

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007**

**The figures have not been audited**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2007**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	(Restated) Preceding Year Corresponding Quarter	Current Year- To-Date	(Restated) Preceding Year Corresponding Period
	30/09/2007 RM'000	30/09/2006 RM'000	30/09/2007 RM'000	30/09/2006 RM'000
<b>Revenue</b>	385,743	399,098	385,743	399,098
Cost of sales	(322,076)	(309,820)	(322,076)	(309,820)
<b>Gross profit</b>	63,667	89,278	63,667	89,278
Operating expenses	(17,044)	(17,017)	(17,044)	(17,017)
Other expenses	(1,899)	(3,037)	(1,899)	(3,037)
Interest expense	(4,322)	(5,602)	(4,322)	(5,602)
Interest income	577	573	577	573
<b>Profit before taxation</b>	40,979	64,195	40,979	64,195
Taxation	(5,518)	(3,174)	(5,518)	(3,174)
<b>Profit for the period</b>	35,461	61,021	35,461	61,021
<b>Attributable to:</b>				
Equity holders of the parent	26,236	46,068	26,236	46,068
Minority interests	9,225	14,953	9,225	14,953
<b>Profit for the period</b>	35,461	61,021	35,461	61,021
<b>Earnings per ordinary share (sen): -</b>				
(a) Basic	13.46	23.64	13.46	23.64
(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 Statements for the Financial Year Ended 30 June 2007.**

**MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007****The figures have not been audited****CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2007**

	As At End of Current Quarter	(Restated) As At End of Preceding Financial Year
	30/09/2007 RM'000	30/06/2007 RM'000
<b>Non current assets</b>		
Property, plant and equipment	1,193,050	1,131,848
Prepaid lease payments	20,676	20,699
Investments	693	693
Intangible assets	12,393	12,393
	<u>1,226,812</u>	<u>1,165,633</u>
<b>Current assets</b>		
Inventories	104,773	106,583
Trade and other receivables	246,004	211,403
Tax recoverable	502	502
Cash and bank balances	68,723	106,758
	<u>420,002</u>	<u>425,246</u>
<b>TOTAL ASSETS</b>	<u>1,646,814</u>	<u>1,590,879</u>
<b>Equity attributable to equity holders of the parent</b>		
Share capital	104,942	104,942
Reserves	800,121	772,526
Treasury shares, at cost	(163,761)	(163,761)
	<u>741,302</u>	<u>713,707</u>
<b>Minority interests</b>	261,965	252,740
<b>TOTAL EQUITY</b>	<u>1,003,267</u>	<u>966,447</u>
<b>Non-current liabilities</b>		
Borrowings (unsecured)	119,545	142,810
Retirement benefits	505	506
Deferred taxation	54,938	49,427
	<u>174,988</u>	<u>192,743</u>
<b>Current Liabilities</b>		
Trade and other payables	276,640	212,945
Short term borrowings (unsecured)	191,919	218,744
	<u>468,559</u>	<u>431,689</u>
<b>TOTAL LIABILITIES</b>	<u>643,547</u>	<u>624,432</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,646,814</u>	<u>1,590,879</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	3.80	3.66

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2007.**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007**

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

	Attributable to equity holders of the parent							Total	Minority interest	Total equity
	Share Capital	Reserves attributable to capital	Exchange fluctuation reserve	Reserve for own shares	Share option reserve	Retained profits	Treasury shares			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>Current year-to date ended 30 September 2007</b>										
<b>At 1 July 2007</b>	104,942	250,512	895	(42,603)	689	563,033	(163,761)	713,707	252,740	966,447
Net Profit for the period	-	-	-	-	-	26,236	-	26,236	9,225	35,461
Foreign currency translation differences	-	-	1,053	-	-	-	-	1,053	-	1,053
Share-based payment	-	-	-	-	306	-	-	306	-	306
<b>At 30 September 2007</b>	<b>104,942</b>	<b>250,512</b>	<b>1,948</b>	<b>(42,603)</b>	<b>995</b>	<b>589,269</b>	<b>(163,761)</b>	<b>741,302</b>	<b>261,965</b>	<b>1,003,267</b>

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007**

**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2007 (Cont'd)**

	Attributable to equity holders of the parent							Total	Minority interest	Total equity
	Share Capital	Reserves attributable to capital	Exchange fluctuation reserve	Reserve for own shares	Share option reserve	Retained profits	Treasury shares			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Preceding year corresponding period ended 30 September 2006</b>										
<b>At 1 July 2006</b>										
As previously reported	104,942	250,262	(1,764)	-	-	506,487	(163,721)	696,206	243,711	939,917
Prior year adjustments:										
Effect of adoption of IC Interpretation 112 "Consolidation - Special Purpose Entities"	-	-	-	(42,603)	-	3,033	-	(39,570)	-	(39,570)
As restated	104,942	250,262	(1,764)	(42,603)	-	509,520	(163,721)	656,636	243,711	900,347
Net Profit for the period	-	-	-	-	-	46,068	-	46,068	14,953	61,021
Foreign currency translation differences	-	-	1,469	-	-	-	-	1,469	-	1,469
<b>At 30 September 2006</b>	<b>104,942</b>	<b>250,262</b>	<b>(295)</b>	<b>(42,603)</b>	<b>-</b>	<b>555,588</b>	<b>(163,721)</b>	<b>704,173</b>	<b>258,664</b>	<b>962,837</b>

**The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2007.**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007**

**The figures have not been audited**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

	<b>Current Year- To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30/09/2007 RM'000</b>	<b>30/09/2006 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	40,979	64,195
Adjustments for:-		
Depreciation and amortisation	57,474	56,707
Non-cash items	(1,030)	(8,133)
Net financing (income) / cost	(3,745)	5,029
Operating profit before changes in working capital	93,678	117,798
Changes in working capital		
Net change in current assets	(33,937)	(13,703)
Net change in current liabilities	67,207	(13,472)
Taxation paid	(7)	-
Net financing income received / (cost paid)	3,745	(5,029)
<b>Net cash generated from operating activities</b>	<b>130,686</b>	<b>85,594</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Other investments	(118,592)	(66,598)
<b>Net cash used in investing activity</b>	<b>(118,592)</b>	<b>(66,598)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Net repayments of borrowings	(50,125)	(38,430)
<b>Net cash used in financing activity</b>	<b>(50,125)</b>	<b>(38,430)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(38,031)</b>	<b>(19,434)</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>106,758</b>	<b>84,709</b>
<b>EFFECT ON FOREIGN EXCHANGE</b>	<b>(4)</b>	<b>124</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>68,723</b>	<b>65,399</b>

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

	<b>30/09/2007 RM'000</b>	<b>30/09/2006 RM'000</b>
Cash and bank balances	68,723	65,435
Bank overdrafts	-	(36)
	<b>68,723</b>	<b>65,399</b>

**The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2007.**

# MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007

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### 1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2007.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2007 except for the changes in accounting policies and presentation resulting from the adoption of applicable FRSs adopted by the Malaysian Accounting Standards Board that are effective for the financial period beginning after 1 October 2006 and 1 July 2007 as follows:-

Standard/Interpretation		Effective date
FRS 107	Cash Flow Statements	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 117	Leases	1 October 2006
FRS 118	Revenue	1 July 2007
FRS 119	Employee Benefits	1 July 2007
FRS 124	Related Party Disclosures	1 October 2006
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
Amendment to FRS 119/2004	Employees Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007

The adoption of FRSs 107, 112, 118, 119, 124, 137 and Amendment to FRS 121 do not have any significant financial impact on the Group.

The adoption of FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land are classified as prepaid lease payments and amortised on a straight-line basis over the remaining lease term of the land. Prior to 1 July 2007, leasehold land were classified as property, plant and equipment and were stated at cost less accumulated depreciation.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007**

**The figures have not been audited**

**1. Basis of preparation (Cont'd)**

The following comparatives have been restated due to the adoption of FRS 117 which has an retrospective impact on the preceding period's financial statements:-

**Condensed Consolidated Balance Sheet**

	<b>At 30 June 2007</b>		
	<b>As Previously Reported RM'000</b>	<b>Adoption of FRS 117 RM'000</b>	<b>As Restated RM'000</b>
Property, plant and equipment	1,152,547	(20,699)	1,131,848
Prepaid lease payments	-	20,699	20,699

**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**

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 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 the prior financial years.

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

(a) There were no share buy back during the quarter under review and financial year-to-date. The total number of shares bought back as at 30 September 2007 was 10,980,000 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

(b) There were no share options granted during the quarter under review and financial year-to-date. As at 30 September 2007, the Group granted 3,650,000 conditional incentive share options ("Options") to eligible executives of the Group pursuant to the Executive Share Option Scheme ("ESOS") of the Company which was established on 23 January 2006, subject to the achievement of certain performance criteria over an option performance period.

(c) There were no additional shares purchased by the trust set up for the ESOS ("ESOS Trust") during the quarter under review and financial year-to-date. The total number of shares purchased by the ESOS Trust as at 30 September 2007 was 4,000,000 shares.

There were no issuance of shares, share cancellation, resale of treasury shares nor repayment of debt or equity securities during the quarter under review and financial year-to-date.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007**

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**7. Dividend paid**

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

**8. Segmental reporting**

The Group's segmental report for the 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>	385,743	-	385,743
<b>Results</b>			
Segment results	45,868	(1,144)	44,724
Interest expense			(4,322)
Interest income			577
Profit before taxation			40,979
Taxation			(5,518)
Profit for the period			35,461

**9. Valuations of property, plant and equipment**

There were no revaluation of property, plant and equipment as at the date of this report.

**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 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 were no contingent liabilities or contingent assets as at the date of this report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007**

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**13. Review of performance**

The Group recorded a revenue of RM 385.7 million and a profit before taxation ("PBT") of RM 40.9 million respectively for the quarter under review. The lower revenue and PBT as compared with the preceding year corresponding quarter were mainly due to the strengthening of the Ringgit Malaysia against the US Dollar and a one-off adjustment on the inventories of a subsidiary company.

**14. Material changes in PBT against the immediate preceding quarter**

The Group's PBT for the quarter under review was RM41.0 million as compared with RM41.7 million recorded in the preceding quarter. The lower PBT was mainly due to the strengthening of the Ringgit Malaysia against the US Dollar and the one-off adjustment as mentioned in note 13 above.

**15. Prospects**

The Board expects the overall positive trend of the industry to continue. Barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the current financial year ending 30 June 2008.

**16. Profit forecast / profit guaranteed**

This note is not applicable.

**17. Taxation**

Taxation comprise: -

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>Year- To-</b>	<b>Corresponding</b>
	<b>30/09/2007</b>	<b>30/09/2006</b>	<b>Year- To-</b>	<b>Corresponding</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>Date</b>	<b>Period</b>
			<b>30/09/2007</b>	<b>30/09/2006</b>
			<b>RM'000</b>	<b>RM'000</b>
Current taxation (Malaysia)	7	-	7	-
- current year				
Deferred taxation - current year	5,511	3,174	5,511	3,174
	<u>5,518</u>	<u>3,174</u>	<u>5,518</u>	<u>3,174</u>

The Group's effective tax rate for the quarter under review and financial year-to-date are lower than the statutory tax rate mainly due to tax incentives granted to certain subsidiaries.

**18. Sale of unquoted investments and/or properties**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007**

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**19. Quoted securities**

- (a) There were no purchases or disposals of quoted securities (other than securities in existing subsidiaries) for the quarter under review and financial year-to-date.
- (b) There were no investments in quoted securities as at 30 September 2007.

**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 September 2007 are as follows: -

	<b>RM'000</b>
(i) Unsecured short term borrowings	191,919
(ii) Unsecured long term borrowings	119,545
	<u>311,464</u>

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

	<b>RM'000</b>
USD borrowings	120,294

**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 21 November 2007 are as follows: -

	<b>Contract amount RM'000</b>
Foreign exchange forward contracts	<u>66,521</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 FIRST QUARTER  
ENDED 30 SEPTEMBER 2007**

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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 three of Amkor’s United States Patents. Amkor 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 (“ASAT 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 Proceeding.

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

**24. Dividend**

- (a) The Board has declared an interim dividend of 13.0 sen per share tax exempt for the quarter ended 30 September 2007 of the financial year ending 30 June 2008 (2006/2007 : 17.0 sen per share tax exempt) to be paid on 27 December 2007 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 13 December 2007.

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 13 December 2007 in respect of ordinary transfers; and
  - (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.
- (b) For the financial year-to-date, a total dividend of 13.0 sen per share tax exempt has been declared (2006/2007: 17.0 sen per share tax exempt).

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 30 SEPTEMBER 2007**

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**25. Earnings per ordinary share**

**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share for the quarter under review / financial year-to-date are based on the profit attributable to ordinary equity holders of the parent of RM26,236,000 (2006/2007 : RM46,068,000) and the weighted average number of ordinary shares outstanding during the quarter / period of 194,904,419 (2006/2007(restated): 194,908,419 ).

**Diluted earnings per ordinary share**

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial year-to-date as the potential ordinary shares from the exercise of Options would increase the basic earnings per ordinary share.

The Group had no dilution in its earnings per ordinary share in the preceding year's 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  
27 November 2007