

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2005

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2005

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2005 RM'000	30/09/2004 RM'000	30/09/2005 RM'000	30/09/2004 RM'000
Revenue	297,178	315,119	297,178	315,119
Operating expenses	(265,095)	(275,177)	(265,095)	(275,177)
Other operating expenses	(6,789)	(6,920)	(6,789)	(6,920)
Operating profit	25,294	33,022	25,294	33,022
Interest expense	(3,464)	(4,640)	(3,464)	(4,640)
Interest income	901	1,306	901	1,306
Profit before taxation	22,731	29,688	22,731	29,688
Taxation	1,167	(2,800)	1,167	(2,800)
Profit after taxation	23,898	26,888	23,898	26,888
Minority interest	(9,714)	(8,996)	(9,714)	(8,996)
Net Profit for the period	14,184	17,892	14,184	17,892
Earnings per ordinary share (sen): -				
(a) Basic	7.13	8.99	7.13	8.99
(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)

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2005

	As At End of Current Quarter	As At Preceding Financial Year End
	30/09/2005	30/06/2005
	RM'000	RM'000
Property, plant and equipment	1,008,214	1,026,376
Investments	693	693
Intangible assets	16,135	16,676
Other assets	3,706	4,125
Deferred tax assets	2,800	-
Current assets		
Inventories	72,211	61,026
Trade and other receivables	203,369	177,939
Tax recoverable	6,172	8,378
Cash and bank balances	149,632	173,449
	431,384	420,792
Current Liabilities		
Trade and other payables	188,014	199,540
Short term borrowings and overdraft (unsecured)	140,402	129,916
Provision	6,500	6,800
	334,916	336,256
Net current assets	96,468	84,536
	1,128,016	1,132,406
Share capital	104,942	104,942
Reserves	735,281	720,576
Treasury shares, at cost	(163,620)	(163,620)
	676,603	661,898
Minority shareholders' interests	246,630	236,916
Long term and deferred liabilities		
Borrowings (unsecured)	193,762	224,204
Retirement benefits	506	506
Deferred taxation	10,515	8,882
	204,783	233,592
	1,128,016	1,132,406
Net tangible assets per share (sen)	332	324

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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2005 RM'000	30/09/2004 RM'000
Profit before taxation	22,731	29,688
Adjustments for:-		
Depreciation and amortisation	53,393	53,095
Non-cash items	(519)	9
Net financing cost	2,563	3,334
Operating profit before changes in working capital	78,168	86,126
Changes in working capital		
Net change in long term / current assets	(36,317)	4,425
Net change in current liabilities	(11,827)	10,682
Taxation refunded	2,206	2,430
Net financing costs paid	(2,563)	(3,334)
Other operating expenses paid	-	(115)
Net cash generated from operating activities	29,667	100,214
Investing Activities		
Other investments	(34,690)	(92,467)
Net cash used in investing activities	(34,690)	(92,467)
Financing Activities		
Net (repayments) / proceeds of borrowings	(18,823)	130,588
Net cash (used in) / generated from financing activities	(18,823)	130,588
Net change in cash and cash equivalents	(23,846)	138,335
Cash & cash equivalents at beginning of period	173,446	150,904
Effect of foreign exchange rate changes	32	-
Cash & cash equivalents at end of period	149,632	289,239
Cash and cash equivalents included in the consolidated cash flow statements comprise the following balance sheet amounts:		
	30/09/2005 RM'000	30/09/2004 RM'000
Cash and bank balances	149,632	289,239

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

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	Share Capital	Reserves attributable to capital	Reserves attributable to revenue	Retained profits	Treasury shares	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 September 2005						
At 1 July 2005	104,942	250,262	(3,629)	473,943	(163,620)	661,898
Net Profit for the period	-	-	-	14,184	-	14,184
Foreign currency translation differences			521			521
At 30 September 2005	104,942	250,262	(3,108)	488,127	(163,620)	676,603
Preceding year corresponding period ended 30 September 2004						
At 1 July 2004	104,942	250,162	(3,629)	501,160	(163,620)	689,015
Net Profit for the period	-	-	-	17,892	-	17,892
At 30 September 2004	104,942	250,162	(3,629)	519,052	(163,620)	706,907

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.

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1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with FRS134 “Interim Financial Reporting” and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 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

For a quarter that is traditionally slow, this summer quarter had been surprisingly strong.

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

There were no issuance of shares, share buy-back, share cancellation, resale of treasury shares or repayment of debt or equity during the current financial year-to-date.

7. Dividend

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

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8. Segmental Reporting

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

	Semiconductor	Investment holding	Total
	RM'000	RM'000	RM'000
Revenue	297,178	-	297,178
Results			
Operating profit	25,004	290	25,294
Interest expense			(3,464)
Interest income			901
Profit before taxation			22,731
Taxation			1,167
Profit after taxation			23,898
Minority interest			(9,714)
Net profit for the period			14,184

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.

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.

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13. Review of Performance

Compared with the same quarter last year, the Group's revenue decreased to RM297.2 million or 5.7% from RM315.1 million while profit before tax decreased from RM29.7 million to RM22.7 million. The decline in performance is attributable to lower sales recorded and the inclusion of a restructuring charge amounting to RM6.5 million by one of its subsidiaries.

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

The Group's PBT for the quarter under review was RM22.7 million as compared with RM2.9 million for the preceding quarter. The increase is attributable mainly to higher sales.

15. Prospects

Barring any unforeseen circumstances, the Board is optimistic that the Group's performance should improve in the remaining quarters of the financial year ending 30 June 2006.

16. Profit forecast / profit guaranteed

This note is not applicable.

17. Taxation

Taxation comprise: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2005 RM'000	30/09/2004 RM'000	30/09/2005 RM'000	30/09/2004 RM'000
Current taxation				
Malaysia				
- current year	-	70	-	70
- overprovision in prior years	-	(3,309)	-	(3,309)
	-	(3,239)	-	(3,239)
Deferred taxation				
- current year	1,633	6,039	1,633	6,039
- overprovision in prior years	(2,800)	-	(2,800)	-
	(1,167)	6,039	(1,167)	6,039
	(1,167)	2,800	(1,167)	2,800

The Group's effective tax rate for the current quarter / year-to-date is lower than the statutory tax rate mainly due to tax incentives/ allowances granted to certain subsidiaries.

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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 30 September 2005: -

	RM'000
At cost	-
At book value	-
At market value	1,718

20. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report other than as mentioned below:

The Company had, on 14 October 2005, announced that the shareholders of Malaysian Pacific Industries Berhad ("MPI") had approved the establishment of a new Executive Share Option Scheme ("Scheme") of up to 15% of the issued and paid-up ordinary share capital of the Company ("Proposal").

The Proposal is subject to the approval being obtained from Bursa Malaysia Securities Berhad for the listing of and quotation for the new ordinary shares of the Company to be issued pursuant to the exercise of options under the Scheme.

21. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 30 September 2005 are as follows:

	RM'000
(i) Unsecured short term borrowings and overdraft	140,402
(ii) Unsecured long term borrowings	193,762
	<u>334,164</u>

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

	RM'000
USD borrowings	264,867
RMB borrowings	15,875

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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 14 November 2005 are as follow: -

	Contract amount RM'000
Foreign exchange forward contracts	<u>231,884</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.

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 is filing a petition for review by the ITC. The ITC has scheduled to issue a final determination on 9 February 2006.

24. Dividend

- (a) The Board has declared an interim dividend of 15 sen per share tax exempt for the quarter ended 30 September 2005 of the financial year ending 30 June 2006 (2004/2005: 15 sen per share tax exempt) to be paid on 23 December 2005 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 12 December 2005.

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 12 December 2005 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 15 sen per share tax exempt has been declared (2004/2005: 15 sen per share tax exempt).

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25. Earnings Per Ordinary Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the current quarter / year-to-date are based on the net profit attributable to ordinary shareholders of RM14,184,000 (2004/2005 : RM17,892,000) and the weighted average number of ordinary shares outstanding during the quarter / period of 198,918,419 (2004/2005: 198,918,419).

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share in the current quarter / year-to-date as there are 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.

The Group had no dilution in its earnings per ordinary share in the preceding year corresponding quarter / period as the fair value of the ordinary shares for the periods were lower than the exercise price of the options. Therefore, no consideration for adjustment in the form of increase in the number of shares was used in calculating the potential dilution of its earnings per share.

By Order of the Board
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
21 November 2005