

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2022

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Revenue	612,035	537,341	2,416,123	1,988,489
Cost of sales	(490,371)	(438,544)	(1,909,353)	(1,602,978)
Gross profit	121,664	98,797	506,770	385,511
Operating expenses	(29,189)	(19,616)	(118,617)	(75,440)
Other operating income	7,926	17,664	54,102	48,595
Profit from operation	100,401	96,845	442,255	358,666
Interest income	3,380	397	4,743	2,533
Finance costs	(2,361)	(1,216)	(7,619)	(3,575)
Profit before taxation	101,420	96,026	439,379	357,624
Taxation	(8,373)	(6,563)	(54,449)	(32,101)
Profit for the period	93,047	89,463	384,930	325,523
Profit attributable to:				
Owners of the Company	80,488	75,101	328,853	271,819
Non-controlling interests	12,559	14,362	56,077	53,704
Profit for the period	93,047	89,463	384,930	325,523
Earnings per ordinary share (sen):				
(a) Basic	40.47	37.85	165.62	137.36
(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 Audited Financial Statements for the Financial Year Ended 30 June 2021.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2022

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2022 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Profit for the period	93,047	89,463	384,930	325,523
Foreign currency translation differences for foreign operations	(3,776)	9,268	18,359	25,627
Cash flow hedge	(5,781)	(31)	(4,763)	347
Total comprehensive income for the period	83,490	98,700	398,526	351,497
Total comprehensive income attributable to:				
Owners of the Company	72,552	84,292	343,756	297,750
Non-controlling interests	10,938	14,408	54,770	53,747
Total comprehensive income for the period	83,490	98,700	398,526	351,497

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2021.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/06/2022 RM'000	30/06/2021 RM'000
Property, plant and equipment	1,511,323	1,051,200
Right-of-use assets	52,285	38,844
Investment properties	27,897	28,790
Investments	46	46
Total non-current assets	1,591,551	1,118,880
Inventories	206,279	170,226
Trade and other receivables, including derivatives	356,139	285,509
Tax recoverable	62	3,815
Cash and cash equivalents	964,826	985,988
Total current assets	1,527,306	1,445,538
TOTAL ASSETS	3,118,857	2,564,418
Equity attributable to owners of the Company		
Share capital	352,373	352,373
Reserves	1,811,656	1,509,133
Treasury shares	(163,816)	(163,816)
	2,000,213	1,697,690
Non-controlling interests	321,568	287,045
TOTAL EQUITY	2,321,781	1,984,735
Borrowings (unsecured)	180,100	12,856
Lease liabilities	23,566	23,721
Deferred tax liabilities	2,269	898
Total non-current liabilities	205,935	37,475
Trade and other payables, including derivatives	543,813	444,320
Borrowings (unsecured)	13,170	70,708
Lease liabilities	2,781	1,588
Current tax liabilities	31,377	25,592
Total current liabilities	591,141	542,208
TOTAL LIABILITIES	797,076	579,683
TOTAL EQUITY AND LIABILITIES	3,118,857	2,564,418
Net assets per share attributable to owners of the Company (RM)	10.06	8.56

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2021.


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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2022

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

	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
Current year-to-date ended 30 June 2022	352,373	50,496	(169)	108,412	(2,839)	2,734	(163,816)	1,350,499	1,697,690	287,045	1,984,735
At 1 July 2021	-	-	-	-	-	-	-	328,853	328,853	56,077	384,930
Profit for the period	-	-	-	-	-	-	-	-	18,359	-	18,359
Other comprehensive income/(expense)	-	-	(3,456)	18,359	-	-	-	-	(3,456)	(1,307)	(4,763)
-foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
-cash flow hedge	-	-	(3,456)	18,359	-	-	-	-	(3,456)	(1,307)	(4,763)
Total comprehensive income/(expense) for the period	-	-	(3,456)	18,359	-	-	-	328,853	343,756	54,770	398,526
Dividend	-	-	-	-	-	-	-	(69,558)	(69,558)	(30,144)	(99,702)
Share-based payment	-	-	-	-	-	29,868	-	-	29,868	9,897	39,765
ESS shares exercised	-	-	-	-	3,385	(3,336)	-	(49)	-	-	-
Purchase of trust shares	-	-	-	-	(1,543)	-	-	-	(1,543)	-	(1,543)
Total transactions with owners of the Company	-	-	-	-	1,842	26,532	-	(69,607)	(41,233)	(20,247)	(61,480)
Transfer to capital reserve	-	18,993	-	-	-	-	-	(18,993)	-	-	-
At 30 June 2022	352,373	69,489	(3,625)	126,771	(997)	29,266	(163,816)	1,590,752	2,000,213	321,568	2,321,781

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022 (cont'd)

	Attributable to owners of the Company				Distributable			Total equity			
	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
	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 30 June 2021	352,373	38,346	(473)	82,785	(49,598)	4,325	(163,816)	1,116,965	1,380,907	238,233	1,619,140
At 1 July 2020	-	-	-	-	-	-	-	271,819	271,819	53,704	325,523
Profit for the period	-	-	-	25,627	-	-	-	-	25,627	-	25,627
Other comprehensive income/(expense)	-	-	-	-	-	-	-	-	-	-	-
-foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
-cash flow hedge	-	304	-	-	-	-	-	-	304	43	347
Total comprehensive income/(expense) for the period	-	-	304	25,627	-	-	-	271,819	297,750	53,747	351,497
Dividend	-	-	-	-	-	-	-	(59,469)	(59,469)	(18,600)	(78,069)
Share-based payment	-	-	-	-	-	2,496	-	-	2,496	947	3,443
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	(1,591)	-	(26,135)	19,033	(4,935)	14,098
Transfer to capital reserve	-	12,150	-	-	-	-	-	(12,150)	-	-	-
At 30 June 2021	352,373	50,496	(169)	108,412	(2,839)	2,734	(163,816)	1,350,499	1,697,690	287,045	1,984,735

Dividends received by the trust set up for the Executive Share Scheme ("ESS") ("ESS Trust") amounted to RM56,000 (FY21: RM200,000) 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 Audited Financial Statements for the Financial Year Ended 30 June 2021.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022

	Current Year- To-Date 30/06/2022 RM'000	Preceding Year Corresponding Period 30/06/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	439,379	357,624
Adjustments for:-		
Depreciation and amortisation	293,291	199,084
Dividend income	(5,995)	(10,488)
Non-cash items	33,153	16,007
Net financing cost	2,876	1,042
Operating profit before changes in working capital	762,704	563,269
Changes in working capital		
Net change in current assets	(110,616)	(91,550)
Net change in current liabilities	93,973	116,028
Taxation paid	(42,355)	(30,034)
Net financing cost paid	(2,876)	(1,042)
Dividend received	5,995	10,488
Net cash generated from operating activities	706,825	567,159
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(729,664)	(494,881)
Acquisition of right-of-use assets	(15,203)	-
Proceeds from disposal of property, plant and equipment	2,748	244
Net cash used in investing activities	(742,119)	(494,637)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owner of the company	(69,558)	(59,469)
Dividend paid to non-controlling shareholders of a subsidiary	(30,144)	(18,600)
Drawdown from borrowings	182,368	94,239
Repayments of borrowings	(75,398)	(22,749)
Disposal of trust shares	-	88,724
Purchase of trust shares	(1,543)	-
Payment of lease liabilities	(2,290)	(1,786)
Net cash generated from financing activities	3,435	80,359
NET CHANGE IN CASH AND CASH EQUIVALENTS	(31,859)	152,881
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	985,988	835,231
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH HELD	10,697	(2,124)
CASH & CASH EQUIVALENTS AT END OF PERIOD	964,826	985,988
Cash and cash equivalents included in the consolidated statements of cash flows comprise the following consolidated statements of financial position amounts:		
	30/06/2022 RM'000	30/06/2021 RM'000
Deposits, cash and bank balances	903,957	679,530
Investment in Money Market Fund	60,869	306,458
	964,826	985,988

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2021.

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1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“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 2021. This interim financial report also complies with International Accounting Standard 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 2021 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021 respectively 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

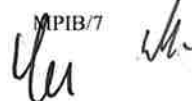
(a) There were no additional shares bought back during the quarter under review and financial year-to-date. The total number of shares bought back as at 30 June 2022 was 10,988,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016.

(b) During the quarter under review, Executive Share Scheme (“ESS”) Trust purchased 28,000 ordinary shares of MPI (“MPI Shares”).

During the financial year-to-date, ESS Trust purchased 45,464 MPI Shares and 483,728 MPI Shares held in the ESS Trusts were transferred to eligible executives of the Group arising from the vesting of free MPI Shares pursuant to the ESS.

As at 30 June 2022, the total number of shares held by the ESS Trust was 56,000 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.

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7. Dividend paid

The Company has paid the following dividend during the current financial year to-date:

	Current year-to-date RM'000
First interim single tier dividend of 10.0 sen per share, paid on 23 December 2021	19,890
Second interim single tier dividend of 25.0 sen per share, paid on 24 June 2022	49,724
	<u>69,614</u>

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	292,057	56,266	90,199	438,522
Included in the measure of segment profit are:				
Revenue from external customers	1,527,036	359,100	528,020	2,414,156
Depreciation and amortisation	208,501	35,626	49,151	293,278
Reconciliation of segment profit				
Profit				RM'000
Reportable segments				438,522
Non-reportable segments				3,733
Interest income				4,743
Finance costs				(7,619)
Consolidated profit before taxation				<u>439,379</u>
			External revenue RM'000	Depreciation and amortisation RM'000
Reportable segments			2,414,156	293,278
Non-reportable segments			1,967	13
Total			<u>2,416,123</u>	<u>293,291</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 RM612.0 million with the Asia, USA and Europe segments growing by 12%, 23% and 15% respectively against the corresponding quarter of the last financial year of RM537.3 million. Profit before taxation ("PBT") achieved was RM101.4 million against RM96.0 million for the corresponding quarter of the last financial year.

The Group's revenue for the financial year-to-date was RM2,416.1 million, 22% higher as compared with revenue of RM1,988.5 million for the corresponding period of FY21. Revenue for the Asia, USA and Europe segments were higher by 21%, 27% and 20% respectively against the preceding year's corresponding period. PBT for the financial year-to-date closed at RM439.4 million against RM357.6 million for the corresponding period of FY21.

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

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

Revenue for the quarter under review was RM612.0 million against the preceding quarter of RM611.6 million. Revenue for the Europe segments was higher by 12% while Asia and USA segments were lower by 3% and 4% respectively against the preceding quarter.

For the quarter under review, the Group recorded PBT of RM101.4 million as compared with RM109.9 million for the preceding quarter. The lower PBT for the quarter under review was due to rising operating cost.

13. Prospects

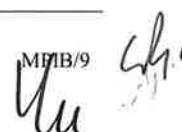
The Board anticipates that the operating environment will remain challenging arising from supply chain disruptions, inventory adjustment, inflation and manpower limitations. In addition, the Covid-19 movement control imposed in Suzhou and Greater Shanghai areas will continue to have an adverse effect on our Suzhou factory. The Group will 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 coming financial year ending 30 June 2023 to be satisfactory.

14. Profit forecast / profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year- to-date
Profit before taxation is arrived at after charging/(crediting):	30/06/2022 RM'000	30/06/2022 RM'000
Gross dividend income from short term investments	(172)	(5,995)
Depreciation and amortisation	81,808	293,291
Impairment and write off of trade receivables	59	236
Gain on foreign exchange	(5,483)	(13,520)
Fair value loss on derivatives	3,530	2,777
Share-based payments	10,335	39,765
Provision for slow moving inventories	1,669	6,448
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
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian				
- current year	5,572	4,424	22,327	13,210
- prior years	(974)	(2,045)	(875)	(7,250)
	4,598	2,379	21,452	5,960
Oversens				
- current year	2,852	6,943	30,177	28,332
- prior years	-	(2,259)	2	(2,191)
	2,852	4,684	30,179	26,141
Deferred taxation				
- current year	923	(500)	2,818	-
	923	(500)	2,818	-
	8,373	6,563	54,449	32,101

The Group's effective tax rate for the quarter under review and financial year-to-date 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 June 2022 are as follows:

	RM'000
Unsecured short term borrowings	13,170
Unsecured long term borrowings	180,100
	<u>193,270</u>
	RM'000
The above include borrowings denominated in RMB	<u>193,270</u>

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 final dividend for the financial year ended 30 June 2022 (FY21: nil).
- (b) For the financial year-to-date, a total single tier dividend of 35.0 sen per share (FY21: single tier dividend of 30.0 sen per share) 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 RM80,488,000 (4th quarter FY21: RM RM75,101,000) by the weighted average number of ordinary shares during the quarter of 198,865,034 (4th quarter FY21: 198,402,155).

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 RM328,853,000 (FY21: RM271,819,000) and the weighted average number of ordinary shares during the period of 198,556,077 (FY21 : 197,887,887).

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
	30/06/2022 '000	30/06/2021 '000	30/06/2022 '000	30/06/2021 '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	(28)	(494)	(494)	(8,284)
	198,868	198,402	198,402	190,612
Effect of Trust Shares vested and disposed	(3)	-	154	7,276
Weighted average number of ordinary shares (basic)	198,865	198,402	198,556	197,888

(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 June 2022, 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>427,792</u>	<u>(9,727)</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 2021.

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
29 August 2022