

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2003**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2003**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2003 RM'000	Preceding Year Corresponding Quarter 31/03/2002 RM'000	Current Year- To-Date 31/03/2003 RM'000	Preceding Year Corresponding Period 31/03/2002 RM'000
Revenue	213,223	181,681	643,494	541,188
Operating Expenses	(203,885)	(190,491)	(603,572)	(575,425)
Other Operating Income	1,321	4,036	3,690	21,058
Profit/(Loss) from Operations	10,659	(4,774)	43,612	(13,179)
Finance Costs	(4,537)	(5,190)*	(13,930)	(17,745)*
Profit/(Loss) Before Taxation	6,122	(9,964)	29,682	(30,924)
Taxation	(4,662)	(5,479)	(17,608)	(16,677)
Profit/(Loss) After Taxation	1,460	(15,443)	12,074	(47,601)
Minority Interest	(849)	3,159	(3,837)	7,141
Net Profit/(Loss) for the Period	611	(12,284)	8,237	(40,460)
Earnings/(Loss) Per Share (sen): -				
(a) Basic	0.31	(6.18)	4.14	(20.34)
(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.

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THIRD QUARTER ENDED 31 MARCH 2003****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2003**

	As at end of current quarter 31/03/2003 RM'000	As at preceding financial year end 30/06/2002 (Audited) RM'000
Property, Plant and Equipment	964,071	1,031,493
Intangible Assets	21,542	23,167
Investment in Associated Companies	-	-
Other Investments	55,541	55,541
 Current Assets		
Inventories	45,772	50,714
Debtors	176,466	213,212
Cash	171,228	171,123
	<hr/> 393,466	<hr/> 435,049
 Current Liabilities		
Trade and Other Payables	243,992	189,937
Overdraft and Short Term Borrowings	71,228	106,922
Taxation	253	18,114
	<hr/> 315,473	<hr/> 314,973
 Net Current Assets	<hr/> 77,993	<hr/> 120,076
	<hr/> 1,119,147	<hr/> 1,230,277
 Share Capital	104,942	104,942
Reserves	734,073	755,674
Treasury Shares	(163,620)	(163,620)
 Shareholders Fund	<hr/> 675,395	<hr/> 696,996
 Minority Interest	166,440	233,158
 Long Term Liabilities		
Borrowings	182,907	221,225
Other Deferred Liabilities	94,405	78,898
	<hr/> 277,312	<hr/> 300,123
	<hr/> 1,19,147	<hr/> 1,230,277
 Net Tangible Assets (sen)	329	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 MARCH 2003**

	Current Year- To-Date
	31/03/2003
	RM'000
Profit Before Taxation	29,682
Adjustment for:-	
Depreciation and amortisation	152,084
Non-cash items	357
Operating profit before changes in working capital	<u>182,123</u>
Changes in working capital	
Net change in current assets	41,688
Net change in current liabilities	(5,945)
Tax Paid	(20,319)
Net cash flows from operating activities	<u><u>197,547</u></u>
Investing Activities	
Other Investments	(83,037)
Net cash flows used in investing activities	<u><u>(83,037)</u></u>
Financing Activities	
Net Repayment of Bank borrowings	(68,903)
Dividends Paid	(40,393)
Net cash flows used in financing activities	<u><u>(109,296)</u></u>
Net Change in Cash and Cash Equivalents	5,214
Cash & Cash Equivalent at beginning of year	158,489
Cash & Cash Equivalent at end of period	<u><u>163,703</u></u>

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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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2003**

	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 March 2003						
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				8,237		8,237
Dividends Paid				(29,838)		(29,838)
Reclassification to Capital Redemption Reserve		70		(70)		-
Balance at end of period	104,942	250,022	(4,637)	488,688	(163,620)	675,395

**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.**

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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 RM'000	MASB 25 Adjustment RM'000	As Restated 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 cyclicity of interim operations

This quarter is traditionally a slow quarter, due to the after effects of the year-end festive holidays. The impact of the Chinese New Year holidays has also become increasingly apparent with more and more OEM's having located their factories in Asia.

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.

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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 March 2003 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

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

	Current year to date RM'000
Interim dividend of 15 sen tax exempt per RM0.50 ordinary share paid on 6 March 2003.	29,838

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	643,018	476	643,494
Results			
Profit from operations	40,547	3,065	43,612
Finance Costs			(13,930)
Profit before taxation			29,682
Taxation			(17,608)
Profit after taxation			12,074
Minority Interest			(3,837)
Net Profit for the Period			8,237

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.

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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 other than as mentioned below: -

- (i) Dyna-Craft Marketing, Inc ("DCMI"), a corporation incorporated in California and a wholly-owned subsidiary, had been placed under member's liquidation pursuant to Section 331 of the Internal Revenue Code of the United States of America.
- (ii) Carsem (M) Sdn Bhd ("CM"), a 70% subsidiary, had on 2 May 2003, entered into a Share Purchase Agreement with Malaysian Pacific Industries Berhad ("MPI") and Permodalan Nasional Berhad ("PNB") for the proposed acquisition by CM of the entire share capital comprising 100,000,000 ordinary shares of RM1.00 each in Carsem Semiconductor Sdn Bhd ("CS") from MPI and PNB, for a total cash consideration of RM180.0 million. MPI and PNB hold respectively 70% and 30% equity interest in CS ("Proposed CS Transfer").

Upon completion of the Proposed CS Transfer, CS will transfer its business together with certain assets and liabilities ("CS Business") to CM for cash consideration based on the book value of the CS Business as at the completion date of the transfer of the CS Business ("Proposed Transfer of CS Business"). Upon completion of the Proposed Transfer of CS Business, CM will take over CS's operations of manufacturing and testing of semiconductor devices and CS will become a dormant company.

The Proposed CS Transfer is currently pending approvals from the shareholders of MPI & Hong Leong Industries Berhad, the holding company, being obtained.

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 RM213.2 million or 17.4% from RM181.7 million. Profit after tax was RM0.6 million as compared with a loss after tax of RM15.4 million. The better performance was largely due to an increase in sales, improved factory utilisation rates, and the positive effects of continuous productivity and cost down efforts. The scaling down of capital expenditure has also resulted in a lower deferred tax provision.

14. Material changes in profit before taxation

The Group's profit before tax ("PBT") for the quarter under review was RM6.1 million as compared with RM7.5 million for the preceding quarter, despite a 1.3% increase in revenue due to price erosion, lower plant utilisation during February and high holiday overtime costs.

15. Prospects

Although business visibility remains poor, the Board expects business to improve in the last quarter of this financial year.

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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 31/03/2003 RM'000	Preceding Year Corresponding Quarter 31/03/2002 RM'000	Current Year- To-Date 31/03/2003 RM'000	Preceding Year Corresponding Period 31/03/2002 RM'000
Taxation				
- Current Year	912	727	2,458	2,451
Deferred taxation				
- Current Year	3,750	4,752	15,150	14,256
	<u>4,662</u>	<u>5,479</u>	<u>17,608</u>	<u>16,667</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 March 2003: -

	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>56,007</u>

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20. Corporate Proposals

Other than disclosed in Note 11(ii), there were no other corporate proposals announced 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 March 2003 are as follows: -

	RM'000
(i) Unsecured short term borrowings	63,703
(ii) Unsecured long term borrowings	182,907
	<u>246,610</u>

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

	RM'000
USD borrowings	121,610

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 30 April 2003 are as follow: -

	Contract amount (RM'000)
Foreign exchange forward contracts	154,895

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 as at the date of this report.

24. Dividend

The Board has declared a gross second interim dividend of 6.5 sen per share tax exempt and 18.5 sen per share less tax for the financial year ending 30 June 2003 (financial year 2001/2002: 15 sen per share tax exempt, 15 sen per share less tax) to be paid on 25 June 2003 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 30 May 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 30 May 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 611,000 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 earnings per share.

By Order of the Board
Malaysian Pacific Industries Berhad

Queek Chai Choo
Joanne Leong Wei Yin
Company Secretaries

Kuala Lumpur
7 May 2003