

MALAYSIA PACIFIC CORPORATION BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2005

The figures have not been audited

	FY 2006		FY 2005	
	Current Quarter Ended 31 Dec RM'000	6 months cumulative to date RM'000	Comparative Quarter Ended 31 Dec RM'000	6 months cumulative to date RM'000
Revenue	5,811	11,431	7,584	12,337
Operating Expenses	(5,239)	(10,821)	(12,950)	(17,779)
Other Operating Income	74	204	167	319
Profit from Operations	646	814	(5,199)	(5,123)
Finance costs	(2,519)	(5,089)	(2,258)	(4,170)
Losses before tax	(1,873)	(4,275)	(7,457)	(9,293)
Taxation	(60)	193	(179)	(484)
Losses after tax	(1,933)	(4,082)	(7,636)	(9,777)
Minority Interest	-	-	-	-
Net loss for the period	(1,933)	(4,082)	(7,636)	(9,777)
Earnings/(Loss) per Share (sen)				
a) Basic	(1.12)	(2.37)	(4.42)	(5.82)
b) Diluted	N/A	N/A	N/A	N/A

Note : The calculation of the diluted earnings/(loss) per share is not applicable due to anti-diluted effects of warrants.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005.

MALAYSIA PACIFIC CORPORATION BERHAD
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2005

The figures have not been audited

	As At 31/12/2005 Unaudited RM'000	As At 30/06/2005 Audited RM'000
Property, Plant & Equipment	4,721	4,626
Land Held for Property Development	130,935	130,353
Investment Property	132,544	132,544
Current Assets		
Development Properties and Expenditure	92,495	93,091
Inventories	1,251	1,314
Trade Receivables	6,496	6,035
Other Receivables	841	637
Accrued Billings	3,379	3,172
Tax Recoverable	333	6,101
Deposit with Financial Institution	-	-
Cash & Bank Balances	5,456	9,996
	110,252	120,346
Current Liabilities		
Trade Payables	5,925	6,087
Rental & Utilities Deposits	1,924	2,500
Other Payables	12,697	18,322
Bank Borrowings	106,932	106,825
Provision for taxation	3,892	5,008
	131,370	138,742
Net Current Assets	(21,119)	(18,396)
	247,082	249,127
Financed by :		
Share capital	172,597	172,597
Reserves		
Capital Reserve	17,950	17,950
Retained Profit/(Loss)	(15,758)	(11,676)
Shareholders' fund	174,789	178,871
Long Term Liabilities		
Borrowings	59,373	57,456
Deferred taxation	12,920	12,800
	247,082	249,127
Net assets per share (RM)	1.01	1.04

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

MALAYSIA PACIFIC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2005

The Unaudited Condensed Consolidated Statement of Changes In Equity presented below have been reviewed and approved by the Board of Directors.

Share capital RM'000	Assets Revaluation Reserve RM'000	(Accumulated Losses)/ Retained Profits RM'000	Total RM'000
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6 months ended 31 December 2005

At 1 July 2005	172,597	17,950	(11,676)	178,871
Net loss for the year	-	-	(4,082)	(4,082)
At 31 December 2005	172,597	17,950	(15,758)	174,789

6 months ended 31 Decemeber 2004

At 1 July 2004	154,000	17,950	4,647	176,597
Issue Upon Exercised of Warrants	18,597	-	-	18,597
Net loss for the year	-	-	(9,777)	(9,777)
At 31 Decemebr 2004	172,597	17,950	(5,130)	185,417

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.

MALAYSIA PACIFIC CORPORATION BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2005

The figures have not been audited

	6 months ended 31/12/2005 RM'000	6 months ended 31/12/2004 RM'000
Operating Activities		
Net Loss Before Taxation	(4,275)	(9,293)
Adjustments for non-cash flow :		
Non-cash items	370	409
Non-operating items	4,823	8,421
Operating profit before changes in working capital	<u>918</u>	<u>(463)</u>
(Increase)/Decrease in working Capital :		
Net change in current assets	1,299	3,480
Net change in current liabilities	(2,314)	(2,857)
Interest Paid	(6,944)	(2,530)
Interest Received	72	57
Payment for Liquidated Ascertained Damages	(712)	-
Net Tax (paid)/refund	5,014	(598)
Net cash flows from operating activities	<u>(2,666)</u>	<u>(2,911)</u>
Investing Activities		
Other Investment	-	(2,662)
Proceed from disposal of plant and equipments	-	1
Purchase of property, plant & equipments	(465)	(658)
Net cash flows from investing activities	<u>(465)</u>	<u>(3,319)</u>
Financing Activities		
(Repayment)/Proceeds from Bank Borrowings	(1,512)	(1,772)
Proceeds from issue of shares	-	18,597
Net cash flows from financing activities	<u>(1,512)</u>	<u>16,825</u>
Net Change in Cash & Cash Equivalents	(4,643)	10,595
Cash & Cash Equivalents at beginning of year	<u>(54,942)</u>	<u>(58,247)</u>
Cash & Cash Equivalents at end of year	<u>(59,585)</u>	<u>(47,652)</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report the year ended 30 June 2005.

**MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
(formerly known as Malaysia Pacific Land Berhad)**

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2005**

SECTION A – FRS 134 PARAGRAPH 16

1. ACCOUNTING POLICIES

The interim financial report has been prepared in accordance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting (formerly known as MASB 26). The interim financial reporting should be read in accordance with the audited financial statement of the Group for the 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 financial statements for the year ended 30 June 2005.

2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding annual financial statements for the financial year ended 30 June 2005 were not subject to any qualification.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Group for the current quarter ended 31 December 2005 have not been affected by any seasonality or cyclicity factors.

**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 other unusual items in the quarterly financial statements under review save and except the dispute of the sum of RM1,855,369.79 to be refunded by purchasers and/or directors which are explained in Section B, Note 11 under material litigation.

**MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
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**5. NATURE AND AMOUNT OF CHANGES IN ESTIMATES OF AMOUNTS
REPORTED IN PRIOR INTERIM PERIODS OF THE CURRENT FINANCIAL YEAR,
WHICH GIVE A MATERIAL EFFECT IN THE CURRENT INTERIM PERIOD**

There were no changes in the estimates of amounts which give a material effect in the current interim period save and except explained in Section B, Note 11 under material litigation.

**6. ISSUANCE, CANCELLATIONS, REPURCHASE, RESALE AND REPAYMENT
OF DEBTS AND EQUITY SECURITIES**

There were no cancellation, repurchase, resale and repayment of debt or equity securities during the financial period to date save and except explained in Section B, Note 11 under material litigation.

7. DIVIDENDS PAID

No interim dividend has been recommended for the financial period under review.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
(formerly known as Malaysia Pacific Land Berhad)

8. SEGMENTAL REPORTING

The segmental analysis for the Group for the financial period ended 31 December 2005 as follows:-

a) 6 months ended 31 December 2005

Description	Property Development (RM '000)	Letting of Investment Properties (RM '000)	Construction (RM '000)	Elimination (RM '000)	Consolidation (RM'000)
Revenue					
External Sales	7,270	4,161	-	-	11,431
Inter Segment Sales	-	-	15	(15)	-
Sub-total	7,270	4,161	15	(15)	11,431
Results					
Segment Results	382	543	(111)		814
Finance costs					(5,089)
Losses Before Taxation					(4,275)
Taxation					193
Losses After Taxation					(4,082)

b) 6 months ended 31 December 2004

Description	Property Development (RM '000)	Letting of Investment Properties (RM '000)	Construction (RM'000)	Elimination (RM '000)	Consolidation (RM'000)
Revenue					
External Sales	8,209	4,128	-	-	12,337
Inter Segment Sales			3,895	(3,895)	-
Sub-total	8,209	4,128	3,895	(3,895)	12,337
Results					
Segment Results	(6,047)	914	10		(5,123)
Finance costs					(4,170)
Losses Before Taxation					(9,293)
Taxation					(484)
Losses After Taxation					(9,777)

**MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
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9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There is no amendment to the valuation of property, plant and equipment brought forward from the previous annual audited financial statements for the financial year ended 30 June 2005.

10. SUBSEQUENT MATERIAL EVENTS

There have not arisen any material events between 31 December 2005 and the date of this announcement that has not been reflected in the financial statements for the period ended 31 December 2005 except the following:

The Winding-up Order dated 20 December 2005 was served by Pn. Asnah bt. Salleh on TBBM, a sub-subsidiary of the Company claiming for her balance sum of RM 186,455.10 which Winding-up Order has been stayed by the Court on the 24 January 2006 pending a permanent stay of the Winding-up Order now fixed for hearing on the 21 March 2006.

An Appeal has also been lodged in the Court of Appeal against the 20 December 2005 Order.

11. CHANGES IN THE COMPOSITION OF THE GROUP/CAPITAL STRUCTURE

During the financial year to date, the following changes in the composition of the Group are follows:

- (i) On 7 September 2005, the Company has incorporated MPC Properties Sdn Bhd, a 99.99% owned subsidiary. There has no material impact on the Group for the financial year to date.
- (ii) On 7 December 2005, the Company has incorporated Prestige Trading Sdn Bhd, a 99.99% owned subsidiary. There has no material impact on the Group for financial year to date.
- (iii) On 12 December 2005, the Company acquired 2 ordinary shares of RM1.00 each in the issued and paid-up of The Power Club Sdn Bhd for a cash consideration of RM2.00. There has no material impact on the Group for financial year to date.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets as at the date of this report except explained in Section B note 11, under material litigation.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
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SECTION B –LISTING REQUIREMENTS

1. Review of Performance

For the current quarter, the Group's revenue is RM5.811 million with a pre-tax loss of RM1.873 million as compared to a revenue of RM7.584 million and a pre-tax loss of RM7.457 million, respectively, in the preceding corresponding quarter. The lower revenue for the current quarter is mainly due to slow contribution in the property development division. The 75% reduction in pre-tax loss is mainly due to no provision of Liquidated Ascertained Damages (LAD) was required in this quarter as compared to the previous corresponding quarter of RM5.336 million.

In the first half year result ended 31 December 2005, the Group's total revenue is RM11.431 million which represents a drop of RM0.906 million or 8% as compared to the same corresponding period of preceding year. The drop was mainly due to poor sales in property development division and that the take up rate of the tenancy in Wisma MPL was slow due to other newly completed renovated offices around the nearby location were also competing for occupancy. The pre-tax losses is however reduced by 54% from RM9.293 million to RM4.275 million owing to no provision is required for LAD due to timely delivery of new houses for the new phases.

(a) Divisional Performance Review

i) Wisma MPL (Investment Property)

For the period under review, the said property investment registered a marginal improvement of turnover of RM4.161 million as compared to RM4.128 million in the previous corresponding period. The pre-tax profit was reduced from RM0.914 million to RM0.534 million was mainly due to on-going refurbishment and renovation works in Wisma MPL.

ii) Property Development - (JB)

The property development in JB recorded a lower revenue of RM7.270 million as compared to RM8.209 million of the corresponding period was due to slow sales similarly experienced by other developers around this location in Johor Bahru. The pre-tax losses was however reduced tremendously by 106% from RM6.047 million to a pre-tax profit of RM0.382 million mainly due to no provision of LAD was required as compared to the previous corresponding period.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
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2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Turnover for the current quarter increased marginally by approximately 3% to RM5.811 million compared with the immediate preceding quarter of RM5.620 million. The pre-tax losses for the current quarter was recorded at RM1.981 million as compared to RM2.402 million in the preceding quarter. The reduction is mainly due to a lower operating expenses incurred in property development division.

3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

Barring any unforeseen circumstances, management is quite confident to put in place a better marketing strategic plan in the JB development project as well as to improve the occupancy and rental income of Wisma MPL.

The Board of Directors hopes that the Group's performance for the current financial year ending June 2006 should catch up and show better improvements than this first half year results.

4. VARIANCES ON ACTUAL PROFIT FROM FORECAST PROFIT

This is not applicable to the Group.

5. TAXATION

The taxation for the current quarter ended and period ended 31 December 2005 consists of the following:

	Current Quarter Ended 31-12-2005 (RM '000)	Current Year To-Date Ended 31-12-2005 (RM '000)
Taxation		
- current year	-	32
- prior year	-	(345)
Deferred taxation	60	120
	60	(193)

The effective tax rate for the Group is negative due to the reversal of the tax overprovision in prior years being the tax refunds obtained in one of the subsidiaries.

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6. PROFITS/(LOSSES) ON SALE OF UNQUOTED INVESTMENTS AND / OR PROPERTIES

There were no sales of unquoted investments or properties for the current quarter ended 31 December 2005.

7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposal of quoted securities by the Group as at the date of this report.

8. STATUS OF CORPORATE PROPOSAL

There are no any corporate proposal announced for the period under review.

9. GROUP BORROWINGS

Total Group's borrowings as at 31 December 2005 are as follows:

	Short Term	Long Term	
	Secured	Secured	Total
	(RM '000)	(RM '000)	(RM '000)
HP Creditors	107	527	634
Revolving Credit	25,704	-	25,704
Bank Overdraft	65,041	-	65,041
Term Loan	16,080	58,846	74,926
Total	106,932	59,373	166,305

10. FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

There are no financial instruments with off balance sheet risk issued as at the date of issuance of this report.

**MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
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11. MATERIAL LITIGATION

a) Disputes Involving Former Directors

The company has filed a suit against inter alia four former directors namely, En. Chut Nyak Isham b. Nyak Ariff (Isham), Dato' Yusof b. Jusoh (Yusof), Tengku Sharif Syed Amir Abidin Jamalullail and Dato' Thomas Teng Poh Foh as well as Warisan Alam Enterprise Sdn Bhd and Bumialpha Sdn Bhd.

b) Dispute on winding-up petition (Kuala Lumpur High Court D2-28-534-05)

The Winding-up Order dated 20 December 2005 was served by Pn. Asnah bt. Salleh on TBBM, a sub-subsidiary of the Company claiming for her balance sum of RM 186,455.10 (balance sum) which Winding-up Order has been stayed by the Court on the 24 January 2006 pending a permanent stay of the Winding-up Order now fixed for hearing on the 21 March 2006.

An Appeal has also been lodged in the Court of Appeal against the 20 December 2005 Order.

c) Dispute against the sale of 21.8 acres land to Inta Development Sdn Bhd

- i) In a separate case, the Company and TBBM have also filed and served a Writ of Summons vide Johor Baru High Court No. 22-702-1005 against 7 other defendants in the Johor Baru High Court, namely, Inta Development Sdn Bhd, Inta Bina Sdn Bhd and their 5 directors. Also included in this Writ are the former Group CEO / Director of the Company and TBBM, En. Chut Nyak Isham b. Nyak Ariff as well as the former Group General Manager, En. Zulhaimi b. Nordin.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
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12. DIVIDEND

No interim dividend has been recommended for the financial period under review.

13. EARNINGS PER SHARE

a. Basic earnings per share

	Current Quarter Ended 31-12-2005	Current Year To Date 30-12-2005
Net loss attributable to ordinary shareholders (RM'000)	(1,933)	(4,082)
Weighted average number of ordinary shares in issue ('000)	172,597	172,597
Basic loss per share (sen)	(1.12)	(2.37)

b. Diluted earnings per share

No diluted earnings per share are disclosed due to anti-diluted effect of warrants.