

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2002**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2002**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2002 RM'000	Preceding Year Corresponding Quarter 31/12/2001 RM'000	Current Year- To-Date 31/12/2002 RM'000	Preceding Year Corresponding Period 31/12/2001 RM'000
Revenue	210,405	180,691	430,271	359,507
Operating Expenses	(199,324)	(194,358)	(399,687)	(384,934)
Other Operating Income	992	12,214	2,369	17,021
Profit/(Loss) from Operations	12,073	(1,453)	32,953	(8,406)
Finance Costs	(4,563)	(5,841)*	(9,393)	(12,555)*
Profit/(Loss) Before Taxation	7,510	(7,294)	23,560	(20,961)
Taxation	(6,492)	(5,708)	(12,946)	(11,197)
Profit/(Loss) After Taxation	1,018	(13,002)	10,614	(32,158)
Minority Interest	(389)	1,657	(2,988)	3,982
Net Profit/(Loss) for the Period	629	(11,345)	7,626	(28,176)
Earnings/(Loss) Per Share (sen): -				
(a) Basic	0.32	(5.7)	3.83	(14.2)
(b) Fully diluted	N/A	N/A	N/A	N/A

** Note : Finance Costs for Preceding Year has been adjusted to reflect Gross Finance Costs as opposed to Net Finance Costs as announced last year.*

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2002.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2002****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2002**

	As at end of current quarter 31/12/2002 RM'000	As at preceding financial year end 30/06/2002 RM'000
Property, Plant and Equipment	1,002,061	1,031,493
Intangible Assets	22,082	23,167
Investment in Associated Companies	-	-
Other Investments	55,541	55,541
Current Assets		
Inventories	43,908	50,714
Debtors	190,865	213,212
Cash	192,215	171,123
	<hr/> 426,988	<hr/> 435,049
Current Liabilities		
Trade and Other Payables	180,703	189,937
Overdraft and Short Term Borrowings	108,355	106,922
Taxation	387	18,114
	<hr/> 289,445	<hr/> 314,973
Net Current Assets	<hr/> 137,543	<hr/> 120,076
	<hr/> 1,217,227	<hr/> 1,230,277
Share Capital	104,942	104,942
Reserves	763,300	755,674
Treasury Shares	(163,620)	(163,620)
Shareholders Fund	<hr/> 704,622	<hr/> 696,996
Minority Interest	225,591	233,158
Long Term Liabilities		
Borrowings	196,518	221,225
Other Deferred Liabilities	90,496	78,898
	<hr/> 287,014	<hr/> 300,123
	<hr/> 1,217,227	<hr/> 1,230,277
Net Tangible Assets (sen)	343	339

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual
Financial Report for the Year Ended 30 June 2002.**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2002**

	Current Year- To-Date
	31/12/2002 RM'000
Profit Before Taxation	23,560
Adjustment for:-	
Depreciation and amortisation	101,398
Non-cash items	198
Operating profit before changes in working capital	<hr/> 125,156
Changes in working capital	
Net change in current assets	29,153
Net change in current liabilities	(9,234)
Tax Paid	(19,273)
Net cash flows from operating activities	<hr/> <hr/> 125,802
Investing Activities	
Other Investments	(70,881)
Net cash flows used in investing activities	<hr/> <hr/> (70,881)
Financing Activities	
Net Repayment of Bank borrowings	(53,075)
Dividends Paid	(10,555)
Net cash flows used in financing activities	<hr/> <hr/> (63,630)
Net Change in Cash and Cash Equivalents	(8,709)
Cash & Cash Equivalent at beginning of year	158,489
Cash & Cash Equivalent at end of period	<hr/> <hr/> 149,780

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2002.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2002**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2002**

	Share Capital	Reserve attributable to capital	Reserve attributable to revenue	Retained profits	Treasury Shares	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year period ended 31 December 2002						
Balance at beginning of year	104,942	249,952	(4,637)	524,359	(163,620)	710,996
MASB 25 Adjustment				(14,000)		(14,000)
Restated balance	104,942	249,952	(4,637)	510,359	(163,620)	696,996
Net Profit for the period				7,626		7,626
Redemption of RPS		70		(70)		
Balance at end of period	104,942	250,022	(4,637)	517,915	(163,620)	704,622

**The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with
the Annual Financial Report for the Year Ended 30 June 2002.**

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2002

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1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with MASB 26 “Interim Financial Reporting” and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2002.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2002 except for the adoption of MASB 22 “Segmental Reporting” and MASB 25 “Income Tax”.

The adoption of MASB 22 does not have effect on the financial results of the Group for the financial year- to-date nor shareholders’ funds of the Group.

The effects of the adoption of MASB 25 on the Group’s financial statements are as follows:-

	As Previously Reported	MASB 25 Adjustment	As Restated
	RM’000	RM’000	RM’000
Condensed Consolidated Balance Sheet			
As At 30 June 2002			
Other Deferred Liabilities	54,820	20,000	74,820
Retained Profits	524,359	(14,000)	510,359
Minority interest	239,158	(6,000)	233,158

2. Qualification of audit report of the preceding annual financial statements

There were no qualifications on audit report of the preceding annual financial statements.

3. Seasonality or cyclicalilty of interim operations

The traditional year-end surge in festive sales did not materialise this year.

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.

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 interim period of the current financial year nor in prior financial years.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2002

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6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the financial year-to-date other than as mentioned below:-

- (i) The Executive Share Option Scheme (“ESOS”) of the Company was implemented with effect from 24 December 1999. During the current financial year to-date, there were no ordinary shares of RM0.50 each issued and allotted pursuant to the exercise of the ESOS.
- (ii) There were no share buy back from the open market during the current financial year-to-date. The total number of shares bought back as at 31 December 2002 was 10,966,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

7. Dividends paid

There were no dividend paid during the financial year-to-date.

8. Segmental Reporting

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

	Semiconductor	Investment holding & others	Total
	RM’000	RM’000	RM’000
Revenue	430,159	112	430,271
<hr/>			
Results			
Profit from operations	31,942	1,011	32,953
Finance Costs			(9,393)
Profit before taxation			23,560
Taxation			(12,946)
Minority Interest			(2,988)
Net Profit for the Period			7,626

9. Valuations of property, plant and equipment

The valuation of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

10. Material Events Not Reflected In The Financial Statements

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2002**

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11. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial year to-date, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

12. Contingent liabilities or contingent assets

There are no contingent liabilities or contingent assets to be disclosed as at the date of this report.

13. Review of Performance

Compared with the same quarter last year, the Group's revenue rose to RM210.4 million or 16.4% from RM180.7 million. Profit after tax was RM0.6 million as compared with a loss after tax of RM11.3 million. The better performance was largely due to an increase in sales, improved factory utilisation rates and the positive effects of its restructuring and streamlining exercises undertaken in previous quarters.

14. Material changes in profit before taxation

The Group's profit before tax ("PBT") for the quarter under review fell to RM7.5 million as compared with RM16.5 million for the preceding quarter, arising from a 4.3% decline in revenue.

15. Prospects

Outlook remains cloudy with geopolitical tensions still dominating the market amidst a sluggish global economy.

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16. Profit forecast / profit guaranteed

This note is not applicable.

17. Taxation

Taxation comprise: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2002 RM'000	31/12/2001 RM'000	31/12/2002 RM'000	31/12/2001 RM'000
Taxation				
- Current Year	572	956	1,546	1,693
Deferred taxation				
- Current Year	5,920	4,752	11,400	9,504
	<u>6,492</u>	<u>5,708</u>	<u>12,945</u>	<u>11,197</u>

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

18. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the current quarter and financial year to-date.

19. Quoted securities

(a) There were no purchases or disposals of quoted securities (other than securities in existing subsidiaries and associated companies) for the current quarter and financial year-to-date.

(b) Particulars of investments in quoted securities as at 31 December 2002: -

	RM'000
Total investments at cost	<u>54,848</u>
Total investments at book value	<u>54,848</u>
Total investments at market value	<u>56,626</u>

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20. Corporate Proposals

There were no corporate proposal raised during the financial year-to-date.

21. Group's borrowings and debt securities

Particulars of the Group's borrowings and debts securities as at 31 December 2002 are as follows:-

	RM'000
(i) Unsecured short term borrowings	65,920
(ii) Unsecured long term borrowings	196,518
	<hr/>
	262,438
	<hr/>

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

	RM'000
USD borrowings	137,438

22. Financial Instruments with Off Balance Sheet Risk

The Group enters into short-term foreign exchange contracts to hedge its exposure to currency fluctuations affecting certain foreign currency denominated trade payables and receivables.

Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

The Instruments with Off Balance Sheet Risk as at 17 January 2003 are as follow: -

	Contract amount (RM'000)
Foreign exchange forward contracts	60,259

The above contracts are maturing within a period of 6 months.

Gain and losses on foreign exchange contracts are recognised as income and expense upon realisation.

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23. Changes in Material Litigation

There is no material litigation to be disclosed as at the date of this report.

24. Dividend

The Board has declared an interim dividend of 15 sen per share tax exempt for the quarter ended 31 December 2002 of the financial year 2002/2003 (6 months ended 31 December 2001 of the financial year 2001/2002: 15 sen per share tax exempt) to be paid on 6 March 2003 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 20 February 2003.

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

- (a) shares transferred into the Depositor's securities account before 4.00 p.m. on 20 February 2003 in respect of ordinary transfers; and
- (b) shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

25. Earnings Per Share

Basic earnings per ordinary share

The basic earnings per ordinary share is calculated by dividing the net profit attributable to ordinary shareholders of RM 629,000 by the number of ordinary shares outstanding during the quarter of 198,918,419.

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share as the fair value of the ordinary shares for the quarter is lower than the exercise price of the options. Therefore, no consideration for adjustment in the form of increase in the number of shares was used in calculating the potential dilution of its loss per share.

By Order of the Board
Malaysian Pacific Industries Berhad

Queek Chai Choo
Joanne Leong Wei Yin
Company Secretaries

Kuala Lumpur
23 January 2003