NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

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 30 June 2006 have not been affected by any seasonality or cyclicality 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 explained in Section B, Note 11 under material litigation.

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

During the year, the management performed a review on the Group's assets and liabilities arising from the acquisition of a subsidiary company over the past few years. The review showed that the deferred taxation was not recognised in accordance with FRS 112_{2004} on the fair value adjustment of asset at point of acquisition of a subsidiary company back to year 1996. This error has resulted in prior year adjustments to certain balance sheet captions of the comparative financial period. The error does not affect the net results of the current and comparative financial years.

	As restated	**As previously reported**
	RM'000	**RM'000**
Property Development Expenditure **	237,138	223,444
Deferred Taxation Liabilities	26,494	12,800

** *Included in this Properties Development Expenditure are Land Held for Property Development and Development Properties.*

There were no other changes in the estimates of amounts in the current interim period and financial year save and except as mentioned above and 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.

8. SEGMENTAL REPORTING

The segmental analysis for the Group for the financial period ended 30 June 2006 as follows:-

a) 12 months ended 30 June 2006

Description	Property Development (RM '000)	Letting of Investment Properties (RM '000)	Elimination (RM '000)	Consolidation (RM'000)
Revenue				
External Sales	9,749	8,540	-	18,289
Inter Segment Sales	1,705	3,327	(5,032)	-
Sub-total	**11,454**	**11,867**	**(5,032)**	**18,289**
Results				
Segment Results	3,883	665		4,548
Finance costs				(11,286)
Losses Before Taxation				**(6,738)**
Taxation				(14)
Losses After Taxation				**(6,752)**

b) 12 months ended 30 June 2005

Description	Property Development (RM '000)	Letting of Investment Properties (RM '000)	Elimination (RM '000)	Consolidation (RM'000)
Revenue				
External Sales	17,468	8,253	-	25,721
Inter Segment Sales	6,922	3,779	(10,701)	-
Sub-total	**24,390**	**12,032**	**(10,701)**	**25,721**
Results				
Segment Results	(7,922)	798		(7,124)
Finance costs				(8,920)
Losses Before Taxation				**(16,044)**
Taxation				(279)
Losses After Taxation				**(16,323)**

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

(A) PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment are stated at cost less accumulated depreciation & impairment losses, if any. 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.

(B) INVESTMENT PROPERTIES

In view of the significant rise in commercial property value in Kuala Lumpur Golden Triangle, the directors deemed it prudent to do a revaluation of Wisma MPL to update the net assets value of the Company. The investment property have been revalued to RM167.00 million by professional valuer, an increase of RM34.46 million as compared to RM132.54 million reported in the previous financial year ended 30 June 2005. The net surplus of RM32.73 million arising on the revaluation has been credited to Capital Reserve to reflect current market value of the asset.

10. SUBSEQUENT MATERIAL EVENTS

There have not arisen any material events between 30 June 2006 and the date of this announcement that has not been reflected in the financial statements for the current quarter ended 30 June 2006.

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

In the effort of the Company rationalization, business diversification and restructuring plan, the Company has made the following changes in the holding structure of the Group during the financial year to date. The reorganization of a new holding structure will have no material impact on the Group in the financial position for the current period and year to date.

(i) On 7 September 2005, the Company has incorporated MPC Properties Sdn Bhd ("MPC Properties"), a 99.99% owned subsidiary. On 18 May 2006, the company acquired the remaining one ordinary share in the capital of MPC Properties at a nominal consideration of RM1 each and makes MPC Properties a wholly-owned subsidiary of the Company. The purpose is to transfer all present and future properties and property related businesses under MPC Properties Sdn Bhd to enable the Company to service purely as a holding and investment company, to invest besides properties and development but also in other investments, like plantations, oil and gas, manufacturing, distribution, trading, construction, hospitality and management services.

(ii) On 7 December 2005, the Company has incorporated Prestige Trading Sdn Bhd ("PTSB"), a 99.99% owned subsidiary. On 18 May 2006, the company acquired the remaining one ordinary share in the capital of PTSB at a nominal consideration of RM1 each and makes PTSB a wholly-owned subsidiary of the Company. This Company will become the trading, supply and purchasing division of the Group's construction requirement, but also serve as another business operating entity.

(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. "The Power Club" will be a prestigious health, recreation and dinner membership club for social and business interaction serving a mixture of young entrepreneurs and corporate heads in the country.

(iv) On 18 May 2006, the Company acquired 2 ordinary shares of RM1.00 each in the issued and paid-up of Pacific Spa & Fitness Sdn Bhd for a cash consideration of RM2.00. This Company shall become a subsidiary which complements "The Power Club" in providing spa, recreational, fitness and F&B services.

(v) On 18 May 2006, the Company disposed off 350,000 ordinary shares of RM1.00 each in the issued and paid-up of ASA Enterprises Sdn Bhd, a wholly-owned subsidiary for a consideration of RM350,000 to MPC Properties Sdn Bhd, a wholly-owned subsidiary of the Company in line with the rationalization that all property ownership and property related companies come under the holding of MPC Properties Sdn Bhd.

(vi) On 18 May 2006, the Company disposed off 2 ordinary shares of RM1.00 each in the issued and paid-up of Creative Ascent Sdn Bhd, a wholly-owned subsidiary for a consideration of RM2.00 to MPC Properties Sdn Bhd, a wholly-owned subsidiary of the Company as this is a property investment company in line with the rationalization expressed in Note 11 (i) above.

(vii) On 18 May 2006, the Company disposed off 200,000 ordinary shares of RM1.00 each in the issued and paid-up of Lakehill Resort Development Sdn Bhd, a wholly-owned subsidiary for a consideration of RM200,000 to MPC Properties Sdn Bhd, a wholly-owned subsidiary of the Company as this is a property investment company in line with the rationalization expressed in Note 11 (i) above.

(viii) On 2 June 2006, the Company's wholly-owned subsidiary MPC Properties Sdn Bhd subscribed the remaining 50,000 ordinary shares of RM1.00 each in the authorized capital of Lakehill Resort Development Sdn Bhd for a cash consideration of RM50,000.00.

(ix) On 9 June 2006, the Company has incorporated a 99.99% sub-subsidiary ie Oriental Pearl City Properties Sdn Bhd ("OPCP"), with its issued and paid up share capital of 100,000 ordinary shares of RM1.00 each. The principal activities of OPCP is investment holding and management company of investment properties.

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.

SECTION B –LISTING REQUIREMENTS

1. REVIEW OF PERFORMANCE

For the current quarter, the Group's revenue is RM3.078 million and a pre-tax loss of RM0.052 million as compared to a revenue of RM5.874 million and a pre-tax loss of RM4.602 million, respectively, reported in the previous year corresponding quarter. The pre-tax loss is lowered from RM4.602 million to RM0.052 million compared to the previous corresponding period even though the revenue is smaller. The lower revenue for the current quarter ended 30 June 2006 was mainly due to very slow sales in the property development division as is been explained in the Divisional Performance Review in Section B1 (a) (ii) below.

For the year ended 30 June 2006, the Group's revenue recorded RM18.289 million which represents a drop of RM7.432 million or 28.89% as compared RM25.721 million reported in the previous financial year ended 30 June 2005. The drop was mainly due to very slow sales in property development division. The reason is given in Section B1(a) (ii) below. However, the pre-tax loss was reduced by 58.01% from RM16.044 million to RM6.737 million was mainly due to the savings in Liquidated Ascertained Damages (LAD) of previous year through successful negotiation with the purchasers. The Group registered losses of RM6.752 million todate was also due to high borrowing costs amounting to RM11.286 million per annum.

The net assets per share (NAV) for the current period has increased to RM1.19 as opposed to RM1.04 in previous corresponding period, owing to increase in valuating Wisma MPL from RM132,544,000 to RM167,000,000.

(a) Divisional Performance Review

i) Wisma MPL (Investment Property)

For the period under review, the said property investment's turnover represent a slight increase of RM8.540 million as compared to RM8.253 million in the previous financial year. However the pre-tax operating profit was reduced from RM0.798 million to RM0.665 million. The Company needs to spend more on replacement, refurbishment and renovation works to enhance the outlook and attractiveness of Wisma MPL into a 'Grade A' office and shopping arcade as well as increasing lettable area which will significantly increase rental rates and occupancy, thus the rental recurring income in the near future. The Company is negotiating with the banks for increase in financing to complete of the upgrading and extension work as soon as possible.

ii) Property Development

The property development in Johor Bahru (JB) recorded a much lower revenue of RM9.749 million as compared to RM17.468 million of the previous financial year. The sharp drop in revenue was largely due to very slow sales during the third & fourth quarter similarly experienced by other developers in Johor Bahru in general owing to very competitive market in medium to low cost housing sector. Property Development recorded pre-tax operating profit of RM3.883 million as compared to pre-tax operating losses of RM7.922 million was mainly due to the savings in LAD owing to successful negotiation by the Company with the purchasers to forgo the penalty or by way of discount in LAD being the settlement out of court.

In prudent measurement to avoid competition in the medium cum low cost market, the Company has shifted away from this competition. The JB Project has now been repositioned into a Resort City Concept targeting a niche market called the "LakeHill City and Resort" by taking advantage of its beautiful lake and rolling hills which are unique attraction and not comparable in other developments in JB. This self-contained township shall comprise gated homes and apartments, "Village Resort & Heritage Centre", the "Platinum Regency", resort hotel, medical and healthcare centre, clubhouse, international school, golf village, a wetland sanctuary park and commercial retail, and trade exhibition centre.

The Company is confident that the new lifestyle niche concept is viable owing to the recently announced Ninth Malaysia Plan to make Southern Johor a new metropolis like the success story of Shenzen in China. The Lakehill Resort is well situated inside the South Johor Economic Region (SJER) master plan.

2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Turnover for the current quarter decreased by approximately 17.90% to RM3.078 million compared with the immediate preceding quarter of RM3.749 million. The pre-tax loss for the current quarter was recorded at RM0.052 million as compared to the pre-tax loss of RM2.410 million in the preceding quarter. The reduction in pre-tax loss was due to the savings in Liquidated Ascertained Damages (LAD) of previous year through successful negotiation with the purchasers.

3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The occupancy and rental income of Wisma MPL will improve after approval, upgrading, refurbishment and renovation works have taken place. We anticipate the current occupancy rate of about 67% to increase to 90% and the rental income to increase gradually by 30%.

The management feels confident that in the medium and long term the "Lakehill Resort" of the Company's property development in the JB will be an attractive investment in view that LakeHill Resort Development falls inside South Johor Economic Region Zone under the Ninth Malaysia Plan. The Gross Development Value (GDV) of the remaining 460 acres of land is estimated to be RM3 billion. The development is expected to last for 10 years.

Currently the Company is looking into completely finishing the last phase of the medium cost housing under Taman Nusa Damai with estimated gross revenue of RM125 million and this will significantly reduce the current bank borrowings and interest.

Barring any unforeseen circumstances, the Board of Directors anticipate that the Group's performance for the next financial year ending June 2007 will be satisfactory.

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 30 June 2006 consists of the following:

	Current Quarter Ended 30-6-2006 (RM '000)	**Current Year To-Date Ended 30-6-2006 (RM '000)**
Taxation		
- current year	(25)	131
- prior year	-	(344)
Deferred taxation	172	227
	147	**14**

The effective tax rate of the Group for the current quarter and year to date is higher than the statutory rate owing to the absence of the Group relief for losses suffered by companies and non tax deductible of certain expenses.

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 30 June 2006.

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

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

9. GROUP BORROWINGS

Total Group's borrowings as at 30 June 2006 are as follows:

	Short Term	Long Term	
	Secured	Secured	Total
	(RM '000)	(RM '000)	(RM '000)
HP Creditors	120	525	645
Revolving Credit	25,704	-	25,704
Bank Overdraft	66,010	-	66,010
Term Loan	16,080	57,932	74,012
Total	107,914	58,457	166,371

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.

11. MATERIAL LITIGATION

a) Dispute involving former directors namely En. Chut Nyak Isham bin Chut Nyak Ariff (En. Isham), Dato Yusof bin Jusoh (Dato Yusof), Tengku Sharif Syed Amir Abidin Jamalullail and Dato Thomas Teng Poh Foh (Kuala Lumpur High Court Civil High Court No. S4-22-82-2006)

The Company has served writs against the above mentioned persons for amongst others, breach of Section 132E of the Company Act 1965, breaches of fiduciary duties against inter alia, En. Isham, Dato Yusof, Tengku Sharif Syed Amir Abidin Jamalullail and Dato Thomas Teng Poh Foh as well as Warisan Alam Enterprise Sdn bhd and Bumialpha Sdn. The total sum claim by the Company is RM1,855,370.00 plus interest.

All parties have entered appearances and the matter is now pending the trial date from the Kuala Lumpur Civil High Court.

b) **Claim by Taman Bandar Baru Masai Sdn Bhd (TBBM) and the Company against the sale of 21.8 acres of land to Inta Development Sdn Bhd**

The matter has been transferred to Kuala Lumpur Civil High Court and pending a date for trial. The parties involved in this matter are Inta Development Sdn Bhd, Inta Bina Sdn Bhd and their 5 directors. Also 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.

c) **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 Civil High Court No. S2-23-29-06)**

The Company has filed an application to strike out the claim and will be heard on the 5 October 2006.

The claims are made by former directors, En. Chut Nyak Isham bin Nyak Ariff, Dato Yusof bin Jusoh, Tengku Sharif Syed Amir Abidin Jamalullail and Dato Thomas Teng Poh Foh agains 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, aggravated and exemplary damages and injunctive relief. The Company will vigorously defend the claim on the ground that it is the mandatory duty of the Company to announce or report any material litigation in an Annual Report.

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 30-06-2006	Current Year To Date 30-06-2006
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(200)	(6,752)
Weighted average number of ordinary shares in issue ('000)	172,597	172,597
Basic profit/(loss) per share (sen)	(0.12)	(3.91)

b. Diluted earnings per share

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