

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Revenue	522,751	526,419	1,035,961	1,090,434
Cost of sales	(455,215)	(455,645)	(904,550)	(929,502)
Gross profit	67,536	70,774	131,411	160,932
Operating expenses	(30,294)	(33,128)	(59,542)	(66,562)
Other operating income/(expenses)	6,225	(4,181)	(536)	11,184
Profit from operation	43,467	33,465	71,333	105,554
Interest income	8,803	6,167	18,550	10,139
Finance costs	(2,016)	(2,360)	(4,507)	(4,626)
Profit before taxation	50,254	37,272	85,376	111,067
Taxation	(2,737)	(5,450)	(7,825)	(11,585)
Profit for the period	47,517	31,822	77,551	99,482
Profit attributable to:				
Owners of the Company	32,151	18,330	48,670	71,029
Non-controlling interests	15,366	13,492	28,881	28,453
Profit for the period	47,517	31,822	77,551	99,482
Earnings per ordinary share (sen):				
(a) Basic	16.17	9.22	24.47	35.72
(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 2023.

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

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MALAYSIAN PACIFIC INDUSTRIES BERHAD (196201000323 (4817-U))
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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Profit for the period	47,517	31,822	77,551	99,482
Foreign currency translation differences for foreign operations	2,968	(30,682)	4,016	(35,678)
Cash flow hedge	5,104	11,249	6,947	6,651
Total comprehensive income for the period	55,589	12,389	88,514	70,455
Total comprehensive income attributable to:				
Owners of the Company	38,700	(4,399)	57,545	40,064
Non-controlling interests	16,889	16,788	30,969	30,391
Total comprehensive income for the period	55,589	12,389	88,514	70,455

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 2023.

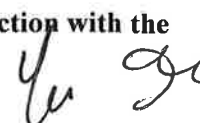
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/12/2023 RM'000	30/06/2023 RM'000
Property, plant and equipment	1,325,865	1,416,233
Right-of-use assets	44,564	47,298
Investment properties	26,611	27,026
Investments	46	46
Total non-current assets	1,397,086	1,490,603
Inventories	138,528	149,537
Trade and other receivables, including derivatives	314,112	318,871
Tax recoverable	703	4
Cash and cash equivalents	1,100,663	1,053,096
Total current assets	1,554,006	1,521,508
TOTAL ASSETS	2,951,092	3,012,111
Equity attributable to owners of the Company		
Share capital	352,373	352,373
Reserves	1,881,747	1,826,261
Treasury shares	(163,816)	(163,816)
	2,070,304	2,014,818
Non-controlling interests	365,191	345,570
TOTAL EQUITY	2,435,495	2,360,388
Borrowings (unsecured)	49,598	79,480
Lease liabilities	10,488	21,788
Deferred tax liabilities	9,703	6,936
Total non-current liabilities	69,789	108,204
Trade and other payables, including derivatives	294,344	346,104
Borrowings (unsecured)	115,404	172,184
Lease liabilities	12,785	3,177
Current tax liabilities	23,275	22,054
Total current liabilities	445,808	543,519
TOTAL LIABILITIES	515,597	651,723
TOTAL EQUITY AND LIABILITIES	2,951,092	3,012,111
Net assets per share attributable to owners of the Company (RM)	10.41	10.13

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2023.



The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023

	← 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		
Current year-to-date ended 31 December 2023											
At 1 July 2023	352,373	75,095	(3,685)	107,302	(300)	70,690	(163,816)	1,577,159	2,014,818	345,570	2,360,388
Profit for the period	-	-	-	-	-	-	-	48,670	48,670	28,881	77,551
Other comprehensive income/(expense)											
-foreign currency translation differences	-	-	-	4,016	-	-	-	-	4,016	-	4,016
-cash flow hedge	-	-	4,859	-	-	-	-	-	4,859	2,088	6,947
Total comprehensive income/(expense) for the period	-	-	4,859	4,016	-	-	-	48,670	57,545	30,969	88,514
Dividend	-	-	-	-	-	-	-	(19,888)	(19,888)	(17,160)	(37,048)
Share-based payment	-	-	-	-	-	17,829	-	-	17,829	5,812	23,641
Total transactions with owners of the Company	-	-	-	-	-	17,829	-	(19,888)	(2,059)	(11,348)	(13,407)
At 31 December 2023	352,373	75,095	1,174	111,318	(300)	88,519	(163,816)	1,605,941	2,070,304	365,191	2,435,495

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023 (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 December 2022											
At 1 July 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
Profit for the period	-	-	-	-	-	-	-	71,029	71,029	28,453	99,482
Other comprehensive income/(expense)											
-foreign currency translation differences	-	-	-	(35,678)	-	-	-	-	(35,678)	-	(35,678)
-cash flow hedge	-	-	4,713	-	-	-	-	-	4,713	1,938	6,651
Total comprehensive income/(expense) for the period	-	-	4,713	(35,678)	-	-	-	71,029	40,064	30,391	70,455
Dividend	-	-	-	-	-	-	-	(19,884)	(19,884)	(18,202)	(38,086)
Share-based payment	-	-	-	-	-	22,566	-	-	22,566	7,434	30,000
Total transactions with owners of the Company	-	-	-	-	-	22,566	-	(19,884)	2,682	(10,768)	(8,086)
At 31 December 2022	352,373	69,489	1,088	91,093	(997)	51,832	(163,816)	1,641,897	2,042,959	341,191	2,384,150

Dividends received by the trust set up for the Executive Share Scheme ("ESS") ("ESS Trust") amounted to RM2,000 (FY23: RM6,000) are eliminated against the dividend payment 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 2023.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023

	Current Year- To-Date 31/12/2023 RM'000	Preceding Year Corresponding Period 31/12/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	85,376	111,067
Adjustments for:-		
Depreciation and amortisation	165,102	164,614
Dividend income	(890)	(1,097)
Non-cash items	27,195	17,737
Net financing income	(14,043)	(5,513)
Operating profit before changes in working capital	262,740	286,808
Changes in working capital		
Net change in current assets	30,665	85,722
Net change in current liabilities	(50,627)	(131,518)
Taxation paid	(6,717)	(17,099)
Net financing income received	14,043	5,513
Dividend received	890	1,097
Net cash generated from operating activities	250,994	230,523
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(75,674)	(148,476)
Proceeds from disposal of property, plant and equipment	166	597
Net cash used in investing activities	(75,508)	(147,879)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owner of the company	(19,888)	(19,884)
Dividend paid to non-controlling shareholders of a subsidiary	(17,160)	(18,202)
Drawdown from borrowings	49,542	57,987
Repayments of borrowings	(137,878)	(2,845)
Payment of lease liabilities	(2,857)	(2,586)
Net cash (used in)/generated from financing activities	(128,241)	14,470
NET CHANGE IN CASH AND CASH EQUIVALENTS	47,245	97,114
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,053,096	964,826
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH HELD	322	(6,397)
CASH & CASH EQUIVALENTS AT END OF PERIOD	1,100,663	1,055,543

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

	31/12/2023 RM'000	31/12/2022 RM'000
Deposits, cash and bank balances	1,080,663	1,051,634
Investment in Money Market Fund	20,000	3,909
	1,100,663	1,055,543

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2023.

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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 2023. 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 2023 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2023 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 ordinary shares of the Company (“MPI Shares”) bought back as at 31 December 2023 was 10,988,000 MPI Shares and the shares are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016.

(b) There were no additional shares purchased by the Executive Share Scheme (“ESS”) Trust during the quarter under review and financial year-to-date. As at 31 December 2023, the total number of MPI Shares held by the ESS Trust was 16,796 MPI Shares.

Subsequent to the quarter under review, a total of 33,486 MPI Shares held as treasury shares and 16,796 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.

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

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 19 December 2023.

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	15,512	28,381	36,753	80,646
Included in the measure of segment profit are:				
Revenue from external customers	522,196	226,856	286,758	1,035,810
Depreciation and amortisation	109,936	24,543	30,407	164,886
Reconciliation of segment profit				
Profit				RM'000
Reportable segments				80,646
Non-reportable segments				(9,313)
Interest income				18,550
Finance costs				(4,507)
Consolidated profit before taxation				<u>85,376</u>
				Depreciation and amortisation
			External revenue	RM'000
Reportable segments			1,035,810	164,886
Non-reportable segments			151	216
Total			<u>1,035,961</u>	<u>165,102</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 RM522.8 million which was slightly lower against the corresponding quarter of the last financial year of RM526.4 million. Revenue for the Asia and Europe segments were lower by 2% and 10% respectively while revenue for the USA segment was higher by 18% against the corresponding quarter of the preceding financial year. Profit before taxation (“PBT”) was RM50.3 million against RM37.3 million for the corresponding quarter of the last financial year.

The Group’s revenue for the financial year-to-date was RM1,036.0 million, 5% lower as compared with revenue of RM1,090.4 million for the corresponding period of financial year ended 30 June 2023 (“FY23”). Revenue for the Asia and Europe segments were lower by 12% and 9% respectively while revenue for the USA segment was higher by 26% against the corresponding period of FY23. PBT for the financial year-to-date closed at RM85.4 million against RM111.1 million for the corresponding period of FY23. The lower revenue and PBT for the financial year-to-date under review were mainly due to a slow down in the semiconductors market.

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

Revenue and PBT for the quarter under review were RM522.8 million and RM50.3 million against the preceding quarter of RM513.2 million and RM35.1 million respectively. Revenue for the Asia segment was higher by 9% while revenue for the USA and Europe segments were lower by 10% and 1% respectively against the preceding quarter.

13. Prospects

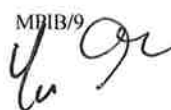
The Board expects the global semiconductor demand to remain uncertain in the short-term. The Group remains committed to focus on strengthening its business fundamentals and delivering its long-term business strategy.

14. Profit forecast/profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year- to-date
	31/12/2023 RM'000	31/12/2023 RM'000
Profit before taxation is arrived at after charging/(crediting):		
Gross dividend income from short term investments	(451)	(890)
Depreciation and amortisation	83,006	165,102
Impairment and write off of trade receivables	2,969	3,860
Loss on foreign exchange	10,709	18,812
Fair value gain on derivatives	(4,120)	(3,464)
Share-based payments	11,820	23,641
Provision for slow moving inventories	548	3,384
Impairment of property, plant and equipment	8,901	8,901

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16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To-Date	Corresponding
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian				
- current year	2,436	4,330	6,866	9,803
	2,436	4,330	6,866	9,803
Overseas				
- current year	301	(26)	382	636
- prior year	-	(6)	3	(6)
	301	(32)	385	630
Deferred taxation				
- current year	-	1,152	574	1,152
	-	1,152	574	1,152
	2,737	5,450	7,825	11,585

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 denominated in RMB as at 31 December 2023 are as follows:

	RM'000
Unsecured short-term borrowings	115,404
Unsecured long-term borrowings	49,598
	<u>165,002</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 does not recommend any interim dividend for the quarter ended 31 December 2023 of the financial year ending 30 June 2024 (2nd quarter FY23: Nil).
- (b) For the financial year-to-date, a total single tier dividend of 10.0 sen per share (FY23: single tier dividend of 10.0 sen) has been declared and paid.

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 RM32,151,000 (2nd quarter FY23: RM RM18,330,000) by the weighted average number of ordinary shares during the quarter of 198,879,623 (2nd quarter FY23: 198,840,419).

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 RM48,670,000 (FY23: RM71,029,000) and the weighted average number of ordinary shares during the period of 198,879,623 (FY23: 198,840,419).

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
	31/12/2023 '000	31/12/2022 '000	31/12/2023 '000	31/12/2022 '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	(16)	(56)	(16)	(56)
Weighted average number of ordinary shares (basic)	198,880	198,840	198,880	198,840

(b) Diluted earnings per ordinary share

The Group's diluted earnings per ordinary share for the quarter under review/financial year-to-date and preceding year corresponding quarter/period approximates its basic earnings per ordinary share.

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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 31 December 2023, 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>300,867</u>	<u>2,889</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 2023.

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
Valerie Mak Mew Chan
Company Secretaries

Kuala Lumpur
21 February 2024


MPIB/12