

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

**The figures have not been audited**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2006**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year- To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30/06/2006 RM'000</b>	<b>30/06/2005 RM'000</b>	<b>30/06/2006 RM'000</b>	<b>30/06/2005 RM'000</b>
Revenue	388,082	278,824	1,359,765	1,114,402
Operating expenses	(319,598)	(265,704)	(1,164,662)	(1,039,231)
Other operating expenses	(5,061)	(8,148)	(16,218)	(11,101)
Operating profit	63,423	4,972	178,885	64,070
Interest expense	(4,743)	(3,562)	(17,095)	(17,047)
Interest income	785	1,529	3,591	6,340
Profit before taxation	59,465	2,939	165,381	53,363
Taxation	(5,363)	34,680	(15,511)	28,899
Profit after taxation	54,102	37,619	149,870	82,262
Minority interest	(13,321)	(14,418)	(42,735)	(34,784)
Net Profit for the period	40,781	23,201	107,135	47,478
Earnings per ordinary share (sen): -				
(a) Basic	20.50	11.66	53.86	23.87
(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 2005.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2006**

	As At End of Current Quarter	As At Preceding Financial Year End
	30/06/2006 RM'000	30/06/2005 RM'000
Property, plant and equipment	1,176,236	1,026,376
Investments	693	693
Intangible assets	12,393	16,676
Other assets	39,570	4,125
Current assets		
Inventories	90,813	61,026
Trade and other receivables	235,813	177,939
Tax recoverable	5,513	8,378
Cash and bank balances	84,754	173,449
	416,893	420,792
Current Liabilities		
Trade and other payables	258,477	199,540
Short term borrowings and overdrafts (unsecured)	288,193	129,916
Provision	-	6,800
Taxation	22	-
	546,692	336,256
Net current (liabilities) / assets	(129,799)	84,536
	1,099,093	1,132,406
Share capital	104,942	104,942
Reserves	754,985	720,576
Treasury shares, at cost	(163,721)	(163,620)
	696,206	661,898
Minority shareholders' interests	243,711	236,916
Long term and deferred liabilities		
Borrowings (unsecured)	132,354	224,204
Retirement benefits	506	506
Deferred taxation	26,316	8,882
	159,176	233,592
	1,099,093	1,132,406
Net assets per share attributable to ordinary equity holders of the parent (sen) **	350	333

\*\* Net assets per share attributable to ordinary equity holders of the parent is computed as Total Shareholders' Funds (excluding Minority Interest) divided by total number of ordinary shares in circulation.

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2005.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006****The figures have not been audited****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Current Year- To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30/06/2006 RM'000</b>	<b>30/06/2005 RM'000</b>
Cash flow from operating activities		
Profit before taxation	165,381	53,363
Adjustments for:-		
Depreciation and amortisation	218,866	214,139
Dividend income	(20)	(431)
Gain on disposal of quoted investments	(2,162)	(8,271)
Non-cash items	5,343	9,899
Net financing cost	13,504	10,707
Operating profit before changes in working capital	<u>400,912</u>	<u>279,406</u>
Changes in working capital		
Net change in long term / current assets	(133,741)	90,264
Net change in current liabilities	54,825	(5,509)
Taxation received	4,810	9,040
Net financing cost paid	(13,504)	(10,707)
Dividend received	20	431
Other operating expenses paid	-	(115)
Net cash generated from operating activities	<u>313,322</u>	<u>362,810</u>
Investing Activities		
Equity investments	2,162	12,241
Other investments	(364,813)	(229,743)
Net cash used in investing activities	<u>(362,651)</u>	<u>(217,502)</u>
Financing Activities		
Net proceeds / (repayments) of borrowings	71,314	(14,726)
Dividend paid	(110,531)	(108,040)
Purchase of treasury shares	(101)	-
Net cash used in financing activities	<u>(39,318)</u>	<u>(122,766)</u>
Net change in cash and cash equivalents	(88,647)	22,542
Cash & cash equivalents at beginning of period	173,446	150,904
Effect on foreign exchange	(90)	-
Cash & cash equivalents at end of period	<u>84,709</u>	<u>173,446</u>

Cash and cash equivalents included in the consolidated cash flow statements comprise the following balance sheet amounts:

	<b>30/06/2006 RM'000</b>	<b>30/06/2005 RM'000</b>
Cash and bank balances	84,754	173,449
Bank overdrafts	(45)	(3)
	<u>84,709</u>	<u>173,466</u>

**The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2005.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006**

	Share Capital	Reserves attributable to capital	Reserves attributable to revenue	Retained profits	Treasury shares	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current year-to-date ended 30 June 2006</b>						
<b>At 1 July 2005</b>	104,942	250,262	(3,629)	473,943	(163,620)	661,898
Net Profit for the period	-	-	-	107,135	-	107,135
Dividends	-	-	-	(74,591)	-	(74,591)
Purchase of treasury shares	-	-	-	-	(101)	(101)
Foreign currency translation differences	-	-	1,865	-	-	1,865
<b>At 30 June 2006</b>	<b>104,942</b>	<b>250,262</b>	<b>(1,764)</b>	<b>506,487</b>	<b>(163,721)</b>	<b>696,206</b>
<b>Preceding year ended 30 June 2005</b>						
<b>At 1 July 2004</b>	104,942	250,162	(3,629)	501,160	(163,620)	689,015
Net Profit for the period	-	-	-	47,478	-	47,478
Dividends	-	-	-	(74,595)	-	(74,595)
Transfer to capital redemption reserve	-	100	-	(100)	-	-
<b>At 30 June 2005</b>	<b>104,942</b>	<b>250,262</b>	<b>(3,629)</b>	<b>473,943</b>	<b>(163,620)</b>	<b>661,898</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2005.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

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**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 2005.

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 2005.

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

The audit report for the preceding annual financial statements was without any qualified.

**3. Seasonality or cyclicity of interim operations**

There have been no material seasonal or cyclical factors 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 current 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 prior financial years.

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

During the current financial year-to-date, the Company bought back 10,000 of its own shares from the open market for a total consideration of RM101,000. The total number of shares bought back as at 30 June 2006 was 10,976,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

There were no issuance of shares, shares cancellation, resale of treasury shares nor repayment of debt or equity during the current financial year to date.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

**The figures have not been audited**

**7. Dividend paid**

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

	<b>Current year- to-date RM'000</b>
First interim dividend of 15.0 sen tax exempt per RM0.50 Ordinary share, paid on 23 December 2005	29,837
Second interim dividend of 22.5 sen tax exempt per RM0.50 Ordinary share, paid on 20 June 2006	44,754
	<u>74,591</u>

**8. Segmental reporting**

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

	<b>Semiconductor</b>	<b>Investment holding</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	<u>1,359,745</u>	20	<u>1,359,765</u>
<b>Results</b>			
Operating profit	<u>179,427</u>	(542)	178,885
Interest expense			(17,095)
Interest income			3,591
Profit before taxation			165,381
Taxation			(15,511)
Profit after taxation			149,870
Minority interest			(42,735)
Net profit for the period			<u>107,135</u>

**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.

## **MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

### **QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

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**The figures have not been audited**

#### **11. 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.

#### **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**

Revenue of the Group rose 9.0% to RM 388.1 million from last quarter and 39.2% from the same quarter last year. The profit attributable to shareholders was higher by RM 10.9 million or 36.3% as compared to previous quarter.

The Group revenue for the year-to-date was RM 1,359.8 million, which grew 22.0% over last year's corresponding period of RM 1,114.4 million. The profit attributable to shareholders for the year-to-date was RM 107.1 million, an improvement over last year's correspondence profit of RM 47.5 million.

The higher revenue and improvement in profit attributable to shareholders were mainly due to higher sales volume and firmer average selling price.

#### **14. Material changes in PBT**

The Group's PBT for the quarter under review was RM59.5 million as compared with RM47.2 million for the preceding quarter which represent an increase of 26.1%. The increase was mainly attributable to strong broad based demand across all products.

#### **15. Prospects**

As the business environment continues to be encouraging, barring any unforeseen circumstances, the Board is optimistic that the Group's performance would improve further in the financial year ending 30 June 2007.

#### **16. Profit forecast / profit guaranteed**

This note is not applicable.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

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**17. Taxation**

Taxation comprise: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To- Date	Preceding Year Corresponding Period
	30/06/2006 RM'000	30/06/2005 RM'000	30/06/2006 RM'000	30/06/2005 RM'000
Current taxation				
Malaysia				
- current year	-	18	-	127
- over provision in prior years	(2,062)	-	(2,011)	(4,806)
Outside Malaysia - current year	22	-	88	-
	(2,040)	18	(1,923)	(4,679)
Deferred taxation	7,403	(34,698)	17,434	(24,220)
	5,363	(34,680)	15,511	(28,899)

The Group's effective tax rate for the current quarter / year-to-date are lower than the statutory tax rate mainly due to tax incentives/ 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	Current Year- To- Date
	30/06/2006 RM'000	30/06/2006 RM'000
Disposal		
Sales proceeds	2,162	2,162
Cost of investment	-	-
Gain on disposal	2,162	2,162

(b) There were no investments in quoted securities as at 30 June 2006.

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

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**The figures have not been audited**

**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 debt securities as at 30 June 2006 are as follows:

	<b>RM'000</b>
(i) Unsecured short term borrowings and overdraft	288,193
(ii) Unsecured long term borrowings	132,354
	<u>420,547</u>

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

	<b>RM'000</b>
USD borrowings	211,841
RMB borrowings	27,588

**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 financial instruments with off balance sheet risk as at 10 August 2006 are as follows: -

	<b>Contract amount</b>
	<b>RM'000</b>
Foreign exchange forward contracts	<u>372,776</u>

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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

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**23. Changes in material litigation**

Amkor Technology, Inc. (“Amkor”) has filed a complaint with the International Trade Commission (“ITC”) on 17 November 2003 alleging Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd and Carsem Inc. (collectively “Carsem Group”) of infringing claims in three of Amkor’s United States Patents. Amkor Technology has also filed a civil lawsuit at the District Court on even date alleging Carsem Group of infringement of the same three patents which are the subject of the ITC Investigation.

Following a hearing in July and August 2004, an Administrative Law Judge (“ALJ”) issued an Initial Determination finding all of the asserted claims of Amkor’s patents invalid, not infringed, or both, and no violation by Carsem Group. Subsequently, the ITC reviewed the Initial Determination and remanded to the ALJ for further findings on several issues.

Carsem Group has now been advised by its lawyers that the ALJ has found that some but not all of Carsem Group’s devices infringed on Amkor’s patents. Carsem Group has filed a petition for review by the ITC and the motion to extend the target date for completion of this investigation by three months pending ASAT, Inc. subpoena enforcement proceeding.

Carsem Group’s motion is granted to the extent that the target date for completion of this investigation is extended to a date that is three months after completion of the pending ASAT, Inc. (“ASAT”) subpoena enforcement proceeding (“ASAT Proceeding”).

As at the date of this report, the ASAT Proceeding is still pending.

**24. Dividend**

- (a) The Board does not recommend any final dividend for the year ended 30 June 2006 (2004/2005 : nil)
- (b) For the financial year-to-date, a total dividend of 37.5 sen per share tax exempt has been declared (2004/2005: 37.5 sen per share tax exempt).

**25. Earnings per ordinary share**

**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share for the current quarter is based on the net profit attributable to ordinary shareholders of RM40,781,000 (2004/2005 : RM23,201,000) and the weighted average number of ordinary shares outstanding during the quarter of 198,911,363 (2004/2005: 198,918,419).

The calculation of basic earnings per ordinary share for the current year-to-date is based on the net profit attributable to ordinary shareholders of RM107,135,000 (2004/2005 : RM47,478,000) and the weighted average number of ordinary shares outstanding during the period of 198,914,949 (2004/2005: 198,918,419).

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2006**

**The figures have not been audited**

**25. Earnings per ordinary share (cont'd)**

**Basic earnings per ordinary share (cont'd)**

Weighted average number of ordinary shares

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year-To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30/06/2006 '000</b>	<b>30/06/2006 '000</b>	<b>30/06/2006 '000</b>	<b>30/06/2005 '000</b>
Issued ordinary shares at beginning of year	198,913	198,918	198,918	198,918
Effect of purchase of treasury shares	(2)	-	(3)	-
Weighted average number of ordinary shares	<u>198,911</u>	<u>198,918</u>	<u>198,915</u>	<u>198,918</u>

**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 there were no dilutive potential ordinary shares. 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  
16 August 2006