u>  |



**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

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**The figures have not been audited**

**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 debt securities as at 31 March 2006 are as follows:

|   |                |
|---|----------------|
|   | <b>RM'000</b>  |
| (i) Unsecured short term borrowings and overdraft | 171,583        |
| (ii) Unsecured long term borrowings               | 179,552        |
|   | <u>351,135</u> |

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

|                |               |
|----------------|---------------|
|                | <b>RM'000</b> |
| USD borrowings | 231,162       |

**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 financial instruments with off balance sheet risk as at 10 May 2006 are as follows: -

|                                    |                        |
|------------------------------------|------------------------|
|                                    | <b>Contract amount</b> |
|                                    | <b>RM'000</b>          |
| Foreign exchange forward contracts | <u>411,409</u>         |

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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

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**23. Changes in material litigation**

Amkor Technology, Inc (“Amkor”) has filed a complaint with the International Trade Commission (“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.

MPI has now been advised by its lawyers that the ALJ has found that some but not all of Carsem’s devices infringed on Amkor’s patents. Carsem has filed a petition for review by the ITC and the motion to extend the target date for completion of this investigation by three (3) months pending ASAT, Inc. subpoena enforcement proceeding.

Carsem’s motion is granted to the extent that the target date for completion of this investigation is extended to a date that is three (3) months after completion of the pending ASAT, Inc. (“ASAT”) subpoena enforcement proceeding (“ASAT Proceeding”).

As at the date of this report, the ASAT Proceeding is still pending.

**24. Dividend**

- (a) The Board has declared second interim dividend of 22.5 sen per share tax exempt for the quarter ended 31 March 2006 of the financial year ending 30 June 2006 (Quarter ended 31 March 2005 : 22.5 sen per share tax exempt) to be payable on 20 June 2006 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 5 June 2006.

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 5 June 2006 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 dividend of 37.5 sen per share tax exempt has been declared (2004/2005: 37.5 sen per share tax exempt).

**25. Earnings per ordinary share**

**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share for the current quarter is based on the net profit attributable to ordinary shareholders of RM29,928,000 (2004/2005 : RM4,554,000) and the weighted average number of ordinary shares outstanding during the quarter of 198,913,419 (2004/2005: 198,918,419).

The calculation of basic earnings per ordinary share for the current year-to-date is based on the net profit attributable to ordinary shareholders of RM66,354,000 (2004/2005 : RM24,277,000) and the weighted average number of ordinary shares outstanding during the period of 198,916,083 (2004/2005: 198,918,419)

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

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**25. Earnings per ordinary share (cont'd)**

**Basic earnings per ordinary share**

Weighted average number of ordinary share

|   | <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>31/03/2006<br/>'000</b>  | <b>31/03/2005<br/>'000</b>                  | <b>31/03/2006<br/>'000</b>  | <b>31/03/2005<br/>'000</b>                 |
| Issued ordinary shares at beginning of period | 198,913                     | 198,918                                     | 198,918                     | 198,918                                    |
| Effect of purchase of treasury shares         | -                           | -   | (2)                         | -  |
| Weighted average number of ordinary shares    | 198,913                     | 198,918                                     | 198,916                     | 198,918                                    |

**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 there were no dilutive potential ordinary shares. 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 May 2006