

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2002**

**The figures have not been audited**

**CONSOLIDATED INCOME STATEMENT**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To- Date	Preceding Year Corresponding Period
	31/03/2002 RM'000	31/03/2001 RM'000	31/03/2002 RM'000	31/03/2001 RM'000
1. (a) Revenue	181,681	300,417	541,188	1,120,642
(b) Investment income	303	-	8,093	929
(c) Other income	475	825	2,473	3,286
2. (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	45,589	113,073	136,309	499,120
(b) Finance cost	(1,932)	(3,352)	(7,253)	(9,209)
(c) Depreciation and amortisation	(53,621)	(51,768)	(159,980)	(155,052)
(d) Exceptional items	-	-	-	(6,832)
(e) Profit/(loss) before income tax, minority interests and extraordinary items	(9,964)	57,953	(30,924)	328,027
(f) Share of profits and losses of associated companies	-	-	-	-
(g) Profit/(loss) before income tax, minority interests and extraordinary items	(9,964)	57,953	(30,924)	328,027
(h) Income tax	(5,479)	(5,409)	(16,677)	(18,660)
(i) (i) Profit/(loss) after income tax before deducting minority interests	(15,443)	52,544	(47,601)	309,367
(ii) Less minority interests	3,159	(17,149)	7,141	(90,652)
	(12,284)	35,395	(40,460)	218,715
(j) Pre-acquisition profit/(loss)	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the Company	(12,284)	35,395	(40,460)	218,715
(l) (i) Extraordinary items	-	-	-	-
(ii) Less minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the Company	-	-	-	-
(m) Net profit/(loss) attributable to members of the Company	(12,284)	35,395	(40,460)	218,715
3. Earnings per share based on 2(m) above after deducting any provision for preference dividends if any :-				
(a) Basic (based on 198,918,419 ordinary shares) (sen)	(6.18)	17.71	(20.34)	109.41
(b) Fully diluted (based on ordinary shares) (sen)	N/A	N/A	N/A	N/A

Notes : Following the adoption of MASB standards in preparation of this set of financial statements, presentation and classification of certain items in the financial statement have been amended. Accordingly, comparative amounts for those items have been classified to ensure comparability with the current financial year.

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**CONSOLIDATED BALANCE SHEET**

	<b>As at end of current quarter 31/03/2002 RM'000</b>	<b>As at preceding financial year end 30/06/2001 RM'000</b>
1. Property, Plant and Equipment	1,058,426	1,159,557
2. Investment Property	-	-
3. Investment in Associated Companies	-	-
4. Long Term Investments	55,541	70,171
5. Goodwill on Consolidation	5,076	5,458
6. Intangible Assets	19,461	21,921
7. Other Long Term Assets	-	-
8. Current Assets		
Inventories	51,588	54,435
Trade Receivables	102,231	116,860
Short Term Investments	-	-
Cash	244,530	279,604
Amount due from Related Company	76,626	84,438
Others Receivables	39,336	39,757
	514,311	575,094
9. Current Liabilities		
Trade Payables	55,055	39,365
Other Payables	71,717	97,109
Short Term Borrowings	114,578	110,092
Provision for Taxation	26,488	34,424
Proposed Dividend	-	-
Banker Acceptance	62,601	99,895
	330,439	380,885
10. Net Current Assets/(Liabilities)	183,872	194,209
	1,322,376	1,451,316
11. Shareholders' Funds		
Share Capital	104,942	104,942
Reserves		
Share Premium	249,952	249,952
Revaluation Reserve	-	-
Capital Reserve	-	-
Statutory Reserve	-	-
Retained Profit	568,483	638,781
Treasury shares, at cost	(163,620)	(163,620)
Others	(5,368)	(5,591)
	754,389	824,464
12. Minority Interests	265,100	285,742
13. Long Term Borrowings	246,612	299,179
14. Other Long Term Liabilities	4,207	4,119
15. Deferred Taxation	52,068	37,812
	302,887	341,110
	1,322,376	1,451,316
16. Net tangible assets per share (sen)	367	401

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**1. Accounting policies**

The accounting policies and methods of computation are consistent with those adopted in the most recent annual financial statements.

**2. Exceptional items**

Exceptional items comprise :-

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b> 31/03/2002 RM'000	<b>Preceding Year Corresponding Quarter</b> 31/03/2001 RM'000	<b>Current Year-To-Date</b> 31/03/2002 RM'000	<b>Preceding Year Corresponding Period</b> 31/03/2001 RM'000
Amortisation of Deferred Exchange Differences	-	-	-	(6,832)
	-	-	-	(6,832)

**3. Extraordinary items**

There were no extraordinary items included in the accounts.

**4. Taxation**

Taxation comprise :-

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b> 31/03/2002 RM'000	<b>Preceding Year Corresponding Quarter</b> 31/03/2001 RM'000	<b>Current Year-To-Date</b> 31/03/2002 RM'000	<b>Preceding Year Corresponding Period</b> 31/03/2001 RM'000
Current taxation	727	1,206	2,421	6,051
Deferred taxation	4,752	4,203	14,256	12,609
	5,479	5,409	16,677	18,660

The Group's effective tax rate is higher than the statutory tax rate due to the non-availability of group relief where tax losses of certain subsidiary companies can not be set-off against the taxable income of other subsidiary companies.

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**5. Sale of investments / properties**

There were no profit or loss on any sale of unquoted investments and/or properties for the current quarter and the financial year-to-date other than as mentioned below:

	Current Year Quarter 31/03/2002 RM'000	Current Year-To-Date 31/03/2002 RM'000
Loss on disposal of unquoted investments	-	2,835

**6. Quoted securities**

(a) There were no purchase or disposal of quoted securities for the current quarter and financial year-to-date other than as mentioned below:

	Current Year Quarter 31/03/2002 RM'000	Current Year-To-Date 31/03/2002 RM'000
(i) Purchases	-	3,915
(ii) Disposal		
Sale proceeds	-	20,960
Cost of investment	-	(10,431)
Profit on disposal	-	10,529

(b) Particulars of investments in quoted shares as at 31 March 2002:-

	RM'000
Total investments at cost:	54,848
Total investments at book value (after provision for diminution in value)	54,848
Total investments at market value	56,884

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### **7. Group structure**

The Group's year-to-date results have not been affected by any form of changes in the composition of the Group other than as mentioned below:-

- (i) Signal Technology Sdn Bhd, a subsidiary of the Company has been placed under member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965 and is currently pending tax clearance from the Inland Revenue Board.
- (ii) The Company had, on 8 February 2002, disposed of its entire equity interest, comprising of 2 ordinary shares of RM1.00 each, in Classic Products Sdn. Bhd., a dormant company, for a cash consideration of RM2.00.
- (iii) The Company has incorporated a wholly owned subsidiary in the People's Republic of China (PRC), known as "Carsem Semiconductor (Suzhou) Co. Ltd., with an initial paid-in capital of USD 1 million. This is to enable the Group to expand its semiconductor business into PRC.

### **8. Corporate proposals**

There were no corporate proposal announced other than as mentioned below:-

Commerce International Merchant Bankers Berhad, on behalf of the Company had, on 25 March 2002, announced the Company's proposed amendments and thereafter adoption of the amended and restated bye-laws of the Employee Share Option Scheme and Proposed extension of the duration of the Employee Share Option Scheme for an additional period of Five (5) years. This proposal is still pending the approval of the Securities Commission.

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**9. Debt / Equity securities and share buy back**

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

**10. Group's borrowings**

Particulars of the Group's borrowings as at 31 March 2002 are as follows :-

	RM'000
(i) Unsecured short term borrowings	114,578
(ii) Unsecured long term borrowings	246,612
	<u>361,190</u>

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

USD borrowings	RM'000
	<u>200,591</u>

**11. Contingent liabilities**

There is no contingent liability to be disclosed as at the date of this report.

**12. Off-balance sheet risks**

There is no off-balance sheet risk envisaged as at the date of this report that might materially affect the position or business of the Group.

**13. Material litigation**

There is no material litigation against the Group as at the date of this report.

**14. Segmental reporting**

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

	Turnover	Profit Before Tax	Total Assets Employed
	RM'000	RM'000	RM'000
Semiconductor	540,789	(34,823)	1,398,218
Investment holding & others	399	3,899	254,597
	<u>541,188</u>	<u>(30,924)</u>	<u>1,652,815</u>

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### **15. Quarterly analysis**

Group loss before tax increased by RM2.6 million to RM9.9 million. This loss is inclusive of a one-off restructuring charge incurred by one of its subsidiaries in respect of the closure of its overseas operation and subsequent relocation of the business to Malaysia.

### **16. Review of results**

After a disappointing start for the quarter, business improved from mid-February onwards. The semiconductor industry had been saddled with very high inventory levels for the past eighteen months or so. Consequently, many companies had focused on production cutbacks and stock depletion. It is believed that stocks have now dropped to a level where new orders have to be placed.

This late revival in orders has enabled the Group to grow its turnover marginally to RM181.7 million, thus marking two quarters of consecutive growth. Loss attributable to shareholders rose by RM1 million to RM12.3 million, representing a loss per share of 6.2 sen.

### **17. Material events not reflected in financial statements**

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

### **18. Seasonal / Cyclical factors**

Demand for January was low because the festive shopping season was over. This coincided with many customers having extended their Christmas and New Year holiday shutdowns into January.

### **19. Prospects**

The semiconductor industry is cautiously optimistic that its long awaited recovery seems to have started and it now looks poised for a recovery. Barring any unforeseen circumstances, the Board expects the Group to perform satisfactorily for the rest of this financial year.

### **20. Profit forecast / profit guaranteed**

This note is not applicable.

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### **21. Dividend**

The Board has declared a second interim dividend of 60% (30% tax exempt, 30% less tax), for the financial year ending 30 June 2002 (2000/2001 : 30% tax exempt, 30% less tax and a special dividend of 20% tax exempt) to be paid on 18 June 2002 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 31 May 2002.

This is to inform that a Depositor shall qualify for the entitlement only in respect of:-

- (a) shares transferred into the Depositor's securities account before 12.30 p.m. on 31 May 2002 in respect of ordinary transfers; and
- (b) shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board  
Malaysian Pacific Industries Berhad

Queek Chai Choo  
Joanne Leong Wei Yin  
Company Secretaries

Kuala Lumpur  
09 May 2002