



Malaysian Pacific Industries

A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2008

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2008 RM'000	30/09/2007 RM'000	30/09/2008 RM'000	30/09/2007 RM'000
Revenue	394,106	385,743	394,106	385,743
Cost of sales	(326,235)	(322,076)	(326,235)	(322,076)
Gross profit	67,871	63,667	67,871	63,667
Operating expenses	(17,352)	(17,044)	(17,352)	(17,044)
Other expenses	(10,843)	(1,899)	(10,843)	(1,899)
Profit from operation	39,676	44,724	39,676	44,724
Interest expense	(3,299)	(4,322)	(3,299)	(4,322)
Interest income	653	577	653	577
Profit before taxation	37,030	40,979	37,030	40,979
Taxation	(3,337)	(5,518)	(3,337)	(5,518)
Profit for the period	33,693	35,461	33,693	35,461
Attributable to:				
Equity holders of the parent	27,798	26,236	27,798	26,236
Minority interests	5,895	9,225	5,895	9,225
Profit for the period	33,693	35,461	33,693	35,461
Earnings per ordinary share (sen): -				
(a) Basic	14.26	13.46	14.26	13.46
(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 2008.

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MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2008

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2008 RM'000	30/06/2008 RM'000
Non current assets		
Property, plant and equipment	1,163,290	1,157,994
Prepaid lease payments	20,526	20,467
Investments	693	693
Intangible assets	12,393	12,393
	1,196,902	1,191,547
Current assets		
Inventories	101,899	105,475
Trade and other receivables	250,840	225,668
Deposits, cash and bank balances	92,918	102,245
	445,657	433,388
TOTAL ASSETS	1,642,559	1,624,935
Equity attributable to equity holders of the parent		
Share capital	104,942	104,942
Reserves	861,444	824,397
Treasury shares, at cost	(163,779)	(163,779)
	802,607	765,560
Minority interests	265,582	259,687
TOTAL EQUITY	1,068,189	1,025,247
Non-current liabilities		
Borrowings (unsecured)	60,875	120,166
Employee benefits	442	442
Deferred taxation	61,839	58,525
	123,156	179,133
Current Liabilities		
Trade and other payables	233,765	201,090
Borrowings (unsecured)	217,449	219,465
	451,214	420,555
TOTAL LIABILITIES	574,370	599,688
TOTAL EQUITY AND LIABILITIES	1,642,559	1,624,935
Net assets per share attributable to ordinary equity holders of the parent (RM)	4.12	3.93

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2008.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	Share Capital	Reserves attributable to capital	Capital redemption reserve	Capital reserve	Exchange fluctuation reserve	Reserve for own shares	Share option reserve	Retained profits	Treasury shares	Total	Minority interest	Total equity
Attributable to equity holders of the parent												
Current year-to date ended 30 September 2008	104,942	249,952	660	1,806	11,506	(42,603)	1,887	601,189	(163,779)	765,560	259,687	1,025,247
At 1 July 2008	-	-	-	-	-	-	-	27,798	-	27,798	5,895	33,693
Net Profit for the period	-	-	-	-	8,948	-	-	-	-	8,948	-	8,948
Foreign currency translation differences	-	-	-	-	-	-	301	-	-	301	-	301
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2008	104,942	249,952	660	1,806	20,454	(42,603)	2,188	628,987	(163,779)	802,607	265,582	1,068,189

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MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	Attributable to equity holders of the parent										Minority interest	Total equity
	Share Capital	Reserves attributable to capital	Capital redemption reserve	Capital reserve	Exchange fluctuation reserve	Reserve for own shares	Share option reserve	Retained profits	Treasury shares	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period ended 30 September 2007	104,942	249,952	560	-	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 payments	-	-	-	-	-	-	306	-	-	306	-	306
At 30 September 2007	104,942	249,952	560	-	1,948	(42,603)	995	589,269	(163,761)	741,302	261,965	1,003,267

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2008.

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MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2008 RM'000	30/09/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,030	40,979
Adjustments for:-		
Depreciation and amortisation	59,406	57,474
Non-cash items	1,879	(1,030)
Net financing cost / (income)	2,646	(3,745)
Operating profit before changes in working capital	100,961	93,678
Changes in working capital		
Net change in current assets	(21,397)	(33,937)
Net change in current liabilities	32,674	67,207
Tax paid	(22)	(7)
Net financing (cost paid) / income received	(2,646)	3,745
Net cash generated from operating activities	109,570	130,686
CASH FLOW FROM INVESTING ACTIVITY		
Other investments	(53,763)	(118,592)
Net cash used in investing activity	(53,763)	(118,592)
CASH FLOWS FROM FINANCING ACTIVITY		
Net repayments of borrowings	(64,560)	(50,125)
Net cash used in financing activity	(64,560)	(50,125)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,753)	(38,031)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	102,245	106,758
EFFECT ON FOREIGN EXCHANGE	(574)	(4)
CASH & CASH EQUIVALENTS AT END OF PERIOD	92,918	68,723

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

	30/09/2008 RM'000	30/09/2007 RM'000
Deposits, cash and bank balances	92,918	68,723

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2008.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

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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 2008.

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 2008.

The Malaysian Accounting Standard Board announced that FRS 139, Financial Instruments: Recognition and Measurement will be effective for annual periods beginning on or after 1 January 2010. Hence, the Group plans to adopt FRS 139 for the financial year ending 30 June 2011.

The effects resulting from the adoption of FRS 139 upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors are not disclosed by virtue of the exemption given in the standard.

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 shares bought back during the quarter under review and financial year-to-date. The total number of shares bought back as at 30 September 2008 was 10,982,000 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 2008, 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 ("Trust Shares") as at 30 September 2008 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.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

The figures have not been audited

7. Dividend paid

There were 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: -

	Asia	USA	Europe	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	174,470	77,662	141,974	394,106
Segment results	20,116	8,456	11,494	40,066
Unallocated expenses				(390)
Profit from operation				39,676
Interest expense				(3,299)
Interest income				653
Profit before taxation				37,030
Taxation				(3,337)
Profit for the period				33,693

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.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

The figures have not been audited

13. Review of performance

For the quarter under review, the Group recorded a revenue and profit before taxation ("PBT") of RM394.1 million and RM37.0 million respectively as compared with a revenue and PBT of RM385.7 million and RM41.0 million respectively recorded in the preceding year's corresponding quarter. The lower PBT was mainly due to the appreciation of the Ringgit Malaysia against the US Dollar during the quarter under review compared with the preceding years' corresponding quarter.

14. Material changes in Profit Before Taxation against the immediate preceding quarter

The Group's revenue and PBT for the quarter under review were RM394.1 million and RM37.0 million respectively as compared with RM366.2 million and RM32.1 million recorded in the preceding quarter respectively. The increase in PBT was mainly due to the higher sales achieved during the quarter under review.

15. Prospects

The current global recessionary environment has affected consumer spending which will inevitably affect the Group's sales in the near term. Consequently, the Group's performance for the financial year ending 30 June 2009 is likely to be affected. However, the Group will continue to focus on the affirmative measures taken to minimise the impact. Barring any unforeseen circumstances, the Board believes that the performance of the Group will be satisfactory.

16. Profit forecast / profit guaranteed

This note is not applicable.

17. Taxation

Taxation comprise: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To- Date	Preceding Year Corresponding Period
	30/09/2008 RM'000	30/09/2007 RM'000	30/09/2008 RM'000	30/09/2007 RM'000
Current taxation (Malaysia)				
- current year	14	7	14	7
- under provision in prior year	8	-	8	-
Deferred taxation - current year	3,315	5,511	3,315	5,511
	<u>3,337</u>	<u>5,518</u>	<u>3,337</u>	<u>5,518</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.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

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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 2008.

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 2008 are as follows: -

	RM'000
(i) Unsecured short term borrowings	217,449
(ii) Unsecured long term borrowings	60,875
	<u>278,324</u>

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

	RM'000
USD borrowings	81,388

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 12 November 2008 are as follows: -

	Contract amount RM'000
Foreign exchange forward contracts	<u>608,516</u>

The above contracts are maturing within a period of 12 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.

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

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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. Therefore, there is insufficient information to ascertain the outcome or to estimate the amount of any liability thereof.

24. Dividend

- (a) The Board has declared an interim dividend of 10.0 sen per share tax exempt for the quarter ended 30 September 2008 of the financial year ending 30 June 2009 (2007/2008 : 13.0 sen per share tax exempt) to be paid on 17 December 2008 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 4 December 2008.

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 4 December 2008 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 dividend of 10.0 sen per share tax exempt has been declared (2007/2008: 13.0 sen per share tax exempt).

MALAYSIAN PACIFIC INDUSTRIES BERHAD (4817-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

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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 RM27,798,000 (2007/2008 : RM26,236,000) and the weighted average number of ordinary shares outstanding during the quarter / period of 194,902,419 (2007/2008: 194,904,419).

Weighted average number of ordinary share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	(Restated) Preceding Year Corresponding Quarter	Current Year- To-Date	(Restated) Preceding Year Corresponding Period
	30/09/2008 '000	30/09/2007 '000	30/09/2008 '000	30/09/2007 '000
Issued ordinary shares at beginning of period	209,884	209,884	209,884	209,884
Treasury shares held at beginning of period	(10,982)	(10,980)	(10,982)	(10,980)
Trust Shares held at beginning of period	(4,000)	(4,000)	(4,000)	(4,000)
Weighted average number of ordinary shares	194,902	194,904	194,902	194,904

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 and preceding year's corresponding quarter / period as the potential ordinary shares from the exercise of Options would increase the basic earnings per ordinary share.

By Order of the Board
Malaysian Pacific Industries Berhad

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
18 November 2008