

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Revenue	379,693	338,294	766,338	666,014
Cost of sales	(305,305)	(290,564)	(616,137)	(581,319)
Gross profit	74,388	47,730	150,201	84,695
Operating expenses	(15,126)	(13,908)	(31,121)	(27,499)
Other operating (expenses)/ income	(21,915)	1,741	(18,145)	5,490
Profit from operation	37,347	35,563	100,935	62,686
Interest income	136	229	288	410
Finance costs	(402)	(517)	(866)	(1,063)
Profit before taxation	37,081	35,275	100,357	62,033
Taxation	6,034	(9,190)	2,074	(14,349)
Profit for the period	43,115	26,085	102,431	47,684
Attributable to:				
Owners of the company	32,934	24,062	79,853	43,971
Non-controlling interests	10,181	2,023	22,578	3,713
Profit for the period	43,115	26,085	102,431	47,684
Earnings per ordinary share (sen): -				
(a) Basic	17.34	12.67	42.04	23.16
(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 2015.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2015 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Profit for the period	43,115	26,085	102,431	47,684
Foreign currency translation differences for foreign operations	(24,604)	18,444	31,412	26,893
Cash flow hedge	23,678	-	(6,610)	-
Total comprehensive income for the period	42,189	44,529	127,233	74,577
Total comprehensive income attributable to:				
Owners of the Company	26,295	42,506	105,947	70,864
Non-controlling interests	15,894	2,023	21,286	3,713
Total comprehensive income for the period	42,189	44,529	127,233	74,577

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 2015.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2015

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/12/2015 RM'000	30/06/2015 RM'000
Property, plant and equipment	809,246	809,260
Investment properties	33,894	34,288
Investments	46	46
Total non-current assets	<u>843,186</u>	<u>843,594</u>
Inventories	89,527	93,481
Trade and other receivables	234,469	297,036
Deposits, cash and bank balances	232,932	152,014
Total current assets	<u>556,928</u>	<u>542,531</u>
TOTAL ASSETS	<u>1,400,114</u>	<u>1,386,125</u>
Equity attributable to owners of the Company		
Share capital	104,942	104,942
Reserves	1,009,638	917,931
Treasury shares, at cost	(163,816)	(163,808)
	<u>950,764</u>	<u>859,065</u>
Non-controlling interests	180,977	169,101
TOTAL EQUITY	<u>1,131,741</u>	<u>1,028,166</u>
Employee benefits	245	332
Deferred tax liabilities	18,715	31,989
Total non-current liabilities	<u>18,960</u>	<u>32,321</u>
Trade and other payables	194,714	222,728
Borrowings (unsecured)	50,440	93,592
Current tax liabilities	4,259	9,318
Total current liabilities	<u>249,413</u>	<u>325,638</u>
TOTAL LIABILITIES	<u>268,373</u>	<u>357,959</u>
TOTAL EQUITY AND LIABILITIES	<u>1,400,114</u>	<u>1,386,125</u>
Net assets per share attributable to owners of the Company (RM)	5.01	4.52

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2015

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015

	← Attributable to owners of the Company →										Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	← Non-distributable →					Distributable							
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Capital reserve RM'000	Hedging reserve RM'000	Exchange fluctuation reserve RM'000	Reserve for own shares RM'000	Executive share reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
Current year- to-date ended 31 December 2015													
At 1 July 2015	104,942	247,431	1,050	13,775	(4,973)	78,998	(53,833)	2,276	(163,808)	633,207	859,065	169,101	1,028,166
Profit for the period	-	-	-	-	-	-	-	-	-	79,853	79,853	22,578	102,431
Other comprehensive (expenses)/income													
-foreign currency translation differences	-	-	-	-	-	31,412	-	-	-	-	31,412	-	31,412
-cash flow hedge	-	-	-	-	(5,318)	-	-	-	-	-	(5,318)	(1,292)	(6,610)
Total comprehensive (expense)/income for the period	-	-	-	-	(5,318)	31,412	-	-	-	79,853	105,947	21,286	127,233
Dividend	-	-	-	-	-	-	-	-	-	(15,194)	(15,194)	(9,600)	(24,794)
Purchase of treasury shares	-	-	-	-	-	-	-	-	(8)	-	(8)	-	(8)
Share-based payments	-	-	-	-	-	-	954	-	-	-	954	190	1,144
Total transaction with owners	-	-	-	-	-	-	954	(8)	(15,194)	(14,248)	(9,410)	(23,658)	
At 31 December 2015	104,942	247,431	1,050	13,775	(10,291)	110,410	(53,833)	3,230	(163,816)	697,866	950,764	180,977	1,131,741

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015 (Cont'd)

	← Attributable to owners of the Company →											
	← Non-distributable →						Distributable					
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Exchange fluctuation reserve	Reserve for own shares	Executive share reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
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
Preceding year corresponding period ended 31 December 2014												
At 1 July 2014	104,942	249,952	1,050	10,247	24,327	(61,479)	830	(163,803)	566,252	732,318	174,811	907,129
Profit for the period	-	-	-	-	-	-	-	-	43,971	43,971	3,713	47,684
Other comprehensive income-foreign currency translation differences	-	-	-	-	26,893	-	-	-	-	26,893	-	26,893
Total comprehensive income for the period	-	-	-	-	26,893	-	-	-	43,971	70,864	3,713	74,577
Disposal of own shares	-	(2,521)	-	-	-	7,646	-	-	-	5,125	-	5,125
Dividends	-	-	-	-	-	-	-	-	(13,295)	(13,295)	(8,400)	(21,695)
Share-based payment	-	-	-	-	-	-	561	-	-	561	189	750
Purchase of treasury shares	-	-	-	-	-	-	-	(5)	-	(5)	-	(5)
Total transaction with Owners	-	(2,521)	-	-	-	7,646	561	(5)	(13,295)	(7,614)	(8,211)	(15,825)
At 30 December 2014	104,942	247,431	1,050	10,247	51,220	(53,833)	1,391	(163,808)	596,928	795,568	170,313	965,881

Dividends received by the trust set up for the Executive Share Scheme ("ESS") ("ESS Trust") amounted to RM717,600 (2014/2015: RM627,900) 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 2015.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2015

	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2015 RM'000	31/12/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	100,357	62,033
Adjustments for:-		
Depreciation and amortisation	108,752	99,312
Dividend income	(1,721)	(398)
Non-cash items	(22,571)	4,569
Net financing cost	579	653
Operating profit before changes in working capital	185,396	166,169
Changes in working capital		
Net change in current assets	115,109	(20,812)
Net change in current liabilities	(55,798)	752
Taxation paid	(15,618)	(2,651)
Net financing cost paid	(579)	(653)
Retirement benefit paid	(87)	-
Dividend received	1,721	398
Net cash generated from operating activities	230,144	143,203
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(77,089)	(88,449)
Proceeds from disposal of property, plant and equipment	262	609
Net cash used in investing activities	(76,827)	(87,840)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owner of the company	(15,194)	(13,295)
Dividend paid to non-controlling shareholders of a subsidiary	(9,600)	(8,400)
Drawdown of borrowings	75,188	50,685
Repayments of borrowings	(124,598)	(41,993)
Proceeds from disposal of trust shares	-	5,125
Purchase of treasury shares	(8)	(5)
Net cash used in financing activities	(74,212)	(7,883)
NET CHANGE IN CASH AND CASH EQUIVALENTS	79,105	47,480
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	152,014	78,114
EFFECT ON FOREIGN EXCHANGE	1,813	2,128
CASH & CASH EQUIVALENTS AT END OF PERIOD	232,932	127,722

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

	31/12/2015 RM'000	31/12/2014 RM'000
Deposits, cash and bank balances	232,932	127,722

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2015.

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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 2015. 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 2015.

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 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 RM7,980. The total number of shares bought back as at 31 December 2015 was 10,988,000 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 ESS Trust during the quarter under review and financial year-to-date. As at 31 December 2015, the total number of shares held by the ESS Trust was 8,970,000 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.

7. Dividend paid

During the financial year-to-date, the Company paid an interim single tier dividend of 8.0 sen per share amounted to RM15.9 million on 18 December 2015.

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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 RM'000	Total RM'000
Segment profit	55,269	21,863	25,928	103,060
Included in the measure of segment profit are:				
Revenue from external customers	408,171	182,323	174,755	765,249
Depreciation and amortisation	60,539	26,156	21,997	108,692

Reconciliation of segment profit

Profit	RM'000
Reportable segments	103,060
Non-reportable segments	(2,125)
Interest income	288
Finance costs	(866)
Consolidated profit before taxation	<u>100,357</u>

	External revenue RM'000	Depreciation and amortisation RM'000
Reportable segments	765,249	108,692
Non-reportable segments	1,089	60
Total	<u>766,338</u>	<u>108,752</u>

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:

- i) 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.
- ii) The Company had, on 26 November 2015, acquired two (2) ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Firstprop Realty Sdn Bhd ("Firstprop"), for cash consideration of RM2.00. Firstprop is currently dormant and its intended principal activities are property holdings and provision of property management services for certain existing Group properties.

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11. Review of performance

For the quarter under review, the Group recorded a revenue and profit before taxation (“PBT”) of RM379.7 million and RM37.1 million respectively, representing an improvement of 12% in revenue and 5% in PBT against the corresponding quarter of the preceding year. Revenue growth for the Asia, USA and Europe segments was higher by 3%, 34% and 16% respectively against the corresponding quarter of the preceding year.

The Group’s revenue for the financial year-to-date was RM766.3 million, 15% higher as compared with the preceding year’s corresponding period. Revenue growth for the Asia, USA and Europe segments was higher by 9%, 32% and 15% respectively against the last year corresponding period. PBT for the financial year-to-date closed at RM100.4 million against RM62.0 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 margin products, the stronger US Dollar (“USD”) and lower material cost arising from lower commodity prices during the periods under review.

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

The Group’s revenue for the quarter under review was RM379.7 million against the preceding quarter of RM386.6 million. Revenue for the USA segment was higher by 1% whilst the Asia and Europe segments were lower by 4% and 1% respectively against the preceding quarter.

PBT for the quarter under review was affected by lower revenue and foreign exchange differences.

13. Prospects

The Board anticipates the operating environment to remain challenging for the coming quarters as the semiconductor industry is currently experiencing slower growth coupled with uncertainty in the macro economy. Barring any unforeseen circumstances, the Board expects the performance of the Group to be satisfactory for the financial year ending 30 June 2016.

14. Profit forecast / profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year- to-date
	31/12/2015 RM'000	31/12/2015 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	(994)	(1,721)
Depreciation and amortization	54,414	108,752
Impairment and write off of trade receivables	592	691
Loss on foreign exchange	26,873	20,235
Fair value (gain)/loss on derivative instruments	(2,630)	1,155
Share-based payments	572	1,144
Provision for and write off of inventories	1,732	1,732
Impairment of property, plant and equipment	-	-
Gain on disposal of quoted /unquoted investments or properties	-	-

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16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To-date	Corresponding Period
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian				
- current year	4,954	3,493	9,598	6,168
- prior years	-	-	-	-
	4,954	3,493	9,598	6,168
Overseas				
- current year	1,035	4,447	3,175	5,763
- prior years	(23)	-	(2,847)	-
	1,012	4,447	328	5,763
Deferred taxation				
- current year	-	1,250	-	2,418
- prior years	(12,000)	-	(12,000)	-
	(12,000)	1,250	(12,000)	2,418
	(6,034)	9,190	(2,074)	14,349

The Group's tax income for the quarter under review was mainly due to the reassessment of deferred tax position by a subsidiary of the Group following a tax incentive granted to the subsidiary.

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 and debt securities as at 31 December 2015 are as follows:-

Unsecured short term borrowings	RM'000
	50,440
The above include borrowings denominated in foreign currencies as follows: -	RM'000
USD	20,000
CNY	26,440
	46,440

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 2015 of the financial year ending 30 June 2016 (2nd quarter 2014/2015: Nil).
- (b) For the financial year-to-date, a total single tier dividend of 8.0 sen per share (2014/2015: 7.0 sen per share tax exempt) has been declared.

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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 RM32,934,000 (2nd quarter 2014/2015: RM24,062,000) by the weighted average number of ordinary shares during the quarter of 189,926,962 (2nd quarter 2014/2015: 189,927,941).

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 RM79,853,000 (2014/2015 : RM43,971,000) and the weighted average number of ordinary shares during the period of 189,927,191 (2014/2015 : 189,841,665).

	Weighted average number of ordinary shares			
	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
	31/12/2015 '000	31/12/2014 '000	31/12/2015 '000	31/12/2014 '000
Issued ordinary shares at beginning of period	209,884	209,884	209,884	209,884
Treasury shares held at beginning of period	(10,987)	(10,986)	(10,987)	(10,986)
ESS Trust Shares held at beginning of period	(8,970)	(8,970)	(8,970)	(9,790)
	189,927	189,928	189,927	189,108
Effect of disposal of ESS Trust Shares	-	-	-	734
Weighted average number of ordinary shares (basic)	189,927	189,928	189,927	189,842

(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.

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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
	31/12/2015 RM'000	30/06/2015 RM'000
Total retained earnings of the Company and its subsidiaries:-		
-realised	722,563	664,284
-unrealised	10,836	(14,279)
	<u>733,399</u>	<u>650,005</u>
Less: Consolidation adjustments	(35,533)	(16,798)
Group's retained earnings	<u>697,866</u>	<u>633,207</u>

By Order of the Board
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin
Lee Wui Kien
Company Secretaries

Kuala Lumpur
28 January 2016