

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2005**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2005**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	31/03/2005 RM'000	31/03/2004 RM'000	31/03/2005 RM'000	31/03/2004 RM'000
Revenue	263,209	314,652	835,578	854,718
Operating expenses	(252,508)	(264,940)	(773,527)	(731,877)
Other operating (income) / expenses	3,441	4,640	(2,953)	3,083
Operating profit	14,142	54,352	59,098	125,924
Finance cost	(3,494)	(3,651)	(13,485)	(11,170)
Interest income	1,495	1,123	4,811	3,771
Profit before taxation	12,143	51,824	50,424	118,525
Taxation	(2,120)	(121)	(5,781)	(6,289)
Profit after taxation	10,023	51,703	44,643	112,236
Minority interest	(5,469)	(13,472)	(20,366)	(32,166)
Net Profit for the period	4,554	38,231	24,277	80,070
Earnings per share (sen): -				
(a) Basic	2.29	19.22	12.20	40.25
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2004.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2005****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2005**

	As at end of current quarter 31/03/2005 RM'000	As at preceding financial year end 30/06/2004 RM'000
Property, plant and equipment	1,004,640	1,009,934
Investments	693	4,663
Intangible assets	17,216	18,839
Other assets	4,370	62,678
Current assets		
Inventories	59,767	68,468
Trade and other receivables	174,918	202,208
Tax recoverable	8,397	12,749
Cash and bank balances	231,203	151,615
	474,285	435,040
Current Liabilities		
Trade and other payables	140,623	208,506
Short term borrowings and overdraft (unsecured)	140,591	326,358
Taxation	-	10
	281,214	534,874
Net current assets	193,071	(99,834)
	1,219,990	996,280
Share capital	104,942	104,942
Reserves	742,132	747,693
Treasury shares, at cost	(163,620)	(163,620)
	683,454	689,015
Minority shareholders' interests	242,743	235,577
Long term and deferred liabilities		
Borrowings (unsecured)	249,716	38,000
Deferred taxation	43,580	33,102
Retirement benefits	497	586
	293,793	71,688
	1,219,990	996,280
Net tangible assets per share (sen)	335	337

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2004.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2005**

	Current Year -To-Date	Preceding Year corresponding period ended
	31/03/2005	31/03/2004
	RM'000	RM'000
Profit before taxation	50,424	118,525
Adjustment for:-		
Depreciation and amortisation	160,732	152,082
Non-cash items	26	(3,209)
Gain on disposal of quoted investments	(8,271)	(7,988)
Net financing cost	8,674	7,399
Operating profit before changes in working capital	211,585	266,809
Changes in working capital		
Net change in long term / current assets	94,299	(115,099)
Net change in current liabilities	(67,883)	74,641
Taxation paid	9,039	(83)
Net financing cost paid	(8,674)	(297)
Other operating expenses paid	(115)	(7,399)
Net cash flow generated from operating activities	238,251	218,572
Investing Activities		
Equity investments	12,241	58,865
Other investments	(153,815)	(194,927)
Net cash flow used in investing activities	(141,574)	(136,062)
Financing Activities		
Dividends paid	(43,038)	(41,838)
Net proceeds (repayment) of borrowings	26,660	(6,207)
Net cash flow generated from / (used in) financing activities	(16,378)	(48,045)
Net change in cash and cash equivalent	80,299	34,465
Cash & cash equivalent at beginning of period	150,904	147,387
Cash & cash equivalent at end of period	231,203	181,852

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

	31/03/2005	31/03/2004
	RM'000	RM'000
Cash	231,203	185,111
Bank Overdraft	-	(3,259)
	231,203	181,852

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2004.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2005**

	Share Capital RM'000	Reserve attributable to capital RM'000	Reserve attributable to revenue RM'000	Retained profits RM'000	Treasury Shares RM'000	Total RM'000
Current year-to-date ended 31 March 2005						
At 1 July 2004	104,942	250,162	(3,629)	501,160	(163,620)	689,015
Net Profit for the period				24,277		24,277
Dividends Paid				(29,838)		(29,838)
Redemption of RPS		100		(100)		-
At 31 March 2005	104,942	250,262	(3,629)	495,499	(163,620)	683,454
Preceding year corresponding period ended 31 March 2004						
At 1 July 2003	104,942	249,952	(3,629)	486,684	(163,620)	674,399
Net Profit for the period				80,070		80,070
Dividends Paid				(29,838)		(29,838)
Redemption of RPS		80		(80)		-
At 31 March 2004	104,942	250,102	(3,629)	536,836	(163,620)	724,631

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2004.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2005**

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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 2004.

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 2004.

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

This quarter is traditionally a slow quarter, due to the after-effects of the year-end festive holidays in Europe and USA, coupled with the Chinese New Year break in many parts of Asia, especially China.

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 was no issuance of share, share buy-back, share cancellation, resale of treasury shares nor repayment of debt or equity share during the financial quarter ended 31 March 2005.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2005

The figures have not been audited

7. Dividend

During the current financial year-to-date, the Company paid a gross first interim dividend of 15 sen tax exempt per RM0.50 ordinary share amounting to RM29.838 million on 28 December 2004.

8. Segmental Reporting

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

	Semiconductor RM'000	Investment holding RM'000	Total RM'000
Revenue	835,147	431	835,578
Operating profit	60,409	(1,311)	59,098
Finance cost			(13,485)
Interest income			4,811
Profit before taxation			50,424
Taxation			(5,781)
Profit after taxation			44,643
Minority interest			(20,366)
Net profit for the period			24,277

9. Valuations of property, plant and equipment

The valuation of property, plant and equipment has 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
THIRD QUARTER ENDED 31 MARCH 2005**

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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:-

The Company had, on 4 March 2005, entered into a Transfer of Shareholding Agreement with Carsem Holdings Limited ("Carsem Holdings"), a wholly-owned subsidiary of the Company incorporated in Bermuda, to transfer its entire interest in Carsem Semiconductor (Suzhou) Co., Ltd, another wholly-owned subsidiary of the Company incorporated in The People's Republic of China, for consideration to be satisfied by the issue and allotment of 15,000,000 new ordinary shares of USD1.00 each in Carsem Holdings at par, credited as fully paid-up, to the Company.

12. Contingent liabilities or contingent assets

Save as disclosed in Note 23, there are no contingent liabilities or contingent assets as at the date of this report.

13. Review of Performance

Compared with the same quarter last year, the Group's revenue decreased to RM263.2 million or 16.4% from RM314.7 million. Consequently, profit before tax also decreased from RM51.8 million to RM12.1 million. The decline in performance is attributable to the lower sales for the quarter under review.

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

The Group's PBT for the quarter under review was RM12.1 million as compared with RM8.6 million for the preceding quarter. The increase is attributable mainly to the increase in revenue and gains from the sale of quoted investments during the quarter.

15. Prospects

Although visibility is poor and the global economy remains uncertain, the Board expects the fourth quarter of the current financial year ending 30 June 2005 to show further improvements.

16. Profit forecast / profit guaranteed

This note is not applicable.

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17. Taxation

Taxation comprise: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2005 RM'000	Preceding Year Corresponding Quarter 31/03/2004 RM'000	Current Year - To- Date 31/03/2005 RM'000	Preceding Year Corresponding Period 31/03/2004 RM'000
Current taxation				
Malaysia				
- Current Year	20	134	109	179
- (Over) provision in prior years	-	(262)	(4,806)	(127)
Deferred taxation				
- Current Year	2,100	249	10,478	6,237
	<u>2,120</u>	<u>121</u>	<u>5,781</u>	<u>6,289</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.

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 31/03/2005 RM'000	Current Year To-Date 31/03/2005 RM'000
Disposal		
Sale proceeds	12,241	12,241
Cost of investment	(3,970)	(3,970)
Gain on disposal	<u>8,271</u>	<u>8,271</u>

(b) Particulars of investments in quoted securities as at 31 March 2005: -

	RM'000
At cost	-
At book value	-
At market value	<u>1,497</u>

20. Corporate Proposals

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

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21. Group's borrowings and debt securities

Particulars of the Group's borrowings and debts securities as at 31 March 2005 are as follows:

	RM'000
(i) Unsecured short term borrowings and overdraft	140,591
(ii) Unsecured long term borrowings	249,716
	<u>390,307</u>

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

	RM'000
USD borrowings	342,590

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 5 May 2005 are as follow: -

	Contract amount (RM'000)
Foreign exchange forward contracts	174,487

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

There is minimal credit and market risk because the contracts were executed with established financial institutions.

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

23. Changes in Material Litigation

The International Trade Commission ("ITC") in Washington D.C. has on 18 November 2004, issued an initial determination **in favour** of Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd and Carsem Inc. (collectively "Carsem Group") in relation to a complaint filed by Amkor Technology, Inc. ("Amkor") on 17 November 2003.

The complaint alleged Carsem Group of infringing three of Amkor's Micro Lead Frame patents by making, using, selling, offering for sale, and importing into the United States Carsem's MLP (Micro Leadframe Package) products.

Administrative Law Judge Honorable Charles E. Bullock determined that Amkor's asserted claims were invalid, not infringed or both, and that no violation of Section 337 of the Tarriff Act of 1930 occurred.

Amkor has appealed to the ITC against the Administrative Law Judge's initial determination. On 31 March 2005, the ITC issued a notice that they have remanded the investigation to the presiding Administrative Law Judge for further proceedings and findings in light of claim construction determinations made by the Commission and an expected ruling by the U.S. Court of Appeals for the District of Columbia (D.C. Court of Appeals) in U.S. International Trade Commission vs. ASAT Inc. The ITC has extended the target date in this investigation to 21 November 2005.

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24. Dividend

- (a) The Board has declared a gross second interim dividend of 22.5 sen per share tax exempt for the quarter ended 31 March 2005 of the financial year ending 30 June 2005 (Quarter ended 31 March 2004 : 20 sen tax exempt, 5 sen per share less tax, special 20 sen tax exempt) to be payable on 16 June 2005 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 1 June 2005.

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 1 June 2005 in respect of ordinary transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Bursa Malaysia Securities Berhad's Listing Requirements.
- (b) For the financial year-to-date, a total gross dividend of 37.5 sen per share tax exempt has been declared (Period ended 31 March 2004: 35 sen tax exempt, 5 sen per share less tax, special 20 sen tax exempt).

25. Earnings Per Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the current quarter are based on the net profit attributable to ordinary shareholders of RM4,554,000 (2003/2004 : RM38,231,000) and the weighted average number of ordinary shares outstanding during the quarter of 198,918,419 (2003/2004: 198,918,419).

The calculation of basic earnings per ordinary share for the current year-to-date are based on the net profit attributable to ordinary shareholders of RM24,277,000 (2003/2004 : RM80,070,000) and the weighted average number of ordinary shares outstanding during the period of 198,918,419 (2003/2004: 198,918,419).

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 were 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

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
11 May 2005