

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE 4th QUARTER ENDED 30 JUNE 2010**

SECTION A – FRS 134 PARAGRAPH 16

1. ACCOUNTING POLICIES

The interim financial report are unaudited and have been prepared in accordance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2009.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of a change in a financial position and performance of the Group since the financial year ended 30 June 2009.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 30 June 2009, except for the following new and revised FRS in Malaysia which adopted by the Group and the Company, where applicable, effective for the financial period beginning 1 July 2009:

FRS 8 Operating Segments

The above new and revised FRS is expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for changes in disclosures arising from the adoption of FRS 8.

3. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements for the financial year ended 30 June 2009 was not subject to any qualification.

4. SEASONALITY OR CYCLICALITY OF OPERATIONS

There were no significant seasonal and cyclical factors that affect the business of the Group in the current quarter under review.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flow in the current quarter under review.

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6. MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates of amount reported in prior financial year that have a material effect in the current quarter under review.

7. DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter under review.

8. DIVIDENDS PAID

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

9. SEGMENTAL REPORTING

The segmental analysis for the Group for the quarter ended 30 June 2010 as follows:-

a) 12 months ended 30 June 2010

Description	Property Development & Construction (RM'000)	Investment Properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
Revenue				
External Sales	-	9,662	-	9,662
Inter-segment Sales	-	9,256	(9,256)	-
Sub-total	-	18,918	(9,256)	9,662
Results				
Segment Results	(5,549)	62,826	(5,031)	52,246
Finance costs	(5,551)	(10,440)	(5,300)	(10,691)
Profit Before Taxation				41,555
Taxation				1,718
Profit After Taxation				43,273

9. SEGMENTAL REPORTING (cont'd)

b) 12 months ended 30 June 2009

Description	Property Development & Construction (RM'000)	Investment Properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
<u>Revenue</u>				
External Sales	-	10,841		10,841
Inter-segment Sales	-	9,698	(9,698)	-
Sub-total	-	20,539	(9,698)	10,841
<u>Results</u>				
Segment Results	(113)	68,109	(3,157)	64,839
Finance costs	(8,557)	(8,924)	(5,998)	(11,484)
Profit Before Taxation				53,355
Taxation				(134)
Profit After Taxation				53,221

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

On 30 June 2010 the investment property of the Company has been revalued by an independent professional valuer who is a member of the Institution of Surveyors, Malaysia using the Comparison Method. The latest revaluation increased the value from RM240.0 million in year 2008 to RM300.0 million currently. The revaluation surplus of approximately RM60.0 million has been credited to income statement as per FRS 140 in the current quarter under review.

11. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the interim financial report for the current quarter.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter under review.

13. CHANGES IN CONTINGENT LIABILITIES/ASSETS

There were no changes in contingent liabilities or contingent assets as at the date of this report.

SECTION B –LISTING REQUIREMENTS

1. PERFORMANCE REVIEW

The Group's current quarter under review shown a substantial drop of 61% in revenue to RM1.09 million as compared to RM2.80 million in the previous corresponding quarter. The decrease was heavily due to a provision of uncollected rental and reinstatement issue of a major tenant of Wisma MPL. However, this income will be recognized as future profit once after a settlement being reached either amicably or via legal recourse.

Notwithstanding the decreased in revenue, the Group recorded a substantial increased in profit before tax of RM50.63 million as compared to losses before tax of RM1.32 million in the previous corresponding quarter due to an exceptional revaluation surplus of approximately RM60.0 million in the market value of Wisma MPL. On operational revenue, the Group recorded losses before tax of RM9.37 million as compared to the losses before tax of RM1.32 million in the previous corresponding quarter.

The higher operational losses were largely impacted by the increase of the property division development operational expense such as larger incremental of payment of professional and consulting fees, wages, overheads, printing of brochures, publication, news, exhibitions for approvals and JV purposes while specific sales launches were held back pending such approvals and JV under discussion. The sale launches were postponed pending all approvals being obtained in particular the much awaited "special tax incentives" status for APTEC City and LakeHill Resort City.

The Company's net asset ("NA") per share is revised at RM1.26. This is an improvement as it is based on the enlarged issued and paid up capital of 287.66 million whereas in the previous corresponding quarter the NA per share was at RM1.54 but it was based on a smaller issued and paid up capital of 172.60 million then.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

As explained above, the current quarter under review has recorded higher losses before tax of RM9.37 million as compared to losses before tax of RM3.24 million in the immediate preceding quarter. The increased losses were also due to non-contribution from the property development division, and the lower rental income contribution from the property investment division.

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3. PROSPECTS FOR THE FINANCIAL YEAR

APTEC CITY AND LAKEHILL CITY IN ISKANDAR MALAYSIA

As mentioned in our last quarter announcement, we are pleased to inform that LakeHill Resort Development Sdn Bhd has been granted by the Ministry of Tourism (“MOTOUR”)’s certification of tourism project for its entire 60.0 acres of APTEC City on 31 May 2010.

With the certification, it will reinforce our submission to Iskandar Regional Development Authority (“IRDA”) Incentives Committee for our “special tax incentives” application. The tourism project certification is part of a requirement by IRDA in our application.

Based on our feedback received from the relevant authorities our application is favourable and we are very optimistic that our application would be granted in due course. With the approval, it will facilitate our negotiation with other new strategic joint venture partners in the total of 22 parcel component projects inside LakeHill Resort City and APTEC city, which we are currently in detail discussions.

Separate announcements would be made as soon as any MOU’s were signed.

WISMA MPL

The Company has taken the prudent measures to terminate past negotiated JV party and embark to negotiate with potential parties (local and overseas) for joint venture of Wisma MPL new additional 50-storey development and upgrading.

The project with the previous Middle Eastern group was cancelled though the said party still expressed interest.

Fortunately, during the period the market value of Wisma MPL has increased and been revalued by an increase of approximately RM60.0 million more in market value which is a positive gain for the Company. In this respect it was a consolation as it would now fetch more in new joint venture.

The discussion with the new interested parties is based on the new market price owing to the increase in the current market value in keeping with similar grade A commercial properties inside the “golden triangle” of KLCC.

Barring unforeseen circumstances, the business plan, the corporate direction and hard work so far have ripped potential results and would pave for a very bright future for the group.

4. VARIANCES ON ACTUAL PROFIT FROM FORECAST PROFIT

This is not applicable to the Group.

5. TAXATION

	Current Quarter (RM'000)	Current To-Date (RM'000)
Taxation based on results for the financial years:		
Current financial year	(347)	283
Overprovision in prior financial years	(1,831)	(1,946)
	<u>(2,178)</u>	<u>(1,663)</u>
Deferred taxation:		
Current financial year	(50)	(50)
Overprovision in prior financial years	(5)	(5)
Total	<u>(55)</u>	<u>(55)</u>

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 2010.

7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposal of quoted securities by the Group in the current quarter under review.

8. STATUS OF CORPORATE PROPOSAL BUT NOT COMPLETED

There were no outstanding corporate proposals announced for the current quarter under review.

9. OTHER PAYABLES

Included in other payables is amount of RM6,659,866 due to major shareholder of the Company. The amount owing is unsecured and with no fixed terms of repayment and at an approved interest rate of 13% per annum by the Board of Directors.

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10. GROUP BORROWINGS

Total Group's borrowings as at 30 June 2010 are as follow: -

	Short Term Secured (RM'000)	Long Term Secured (RM'000)	Total (RM'000)
HP Creditors	265	892	1,157
Revolving Credit	25,704	-	25,704
Bank Overdraft	51,963	-	51,963
Total	77,932	892	78,824

11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments entered by the Group as at the date of this quarterly report.

12. MATERIAL LITIGATION UPDATES

The material litigation comprises of mainly the Company being the plaintiff resulted from the previous management. There were no material changes in litigation progress pending the matters being disposed. However for compliance purposes, the litigation matters are repeated as below:-

a. Arbitration Proceedings (2007) / Kuala Lumpur High Court Suit No. D6(R3)-24-28-2009

Dindings Construction Sdn Bhd ("DCSB") as the Claimant had on 13 November 2007 commenced an arbitration proceedings against Taman Bandar Baru Masai Sdn Bhd ("TBBM") as the Respondent. The claim was for the balance sum of RM394,850.52 which the Claimant alleged was still owed on account of alleged additional variation orders pursuant to the construction and completion of phase 4M1 & 4M2-58 units of double storey terrace houses and phase 4M3-56 units of single storey terrace houses at Taman Nusa Damai.

The Arbitrator on 14 April 2009 awarded the sum of RM394,850.52 to the Claimant. However, TBBM had made an application to the Kuala Lumpur High Court vide Civil Suit No. D10-24-141-2009 for an ex-parte injunction for stay proceeding. The ex-parte injunction was granted by the Court on 21 May 2009. TBBM had also filed an application to set aside or vary the arbitration award in court on 26 May 2009 vide Kuala Lumpur High Court Suit No. D6(R3)-24-28-2009.

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DCSB has filed an application to register the arbitration award dated 14 April 2009 but no date has been given by the High Court in respect of DCSB's application. The inter-parte hearing for the injunction was held on the 10 June 2009 and further adjourned to 20 July 2009 and an interim injunction was granted in our favour until 20 July 2009. On the 20 July 2007 the injunction was further extended by the Court TBBM having fulfilled the condition set by the Court whereby TBBM paid the sum of RM534,850.00 into a joint solicitors' account. The Parties had filed their written submission and the matter is fixed for decision and clarification on 26 August 2009. The Ground of Judgment dated 11 September 2009 was in favour of the Claimant. Upon advised by our solicitors that we have reasonable grounds to appeal against the judgment. TBBM had filed an appeal in the Court of Appeal against the judgment and the matter is pending a date to be fixed by the Court.

No further provision has been made in the financial statements of the Group and of the Company as the Directors have been advised by their solicitors that the Group and the Company's proposed in defending the claim is fair.

b. Kuala Lumpur High Court Suit No. S2-23-29-06

A claim was filed by the four (4) former directors of the Company, En. Chut Nyak Isham bin Nyak Ariff, Dato' Yusof bin Jusoh, Tengku Sharif Syed Amir Abidin Jamalullail and Dato' Thomas Teng Poh Foh (collectively known as the "Plaintiffs") had claimed against the Company for alleged defamation in respect of the Company's report of the legal matter under paragraph (a) of Annual Report for the financial year ended 30 June 2005 pertaining to 'Material Litigation', which was subsequently picked up and reported in the Star Newspaper on 15 November 2005.

However, the Court had, vide its decision on 8 February 2007, struck out the Plaintiff's claim of slander brought forth against the Company. The Court ordered the Plaintiffs to amend their statements of claim by deleting all suggestions of alleged slanders against the Company. The Plaintiffs since then had filed their amended statement of claim and the Company has filed its statement of defence on July 2008. The matter has been fixed for further case management on 24 September 2010. No trial date has been fixed to date.

No provision has been made in the financial statements of the Group and of the Company as the Directors have been advised by their solicitors that the Group and the Company's proposed in defending the claim is fair.

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c. Johor Bahru High Court Suit No. 22-702-2005 / Kuala Lumpur High Court Suit No.S3-22-1176-2006

The Company and TBBM (collectively known as “the Plaintiffs”) commenced a civil action on 14 October 2005 vide Johor Bahru High Court Suit No. 22-702-2005 against the former Group General Manager of the Company and TBBM, En. Zulhaimi bin Nordin, the former Group Managing Director and Chief Executive Officer of the Company and TBBM, En. Chut Nyak Isham Bin Nyak Ariff, as well as Inta Development Sdn Bhd (“Inta”) and its directors, and others (collectively known as “the Defendants”) in relation to alleged disclosable connected parties transaction in the sale of land owned by TBBM held under PTD 149705 H.S (D) 310451, Mukim Plentong, Daerah Johor Bahru to party or parties, thus, breaching Section 132(E) of the Act and others.

The case was transferred to the Kuala Lumpur High Court for the purpose of merging this case to the case referred in paragraph (e) below owing to related subject matters involving the same related parties. The Defendants applied to strike out the Plaintiff’s claim but was dismissed by the Registrar on 15 November 2007. An appeal was filed by the Defendants. Hearing of the appeal was fixed for 8 July 2009 and was dismissed with cost by the Court but the learned judge instructed that this case together with the case referred to in paragraph (e) below are to be heard one after the other by the same judge. The Court has fixed a further case management date on 24 September 2010 for parties to file the common bundle of documents, the agreed issues to be tried and the agreed facts. No trial date has been fixed to date.

d. Kuala Lumpur High Court Suit No. S4-22-82-2006

The Company and TBBM (collective known as “the Plaintiffs”) commenced a civil action on 14 November 2005 against the former directors of the Company namely, En. Chut Nyak Isham bin Nyak Ariff, Dato’ Yusof bin Jusoh, YAM Tengku Syarif Syed Amir Abidin Putra Jamalullail, Dato’ Thomas Teng Poh Foh and Pn. Asnah bt. Mohd Salleh as well as other connected parties, namely, Warisan Alam Enterprise Sdn Bhd, Bumialpha Sdn Bhd, Dion Sharil Bin Chut Nyak Isham, Intan Safina Binti Yusof and Aishah Binti Mohd Jelani (collectively known as “the Defendants”), for inter-alia breach of Section 132(E) of the Companies Act 1965, refund of all interest and costs received or profited by the Defendants in relation to the transaction to themselves and damages to be assessed. Defendants had filed their defence and counter claim and the Court has fixed for case management to be heard on 23 October 2009 for parties to finalise the bundle of documents, witness statements and opening submissions. The Court has fixed a final case management date on 1 December 2010 for parties to file the common bundle of documents, the agreed issues to be tried and the agreed facts. No trial date has been fixed to date.

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e. Kuala Lumpur High Court Suit No. S3-22-1128-2004

Inta as Plaintiff had on 19 July 2004 filed a claim against TBBM in respect of the same matter of the property sale referred in paragraph (c) above which was claimed by the Plaintiff that the cost of infrastructure works were included in the sales and purchase agreement as part of the obligation in the sale and purchase agreement dated 26 December 2001 between Inta and TBBM in relation to the said land in the Mukim Plentong, Daerah Johor Bharu same as referred under paragraph (c) above. TBBM filed an application to consolidate this case and the case referred in paragraph (c) above to be tried together because TBBM claimed that the sales and purchase agreement was void and fraudulent. This matter was fixed for hearing on March 2009. The hearing for the consolidation was further heard on the 8 July 2009 and the learned judge dismissed the application with cost but instructed that this case and the case referred to in paragraph (c) above are to be heard one after the other before the same judge. The matter sat down for full trial on 23 June 2010. On 24 June 2010, Inta withdraw its claim against TBBM with no liberty to file afresh.

f. Johor Bahru High Court Suit No. 22 – 174 – 2007

TBBM (“the Plaintiff”) commenced a civil action on 10 April 2007 against Scientex Quatari Sdn Bhd (“the Defendant”) in relation to illegal encroachment of the land owned by TBBM held under PTD 149729 HS(D) 310467, Mukim Plentong, Daerah Johor Bahru (“the said land”) which caused damage to the said land and sought relief from the Court for the land to be reinstated to original state and level, plus damages and costs to be assessed. The Court has fixed a further case management date on 26 August 2010 for parties to file the witness statements, the agreed issues to be tried and the agreed facts. No trial date has been fixed to date.

g. Kuala Lumpur High Court Suit No. D4-22-1803-2006

Simbapulus Builder (M) Sdn Bhd (“Plaintiff”) claimed against Euronium Construction Sdn Bhd (“Euronium”), a wholly owned subsidiary of the Company, for RM695,295.10 being the costs for work done involving past earthwork for Project under Phase 1A1 & 1A2 at Nusa Damai, Mukim Plentong, Daerah Johor Bahru, Johor. Euronium had counterclaimed against the Plaintiff for liquidated ascertained damages for the amount of RM465,600.00 and additional costs of RM2,811,833.25 to complete the site clearance work. The matter sat down for full trial on 12, 13 and 14 October 2009 and judgment was entered against Euronium. The Parties had on 15 July 2010 reached a full settlement agreement.

13. DIVIDEND

There were no dividends declared by the Group in the current quarter under review.

14. EARNINGS PER SHARE

a. Basic earnings per share

	Current Quarter Ended 30 June 2010	Current Year To Date 30 June 2010
Net profit attributable to ordinary shareholders (RM'000)	53,976	44,827
Weighted average number of ordinary shares in issue ('000)	192,772	192,772
Basic earnings per share (sen)	28.00	23.25

b. Diluted earnings per share

There were no dilutions of shares in the current quarter under review as the average market price of ordinary shares during the period was less than the exercise price of the warrants as stated in Clause 47 of FRS 133.

15. AUTHORISED FOR ISSUE

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 25 AUGUST 2010.

By order of the Board

Dated: 25 AUGUST 2010.