

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2010**

SECTION A - FRS 134 PARAGRAPH 16

1. ACCOUNTING POLICIES

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2010. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2010.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 30 June 2010, except for the adoption of new FRSs, amendments and IC Interpretations that are effective commencing 1 January 2010. The FRSs, which are effective commencing 1 January 2010 and have impact on the financial statements and applied by the Group are:

- a) **FRS 101: Presentation of Financial Statements (Revised)**
FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised standard requires the presentation of third statement of financial position in the event that the entity has applied new accounting policy retrospectively. The adoption of this revised standard does not have any impact on the financial position and results of the Group.
- b) **FRS 139: Financial Instruments: Recognition and Measurement**
FRS 139 requires the recognition, measurement and disclosure of financial assets and financial liabilities. The new accounting standard moves measurement from a cost base to fair value base for certain categories of financial assets and financial liabilities. The change in accounting policy is to be prospectively in accordance with the transitional provision of FRS 139. The adoption of this revised standard does not have any impact on the financial position and results of the Group.

2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2010 was not subject to any qualification.

3. 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.

4. 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.

5. 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.

6. DEBTS AND EQUITY SECURITIES

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

7. DIVIDENDS PAID

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

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8. SEGMENTAL REPORTING

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

a) 3 months ended 30 September 2010

Description	Property Development & Construction (RM'000)	Investment Properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
Revenue				
External Sales	-	3,725	-	3,725
Inter-segment Sales	-	1,971	(1,971)	-
Sub-total	-	5,696	(1,971)	3,725
Results				
Segment Results	(1,117)	(199)	(1,497)	(2,813)
Finance costs	(586)	(2,849)	1,406	(2,029)
Loss Before Taxation				(4,842)
Taxation				-
Loss After Taxation				(4,842)

b) 3 months ended 30 September 2009

Description	Property Development & Construction (RM'000)	Investment Properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
Revenue				
External Sales	-	3,023	-	3,023
Inter-segment Sales	-	2,832	(2,832)	-
Sub-total	-	5,855	(2,832)	3,023
Results				
Segment Results	(358)	1,621	(1,256)	7
Finance costs	(353)	(3,509)	1,206	(2,656)
Loss Before Taxation				(2,649)
Taxation				(121)
Loss After Taxation				(2,770)

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no amendments to the valuation of property, plant and equipment from the previous financial statements for the financial year ended 30 June 2010 to the current quarter under review.

10. 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.

11. CHANGES IN THE COMPOSITION OF THE GROUP

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

12. 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 is depended entirely on the investment rental income of Wisma MPL because the large development project of LakeHill Resort City and APTEC City in Iskandar Malaysia has not been scheduled for sales launch yet pending all final approvals of the said projects been obtained as also previously reported.

Therefore the current revenue for the quarter will still remain low not until after the launching of the sales and joint-ventures of LakeHill and APTEC.

The current revenue recorded an increase of 23.51% or RM3.73 million, compared to RM3.02 million of previous corresponding quarter.

The increased in rental income was due to recognition of basic rental income for the period from January 2010 to May 2010 from a former major tenant. The Company has not taken into account the double rental entitlement and overdue interest entitlement pursuant to the late delivery of vacant possession of the vacated premises under the tenancy contract for the said period as well as the additional costs of reinstatement of the vacated premises which were not reinstated. The double rent, the late repossession and the reinstatement costs are the subject of our legal action against the tenant. Our solicitors are of the opinion that the Company's prospect in winning the case is fair.

On a positive side, we expect to fill up the late delivered vacant premises by the coming next quarter. A major bank has already signed to take up nearly half of these vacated premises.

Until the new revenue on the sales and joint-venture of LakeHill and APTEC starts to roll in, it will still incur some losses in the next quarter. The loss before taxation incurred for this reported quarter is RM4.84 million as compared to previous corresponding quarter ended 30 September 2009 of RM2.65 million. The increase loss was mainly due to a lower rental receipt because of the vacated premises while also facing a rising group operating expenses due to increase expenditure in cost of necessary numerous professional fees of architecture and engineering design, road-shows, advertising, printing of catalogues, exhibitions and promoting and marketing costs of the LakeHill Resort development and APTEC City development, which the sales and joint-ventures will take time to launch. We anticipate the launching will gain momentum in beginning 2011.

This has temporary setback that reduced the Company's net asset value per share ("NAV") from RM1.25 to RM1.26 for the current quarter under review comparing to the immediate preceding financial period.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

As a result and for the reasons explained herein above, the Group incurred a loss before tax in the current quarter under review of RM4.84 million as compared to the immediate preceding quarter profit before tax of RM50.63 million. This material difference was mainly due to the preceding quarter had accounted the revaluation surplus of investment property amount of RM59.82 million.

3. PROSPECTS FOR THE FINANCIAL YEAR

APTEC CITY AND LAKEHILL CITY IN ISKANDAR MALAYSIA

The Company is pleased to report that the progress and approval of LakeHill Resort City and APTEC Trade and Expo City in Iskandar Malaysia is on track, though much more has yet to be completed in submitting the detailed design drawings from our various consultants that are working diligently to complete the assignments.

This is also one of the reasons of the delay in our sales and joint-venture launching campaign because awaiting these additional approvals will definitely further enhance the valuation of the sales price.

Thus, the management deemed it prudent and wise to delay the launching even though it may impact our quarterly-result reports of losses, in this quarter and the anticipated next quarter. However, the patience and prudent planning will be highly rewarded once of the sale parcels of land being in fruition, barring unforeseen circumstances.

Approval of special status and Ministry of Tourism certificate has been granted by the Ministry of Tourism on 31 May 2010 that certified APTEC City as a tourism project.

Our application for special tax incentive status from the Iskandar Regional Development Authority (“IRDA”) Investment Committee on the larger picture is still pending. The latter will entitle the said project for 100% Investment Tax Allowance (“ITA”) as also the qualified knowledge workers working in our LakeHill Resort City and APTEC City would be subject to an attractive 15% personal tax rate scheme only.

Further tax incentives or special tax allowances will be applied by LakeHill and APTEC to enhance LakeHill Resort and APTEC City into a “SMART GREEN CITY”. On this proposal, the Company has announced that it has signed a Memorandum of Understanding (“MOU”) with LG CNS Co. Ltd, the wholly owned IT and Media subsidiary of LG Corporation of South Korea on 18 November 2010 in Seoul, witnessed by our Ambassador of Malaysia, H.E. YBhg Datuk Ramlan Ibrahim. This MOU will have indirect benefits to the group status as LG-CNS has proven track record of building a prototype ‘Smart City’ in Seoul.

In total the Group has planned for more than 22 parcels which are available for joint-ventures with difference strategic partners and investors which will be negotiated in beginning 2011.

3. PROSPECTS FOR THE FINANCIAL YEAR (CONT'D)

WISMA MPL

On June 2010, the property was revalued and recorded at RM300.0 million. However, recent sudden escalation of commercial properties prices in and around the vicinity of Wisma MPL has given rise to the management to reconsider any proposed joint-venture valuation price at a higher fair value. We are awaiting the outcome and response of the said enquiries regarding the recent comparative transactions around Wisma MPL. We try to unlock the best value for the shareholders.

The new submitted plan of Wisma MPL for a new 50-storey Tower will not materially interrupt the existing Wisma MPL 21-storey office tower and retail podium, management and the Joint Management Committee (“JMC”) are working closely to see ways to upgrade the existing building as it is already over 32 years old. The reason is to quickly enhance the grade to achieve an increase in rental rate from the existing building, comparatively with the buildings nearby.

Any joint-venture on Wisma MPL is negotiated on the basis of retaining the existing Wisma MPL and not to demolish it. The new 50-storey Tower will be built and “bridged” over the existing frontage of the retail podium without touching the existing retail podium structure and business operation.

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	-	-
Overprovision in prior financial years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Deferred taxation:		
Current financial year	-	-
Overprovision in prior financial years	-	-
	<hr/>	<hr/>
Total	-	-
	<hr/>	<hr/>

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 September 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 amounting to RM7,578,000 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% to 15% per annum by the Board of Directors.

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10. GROUP BORROWINGS

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

	Short Term Secured (RM'000)	Long Term Secured (RM'000)	Total (RM'000)
Hire Purchase Creditors	244	807	1,051
Revolving Credit	25,704	-	25,704
Bank Overdraft	51,994	-	51,994
Total	77,942	807	78,749

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 Company is mainly the plaintiff resulted largely from the past management doing. There were no material issues except pending the matters being disposed by the Court. For purpose of compliance, the litigation matters are repeated herein below:

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

Dindings Construction Sdn Bhd ("DCSB") as Claimant had on 13 November 2007 commenced an arbitration proceedings against the Company's subsidiary Taman Bandar Baru Masai ("TBBM") as the Respondent. The claim was for the balance sum of RM394,851 which the Claimant alleged was owed an amount in variation orders "extra" in respect of 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, Johor, which TBBM denied.

The Arbitrator on 14 April 2009 awarded the sum of RM394,851 to the Claimant. However, TBBM filed 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 also filed an application to set aside or vary the arbitration award on 26 May 2009.

12. MATERIAL LITIGATION UPDATES (CONT'D)

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

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 Parties had filed their written submission and the matter was fixed for decision and clarification on 26 August 2009. The inter-partes hearing for the injunction was held on the 10 June 2009 but was further adjourned to 20 July 2009. An interim injunction was granted in TBBM's favour until 20 July 2009. On 20 July 2009 the injunction was further extended by the Court whereby TBBM complied with the Court to place the sum of RM534,850 into a joint solicitors' account in escrow pending appeal. The Judgement dated 11 September 2009 was in favour of the Claimant. TBBM's solicitors had advised that there were reasonable grounds to appeal against the judgement. TBBM filed an appeal to the Court of Appeal against the judgement and the matter is pending a date to be fixed by the Appeal Court.

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

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

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 (deceased) (collectively known as the "Plaintiffs") had filed a claim against the Company for alleged defamation in respect of the Company's report of the legal wordings contained in paragraph (a) of Annual Report for the financial year ended 30 June 2005 pertaining to the Section under 'Material Litigation'. The same content was picked up and reported in the Star Newspaper on 15 November 2005.

The Court 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 "slanders" which they claimed the Company made against them. The Plaintiffs filed their amended statement of claim and the Company has filed its amended statement of defence on July 2008. The Court has fixed for case management on 7 March 2011.

No provision was required to be made in the financial statements of the Company as the Directors have been duly advised by their solicitors that the Company's prospect in defending the claim is fair.

12. MATERIAL LITIGATION UPDATES (CONT'D)

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

The Company and its subsidiary, TBBM (collectively known as “the Plaintiffs”) first 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 as well as the former Group Managing Director and Group Chief Executive Officer of the Company and TBBM, En. Chut Nyak Isham Bin Nyak Ariff, including Inta Development Sdn Bhd (“Inta”) and Inta directors and others (collectively known as “the Defendants”) for alleged non-disclosable of connected parties transaction who benefited in the sale of land owned by TBBM held under PTD 149705 H.S (D) 310451, Mukim Plentong, Daerah Johor Bahru which also breached Section 132(E) of the Companies Act and other possible criminal action.

The case was requested by the Plaintiff to be transferred to the Kuala Lumpur High Court for the purpose of merging the two actions as above title referred. The striking out by the Defendants was dismissed by the Registrar on 15 November 2007. An appeal was filed by the Defendants which was heard on 8 July 2009 and again was dismissed with cost in favour of the Company and TBBM. The Court had fixed a case management on 24 September 2010 and both parties have filed their bundle of documents of the agreed issues to be tried plus the agreed facts. The Court has fixed for further case management on 29 November 2010. No trial date has been fixed yet.

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

This is a case which the Company and the subsidiary Taman Bandar Baru Masai Sdn. Bhd. (“TBBM”) (collective “the Plaintiffs”) commenced a civil action on 14 November 2005 against 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 (deceased) and Pn. Asnah bt. Mohd Salleh and 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, abused the authority of refund and penalty costs unfairly profited by the Defendants in relation to payment to themselves. In return, the Defendants had filed their defence and counter claim.

The Court had postponed the final case management to be heard on 1 December 2010. No date has been fixed for trial.

12. MATERIAL LITIGATION UPDATES (CONT'D)

e. 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, trespassing and erosion damages on the Plaintiff’s land held under PTD 149729 HS(D) 310467, Mukim Plentong, Daerah Johor Bahru (“the said land”) which caused serious damages to the Plaintiff’s land and sought relief from the Court for compensation and/or the land to be reinstated to original state and level, plus damages and costs to be assessed. A full trial was fixed on 21 October 2010 and 22 October 2010. After having heard the witnesses of both sides, the Court has fixed the matter for clarification and submission on 2 November 2010.

On 19 November 2010, the Court delivered its decision summary stated that with regards to encroachment, it was dismissed and for the trespassing during the construction of the reinforced concrete retaining wall, the Court was of the view that it was done without consent of the Plaintiff and the Court granted nominal damages of RM10.00 and each party to bear their own costs. The management has decided to appeal to the aforesaid decision and our solicitors are in the process of filing an appeal.

f. Kuala Lumpur High Court Suit No. S3-22-1236-2007

TBBM as Plaintiff had on 22 October 2007 commenced a legal action against Chut Nyak Isham Bin Nyak Ariff, the former Group Managing Director and Chief Executive Officer of the Company and TBBM, Dato’ Yusoh Bin Jusoh, the former Chairman/Director of the Company and TBBM and one Ikmal Nazarin Bin Junid (Ikmal) (collectively known as “the Defendants”) in relation to the sale of TBBM’s two approved petrol service stations known as Unit No. 12BC (1st Parcel) and Plot 12A and 12D in the Mukim of Plentong, District of Johor Bahru to a third party in suspicious circumstances at prices well below the actual market prices which Ikmal was able to resell them at almost twice the value in matters of days and weeks. The Defendants acted contrary to fiduciary duties and without calling for independent valuation. The terms of sale was of highly suspicious circumstances. The Defendants have filed their defence.

TBBM’s claim against the Defendants for 2 parcels of land, amongst other, the sum of RM1,428,200 on the sale of the 1st Parcel and RM1,152,531 on the sale of the 2nd Parcel which were grossly below market value and for other losses and damages to be assessed by the Court.

Ikmal Nazarin Bin Junid had filed an application to strike out the TBBM’s claim, which on 8 October 2009, the said application was struck out and dismissed by the learned judge with cost in favour of the TBBM. The Court has fixed a final case management on 9 December 2010. No trial date has been fixed yet.

12. MATERIAL LITIGATION UPDATES (CONT'D)

g. Johor Bahru High Court No. MT5-22-731-2009

Pembinaan Proli Sdn Bhd (“Proli”) claimed against TBBM for RM1,438,430 for the construction of the JB Sales Office at Nusa Damai, Mukim Plentong, Daerah Johor Bahru, Johor. The Plaintiff filed an application for Summary Judgement but was dismissed on 20 May 2010 with costs to TBBM, on the grounds that there were triable issues. The matter is now awaiting for a full trial. No trial date has been fixed to date.

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

h. Johor Bahru Session Court No. 52-2034-2010

UNP Design Sdn Bhd (“UNP”) claimed against Taman Bandar Baru Masai Sdn Bhd (“TBBM”) for RM105,897.50 being the outstanding balance of payment for Interior Design and Furnishing Work for the Show Unit for Phase 4M at Nusa Damai, Mukim Plentong, Daerah Johor Bahru, Johor. The Court has fixed the matter for Hearing on 25 January 2011.

Even though TBBM is confident to succeed in striking out of the claim, this amount has been provided in the financial statements of the Group.

i. Kuala Lumpur High Court (Civil) No: S22-NCVC-69-2010

On 26 October 2010, MPC Properties Sdn Bhd (“MPC”) filed a writ against Hong Leong Bank Berhad and Hong Leong Assurance Berhad (collectively known as “the Defendants”) to claim RM4,076,653 on account of double rental and reinstatement costs for the premises located at Wisma MPL, Jalan Raja Chulan, Kuala Lumpur of which the Defendants were tenants of.

The Defendants have entered an appearance but have not filed their defence yet. The return date for the writ is 26 November 2010. Our solicitors have also prepared an application for Summary Judgment, and will be filing the same in Court shortly.

Our solicitors are of the opinion that MPC has a good chance of recovering the sums from the Defendant.

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13. DIVIDEND

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

14. (LOSS)/EARNINGS PER SHARE

Basic loss per share

	Current Quarter Ended 30/09/2010	3 months Cumulative 30/09/2010	Comparative Quarter Ended 30/09/2009	3 months Cumulative 30/09/2009
Net loss attributable to equity holders of the Company (RM'000)	(4,475)	(4,475)	(2,637)	(2,637)
Weighted average number of ordinary shares in issue ('000)	(192,772)	(192,772)	(172,597)	(172,597)
Basic loss per share (sen)	(2.32)	(2.32)	(1.53)	(1.53)

15. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 NOVEMBER 2010.

By order of the Board

Dated: 26 NOVEMBER 2010.