

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2021

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	30/03/2020 RM'000
Revenue	526,628	376,289	1,451,148	1,159,149
Cost of sales	(428,492)	(330,023)	(1,164,434)	(972,651)
Gross profit	98,136	46,266	286,714	186,498
Operating expenses	(20,084)	(16,582)	(55,824)	(49,549)
Other operating income	19,416	3,639	30,931	10,577
Profit from operation	97,468	33,323	261,821	147,526
Interest income	977	1,392	2,136	2,840
Finance costs	(1,032)	(494)	(2,359)	(1,358)
Profit before taxation	97,413	34,221	261,598	149,008
Taxation	(8,275)	(8,004)	(25,538)	(25,842)
Profit for the period	89,138	26,217	236,060	123,166
Profit attributable to:				
Owners of the Company	74,373	22,054	196,718	103,944
Non-controlling interests	14,765	4,163	39,342	19,222
Profit for the period	89,138	26,217	236,060	123,166
Earnings per ordinary share (sen):				
(a) Basic	37.55	11.59	99.49	54.67
(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))

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MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))
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ENDED 31 MARCH 2021

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2021 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
Profit for the period	89,138	26,217	236,060	123,166
Foreign currency translation differences for foreign operations	19,884	20,208	16,359	10,242
Cash flow hedge	(2,495)	(4,242)	378	(3,009)
Total comprehensive income for the period	106,527	42,183	252,797	130,399
Total comprehensive income attributable to:				
Owners of the Company	92,180	39,307	213,458	112,094
Non-controlling interests	14,347	2,876	39,339	18,305
Total comprehensive income for the period	106,527	42,183	252,797	130,399

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.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/03/2021 RM'000	30/06/2020 RM'000
Property, plant and equipment	972,145	716,967
Right-of-use assets	39,494	42,921
Investment properties	29,012	29,709
Investments	46	46
Total non-current assets	<u>1,040,697</u>	<u>789,643</u>
Inventories	153,310	117,118
Trade and other receivables, including derivatives	315,651	262,127
Tax recoverable	4,362	5,600
Cash and cash equivalents	1,009,996	835,231
Total current assets	<u>1,483,319</u>	<u>1,220,076</u>
TOTAL ASSETS	<u><u>2,524,016</u></u>	<u><u>2,009,719</u></u>
Equity attributable to owners of the Company		
Share capital	352,373	352,373
Reserves	1,463,544	1,192,350
Treasury shares	(163,816)	(163,816)
	<u>1,652,101</u>	<u>1,380,907</u>
Non-controlling interests	281,560	238,233
TOTAL EQUITY	<u>1,933,661</u>	<u>1,619,140</u>
Lease liabilities	23,620	23,858
Deferred tax liabilities	1,383	816
Total non-current liabilities	<u>25,003</u>	<u>24,674</u>
Trade and other payables, including derivatives	449,836	328,998
Borrowings (unsecured)	82,871	9,250
Lease liabilities	1,451	2,735
Current tax liabilities	31,194	24,922
Total current liabilities	<u>565,352</u>	<u>365,905</u>
TOTAL LIABILITIES	<u>590,355</u>	<u>390,579</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,524,016</u></u>	<u><u>2,009,719</u></u>
Net assets per share attributable to owners of the Company (RM)	8.33	7.24

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 31 MARCH 2021

	← 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
Current year-to-date ended 31 March 2021											
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	-	-	-	-	-	-	-	196,718	196,718	39,342	236,060
Other comprehensive income/(expense)											
-foreign currency translation differences	-	-	-	16,359	-	-	-	-	16,359	-	16,359
-cash flow hedge	-	-	381	-	-	-	-	-	381	(3)	378
Total comprehensive income/(expense) for the period	-	-	381	16,359	-	-	-	196,718	213,458	39,339	252,797
Dividend	-	-	-	-	-	-	-	(19,789)	(19,789)	(9,300)	(29,089)
Share-based payment	-	-	-	-	-	1,519	-	-	1,519	570	2,089
ESS shares exercised	-	-	-	-	2,901	(4,087)	-	1,186	-	-	-
Disposal of trust shares	-	-	-	-	43,858	-	-	32,148	76,006	12,718	88,724
Total transactions with owners of the Company	-	-	-	-	46,759	(2,568)	-	13,545	57,736	3,988	61,724
At 31 March 2021	352,373	38,346	(92)	99,144	(2,839)	1,757	(163,816)	1,327,228	1,652,101	281,560	1,933,661

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021 (cont'd)

	← 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	
Preceding year corresponding period ended 31 March 2020											
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	-	-	-	-	-	-	-	103,944	103,944	19,222	123,166
Other comprehensive income/(expense)											
-foreign currency translation differences	-	-	-	10,242	-	-	-	-	10,242	-	10,242
-cash flow hedge	-	-	(2,092)	-	-	-	-	-	(2,092)	(917)	(3,009)
Total comprehensive income/(expense) for the period	-	-	(2,092)	10,242	-	-	-	103,944	112,094	18,305	130,399
Dividend	-	-	-	-	-	-	-	(19,006)	(19,006)	(12,300)	(31,306)
Share-based payment	-	-	-	-	-	1,293	-	-	1,293	545	1,838
ESS shares exercised	-	-	-	-	3,173	(2,812)	-	(361)	-	-	-
Total transactions with owners of the Company	-	-	-	-	3,173	(1,519)	-	(19,367)	(17,713)	(11,755)	(29,468)
At 31 March 2020	<u>352,373</u>	<u>30,042</u>	<u>(2,232)</u>	<u>85,667</u>	<u>(49,598)</u>	<u>3,866</u>	<u>(163,816)</u>	<u>1,107,290</u>	<u>1,363,592</u>	<u>236,571</u>	<u>1,600,163</u>

Dividends received by the trust set up for the Executive Share Scheme ("ESS") ("ESS Trust") amounted to RM101,000 (2019/2020: RM884,000) 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 2020.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2021	31/03/2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	261,598	149,008
Adjustments for:-		
Depreciation and amortisation	140,501	134,686
Dividend income	(7,806)	(11,305)
Non-cash items	10,587	(2,741)
Net financing cost/(income)	224	(1,482)
Operating profit before changes in working capital	405,104	268,166
Changes in working capital		
Net change in current assets	(99,018)	(45,310)
Net change in current liabilities	120,353	89,264
Taxation paid	(17,825)	(20,154)
Net financing cost (paid)/income received	(224)	1,482
Dividend received	7,806	11,305
Net cash generated from operating activities	416,196	304,753
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(368,402)	(173,481)
Proceeds from disposal of property, plant and equipment	238	218
Net cash used in investing activities	(368,164)	(173,263)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owner of the company	(19,789)	(19,006)
Dividend paid to non-controlling shareholders of a subsidiary	(9,300)	(12,300)
Drawdown from borrowings	80,984	19,540
Repayments of borrowings	(9,250)	(5,090)
Disposal of trust shares	88,724	-
Payment of lease liabilities	(1,522)	(9,973)
Net cash used in financing activities	129,847	(26,829)
NET CHANGE IN CASH AND CASH EQUIVALENTS	177,879	104,661
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	835,231	713,386
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH HELD	(3,114)	5,297
CASH & CASH EQUIVALENTS AT END OF PERIOD	1,009,996	823,344

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

	31/03/2021	31/03/2020
	RM'000	RM'000
Deposits, cash and bank balances	705,240	823,344
Investment in Money Market Fund	304,756	-
	1,009,996	823,344

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.

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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 31 March 2021 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 505,736 existing ordinary shares in the Company (“MPI Shares”) held in the ESS Trust were transferred to the eligible executives arising from the vesting of MPI Shares free of consideration pursuant to the Executive Share Scheme (“ESS”).

During the financial year-to-date, a total of 7,284,264 MPI Shares held in the 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 31 March 2021, the total number of shares held by the ESS Trust was 494,264 shares.

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6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities (cont'd)

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 10.0 sen per share amounted to RM19.9 million on 24 December 2020.

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	177,412	34,812	54,655	266,879
Included in the measure of segment profit are:				
Revenue from external customers	923,853	209,904	314,631	1,448,388
Depreciation and amortisation	95,997	17,985	26,422	140,404
Reconciliation of segment profit				
Profit				RM'000
Reportable segments				266,879
Non-reportable segments				(5,058)
Interest income				2,136
Finance costs				(2,359)
Consolidated profit before taxation				<u>261,598</u>
			External revenue RM'000	Depreciation and amortisation RM'000
Reportable segments			1,448,388	140,404
Non-reportable segments			2,760	97
Total			<u>1,451,148</u>	<u>140,501</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.

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11. Review of performance

For the quarter under review, the Group recorded revenue of RM526.6 million with the Asia, USA and Europe segments growing by 35%, 51% and 51% respectively against the corresponding quarter of the preceding year ended 30 June 2020 (“FY20”) of RM376.3 million. Profit before taxation (“PBT”) achieved was RM97.4 million against RM34.2 million for the corresponding quarter of FY20.

The Group’s revenue for the financial year-to-date was RM1,451.1 million, 25% higher as compared with revenue of RM1,159.1 million for the corresponding period of FY20. Revenue for the Asia, USA and Europe segments were higher by 25%, 33% and 22% respectively against the preceding year’s corresponding period. PBT for the financial year-to-date closed at RM261.6 million against RM149.0 million for the corresponding period of FY20.

The higher PBT for the quarter and year-to-date under review were mainly due to higher revenue across all segments.

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

Revenue recorded for the quarter under review was RM526.6 million against the preceding quarter of RM483.9 million with the Asia, USA and Europe segments recording higher revenue by 7%, 10% and 13% respectively.

For the quarter under review, the Group achieved PBT of RM97.4 million compared with RM91.1 million for the preceding quarter. The higher PBT for the quarter under review was mainly due to higher revenue.

13. Prospects

The semiconductor industry continues to show resilience and growth in spite of the challenging operating environment due to the COVID-19 pandemic and the prospect of an uneven recovery of the global economy. 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

	Current Year Quarter	Current Year- to-date
	31/03/2021 RM'000	31/03/2021 RM'000
Profit before taxation is arrived at after charging/(crediting):		
Gross dividend income from short term investments	(2,518)	(7,806)
Depreciation and amortisation	51,172	140,501
Impairment and write off of trade receivables	94	278
Gain on foreign exchange	(12,032)	(4,194)
Fair value loss/(gain) on derivatives	1,085	(787)
Share-based payments	696	2,089
Provision for slow moving inventories	665	2,241
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
	31/03/2021	Quarter	31/03/2021	Period
	RM'000	31/03/2020	RM'000	31/03/2020
		RM'000		RM'000
Current taxation				
Malaysian				
- current year	4,054	3,161	8,786	8,366
- prior years	(5,205)	(374)	(5,205)	(374)
	(1,151)	2,787	3,581	7,992
Overseas				
- current year	8,881	5,338	21,389	19,805
- prior years	45	(121)	68	(1,155)
	8,926	5,217	21,457	18,650
Deferred taxation				
- current year	500	-	500	(800)
	500	-	500	(800)
	<u>8,275</u>	<u>8,004</u>	<u>25,538</u>	<u>25,842</u>

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 31 March 2021 are as follows:

Unsecured short term borrowings	RM'000 <u>82,871</u>
The above include borrowings denominated in RMB	RM'000 <u>82,871</u>

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 second interim single tier dividend of 20.0 sen per share for the quarter ended 31 March 2021 of the financial year ending 30 June 2021 (3rd quarter FY20: a second interim single tier dividend of 17.0 sen per share) to be paid on 29 June 2021 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 15 June 2021.
- (b) 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 15 June 2021 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 Main Market Listing Requirements.
- (c) For the financial year-to-date, a total single tier dividend of 30.0 sen per share (FY20: single tier dividend of 27.0 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 RM74,373,000 (3rd quarter FY20: RM22,054,000) by the weighted average number of ordinary shares during the quarter of 198,080,553 (3rd quarter FY20: 190,268,200).

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 RM196,718,000 (FY20: RM103,944,000) and the weighted average number of ordinary shares during the period of 197,717,637 (FY20 : 190,126,499).

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
	31/03/2021 '000	31/03/2020 '000	31/03/2021 '000	31/03/2020 '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	(1,000)	(8,840)	(8,284)	(8,840)
	<u>197,896</u>	<u>190,056</u>	<u>190,612</u>	<u>190,056</u>
Effect of disposal and vested of Trust Shares	185	212	7,106	70
Weighted average number of ordinary shares (basic)	<u>198,081</u>	<u>190,268</u>	<u>197,718</u>	<u>190,126</u>

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21. Earnings per ordinary share (cont'd)

(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.

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 31 March 2021, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Contract amount	Fair Value Assets / (Liabilities)
	RM'000	RM'000
Less than 1 year	<u>130,966</u>	<u>144</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

Wong Wei Fong
Zoe Lim Hoon Hwa
Company Secretaries

Kuala Lumpur
28 May 2021