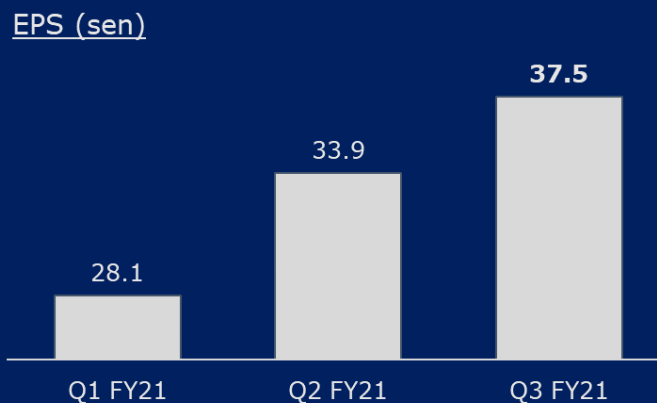


PRESS RELEASE*For immediate release***MPI records all-time high revenue of USD 129 mil in Q3 FY21 with a PAT of MYR 89 mil amidst ongoing pandemic & uncertain market conditions****Kuala Lumpur, 28th MAY 2021: MALAYSIAN PACIFIC INDUSTRIES Q3 FY21 RESULTS****Highlights**

- Exceptional growth trend continued with **44%** revenue growth in Q3 FY21 vs Q3 FY20, and **240%** PAT growth in Q3 FY21 vs Q3 FY20
- Net cash as of Q3 FY21 stood at **MYR 927 million, 15% higher** than net cash as of Q3 FY20 – even with 66% higher CAPEX (MYR 179 million) than that in Q2 FY21
- **Record growth (YTD FY21 over YTD FY20)** in revenue and PAT of **24% and 92%** respectively. Considering that FY20 itself was a great year for us, we have beaten all expectations despite ongoing challenges due to Covid
- **Steadily growing EPS** trend over successive quarters

**Semiconductor industry continues to grow amidst persisting macro challenges**

Global semiconductor sales in Q3 FY21 increased by ~18% YoY (Source: Semiconductor Industry Association). This is driven by sustained demand across various applications, especially with the continued growth in server & RF markets with slow gains in automotive market.

MPI posts another strong quarter

MPI's quarterly sales expanded substantially even as external macroeconomic environment remained challenging. This growth was mainly supported by the continued demand for our assembly & testing services across Asia, US & EU markets. We witnessed continued demand from segments as industrial (server) and consumer & communications that are driven by broader trends as IOT, 5G, big data. Amidst chip shortage issues, automotive segment continues to show steady signs of demand recovery while EV traction continues to pick up. Also, localization trends in China, and trade war influenced tactics of US customers to source from safer origins as Malaysia continue to be favorable demand drivers for our services.

Robust regional growth continues

Individual regions recorded healthy growth for MPI in Q3 FY21. In particular:

Asia: Asia accounts for ~40%* of MPI's revenue, spearheaded by China. This is positively impacting the local fulfilment of demand for semiconductor products & services, including assembly & testing. MPI is strongly entrenched in the China OSAT market with local manufacturing presence, and thus, benefits from this trend. We believe the localization trend will continue going forward, hence giving large opportunity for MPI to keep growing its China sales through sustained market expansion. Moreover, our expertise in RF and Power management (Silicon Carbide technology) equip us with the right strategic capabilities to tap into the huge growth potential of 5G & IoT.

US/EU: US & EU account for around 30%* each of MPI's overall revenue. Implementation of trade war tariffs has led to US customers seeking reliable supply origins outside China, which is substantially benefitting MPI, having robust capabilities to serve US customers out of its Malaysia operations. Moreover, technology developments in automotive for Electric Vehicles, in power management (Silicon Carbide technology) applications, and sensors continue to be fundamental demand drivers.

MPI has built customer confidence & reliability by delivering on our commitments to our customers despite Covid-19 challenges. We have remained operational during the Covid-19 lockdown period with adherence to government guidelines.

Details of MPI's Q3 FY21 business performance

Revenue (US\$ million)	PAT growth	Net Cash (RM million)
129.2	240%	927.1
	vs Q3 FY20	
Revenue growth	EPS	CAPEX growth
44%	37.55 Sen	>100%
vs Q3 FY20		vs Q3 FY20

Architects of MPI's growth are our clear vision and effective strategy. Over past few years, we have taken some effective strategic initiatives to build & strengthen our competitiveness in the **right segments with the right technology**. These initiatives have been complemented by **stringent cost prudence measures** that have enabled our growth **despite the continuously upward input cost pressures** (raw materials, manpower etc.). We have carefully positioned ourselves to tackle & capitalize on market developments & industry tailwinds, with focus on executing our 4 strategic pillars – sales excellence, technology development, quality leadership and human capital management.

*Invoices may be raised from customer's office in Asia even though the customer is from US/EU

Sustained investments in strategic areas as capacity expansion, equipment upgrade, new technology development, and manpower upskilling

MPI's net cash at MYR 927 million as of Q3 FY21 is substantially higher than that in Q3 FY20 of MYR 809 million (YoY growth Q3 FY20-Q3 FY21: 15%), and that in Q3 FY19 with MYR 689 million (Q3 FY19-Q3 FY21 growth: 35%). This is an outcome of focused efforts on cost & cash management.

Notably, we have achieved this in challenging times (trade war, Covid) while continuing to invest in strategic areas that are helping us witness the high growth levels & are in line with our long term goals. In Q3 FY21 alone, MPI invested CAPEX of MYR 179 million, which is 66% higher than the CAPEX deployed in Q2 FY21.

We will continue to evaluate & pursue strategic investments in high impact projects across technology development (SiC, 5G, sensors), capacity expansion, automation, manpower upskilling, and employee safety.

We are running full in terms of our capacity utilization, and are implementing our expansion plans at our sites in Malaysia and China. In China, we are adding 50k sq. ft. of production floor space at our Suzhou factory, while scouting for a new site to setup another factory tentatively by the end of CY 2022. At M-site (Ipoh, Malaysia), we are adding 121k sq. ft. of production floor space to cater to increasing demands.

Moreover, we have built customer confidence & reliability by delivering on our commitments to our customers despite Covid-19 challenges. We have remained operational during the Covid-19 lockdown period with adherence to government guidelines.

Strong shareholder growth

Our robust financial growth & business resilience backed by focused strategy has translated into ever growing investor confidence. This is reflected in the surge in share price from around MYR 5 in 2015 to almost MYR 37 at present.

Business Outlook

We expect Q4 FY21 to be another strong quarter with demand being driven by continued demand across segments - 5G deployment, server market, IoT - though recovery challenges persist in automotive segment.

MPI will continue to benefit from

- Long term technology drivers – RF (5G) in Asia, and power management (Silicon Carbide, Gallium Nitride) & automotive (electrification, sensors, safety) across US & EU
- Strong sales pipeline
- Localization driven demand trends in China
- Positioning of reliable supply center for US & EU, based out of Malaysia
- Strong cash position – allows to aggressively pursue technology/ company acquisitions that will propel Carsem even further into the advanced packaging space
- Continuous productivity & quality improvements via automation

For further information, please contact:

Rohit Kumar

e-mail: rohitkumar@carsem.com

Tel: +605 5262333 extn 8497