

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006

(The figures have not been audited)

	9 months ended 31/03/2006 RM'000	9 months ended 31/03/2005 RM'000
Operating Activities		
Net loss before taxation	(6,685)	(11,442)
Adjustments for non-cash flow :		
Non-cash items	397	632
Non-operating items	7,198	3,937
Operating profit/(loss) before changes in working capital	<u>910</u>	<u>(6,873)</u>
(Increase)/Decrease in working capital :		
Net change in current assets	3,567	6,519
Net change in current liabilities	(2,207)	667
Interest paid	(10,209)	(4,315)
Interest received	102	378
Payment for liquidated ascertained damages	(811)	-
Net tax (paid)/refunded	4,216	(706)
Net cash flows from operating activities	<u>(4,432)</u>	<u>(4,330)</u>
Investing Activities		
Other investment	-	(3,644)
Proceed from disposal of plant and equipments	-	1
Purchase of property, plant & equipments	(264)	(1,568)
Net cash flows from investing activities	<u>(264)</u>	<u>(5,211)</u>
Financing Activities		
(Repayment)/proceeds from bank borrowings	(2,728)	(2,159)
Net proceeds from conversion of warrants	-	18,604
Net cash flows from financing activities	<u>(2,728)</u>	<u>16,445</u>
Net Change in Cash & Cash Equivalents	(7,424)	6,904
Cash & Cash Equivalents at beginning of the year	(54,942)	(58,247)
Cash & Cash Equivalents at end of the financial period	(62,366)	(51,343)

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)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006

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

	Share capital	Assets Revaluation Reserve	(Accumulated Losses)/ Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000
<u>9 months ended 31 March 2006</u>				
At 1 July 2005	172,597	17,950	(11,676)	178,871
Net profit/(loss) for the financial period	-	-	(6,552)	(6,552)
At 31 March 2006	172,597	17,950	(18,228)	172,319

9 months ended 31 March 2005

At 1 July 2004	154,000	17,950	4,647	176,597
Conversion of Warrants	18,597	-	-	18,597
Net profit/(loss) for the financial period	-	-	(11,962)	(11,962)
At 31 March 2005	172,597	17,950	(7,315)	183,232

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 (12200-M)
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2006

(The figures have not been audited)

	Unaudited As At 31/03/2006 RM'000	Audited As At 30/06/2005 RM'000
Property, plant & equipment	4,494	4,626
Land held for property development	131,428	130,353
Investment property	132,544	132,544
Current Assets		
Development properties and expenditure	92,094	93,091
Inventories	1,188	1,314
Trade receivables	7,052	6,035
Other receivables	879	637
Accrued billings	2,068	3,172
Tax recoverable	380	6,101
Deposit with financial institution	-	-
Cash & bank balances	2,557	9,996
	<u>106,218</u>	<u>120,346</u>
Current Liabilities		
Trade payables	5,722	6,087
Rental & utilities deposits	1,924	2,500
Other payables	12,517	18,322
Bank borrowings	106,789	106,825
Provision for taxation	3,752	5,008
	<u>130,704</u>	<u>138,742</u>
Net Current Assets/(Liabilities)	(24,486)	(18,396)
	<u>243,980</u>	<u>249,127</u>
Financed by :		
Share capital	172,597	172,597
Reserves		
Capital reserve	17,950	17,950
Retained profit/(loss)	(18,228)	(11,676)
	<u>172,319</u>	<u>178,871</u>
Shareholders' Funds	172,319	178,871
Long Term Liabilities		
Borrowings	58,682	57,456
Deferred taxation	12,979	12,800
	<u>243,980</u>	<u>249,127</u>
Net assets per share (RM)	1.00	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 (12200-M)
CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006
(The figures have not been audited)

	Current Quarter Ended 31/03/2006 RM'000	9 months cumulative 31/3/2006 RM'000	Comparative Quarter Ended 31/3/2005 RM'000	9 months cumulative 31/3/2005 RM'000
Revenue	3,749	15,211	7,510	19,847
Operating expenses	(3,753)	(14,574)	(7,837)	(25,616)
Other operating income	15	188	239	558
Profit/(loss) from operations	11	825	(88)	(5,211)
Finance costs	(2,421)	(7,510)	(2,061)	(6,231)
Profit/(loss) before tax	(2,410)	(6,685)	(2,149)	(11,442)
Taxation	(60)	133	(36)	(520)
Profit/(loss) after tax	(2,470)	(6,552)	(2,185)	(11,962)
Minority interest	-	-	-	-
Net profit/(loss) for the period	(2,470)	(6,552)	(2,185)	(11,962)
Earnings/(loss) per share (sen)				
a) Basic	(1.43)	(3.80)	(1.27)	(7.04)
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 (12200-M)

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2006**

SECTION A – FRS 134 PARAGRAPH 16

A1. ACCOUNTING POLICIES

The interim financial report is unaudited and 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.

A2. 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.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Group for the current quarter ended 31 March 2006 have not been affected by any seasonality or cyclicity factors.

**A4. 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 RM1,855,370 to be refunded by purchasers and/or former directors which are explained in Section B, Note 11 under material litigation.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

A5. 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.

A6. 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.

A7. DIVIDENDS PAID

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

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

A8. SEGMENTAL REPORTING

a) 9 months ended 31 March 2006

Description	Property Development (RM '000)	Letting of Investment Properties (RM '000)	Construction (RM '000)	Elimination (RM '000)	Consolidation (RM'000)
Revenue					
External sales	9,231	5,980	-	-	15,211
Inter segment sales	-	-	187	(187)	-
Total Revenue	9,231	5,980	187	(187)	15,211
Results					
Operating profit	462	239	22		723
Interest income					102
Finance costs					(7510)
Losses before taxation					(6,685)
Taxation					133
Losses after taxation					(6,552)

b) 9 months ended 31 March 2005

Description	Property Development (RM '000)	Letting of Investment Properties (RM '000)	Construction (RM'000)	Elimination (RM '000)	Consolidation (RM'000)
Revenue					
External sales	13,546	6,301	-	-	19,847
Inter segment sales			5,048	(5,048)	-
Total Revenue	13,546	6,301	5,048	(5,048)	19,847
Results					
Operating loss	(6,488)	1,102	(203)		(5,589)
Interest income					378
Finance costs					(6,231)
Losses before taxation					(11,442)
Taxation					(520)
Losses after taxation					(11,962)

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A10. SUBSEQUENT MATERIAL EVENTS

There have not arisen any material events between 31 March 2006 and the date of this announcement that has not been reflected in the financial statements for the current quarter and the financial period ended 31 March 2006 except the following:

- 1) On 27 April 2006, Seacrest Land Limited ("Seacrest"), a company owned by the Company's CEO, Mr Ch'ng Poh and his spouse, has entered into a conditional Sale and Purchase Agreement with Power Pacific Investment Limited to acquire 100% equity interest in Top Lander Offshore Inc. which in turn holds directly and indirectly through K-Elite Sdn Bhd (its wholly-owned subsidiary company), an aggregate of 80,128,657 ordinary share of RM1.00 each in the company representing approximately 46.43% of the equity interest in the company for a total consideration in USD equivalent to exactly of RM16,025,731.40, representing RM0.20 per share. On completion, Seacrest will procure Top Lander Offshore Inc. and parties acting in concert to make the mandatory offer to acquire shares which are not owned by them. Further announcement will be made at an appropriate time.

A11. CHANGES IN THE COMPOSITION OF THE GROUP/CAPITAL STRUCTURE

During the financial period to date, the following changes in the composition of the Group are as 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 period 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.

A12. 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.

SECTION B –LISTING REQUIREMENTS

B1. Review of Performance

For the current quarter, the Group's revenue recorded a drop to RM3.749 million with a pre-tax loss of RM2.410 million as compared to revenue of RM7.510 million and a pre-tax loss of RM2.149 million respectively in the preceding corresponding quarter. The lower revenue for the current quarter was mainly due to very unexpected slow sales in the property development division.

Consequently, the Group's total revenue registered a low RM15.211 million for the nine months ended 31 March 2006 which represents a drop of RM4.636 million or 23.36% as compared to the same corresponding period of the preceding year. The pre-tax losses was however lesser by 41.57% from RM11.442 million to RM6.685 million which was largely due to no provision being further required to be made for Liquidated Ascertained Damages (LAD), as new houses under construction are delivered on time without anymore delay.

The large losses were also due to the increase in the financing costs owing to increases in the interest rate while the cash proceed that was derived from the previous rights issues and warrants were been exhausted to go to pay for past unpaid taxes and penalties, past unpaid bank interest and penalties, bank borrowing principals and to aggravate the matter payments were made to former directors' special fees, repayments and interests which are the subject matters of disputes per described herein in Section B11(a) under "Material Litigation".

(a) Divisional Performance Review

i) Wisma MPL (Investment Property)

For the financial period under review, the said property investment's turnover registered a drop to RM5.980 million as compared to RM6.301 million in the previous corresponding period while the operating profit was reduced from RM1.102 million to RM0.239 million. The drop in operating profit was mainly due to the increase in overheads.

The drop in revenue was also partly due to the occupancy of one large floor of "Le Spa Sauna" lease had expired and the Company has decided to take it back for purposes of assimilating the spa and fitness facilities under The Power Club membership. The company is currently awaiting for the approval of the Club license before the refurbishment and renovation works would start.

The company is targeting to improve rental occupancy from the current 56% to reach to 90% within the next two quarters. The plan for the "Red Sails" theme restaurants and cafes have been submitted to DBKL and hopefully the approval can be obtained soon. Upon approval, the construction and completion of the "Red Sails" will increase the current gross areas by approximately 40,000 sq feet which will significantly increase the rental recurring income in the future.

The "Red Sails" theme restaurants and cafes should enhance the image of Wisma MPL and it is envisage that the "theme" will eventually flow through into the existing shop lots which is in the process of renovation.

ii) Property Development - Johor Bahru ("JB")

The property development in JB recorded much lower revenue of RM9.231 million as compared to RM13.546 million of the corresponding period. The sharp drop in revenue was largely due to poor sales in the third quarter.

However, the operating loss was reduced tremendously by 107.12% from RM6.488 million to profit of RM0.462 million mainly due to provision of LAD not further required as compared to the previous corresponding period.

With the new changes in place, plus the JB project is now totally being redesigned into a Resort City Concept targeting a niche market of overseas' expatriates home ownership under the "Malaysia My Second Home" plan, the management is of the opinion that the unique resort concept will not face severe competition from other developments around Johor Bahru which are primarily medium housing types.

The resort concept plan was launched in Singapore in May 2006 and has received encouraging enquiries and interests from Singaporeans, Indonesians and expatriates living in Singapore. Much has to be done to sell this new resort cum city concept to be well accepted and popular. The management is confident that it will be well received owing to the encouraging response we received in Singapore. The next launch is scheduled for June 2006 in Hong Kong.

The drop in revenue in the 3rd Quarter was also mainly due to houses under Phase 4M were completed and have not fully sold. Therefore several million ringgits had been spent that had automatically added the interest costs unnecessarily. The reason for building the houses first before we can commence the sales is because of past bad record of unbuilt houses and large LAD claims, which the Ministry of Housing then took this unusual measures on the Company. As the Phase 4M is now completed, sales can start commencing and the Ministry of Housing has also lifted the future requirement of build-first and sell later.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Turnover for the current quarter decreased by approximately 50.07% to RM3.749 million compared with the immediate preceding quarter of RM7.510 million. The pre-tax losses for the current quarter was recorded at RM2.410 million as compared to RM2.149 million in the preceding quarter. The increase was mainly due to a higher finance costs incurred in property development division.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The Board of Directors hopes to make up sales revenue of the development and investment income in the coming final quarter ending June 2006. Barring on encouraging responses on the new resort concept of the JB development and if the response are converted into positive sales, the Group's current financial year ending June 2006 will look positive.

B4. VARIANCES ON ACTUAL PROFIT FROM FORECAST PROFIT

This is not applicable to the Group.

B5. TAXATION

The taxation for the current quarter ended and period ended 31 March 2006 consists of the following:

	Current Quarter Ended 31-03-2006 (RM '000)	Current Year To-Date Ended 31-03-2006 (RM '000)
Taxation		
- current year	-	31
- prior year	-	(344)
Deferred taxation	60	180
	60	(133)

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.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

B6 UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments or properties for the current quarter and current financial period ended 31 March 2006.

B7 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.

B8 STATUS OF CORPORATE PROPOSAL

The Group has not announced any corporate proposal for the period under review.

B9 GROUP BORROWINGS

Total Group's borrowings as at 31 March 2006 are as follows:

	Short Term Secured (RM '000)	Long Term Secured (RM '000)	Total (RM '000)
HP Creditors	82	527	609
Revolving Credit	25,704	-	25,704
Bank Overdraft	64,923	-	64,923
Term Loan	16,080	58,155	74,235
Total	106,789	58,682	165,471

B10. 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.

B11. MATERIAL LITIGATION

- (a) Dispute involving former directors namely En. Chut Nyak Isham bin Chut Nyak Ariff (Isham), Dato' Yusof bin Jusoh (Dato' Yusof), Tengku Sharif Syed Amir Abidin Jamalullail and Dato Thomas Teng Poh Foh**

The Company has filed suit against the former directors for amongst others, breach of Section 132E of the Company Act 1985, breaches of fiduciary duties against inter alia En. Chut Nyak Isham bin Chut Nyak Ariff (Isham), Dato' Yusof bin Jusoh, Tengku Sharif Syed Amir Abidin Jamalullail and Dato Thomas Teng Poh Foh as well as Warisan Alam Enterprise Sdn Bhd and Bumialpha Sdn Bhd (being companies that Isham and Dato' Yusof have deemed or connected interest respectively).

- (b) Dispute of winding up petition (Kuala Lumpur High Court No. D2-28-534-05)**

The Company had on 21 March 2006 successfully obtained a permanent stay of the winding-up order filed by Pn. Asnah bt. Mohd Salleh on 22 July 2005 to wind-up Taman Bandar Baru Masai (TBBM) , a sub-subsidiary of the Company for an unpaid amount of RM 186,455.10. As the winding-up has been permanently stayed, accordingly, TBBM has withdrawn the appeal as the subject matter of the winding-up has now permanently ceased.

- (c) Claim by TBBM and the Company against the sale of 21.8 acres of land to Inta Development Sdn Bhd (a company deemed connected to the former Group General Manager of the Company)**

The Company and TBBM have filed and served Writ of Summons vide Johor Bahru High Court No. 22-702-1005 against 7 defendants in the Johor Bahru High Court namely Inta Development Sdn Bhd, Inta Bina Sdn Bhd and their 5 directors. Included in the Writs are the former Group CEO / Director of the Company and TBBM, En. Chut Nyak Isham bin Nyak Ariff, as well as the former Group General Manager of the Company and TBBM, En. Zulhaimi bin Nordin, respectively.

- (d) Claim of defamation by four (4) former directors of the Company against the Company in respect of statement reported under Para. 26(a)(i) of 'Material Litigation' in the Company's Annual Report ending June 2005 as well as similarly reported in The Star Newspaper dated 15 November 2005 (Kuala Lumpur High Court No. S2-23-29-06)**

The claims are made by former directors, Chut Nyak Isham bin Chut Nyak Ariff, Yusof bin Jusoh, Syed Amir Abidin Jamalullai and Thomas Teng Poh Foh against the Company for alleged defamatory statements made and published in Para. 26(a)(i) of the Company's Annual Report 2005 and a similar article quoted in The Star Newspaper dated 15 November 2005. The claim is for RM 1,000,000.00 and general damages, and aggravated and exemplary damages, and injunctive relief. The Company will vigorously defend against the claim, as it is the mandatory duty of the Company to announce or report any material litigation in an Annual Report.

The Company is bound by the rules of Bursa Malaysia and Securities Commission to report any material litigation. The company will strenuously deny the allegations made and have accordingly acted upon legal advice to file an application to strike out the claim.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

B12. DIVIDEND

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

B13. EARNINGS PER SHARE

a. Basic earnings per share

	Current Quarter Ended 31-03-2006	Current Year To Date 31-03-2006
Net loss attributable to ordinary shareholders (RM'000)	(2,470)	(6,552)
Weighted average number of ordinary shares in issue ('000)	172,597	172,597
Basic loss per share (sen)	<u>(1.43)</u>	<u>(3.80)</u>

b. Diluted earnings per share

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