



Malaysian Pacific Industries

A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2009

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000
Revenue	312,319	394,106	312,319	394,106
Cost of sales	(275,288)	(326,235)	(275,288)	(326,235)
Gross profit	37,031	67,871	37,031	67,871
Operating expenses	(13,410)	(17,352)	(13,410)	(17,352)
Other expenses	(730)	(10,843)	(730)	(10,843)
Profit from operation	22,891	39,676	22,891	39,676
Interest expense	(1,630)	(3,299)	(1,630)	(3,299)
Interest income	259	653	259	653
Profit before taxation	21,520	37,030	21,520	37,030
Taxation	(2,452)	(3,337)	(2,452)	(3,337)
Profit for the period	19,068	33,693	19,068	33,693
Attributable to:				
Equity holders of the parent	17,774	27,798	17,774	27,798
Minority interests	1,294	5,895	1,294	5,895
Profit for the period	19,068	33,693	19,068	33,693
Earnings per ordinary share (sen): -				
(a) Basic	9.12	14.26	9.12	14.26
(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 Statements for the Financial Year Ended 30 June 2009.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2009****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2009**

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2009 RM'000	30/06/2009 RM'000
Non current assets		
Property, plant and equipment	1,021,813	1,051,454
Prepaid lease payments	20,169	20,302
Investments	46	46
Intangible assets	12,393	12,393
	<u>1,054,421</u>	<u>1,084,195</u>
Current assets		
Inventories	84,400	71,998
Trade and other receivables	188,985	166,282
Deposits, cash and bank balances	103,589	77,329
	<u>376,974</u>	<u>315,609</u>
TOTAL ASSETS	<u>1,431,395</u>	<u>1,399,804</u>
Equity attributable to equity holders of the parent		
Share capital	104,942	104,942
Reserves	772,606	758,217
Treasury shares, at cost	(163,791)	(163,791)
	<u>713,757</u>	<u>699,368</u>
Minority interests	222,303	220,956
TOTAL EQUITY	<u>936,060</u>	<u>920,324</u>
Non-current liabilities		
Borrowings (unsecured)	159,097	73,806
Employee benefits	422	422
Deferred taxation	64,140	62,640
	<u>223,659</u>	<u>136,868</u>
Current Liabilities		
Trade and other payables	183,115	149,463
Borrowings (unsecured)	87,618	193,149
Taxation	943	-
	<u>271,676</u>	<u>342,612</u>
TOTAL LIABILITIES	<u>495,335</u>	<u>479,480</u>
TOTAL EQUITY AND LIABILITIES	<u>1,431,395</u>	<u>1,399,804</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.66	3.59

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2009.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	Attributable to equity holders of the parent							Minority interest	Total equity				
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Exchange fluctuation reserve	Reserve for own shares	Share option reserve			Retained profits	Treasury shares	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to date ended 30 September 2009													
At 1 July 2009	104,942	249,952	710	2,283	23,303	(42,603)	2,794	521,778	(163,791)	699,368	220,956	920,324	
Net loss recognised directly in equity -													
Foreign currency translation differences	-	-	-	-	(2,710)	-	-	-	-	(2,710)	-	(2,710)	
Profit for the period	-	-	-	-	-	-	-	17,774	-	17,774	1,294	19,068	
Total recognised (expense)/income for the period	-	-	-	-	(2,710)	-	-	17,774	-	15,064	1,294	16,358	
Share-based payments	-	-	-	-	-	-	(675)	-	-	(675)	53	(622)	
At 30 September 2009	104,942	249,952	710	2,283	20,593	(42,603)	2,119	539,552	(163,791)	713,757	222,303	936,060	

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2009(Cont'd)

	Attributable to equity holders of the parent							Minority interest	Total equity			
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Exchange fluctuation reserve	Reserve for own shares	Share option reserve			Retained profits	Treasury shares	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period ended 30 September 2008												
At 1 July 2008	104,942	249,952	660	1,806	11,506	(42,603)	1,887	601,189	(163,779)	765,560	259,687	1,025,247
Net gain recognised directly in equity - Foreign currency translation differences	-	-	-	-	8,948	-	-	-	-	8,948	-	8,948
Profit for the period	-	-	-	-	-	-	-	27,798	-	27,798	5,895	33,693
Total recognised income for the period	-	-	-	-	8,948	-	-	27,798	-	36,746	5,895	42,641
Share-based payments	-	-	-	-	-	-	301	-	-	301	-	301
At 30 September 2008	104,942	249,952	660	1,806	20,454	(42,603)	2,188	628,987	(163,779)	802,607	265,582	1,068,189

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2009.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2009****The figures have not been audited****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2009 RM'000	30/09/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,520	37,030
Adjustments for:-		
Depreciation and amortisation	55,464	59,406
Non-cash items	6,517	1,879
Net financing cost	1,371	2,646
Operating profit before changes in working capital	<u>84,872</u>	<u>100,961</u>
Changes in working capital		
Net change in current assets	(47,603)	(21,397)
Net change in current liabilities	37,736	32,674
Tax paid	-	(22)
Net financing cost paid	(1,371)	(2,646)
Net cash generated from operating activities	<u>73,634</u>	<u>109,570</u>
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(28,370)	(53,763)
Net cash used in investing activity	<u>(28,370)</u>	<u>(53,763)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Net repayments of borrowings	(18,766)	(64,560)
Net cash used in financing activity	<u>(18,766)</u>	<u>(64,560)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	26,498	(8,753)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	77,329	102,245
EFFECT ON FOREIGN EXCHANGE	(238)	(574)
CASH & CASH EQUIVALENTS AT END OF PERIOD	<u>103,589</u>	<u>92,918</u>

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

	30/09/2009 RM'000	30/09/2008 RM'000
Deposits, cash and bank balances	<u>103,589</u>	<u>92,918</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2009.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2009

The figures have not been audited

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” and the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2009.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2009.

On 1 July 2009, the Group has adopted FRS 8 Operating Segments. The adoption of FRS 8 does not have any financial impact on the financial statements of the Group.

The Group has not applied all the Amendments to FRSs, FRSs and IC Interpretations that have been issued by the Malaysian Accounting Standard Board but are not yet effective.

FRS 4, FRS120, FRS129, FRS131, FRS140, IC Interpretation 13 and IC Interpretation 14 are not applicable to the Group and hence, no further disclosure is required.

The Group plans to adopt the other Amendments to FRSs, FRSs and IC Interpretations for the financial year ending 30 June 2011.

The financial impact on the financial statements of the Group resulting from the adoption of FRS 7 and FRS 139 upon first adoption of these FRSs as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors are not disclosed by virtue of the exemptions given in the respective FRSs.

The first adoption of the other Amendments to FRSs, FRSs and IC Interpretations are not expected to have any material financial impact on the financial statements 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 have been no material seasonal or cyclical factors affecting the results of 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 during the 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 the prior financial years.

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6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

- (a) There were no shares bought back during the quarter under review and financial year-to-date. The total number of shares bought back as at 30 September 2009 was 10,984,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.
- (b) The Group has previously granted 3,650,000 conditional incentive share options (“Options”) to eligible executives of the Group pursuant to the Executive Share Option Scheme (“ESOS”) of the Company which was established on 23 January 2006, subject to the achievement of certain performance criteria over an option performance period. During the quarter under review, 800,000 Options have lapsed. As at 30 September 2009, the balance of Options granted to the eligible executives of the Group was 2,850,000.

There were no share options granted during the quarter under review and financial year-to-date.

- (c) There were no additional shares purchased by the trust set up for the ESOS (“ESOS Trust”) during the quarter under review and financial year-to-date. The total number of shares purchased by the ESOS Trust (“Trust Shares”) as at 30 September 2009 was 4,000,000 shares.

There were no issuance of shares, shares cancellation, resale of treasury shares nor repayment of debt or equity securities during the quarter under review and financial year-to-date.

7. Dividend paid

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

8. Operating Segments

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

	Asia	USA	Europe	Consolidated
	RM’000	RM’000	RM’000	RM’000
Revenue	152,581	70,462	89,276	312,319
Segment results	15,677	4,312	3,372	23,361
Unallocated expenses				(470)
Profit from operation				22,891
Interest expense				(1,630)
Interest income				259
Profit before taxation				21,520
Taxation				(2,452)
Profit for the period				19,068

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9. Valuations of property, plant and equipment

There were no revaluation of property, plant and equipment as at the date of this report.

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.

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 were no contingent liabilities or contingent assets as at the date of this report.

13. Review of performance

For the quarter under review, the Group recorded a revenue and profit before taxation ("PBT") of RM312.3 million and RM21.5 million respectively as compared with a revenue and PBT of RM394.1 million and RM37.0 million respectively recorded in the preceding year's corresponding quarter. The adverse results were mainly due to the lower revenue arising from the effect of the global economic crisis.

14. Material changes in profit before taxation against the immediate preceding quarter

The Group's revenue and PBT for the quarter under review were RM312.3 million and RM21.5 million respectively as compared with a revenue of RM261.7 million and a loss before taxation of RM6.7 million recorded in the preceding quarter. The significant improvement in PBT was due to the increase in revenue, benefits from the higher level of capacity utilisation and the earlier cost reduction efforts.

15. Prospects

The Board anticipates that the results of the Group will further improve in the coming quarters in line with the recovery in the semiconductor industry. Barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the financial year ending 30 June 2010.

16. Profit forecast / profit guaranteed

This note is not applicable.

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17. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year- To-	Corresponding
	30/09/2009	30/09/2008	Year- To-	Period
	RM'000	RM'000	Date	30/09/2008
			RM'000	RM'000
Current taxation				
Malaysian				
- current year	-	14	-	14
- under provision in prior years	-	8	-	8
Overseas- current year	952	-	952	-
	952	22	952	22
Deferred taxation- current year	1,500	3,315	1,500	3,315
	1,500	3,315	1,500	3,315
	2,452	3,337	2,452	3,337

The Group's taxation charge for the current quarter under review mainly represents tax provision made by a foreign subsidiary and deferred tax provided for by a local subsidiary.

18. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the quarter under review and financial year-to-date.

19. Quoted securities

(a) There were no purchases or disposals of quoted securities (other than securities in existing subsidiaries) for the quarter under review and financial year-to-date.

(b) There were no investments in quoted securities as at 30 September 2009.

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 30 September 2009 are as follows: -

	RM'000
(i) Unsecured short term borrowings	159,097
(ii) Unsecured long term borrowings	87,618
	<u>246,715</u>

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

	RM'000
USD borrowings	104,125

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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 11 November 2009 are as follows: -

	Contract amount RM'000
Foreign exchange forward contracts	25,547

The above contracts are maturing within a period of 3 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

Amkor Technology, Inc. ("Amkor") has filed a complaint with the International Trade Commission ("ITC") on 17 November 2003 alleging Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd and Carsem Inc. (collectively "Carsem Group") of infringing three of Amkor's United States Patents. Amkor has also filed a civil lawsuit at the District Court on even date alleging Carsem Group of infringement of the same three patents which are the subject of the ITC Investigation.

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 Group. Subsequently, the ITC reviewed the Initial Determination and remanded to the ALJ for further findings on several issues.

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

On 1 July 2009, the ITC issued a Remand Order remanding the investigation to the ALJ and setting a new Target Date of 1 September 2009 to complete the investigation, but instructed the ALJ to set a schedule for the remand proceedings, and to issue an Initial Determination extending the target date accordingly. Subsequently, the ALJ issued an Order extending the Target Date to 2 February 2010.

On 10 and 11 September 2009, the ALJ held a hearing at the ITC in order to receive the additional evidence ordered by the ITC. On 2 November 2009, the ALJ addressed issues related to the invalidity of Amkor's patents and supplements a prior Initial Determination issued in November 2005, in which the ALJ found all but four claims of one patent invalid, not infringed, and/or not enforceable at the ITC. Carsem has on 12 November 2009 submitted its petition for review by the ITC. Both of the ALJ's Initial Determinations will be reviewed by the full ITC, which is not expected to render a final decision until February 2010. After that, either party can seek further review in the Federal Appellate Court.

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24. Dividend

- (a) The Board has declared a first interim dividend of 10.0 sen per share tax exempt for the quarter ended 30 September 2009 of the financial year ending 30 June 2010 (1st quarter 2008/2009: 10.0 sen per share tax exempt) to be paid on 17 December 2009 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 4 December 2009.

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 4 December 2009 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 10.0 sen per share tax exempt (2008/2009: 10.0 sen per share tax exempt) has been declared.

25. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the quarter under review is based on the profits attributable to ordinary equity holders of the parent of RM17,774,000 (2008/2009 : RM27,798,000) and the weighted average number of ordinary shares outstanding during the quarter of 194,900,419 (2008/2009 : 194,902,419).

Weighted average number of ordinary share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2009 '000	30/09/2008 '000	30/09/2009 '000	30/09/2008 '000
Issued ordinary shares at beginning of period	209,884	209,884	209,884	209,884
Treasury shares held at beginning of period	(10,984)	(10,982)	(10,984)	(10,982)
Trust Shares held at beginning of period	(4,000)	(4,000)	(4,000)	(4,000)
Weighted average number of ordinary shares	194,900	194,902	194,900	194,902

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial year-to-date and preceding year's corresponding quarter / period as the potential ordinary shares from the exercise of Options would increase the basic earnings per ordinary share.

By Order of the Board
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin
Company Secretary
Kuala Lumpur
17 November 2009