

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

The figures have not been audited

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014

	Individu: Current Year Quarter	Al Quarter Preceding Year Corresponding Quarter		ve Quarter Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Revenue	338,294	316,396	666,014	647,018
Cost of sales	(290,564)	(285,269)	(581,319)	(577,850)
Gross profit	47,730	31,127	84,695	69,168
Operating expenses	(13,908)	(13,630)	(27,499)	(27,414)
Other operating (expense)/income	1,741	(4,592)	5,490	(3,845)
Profit from operation	35,563	12,905	62,686	37,909
Interest income	229	154	410	344
Finance costs	(517)	(1,089)	(1,063)	(2,485)
Profit before taxation	35,275	11,970	62,033	35,768
Taxation	(9,190)	(1,973)	(14,349)	(4,517)
Profit for the period	26,085	9,997	47,684	31,251
Attributable to:				
Owners of the company	24,062	8,086	43,971	25,921
Non-controlling interests	2,023	1,911	3,713	5,330
Profit for the period	26,085	9,997	47,684	31,251
Earnings per ordinary share (sen): -				
(a) Basic	12.67	4.28	23.16	13.71
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

The figures have not been audited

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Profit for the period	26,085	9,997	47,684	31,251
Foreign currency translation differences for foreign operations	18,444	7,791	26,893	13,190
Total comprehensive income for the period	44,529	17,788	74,577	44,441
Total comprehensive income attributable to:				
Owners of the Company	42,506	15,877	70,864	39,111
Non-controlling interests	2,023	1,911	3,713	5,330
Total comprehensive income for the period	44,529	17,788	74,577	44,441

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

The figures have not been audited

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/12/2014 RM'000	30/06/2014 RM'000
Property, plant and equipment	841,036	823,171
Investments	46	46
Total non-current assets	841,082	823,217
Inventories	81,968	94,458
Trade and other receivables	241,489	197,299
Deposits, cash and bank balances	127,722	78,114
Total current assets	451,179	369,871
TOTAL ASSETS	1,292,261	1,193,088
Equity attributable to owners of the Company		
Share capital	104,942	104,942
Reserves	854,434	791,179
Treasury shares, at cost	(163,808)	(163,803)
1100001, 000, 0 0000	795,568	732,318
Non-controlling interests	170,313	174,811
TOTAL EQUITY	965,881	907,129
Employee benefits	332	332
Deferred tax liabilities	32,053	29,035
Total non-current liabilities	32,385	29,367
Trade and other payables	174,940	162,574
Borrowings (unsecured)	108,996	93,442
Current tax liabilities	10,059	576
Total current liabilities	293,995	256,592
TOTAL LIABILITIES	326,380	285,959
TOTAL EQUITY AND LIABILITIES	1,292,261	1,193,088
Net assets per share attributable to owners of the Company (RM)	4.19	3.87

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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# QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014 MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014

47,684 26,893 5,125 750 3 74,577 965,881 907,129 (15,825)(21,695)RM'000 equity Total (8,211)3,713 3,713 189 174,811 (8,400)170.313 controlling interests RM'000 Non-(7,614)26,893 561 732,318 70,864 5,125 3 RM'000 RM'000 RM'000 43,971 795,568 (13,295)Total Distributable 566,252 Executive Treasury Retained 43,971 43,971 (13,295)(13,295)596.928 earnings 3 830 (163,803) 3 (163,808)shares 1,391 561 561 RM'000 scheme shares Attributable to owners of the Company 7.646 7,646 Reserve (61,479)for own RM'000 (53,833)shares Non-distributable fluctuation Exchange 26,893 24,327 26,893 51,220 reserve RM'000 10,247 10,247 RM'000 reserve Capital redemption RM'000 1,050 1,050 reserve Capital premium RM'000 249,952 (2,521)(2,521)Share 247,431 104,942 104,942 RM'000 capital Share Purchase of treasury shares ended 31 December 2014 income-foreign currency At 31 December 2014 income for the period translation differences Total transaction with Disposal of own shares Share-based payments Current year to-date **Fotal comprehensive** Other comprehensive Profit for the period At 1 July 2014 Dividends 0wners

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014 MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U) The figures have not been audited CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014 (Cont'd)

13,190 542 44,441 (1,053)(17,855)(18,366)916,056 31,251 942,131 RM'000 equity Total 199,868 (8,400)(8,238)5,330 5,330 controlling 162 196,960 interests RM'000 Non-13,190 380 745,171 (9,455)716,188 39,111 (1,053)(10,128)RM'000 25,921 Total Distributable RM'000 RM'000 Treasury Retained (9,455)(9,455)550,339 566,805 25,921 25,921 earnings (163,803)(163,803)shares 380 Executive 380 380 RM'000 scheme shares Attributable to owners of the Company (1,053)(61,479)RM'000 (60,426)Reserve (1,053)for own shares Non-distributable 24,752 13,190 13,190 fluctuation Exchange 37,942 RM'000 reserve 9,382 9,382 RM'000 Capital reserve 1,050 redemption 1,050 RM'000 reserve Capital premium 249,952 RM'000 249.952 Share RM'000 104,942 104,942 capital Share ended 31 December 2013 income-foreign currency income for the period At 31 December 2013 translation differences Purchase of own shares **Fotal transaction with** corresponding period Total comprehensive Share-based payments Other comprehensive Profit for the period Preceding year At 1 July 2013 Dividends owners

Dividends received by the trust set up for the executive share scheme ("ESS") ("ESS Trust") amounted to RM627,900 (2013/2014: RM489,540) are eliminated against the dividend expense of the Company following the consolidation of ESS Trust.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

The figures have not been audited

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2014

	Current Year To-date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation	62,033	35,768
Adjustments for:- Depreciation and amortisation Non-cash items Net financing cost	99,312 4,171 653	101,655 (11,951) 2,141
Operating profit before changes in working capital	166,169	127,613
Changes in working capital  Net change in current assets  Net change in current liabilities  Taxation paid  Net financing cost paid  Dividend received  Net cash generated from operating activities	(20,812) 752 (2,651) (653) 398 143,203	10,419 8,434 (4,343) (2,141) 328 140,310
CASH FLOW FROM INVESTING ACTIVITIES  Purchase of property, plant and equipment  Proceeds from disposal of property, plant and equipment  Net cash used in investing activities	(88,449) 609 (87,840)	(23,732) 3 (23,729)
CASH FLOWS FROM FINANCING ACTIVITIES  Drawdown of borrowings Repayments of borrowings Dividend paid to owner of the company Dividend paid to non-controlling shareholders of a subsidiary Proceeds from disposal of trust shares Purchase of treasury shares Purchase of trust shares Net cash used in financing activities	50,685 (41,993) (13,295) (8,400) 5,125 (5)	85,077 (143,568) (9,455) (8,400) - (1,053) (77,399)
NET CHANGE IN CASH AND CASH EQUIVALENTS	47,480	39,182
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	78,114	35,788
EFFECT ON FOREIGN EXCHANGE	2,128	128
CASH & CASH EQUIVALENTS AT END OF PERIOD	127,722	75,098

Cash and cash equivalents included in the consolidated statements of cash flows comprise the following consolidated statements of financial position amounts:

	31/12/2014 RM'000	31/12/2013 RM'000
Deposits, cash and bank balances	127,722	75,098

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

#### The figures have not been audited

#### 1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 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 2014. This interim financial report also complies with International Accounting Standards 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2014.

The Group has adopted the MFRSs, amendments and interpretations effective for annual periods beginning on or after 1 January 2014 and 1 July 2014 where applicable to the Group. The initial adoption of these applicable MFRS, amendments and interpretations do not have any material 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 cyclicality of interim operations

There has been no material seasonal or cyclical factor 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 quarter under review and 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.

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

- (a) During the quarter under review and financial year-to-date, the Company bought back 1,000 of its own shares from the open market for total consideration of RM5,080. The total number of shares bought back as at 31 December 2014 was 10,987,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.
- (b) There were no additional shares purchased by the trust set up for the ESS ("ESS Trust") during the quarter under review. During the financial year-to-date, 820,800 shares were disposed of by the ESS Trust. The total number of shares purchased by the ESS Trust as at 31 December 2014 was 8,970,000 shares ("Trust Shares").

There were no issuance of shares, shares cancellation, resale of treasury shares or repayment of debt or equity securities during the quarter under review and financial year-to-date.

#### The figures have not been audited

#### 7. Dividend paid

During the financial year-to-date, the Company paid an interim dividend of 7.0 sen per share tax exempt amounted to RM13.9 million on 12 December 2014.

#### 8. Operating Segments

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

	Asia RM'000	United States of America ("USA") RM'000	Europe RM²000	Total RM'000
Segment profit	45,215	10,682	7,547	63,444
Included in the measure of segment profit are:				
Revenue from external customers	375,522	138,082	152,128	665,732
Depreciation and amortisation	55,962	21,383	21,880	99,225
Reconciliation of segment profit				
Profit Reportable segments Non-reportable segments Interest income Finance costs Consolidated profit before taxation				RM'000 63,444 (758) 410 (1,063) 62,033
Reportable segments			External revenue RM'000 665,732	Depreciation and amortisation RM'000 99,225
Non-reportable segments  Total			282 666,014	99,312

#### 9. Material events not reflected in the financial statements

There are no material subsequent events to be disclosed as at the date of this report.

#### 10. 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 other than as mentioned below:

Recams Sdn Bhd, a wholly-owned subsidiary of Carsem (M) Sdn Bhd which in turn is a subsidiary of the Company, has been placed under member's voluntary winding-up. The winding-up is currently pending tax clearance from the Inland Revenue Board.

#### The figures have not been audited

#### 11. Review of performance

For the quarter under review, the Group recorded a revenue and profit before taxation ("PBT") of RM338.3 million and RM35.3 million respectively as compared with a revenue and PBT of RM316.4 million and RM12.0 million in the corresponding quarter of the preceding year. The revenue mix for Asia and Europe increased by 5 percentage point and 3 percentage point respectively while USA declined by 8 percentage point against the corresponding quarter of the preceding year.

The Group's revenue for the financial year-to-date was RM666.0 million, 3% higher as compared with the preceding year's corresponding period. The revenue mix for Asia and Europe increased by 2 percentage point and 4 percentage point respectively while USA declined by 6 percentage point against the corresponding period of the preceding year. PBT for the financial year-to-date closed at RM62.0 million against RM35.8 million in the corresponding period of the preceding year.

The higher PBT for the quarter and financial year-to-date under review was mainly due to higher revenue from the smartphone sector, the strengthening of the USD against the RM coupled with lower material cost arising from lower commodity price during the quarter under review.

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

The Group's revenue for the quarter under review was RM338.3 million against the preceding quarter of RM327.7 million. The revenue mix shifted from USA by 1 percentage point and Europe by 2 percentage point to Asia by 3 percentage point against the preceding quarter.

PBT for the quarter under review closed at RM35.3 million against RM26.8 million in the preceding quarter. The higher PBT was mainly due to higher revenue from the smartphone sector, the strengthening of the USD against the RM coupled with lower material cost during the quarter under review.

#### 13. Prospects

The Board anticipates that the industry growth rate for all segments will be moderate in the coming quarters. Barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the financial year ending 30 June 2015.

#### 14. Profit forecast / profit guaranteed

This note is not applicable.

#### The figures have not been audited

#### 15. Profit before taxation

	Current Year Quarter	Current Year- to-date
Profit before taxation is arrived at after charging/(crediting):-	31/12/2014 RM'000	31/12/2014 RM'000
Gross dividend income from short term investments	(246)	(398)
Depreciation and amortization	50,749	99,312
Allowance for impairment loss on trade receivables	83	161
Gain on foreign exchange	(7,896)	(10,417)
Fair value loss on derivative instruments	8,405	9,256
Share-based payments	375	750
Inventories written down	-	-
Impairment of property, plant and equipment	_	_
Gain on disposal of quoted /unquoted investments or properties		<u> </u>

#### 16. Taxation

	Individu	Individual Quarter		ve Quarter
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Current taxation				
Malaysian				
- current year	3,493	67	6,168	216
- prior years	-	310	-	310
Overseas - current year	4,447	96	5,763	991
	7,940	473	11,931	1,517
Deferred taxation – current year	1,250	1,500	2,418	3,000
	9,190	1,973	14,349	4,517

The Group's taxation for the current quarter under review mainly represents tax provision for the local and foreign subsidiaries.

#### 17. Corporate proposals

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

#### 18. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 December 2014 are as follows:-

Unsecured short term borrowings	<b>RM'000</b> 108,996
The above include borrowings denominated in foreign currencies as follows: - USD	<b>RM'000</b> 108,996

#### The figures have not been audited

#### 19. Changes in material litigation

There are no material litigations as at the date of this report.

#### 20. Dividend

- (a) The Board does not recommend any interim dividend for the quarter ended 31 December 2014 of the financial year ending 30 June 2015 (2<sup>nd</sup> quarter 2013/2014: Nil).
- (b) For the financial year-to-date, a total dividend of 7.0 sen per share tax exempt (2013/2014: 5.0 sen per share tax exempt) has been declared.

#### 21. Earnings per ordinary share

#### (a) Basic earnings per ordinary share

The basic earnings per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to owners of the Company of RM24,062,000 (2<sup>nd</sup> quarter 2013/2014: RM8,086,000) and the weighted average number of ordinary shares during the quarter of 189,927,941 (2<sup>nd</sup> quarter 2013/2014: 189,107,619).

The basic earnings per ordinary share for financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM43,971,000 (2013/2014: RM25,921,000) and the weighted average number of ordinary shares during the period of 189,841,665 (2013/2014: 189,114,907).

#### Weighted average number of ordinary shares

	Individual Quarter		Cumulati	ive Quarter
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to- date	Preceding Year Corresponding Period
	31/12/2014 '000	31/12/2013 '000	31/12/2014 '000	31/12/2013 '000
Issued ordinary shares at				
beginning of period	209,884	209,884	209,884	209,884
Treasury shares held at beginning of period ESS Trust Shares held at	(10,986)	(10,986)	(10,986)	(10,986)
beginning of period	(8,970)	(9,791)	(9,790)	(9,379)
	189,928	189,107	189,108	189,519
Effect of disposal /(purchase) of ESS Trust Shares	-	_	734	(404)
Weighted average number of ordinary shares	189,928	189,107	189,842	189,115

#### (b) 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 corresponding quarter/period as there were no dilutive potential ordinary shares.

The figures have not been audited

#### 22. Realised and unrealised profits/(losses) disclosure

The breakdowns of the retained earnings of the Group, into realised and unrealised profits/(losses) are as follows:-

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/12/2014 RM'000	30/06/2014 RM'000
Total retained earnings of the Company and its subsidiaries:-		
-realised	643,168	604,360
-unrealised	(31,755)	(18,810)
	611,413	585,550
Less: Consolidation adjustments	(14,485)	(19,298)
Group's retained earnings	596,928	566,252

By Order of the Board Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin Lee Wui Kien Company Secretaries

Kuala Lumpur 22 January 2015