

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
<b>Revenue</b>	440,585	369,097	440,585	369,097
Cost of sales	(352,595)	(308,214)	(352,595)	(308,214)
<b>Gross profit</b>	87,990	60,883	87,990	60,883
Operating expenses	(15,987)	(15,821)	(15,987)	(15,821)
Other operating income	1,116	3,820	1,116	3,820
<b>Profit from operation</b>	73,119	48,882	73,119	48,882
Interest income	610	615	610	615
Finance costs	(644)	(190)	(644)	(190)
<b>Profit before taxation</b>	73,085	49,307	73,085	49,307
Taxation	(7,301)	(5,923)	(7,301)	(5,923)
<b>Profit for the period</b>	65,784	43,384	65,784	43,384
<b>Profit attributable to:</b>				
Owners of the Company	55,308	36,793	55,308	36,793
Non-controlling interests	10,476	6,591	10,476	6,591
<b>Profit for the period</b>	65,784	43,384	65,784	43,384
<b>Earnings per ordinary share (sen):</b>				
(a) Basic	28.05	19.36	28.05	19.36
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements 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 2020.

Malaysian Pacific Industries Berhad (196201000323 (4817-U))

Level 31, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia.

Tel: 03-20809200 Fax: 03- 20809238

www.mpind.my

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 SEPTEMBER 2020**

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2020 (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
<b>Profit for the period</b>	65,784	43,384	65,784	43,384
Foreign currency translation differences for foreign operations	(1,428)	(7,696)	(1,428)	(7,696)
Cash flow hedge	1,868	(661)	1,868	(661)
<b>Total comprehensive income for the period</b>	<b>66,224</b>	<b>35,027</b>	<b>66,224</b>	<b>35,027</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	55,306	28,634	55,306	28,634
Non-controlling interests	10,918	6,393	10,918	6,393
<b>Total comprehensive income for the period</b>	<b>66,224</b>	<b>35,027</b>	<b>66,224</b>	<b>35,027</b>

The Condensed Consolidated Statements 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 2020.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2020 RM'000	30/06/2020 RM'000
Property, plant and equipment	759,796	716,967
Right-of-use assets	41,756	42,921
Investment properties	29,476	29,709
Investments	46	46
<b>Total non-current assets</b>	<b>831,074</b>	<b>789,643</b>
Inventories	123,139	117,118
Trade and other receivables, including derivatives	274,157	262,127
Tax recoverable	5,600	5,600
Deposits, cash and bank balances	963,942	835,231
<b>Total current assets</b>	<b>1,366,838</b>	<b>1,220,076</b>
<b>TOTAL ASSETS</b>	<b>2,197,912</b>	<b>2,009,719</b>
<b>Equity attributable to owners of the Company</b>		
Share capital	352,373	352,373
Reserves	1,324,168	1,192,350
Treasury shares	(163,816)	(163,816)
	1,512,725	1,380,907
<b>Non-controlling interests</b>	<b>262,059</b>	<b>238,233</b>
<b>TOTAL EQUITY</b>	<b>1,774,784</b>	<b>1,619,140</b>
Lease liabilities	23,468	23,858
Deferred tax liabilities	1,351	816
<b>Total non-current liabilities</b>	<b>24,819</b>	<b>24,674</b>
Trade and other payables, including derivatives	349,979	328,998
Borrowings (unsecured)	20,808	9,250
Lease liabilities	2,101	2,735
Current tax liabilities	25,421	24,922
<b>Total current liabilities</b>	<b>398,309</b>	<b>365,905</b>
<b>TOTAL LIABILITIES</b>	<b>423,128</b>	<b>390,579</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,197,912</b>	<b>2,009,719</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>7.64</b>	<b>7.24</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	← Attributable to owners of the Company →										
	← Non-distributable →						Distributable				
	Share capital	Other reserve	Hedging reserve	Exchange fluctuation reserve	Reserve for own shares	Executive share scheme 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
<b>Current year-to-date ended 30 September 2020</b>											
At 1 July 2020	352,373	38,346	(473)	82,785	(49,598)	4,325	(163,816)	1,116,965	1,380,907	238,233	1,619,140
Profit for the period	-	-	-	-	-	-	-	55,308	55,308	10,476	65,784
Other comprehensive income/(expense)											
-foreign currency translation differences	-	-	-	(1,428)	-	-	-	-	(1,428)	-	(1,428)
-cash flow hedge	-	-	1,426	-	-	-	-	-	1,426	442	1,868
<b>Total comprehensive income/(expense) for the period</b>	-	-	1,426	(1,428)	-	-	-	55,308	55,306	10,918	66,224
Share-based payment	-	-	-	-	-	506	-	-	506	190	696
Disposal of trust shares	-	-	-	-	43,858	-	-	32,148	76,006	12,718	88,724
<b>Total transactions with owners of the Company</b>	-	-	-	-	43,858	506	-	32,148	76,512	12,908	89,420
<b>At 30 September 2020</b>	<b>352,373</b>	<b>38,346</b>	<b>953</b>	<b>81,357</b>	<b>(5,740)</b>	<b>4,831</b>	<b>(163,816)</b>	<b>1,204,421</b>	<b>1,512,725</b>	<b>262,059</b>	<b>1,774,784</b>

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020 (cont'd)**

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total equity	
	← Non-distributable →				→ Distributable						
	Share capital	Other reserve	Hedging reserve	Exchange fluctuation reserve	Reserve for own shares	Executive share scheme reserve	Treasury shares				Retained earnings
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Preceding year corresponding period ended 30 September 2019</b>											
At 1 July 2019	352,373	30,042	(140)	75,425	(52,771)	5,385	(163,816)	1,022,713	1,269,211	230,021	1,499,232
Profit for the period	-	-	-	-	-	-	-	36,793	36,793	6,591	43,384
Other comprehensive income/(expense)											
-foreign currency translation differences	-	-	-	(7,696)	-	-	-	-	(7,696)	-	(7,696)
-cash flow hedge	-	-	(463)	-	-	-	-	-	(463)	(198)	(661)
<b>Total comprehensive income/(expense) for the period</b>	-	-	(463)	(7,696)	-	-	-	36,793	28,634	6,393	35,027
Share-based payment	-	-	-	-	-	452	-	-	452	182	634
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	452	-	-	452	182	634
<b>At 30 September 2019</b>	<b>352,373</b>	<b>30,042</b>	<b>(603)</b>	<b>67,729</b>	<b>(52,771)</b>	<b>5,837</b>	<b>(163,816)</b>	<b>1,059,506</b>	<b>1,298,297</b>	<b>236,596</b>	<b>1,534,893</b>

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 2020.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	<b>Current Year- To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30/09/2020 RM'000</b>	<b>30/09/2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	73,085	49,307
Adjustments for:-		
Depreciation and amortisation	43,251	44,474
Dividend income	(2,939)	(3,997)
Non-cash items	1,277	(11,472)
Net financing cost/(income)	34	(425)
Operating profit before changes in working capital	114,708	77,887
Changes in working capital		
Net change in current assets	(17,277)	(22,368)
Net change in current liabilities	21,956	65,016
Taxation paid	(6,816)	(4,663)
Net financing cost (paid)/income received	(34)	425
Dividend received	2,939	3,997
<b>Net cash generated from operating activities</b>	<b>115,476</b>	<b>120,294</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(81,524)	(65,486)
Proceeds from disposal of property, plant and equipment	-	196
<b>Net cash used in investing activities</b>	<b>(81,524)</b>	<b>(65,290)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown from borrowings	12,764	-
Repayments of borrowings	(1,250)	-
Disposal of trust shares	88,724	-
Payment of lease liabilities	(1,023)	(8,382)
<b>Net cash used in financing activities</b>	<b>99,215</b>	<b>(8,382)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>133,167</b>	<b>46,622</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>835,231</b>	<b>713,386</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH HELD</b>	<b>(4,456)</b>	<b>697</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>963,942</b>	<b>760,705</b>

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

	<b>30/09/2020 RM'000</b>	<b>30/09/2019 RM'000</b>
Deposits, cash and bank balances	963,942	760,705

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))**  
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**ENDED 30 SEPTEMBER 2020**

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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 paragraph 9.22 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 2020. 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 financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2020 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2020 which are applicable to the Group. The initial adoption of these applicable MFRSs, 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 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) There were no additional shares bought back during the quarter under review and financial year-to-date. The total number of shares bought back as at 30 September 2020 was 10,988,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016.

(b) During the quarter under review, a total of 7,284,264 existing ordinary shares in the Company (“MPI shares”) held in the Executive Share Scheme (“ESS”) Trust were disposed to its immediate holding company at market price.

There were no additional shares purchased by the ESS Trust during the quarter under review and financial year-to-date. As at 30 September 2020, the total number of shares held by the ESS Trust was 1,008,333 shares, including the 8,333 vested MPI Shares pending transfer to an eligible executive.

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.

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7. **Dividend paid**

There were no dividend paid during the quarter under review and financial year-to-date.

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
<b>Segment profit</b>	50,189	9,650	13,522	73,361
Included in the measure of segment profit are:				
Revenue from external customers	288,399	63,848	87,292	439,539
Depreciation and amortisation	29,980	5,672	7,566	43,218
<b>Reconciliation of segment profit</b>				
<b>Profit</b>				<b>RM'000</b>
Reportable segments				73,361
Non-reportable segments				(242)
Interest income				610
Finance costs				(644)
Consolidated profit before taxation				73,085
			<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>
Reportable segments			439,539	43,218
Non-reportable segments			1,046	33
<b>Total</b>			440,585	43,251

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.



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**11. Review of performance**

For the quarter under review, the Group recorded revenue of RM440.6 million and profit before taxation (“PBT”) of RM73.1 million as compared with revenue and PBT of RM369.1 million and RM49.3 million respectively for the corresponding quarter of the preceding year ended 30 June 2020 (“FY2020”). Revenue for the Asia, USA and Europe segments were higher by 25%, 21% and 4% respectively against the corresponding quarter of FY2020.

The improved PBT for the quarter under review was mainly due to higher revenue across all segments.

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

The Group’s revenue for the quarter under review was RM440.6 million against the preceding quarter of RM405.5 million. Revenue for the Asia, USA and Europe segments were higher by 7%, 13% and 11% respectively against the preceding quarter.

For the quarter under review, the Group recorded PBT of RM73.1 million as compared with RM62.5 million for the preceding quarter. The higher PBT for the quarter under review was mainly due to higher revenue, partially offset by movement in foreign exchange rates.

**13. Prospects**

The Board anticipates that the operating environment will remain challenging due to the COVID-19 pandemic and uncertainties of the global economy in the coming quarters. The Group will continue to focus on its business strategies and operational efficiencies to ensure sustainability and strengthen its fundamentals in conducting business. Barring any unforeseen circumstances, the Board expects the Group’s performance for the financial year ending 30 June 2021 to be satisfactory.

**14. Profit forecast / profit guaranteed**

This note is not applicable.

**15. Profit before taxation**

	<b>Current Year Quarter</b>	<b>Current Year- to-date</b>
	<b>30/09/2020 RM'000</b>	<b>30/09/2020 RM'000</b>
Profit before taxation is arrived at after charging/(crediting):		
Gross dividend income from short term investments	(2,939)	(2,939)
Depreciation and amortisation	43,251	43,251
Impairment and write off of trade receivables	91	91
Loss on foreign exchange	6,722	6,722
Fair value gain on derivatives	(514)	(514)
Share-based payments	696	696
Provision for and write off of inventories	697	697
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	To-date	Corresponding
	30/09/2020	Quarter	30/09/2020	Period
	RM'000	30/09/2019	RM'000	30/09/2019
		RM'000		RM'000
Current taxation				
Malaysian				
- current year	1,895	2,138	1,895	2,138
	1,895	2,138	1,895	2,138
Overseas				
- current year	5,386	4,819	5,386	4,819
- prior years	20	(1,034)	20	(1,034)
	5,406	3,785	5,406	3,785
	7,301	5,923	7,301	5,923

The Group's effective tax rate for the quarter under review is lower than statutory tax rate mainly due to tax incentive granted to subsidiaries of the Company.

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 30 September 2020 are as follows:

Unsecured short term borrowings	<b>RM'000</b> 20,808
	<b>RM'000</b> 12,808
The above include borrowings denominated in RMB	

19. **Changes in material litigation**

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

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**20. Dividend**

- (a) The Board has declared a first interim single tier dividend of 10.0 sen per share for the quarter ended 30 September 2020 of the financial year ending 30 June 2021 (1st quarter 2019/2020: single tier dividend of 10.0 sen per share) to be paid on 24 December 2020 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 10 December 2020.

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 4.30 p.m. on 10 December 2020 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, single tier dividend of 10.0 sen per share (2019/2020: single tier dividend of 10.0 sen per share) 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 RM55,308,000 (1<sup>st</sup> quarter 2019/2020: RM36,793,000) by the weighted average number of ordinary shares during the quarter of 197,183,828 (1<sup>st</sup> quarter 2019/2020: 190,056,419).

**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
	30/09/2020 '000	30/09/2019 '000	30/09/2020 '000	30/09/2019 '000
Issued ordinary shares at beginning of period	209,884	209,884	209,884	209,884
Treasury shares held at beginning of period	(10,988)	(10,988)	(10,988)	(10,988)
Trust Shares held at beginning of period	(8,284)	(8,840)	(8,284)	(8,840)
	<u>190,612</u>	<u>190,056</u>	<u>190,612</u>	<u>190,056</u>
Effect of disposal of Trust Shares	<u>6,572</u>	<u>-</u>	<u>6,572</u>	<u>-</u>
Weighted average number of ordinary shares (basic)	<u>197,184</u>	<u>190,056</u>	<u>197,184</u>	<u>190,056</u>

**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. Derivatives**

The Group has entered into a number of forward foreign exchange contracts by subsidiaries to hedge the cash flow risk in relation to the variations of cash flows arising from future forecasted transactions.

The forward foreign exchange contracts are stated at fair value using observable market prices in active markets, including recent market transactions and valuation techniques that include discounted cash flow models and option pricing models, as appropriate.

As at 30 September 2020, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	<b>Contract amount</b>	<b>Fair Value Assets / (Liabilities)</b>
	<b>RM'000</b>	<b>RM'000</b>
Less than 1 year	<u>171,922</u>	<u>1,803</u>

Derivatives (which are classified as financial assets/liabilities) categorised as fair value through profit or loss are subsequently measured at their fair values with the gains/losses recognised in profit or loss. Gains/losses arising from fair value changes of derivatives is as disclosed in Note 15.

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the previous financial year ended 30 June 2020.

**23. Gains/losses arising from fair value changes of financial liabilities**

Other than derivatives which are classified as financial liabilities when they are at fair value loss position, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

By Order of the Board  
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin  
Company Secretary

Kuala Lumpur  
25 November 2020