

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2003**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2003**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2003 RM'000	30/09/2002 RM'000	30/09/2003 RM'000	30/09/2002 RM'000
Revenue	246,884	219,866	246,884	219,866
Operating expenses	(222,472)	(200,363)	(222,472)	(200,363)
Other operating income/ (expense)	307	(910)*	307	(910)*
Operating profit	24,719	18,593	24,719	18,593
Finance cost	(3,794)	(4,830)	(3,794)	(4,830)
Interest income	1,194	2,287	1,194	2,287
Profit before taxation	22,119	16,050	22,119	16,050
Taxation	(3,010)	(6,454)	(3,010)	(6,454)
Profit after taxation	19,109	9,596	19,109	9,596
Minority interest	(6,174)	(2,599)	(6,174)	(2,599)
Net Profit for the period	12,935	6,997	12,935	6,997
Earnings per share (sen): -				
(a) Basic	6.50	3.52	6.50	3.52
(b) Fully diluted	N/A	N/A	N/A	N/A

* Other operating expense for preceding year has been adjusted to exclude interest income.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2003.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2003****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2003**

	As at end of current quarter 30/09/2003	As at preceding financial year end 30/06/2003
	RM'000	RM'000
Property, plant and equipment	935,458	939,308
Investments	23,393	55,541
Intangible assets	20,460	21,002
Current assets		
Inventories	52,141	47,045
Trade and other receivables	168,776	160,125
Tax recoverable	13,047	11,339
Cash and bank balances	190,314	157,397
	<hr/> 424,278	<hr/> 375,906
Current Liabilities		
Trade and other payables	200,004	196,484
Short term borrowings and overdraft (unsecured)	56,332	59,412
Taxation	258	253
	<hr/> 256,594	<hr/> 256,149
Net current assets	<hr/> 167,684	<hr/> 119,757
	<hr/> <hr/> 1,146,995	<hr/> <hr/> 1,135,608
Share capital	104,942	104,942
Reserves	746,012	733,077
Treasury shares, at cost	(163,620)	(163,620)
	<hr/> 687,334	<hr/> 674,399
Minority shareholders' interests	236,306	230,132
Long term and deferred liabilities		
Borrowings (unsecured)	164,585	171,873
Deferred Taxation	57,606	54,612
Retirement Benefits	1,164	4,592
	<hr/> 223,355	<hr/> 231,077
	<hr/> <hr/> 1,146,995	<hr/> <hr/> 1,135,608
Net tangible assets per share (sen)	335	328

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual
Financial Report for the Year Ended 30 June 2003.**

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2003****The figures have not been audited****CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2003**

	Current Year- To-Date	Preceding Year corresponding period ended
	30/09/2003 RM'000	30/09/2002 RM'000
Profit before taxation	22,119	16,050
Adjustment for:-		
Depreciation and amortisation	50,425	50,748
Non-cash items	150	(2)
Gain on disposal of quoted investments	(2,174)	-
Net financing cost	2,600	2,543
Operating profit before changes in working capital	73,120	69,339
Changes in working capital		
Net change in current assets	(15,447)	18,294
Net change in current liabilities	27	11,790
Taxation paid	(19)	(9,581)
Other operating expense paid	(85)	-
Net financing cost paid	(2,600)	(2,543)
Net cash flows generated from operating activities	54,996	87,299
Investing Activities		
Equity investments	34,322	-
Other investments	(46,033)	(39,124)
Net cash flows used in investing activities	(11,711)	(39,124)
Financing Activities		
Dividends paid	-	-
Securities issued	-	-
Net repayment of bank borrowings	(13,616)	(29,950)
Net cash flows used in financing activities	(13,616)	(29,950)
Net change in cash and cash equivalents	29,669	18,225
Cash & cash equivalent at beginning of period	147,387	158,489
Cash & cash equivalent at end of period	177,056	176,714

Cash and cash equivalent included in the cash flow statement comprise the following balance sheet amounts:

	30/09/2003 RM'000	30/09/2002 RM'000
Cash	190,314	194,451
Bank Overdrafts	(13,258)	(17,737)
	177,056	176,714

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2003.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2003****The figures have not been audited****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2003**

<i>Current Period</i>	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-to-date ended 30 September 2003						
At 1 July 2003	104,942	250,022	(3,629)	486,684	(163,620)	674,399
Net Profit for the period				12,935		12,935
At 30 September 2003	104,942	250,022	(3,629)	499,619	(163,620)	687,334
Preceding year corresponding period ended 30 September 2002						
At 1 July 2002	104,942	249,952	(4,637)	524,359	(163,620)	710,996
Effect of adopting MASB 25				(14,000)		(14,000)
Restated at 1 July 2002	104,942	249,952	(4,637)	510,359	(163,620)	696,996
Net Profit for the period				6,997		6,997
Foreign Currency Translation Reserve			(2)			(2)
At 30 September 2002	104,942	249,952	(4,639)	517,356	(163,620)	703,991

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2003.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2003**

The figures have not been audited

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 2003.

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 2003 except for the adoption of MASB 28 “Discontinuing Operations” and MASB 29 “Employee Benefits”.

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

Unlike previous years where activity tends to be softer for the quarter under review, demand was unexpectedly stronger than usual.

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 prior financial years.

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 current quarter 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 was no ordinary shares of RM0.50 each issued and allotted pursuant to the exercise of the ESOS.
- (ii) There was no share buy back from the open market during the current quarter. The total number of shares bought back as at 30 September 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.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2003

The figures have not been audited

7. Dividend paid

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

8. Segmental Reporting

The Group's segmental report for the current year-to-date is as follows:-

	Semiconductor RM'000	Investment holdings RM'000	Consolidated RM'000
Revenue	246,884	-	246,884
Operating profit	23,241	1,478	24,719
Finance cost			(3,794)
Interest income			1,194
Profit before taxation			22,119
Taxation			(3,010)
Profit after taxation			19,109
Minority interest			(6,174)
Net profit for the period			12,935

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.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations other than as mentioned below:-

- Techad Sdn Bhd (formerly known as Carsem Advanced Technologies Sdn Bhd), a wholly owned subsidiary of the Company, had been placed under member's liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. The liquidation is currently pending tax clearance from the Inland Revenue Board.

12. Contingent liabilities or contingent assets

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

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2003

The figures have not been audited

13. Review of Performance

Compared with the same quarter last year, the Group's revenue rose to RM246.9 million or 12.3% from RM219.9 million. Similarly, profit before tax also rose from RM16.1 million to RM22.1 million. The better performance was due to increase in sales, primarily from new business and strong demand for new products and test services.

14. Material changes in profit before taxation ("PBT")

The Group's PBT for the quarter under review was RM22.1 million as compared with RM17.9 million for the preceding quarter, on the back of a 3.3% increase in revenue. The improvement was attributable mainly to higher sales volume and improved factory utilisation rates.

15. Prospects

Barring any unforeseen circumstances, the Board expects the Group's performance to improve further in the remaining quarters of the current financial year ending 30 June 2004.

16. Profit forecast / profit guaranteed

This note is not applicable.

17. Taxation

Taxation comprise: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2003 RM'000	Preceding Year Corresponding Quarter 30/09/2002 RM'000	Current Year- To-Date 30/09/2003 RM'000	Preceding Year Corresponding Period 30/09/2002 RM'000
Current taxation				
- Current Year	6	974	6	974
- Under provision in prior years	10	-	10	-
Deferred taxation				
- Current Year	2,994	5,480	2,994	5,480
	<u>3,010</u>	<u>6,454</u>	<u>3,010</u>	<u>6,454</u>

The Group's effective tax rate is lower than the statutory tax rate mainly due to tax incentive / allowances granted to certain subsidiaries.

18. Sale of unquoted investments and/or properties

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

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2003**

The figures have not been audited

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 year-to-date other than as mentioned below:-

	Current Year Quarter	Current Year To-Date
	30/09/2003 RM'000	30/09/2003 RM'000
Disposal		
Sale proceeds	34,322	34,322
Cost of investment	32,148	32,148
Gain on disposal	<u>2,174</u>	<u>2,174</u>

- (b) Particulars of investments in quoted securities as at 30 September 2003: -

	RM'000
At cost	<u>22,701</u>
At book value	<u>22,701</u>
At market value	<u>31,890</u>

20. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

21. Group's borrowings and debt securities

Particulars of the Group's borrowings and debts securities as at 30 September 2003 are as follows:

(i) Unsecured short term borrowings and overdraft	RM'000 56,332
(ii) Unsecured long term borrowings	164,585
	<u>220,917</u>

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

	RM'000
USD borrowings	82,659

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2003

The figures have not been audited

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 12 November 2003 are as follow: -

	Contract amount (RM'000)
Foreign exchange forward contracts	147,419

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

Gains and losses on foreign exchange contracts are recognised in the income statements upon realisation.

23. Changes in Material Litigation

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

24. Dividend

- (a) The Board has declared a gross first interim dividend of 15 sen per share tax exempt for the quarter ended 30 September 2003 of the financial year ending 30 June 2004 (2002/2003: nil) to be paid on 24 December 2003 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 12 December 2003.

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 4.00 p.m. on 12 December 2003 in respect of ordinary transfers; and
 - (ii) shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.
- (b) For the financial year-to-date, a total gross dividend of 15 sen per share tax exempt has been declared (2002/2003: nil).

25. Earnings Per Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the current quarter / year-to-date are based on the net profit attributable to ordinary shareholders of RM12,935,000 (2002/2003 : RM6,997,000) and the weighted average number of ordinary shares outstanding during the quarter / year- to-date of 198,918,419 (2002/2003: 198,918,419).

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2003**

The figures have not been audited

25. Earnings Per Share (Cont'd)

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share in the current quarter / year-to-date and preceding year corresponding quarter / period as the fair value of the ordinary shares for the periods are 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
18 November 2003