

MALAYSIA PACIFIC CORPORATION BERHAD

(12200 - M)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE FINANCIAL PERIOD ENDED

31 DECEMBER 2012

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended		6 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	3,226	5,178	6,334	8,361
Cost of sales	(1,358)	(2,926)	(2,805)	(4,614)
Gross profit	1,868	2,252	3,529	3,747
Other income	63	43	128	56
Distribution costs	-	(47)	-	(51)
Administrative expenses	(2,552)	(2,428)	(5,363)	(4,842)
Loss from operations	(621)	(180)	(1,706)	(1,090)
Finance costs	(3,090)	(2,342)	(7,234)	(4,652)
Loss before tax	(3,711)	(2,522)	(8,940)	(5,742)
Taxation	(59)	-	(118)	-
Loss for the period	(3,770)	(2,522)	(9,058)	(5,742)
Other comprehensive income, net of tax				
Foreign currency transaction differences for foreign operations	-	-	86	-
Total comprehensive loss	(3,770)	(2,522)	(8,972)	(5,742)
Loss attributable to:				
Owner of the parent	(3,770)	(2,220)	(9,058)	(5,044)
Non-controlling interest	-	(302)	-	(698)
	(3,770)	(2,522)	(9,058)	(5,742)
Total comprehensive loss attributable to:				
Owner of the parent	(3,770)	(2,220)	(8,972)	(5,044)
Non-controlling interest	-	(302)	-	(698)
	(3,770)	(2,522)	(8,972)	(5,742)
Loss per share attributable to owner of the parent:				
a) Basic (sen)	(1.31)	(0.77)	(3.15)	(1.75)
b) Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA PACIFIC CORPORATION BERHAD (12200 - M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS
AS AT 31 DECEMBER 2012

	As at 31/12/2012 RM'000	As at 30/06/2012 RM'000
Non-current assets		
Property, plant and equipment	2,979	3,498
Investment property	300,000	300,000
Land held for property development	79,482	79,482
Total non-current assets	<u>382,461</u>	<u>382,980</u>
Current assets		
Property development cost	121,635	121,239
Trade and other receivables	1,898	1,608
Current tax assets	353	406
Cash and cash equivalents	985	2,003
Total current assets	<u>124,871</u>	<u>125,256</u>
Total assets	<u><u>507,332</u></u>	<u><u>508,236</u></u>
Equity and liabilities		
Share capital	287,660	287,660
Reserves	(52,141)	(43,169)
Total equity	<u>235,519</u>	<u>244,491</u>
Liabilities		
Non-current liabilities		
Bank borrowings	1,015	1,063
Deferred tax liabilities	19,618	19,618
	<u>20,633</u>	<u>20,681</u>
Current liabilities		
Trade and other payables	164,226	158,103
Provision for liquidated and ascertained damages	257	257
Bank borrowings	85,863	83,870
Current tax liabilities	834	834
	<u>251,180</u>	<u>243,064</u>
Total liabilities	<u>271,813</u>	<u>263,745</u>
Total equity and liabilities	<u><u>507,332</u></u>	<u><u>508,236</u></u>
Net assets per share (RM)	0.82	0.85

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	← Attributable to owner of the parent →						
	Share capital RM'000	Warrants reserve RM'000	Foreign exchange reserve RM'000	Retained earnings / (Accumulated losses) RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
As at 1 July 2012	287,660	10,011	132	(53,312)	244,491	-	244,491
Foreign currency translation, representing net income recognised directly in equity	-	-	86	-	86	-	86
Net loss for the period	-	-	-	(9,058)	(9,058)	-	(9,058)
Total comprehensive expenses for the period	-	-	86	(9,058)	(8,972)	-	(8,972)
As at 31 December 2012	287,660	10,011	218	(62,370)	235,519	-	235,519
As at 1 July 2011	287,660	10,011	90	46,698	344,459	26,406	370,865
Non-controlling interest share of losses in prior years	-	-	-	498	498	(498)	-
Net loss for the period	-	-	-	(5,044)	(5,044)	(698)	(5,742)
Total comprehensive expenses for the period	-	-	-	(4,546)	(4,546)	(1,196)	(5,742)
As at 31 December 2011	287,660	10,011	90	42,152	339,913	25,210	365,123

The Condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA PACIFIC CORPORATION BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	6 months ended 31/12/2012 RM'000	6 months ended 31/12/2011 RM'000
Cash flows from operating activities		
Net loss before taxation	(8,940)	(5,742)
Adjustments for :		
Depreciation of property, plant and equipment	494	544
Interest expense	7,234	4,652
Interest Income	(16)	(7)
Gain on disposal of property, plant and equipment	(31)	-
Net unrealised foreign exchange differences	(1)	(1)
Operating loss before working capital changes	<u>(1,260)</u>	<u>(554)</u>
Trade and other receivables	(295)	(842)
Trade and other payables	285	6,891
Cash (used in)/generated from operations	<u>(1,270)</u>	<u>5,495</u>
Interest expenses paid	(750)	(5,830)
Interest income received	16	7
Tax paid	(23)	(116)
Net cash flows used in operating activities	<u>(2,027)</u>	<u>(444)</u>
Cash flows from investing activities		
Development expenditure incurred in property development costs	(396)	(945)
Proceeds from disposal of property, plant and equipment	56	-
Purchase of property, plant and equipment	-	(24)
Net cash flows used in investing activities	<u>(340)</u>	<u>(969)</u>
Cash flows from financing activities		
Repayment of bank borrowings	(195)	(242)
Net cash flows used in financing activities	<u>(195)</u>	<u>(242)</u>
Net decrease in cash and cash equivalents	(2,562)	(1,655)
Cash and cash equivalents at beginning of financial period	<u>(55,781)</u>	<u>(53,646)</u>
Cash and cash equivalents at end of the financial period	<u>(58,343)</u>	<u>(55,301)</u>

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 31/12/2012 RM'000	As at 31/12/2011 RM'000
Fixed deposit with a licensed bank	-	255
Cash and bank balances	985	1,343
Bank overdrafts	(59,328)	(56,899)
	<u>(58,343)</u>	<u>(55,301)</u>

The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

SECTION A – EXPLANATORY NOTES PURSUANT TO FRS 134

A1. ACCOUNTING POLICIES

The quarterly consolidated financial statements are unaudited and have been prepared in accordance with the reporting requirements of Financial Reporting Standards (“FRS”) 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the main market Listing Requirements of Bursa Malaysia Securities Berhad.

The significant accounting policies adopted in the interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2012 except for adoption of the following Issue Committee (“IC”) Interpretations and Amendments to FRSs issued by the MASB that are effective for the Group’s financial statements commencing 1 July 2012:-

FRSs/Interpretations

FRS 124	<i>Related Party Disclosures</i>
Amendments to FRS 1	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
Amendments to FRS 7	<i>Disclosures – Transfers of Financial Assets</i>
Amendments to FRS 112	<i>Deferred tax: Recovery of Underlying Assets</i>
Amendments to FRS 9	<i>Mandatory Effective Date of FRS 9 and Transition Disclosures</i>
Amendment to FRS 101	<i>Presentation of Items of other Comprehensive Income</i>

The application of the above Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

A2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2012 was not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

There were no significant seasonal and cyclical factors that affect the business of the Group.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the financial period.

A5. MATERIAL CHANGES IN ESTIMATES

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

A6. DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the financial period under review.

A7. DIVIDENDS PAID

There was no dividend paid during the financial period under review.

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A8. SEGMENTAL REPORTING

The segmental analysis for the Group for the financial period ended 31 December 2012 as follows:-

a) 6 months ended 31 December 2012

Description	Property development and construction (RM'000)	Investment properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
<u>Revenue</u>				
External sales	-	6,334	-	6,334
Inter-segment sales	-	4,853	(4,853)	-
Sub-total	-	11,187	(4,853)	6,334
<u>Results</u>				
Segment results	(1,815)	4,033	(3,924)	(1,706)
Finance costs	(3,935)	(7,223)	3,924	(7,234)
Loss before taxation	(5,750)	(3,190)	-	(8,940)
Taxation				(118)
Loss after taxation				(9,057)

b) 6 months ended 31 December 2011

Description	Property development and construction (RM'000)	Investment properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
<u>Revenue</u>				
External sales	2,038	6,323	-	8,361
Inter-segment sales	-	5,532	(5,532)	-
Sub-total	2,038	11,855	(5,532)	8,361
<u>Results</u>				
Segment results	(1,443)	3,486	(3,133)	(1,090)
Finance costs	(1,422)	(6,118)	2,888	(4,652)
Loss before taxation	(2,865)	(2,632)	(245)	(5,742)
Taxation	-	-	-	-
Loss after taxation				(5,742)

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A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no amendments to the valuation of property, plant and equipment brought forward.

A10. SUBSEQUENT MATERIAL EVENTS

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

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the financial period under review.

A12. CHANGES IN CONTINGENT LIABILITIES/ASSETS

There were no changes in contingent liabilities or contingent assets for the financial period under review.

A13. LOSS BEFORE TAX

	Individual Period 3 months ended 31.12.2012 RM'000	Cumulative Period 6 months ended 31.12.2012 RM'000
Loss before tax is arrived at after charging/ (crediting):		
Other income	(63)	(128)
Depreciation of property, plant and equipment	209	494
Interest expenses	3,090	7,234
	<u>3,090</u>	<u>7,234</u>

SECTION B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. PERFORMANCE REVIEW

There were no significant changes to the Group's principal activities for the current financial year. The main source of income was from investment property including rental income and car park collection income.

The Group's revenue for the financial period ended 31 December 2012 was RM3.2 million, which was lower as compared to the preceding corresponding financial period ended 31 December 2011 of RM5.2 million. The lower revenue was mainly due to the lower occupancy rate for the period.

The loss before taxation incurred for the reported financial period of RM3.7 million was higher as compared to the corresponding financial period ended 31 December 2012 of RM2.5 million. This was largely attributable to higher finance costs incurred during the current financial period under review.

The net asset value per share ("NAV") of the Group had significantly decreased from RM1.18 as at 31 December 2011 to RM0.82 as at 31 December 2012. This was mainly due to an amount of RM86.1 million transferred to Retained Earnings of the Group which arose from the exercise of the Put-Option by AmanahRaya Development Sdn. Bhd..

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

In the current quarter under review, the Group recorded a lower loss before tax of RM3.7 million as compared with the immediate preceding quarter ended 30 September 2012 of a loss before tax of RM5.2 million. The improved performance was mainly due to higher sales and lower administrative expenses recorded during the quarter.

B3. PROSPECTS FOR THE FINANCIAL YEAR

The revenue of the Group solely depends on the rental and related income sources of Wisma MPL. The revenue growth will greatly depend on increasing its existing occupancy ratio plus revised rental rates upon the building being upgraded and renovated. However, upgrading will depend on materialisation of potential joint-venture.

Management is still exploring carefully for suitable potential strategic investors with relevant strength, experience and finances to contribute to the future growth plan of LakeHill Resort City and APTEC. Barring unforeseen circumstances and uncertainty in the material litigation in Note B11 of this report, the outlook of the Company is generally satisfactory.

B4. VARIANCES ON ACTUAL PROFIT FROM FORECAST PROFIT

This is not applicable to the Group.

B5. TAXATION

	Current Quarter RM'000	Current Year-To-Date RM'000
Taxation based on results for the financial period:		
Current financial period	59	118
	59	118

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B6. PROFITS/ (LOSSES) ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments for the current quarter ended 31 December 2012.

B7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

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

B8. STATUS OF CORPORATE PROPOSAL BUT NOT COMPLETED

There were no corporate proposals announced and pending completion at the date of this report.

B9. OTHER PAYABLES

Other payables included an amount of RM113,170,308 due to AmanahRaya Development Sdn. Bhd. arising from the exercise of its Put Option for the Company to acquire 22% equity interest in Lakehill Resort Development Sdn. Bhd. which also carries an interest rate of 7.2% per annum until settlement.

Also, an amount of RM17,289,181 is due to major shareholders 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.

B10. GROUP BORROWINGS

Total Group's borrowings as at 31 December 2012 are as follow: -

	Short Term	Long Term	
	Secured	Secured	Total
	RM'000	RM'000	RM'000
Hire purchase creditors	189	1,015	1,204
Revolving credit	26,346	-	26,346
Bank overdraft	59,328	-	59,328
Total	85,863	1,015	86,878

B11. MATERIAL LITIGATION UPDATES

Material litigation updates as at 21 February 2013.

- a. Johor Bahru High Court Suit No. 22-702-2005 was merged with Kuala Lumpur High Court Suit No.S3-22-1176-2006

The Company and its subsidiary, Taman Bandar Baru Masai Sdn. Bhd. ("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-disclosed connected parties transaction in respect of the sale of land owned by TBBM held under PTD 149705 H.S (D) 310451, Mukim Plentong, Daerah Johor Bahru.

The Defendants' action to strike out the Company's action was dismissed by the Registrar on 15 November 2007. Subsequently, the Defendants' appeal was again dismissed on 8 July 2009 in favour of the Company and TBBM.

On 25 August 2011, the Court delivered its decision in favour of the Defendants. The Company and TBBM have filed an appeal based on legal advice.

The appeal is fixed for Case Management in the Court of Appeal on 25 September 2012. The Registrar adjourned the matter pending settlement between the parties.

- b. Johor Bahru High Court Suit No. 22 - 174 - 2007

TBBM ("the Plaintiff") commenced 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 and sought relief for compensation and damages.

On 19 November 2010 the Court awarded to TBBM a token damage sum, which TBBM deemed unreasonable and had filed an appeal on 29 November 2010.

The appeal is fixed for hearing in the Court of Appeal on 28 November 2012.

The court has fixed the application to amend for hearing on 11 January 2013. The Appeal has been fixed for hearing on 25 January 2013. The Appeal against the High Court decision in awarding TBBM nominal damages was dismissed by the Court of Appeal.

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

TBBM as Plaintiff had on 22nd October, 2007 commenced 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 ("2nd Parcel") in the Mukim of Plentong, District of Johor Bahru, in questionable circumstances.

TBBM's claim against the Defendants for losses of the sum of RM1,428,200 on the sale of the 1st Parcel and RM1,152,531 on the sale of the 2nd Parcel, plus claim for other losses and damages to be assessed.

The Defendants filed an application to strike out TBBM's claim on 8 October, 2009, but was dismissed by the learned judge with cost in favour of TBBM. The case is pending a trial date to be fixed.

Upon solicitors' advice, the TBBM has withdrawn the said action, on the 3 August 2012 as the Company's Solicitor has secured confirmation from solicitors representing the three (3) Defendants that the action be discontinued with no order as to costs.

d. Court of Appeal Civil Appeal No.: W-02(NCVC)-279-01/2012 (Originally known as Kuala Lumpur High Court (Civil) No: S22-NCVC-69-2010 & Kuala Lumpur High Court (Civil) No: 22 NCVC-230-2011)

On 26 October 2010, MPC Properties Sdn. Bhd. ("MPCP") filed a writ against Hong Leong Bank Berhad and Hong Leong Assurance Berhad (collectively known as "the Defendants") to claim an outstanding sum of RM4,076,653 plus interest pursuant to unpaid rental plus reinstatement costs of premises vacated by the Defendants.

On 21 March, 2011, Hong Leong Bank Berhad and Hong Leong Assurance Berhad ("the Plaintiffs") filed a fresh suit against MPCP ("the Defendant") claiming for the refund of rental deposits. The Defendant has filed the defence and counter claim for setting off against the unpaid rental plus double rent for late delivery of vacant possession plus reinstatement costs incurred on the vacated premises, namely the set-off the rental deposits.

The Court agreed the Plaintiffs' entitlement in respect of refunding the rental deposits, but the said judgment was stayed by the same judge, pending disposal of the Defendants' counterclaim in respect of set-off against the unpaid rents, double rent and costs of reinstatement of vacated premises.

The full hearing of the suit was completed on 11 November 2011. On 27 December 2011, the Court dismissed the Defendant's Counterclaim with costs.

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Upon solicitors' advice, the Defendant filed an appeal to the Court of Appeal against the High Court decision on 18 January 2012.

The appeal was fixed for Hearing in the Court of Appeal on 15 October 2012. The appeal was adjourned to 22 October 2012 pending settlement between the parties. The appeal was further adjourned to 25 October 2012. On 25 October 2012, the Court of Appeal had dismissed the Appellant's appeal.

The Appellant has entered into a mutual agreement with the Respondent (Hong Leong) with regards to the payment of the judgment sum. The Respondent is agreeable for the Appellant to pay the judgment sum in six (6) installments of RM262,594 amounting to RM1,575,564.

e. Kuala Lumpur High Court (Civil) No. D22NCC-1500-2010

On 3 August, 2010, Messrs Kamil Hashim Pury & Lim ("the Plaintiff") filed a writ against Lakehill Resort Development Sdn. Bhd. ("the Defendant") claiming RM443,637.50 being an alleged professional fee for services allegedly rendered to the Defendant. The Defendant contested that the Plaintiff was never appointed a solicitor by the Defendant, as the Defendant was not a party as purchaser or vendor in the sale and purchase agreement purportedly drafted by the Plaintiff.

Attempt by the Plaintiff to file an application for Summary Judgment was struck out by the Learned Judge. The Defendant's solicitors are of the opinion that it has a good defense to the Plaintiff's claim.

The matter was fixed for Full Trial in the High Court on 26 September 2012. Settlement has been recorded and the Defendant is to pay the settlement sum of RM180,000 in stages of three months, RM60,000 each month.

f. Court of Appeal Civil Appeal No.: W-02(NCVC)(W)-1660-07-2012 (Originally known as Kuala Lumpur High Court Civil Suit No. 22 NCVC-975-10/2011)

Wisma MPL JMB ("Plaintiff") vs. Malaysia Pacific Corporation Berhad ("Defendant")

The Plaintiff's claim against the Defendant for the sum of RM3,083,639 being the outstanding maintenance and service charges allegedly owed by the Defendant as at 30 April 2011. The Defendant denies owing the Plaintiff the sum claimed due to the fact that the sum claimed by the Plaintiff was erroneous. The Plaintiff's claim had failed to deduct and account for monies that were paid and advanced by the Defendant throughout the relevant period, namely towards all utilities charges, building improvement works, non-payment of rental charges towards the usage of the Defendant's premises for the Plaintiff's benefit and also for lack of maintenance and services in addressing complaints by the Defendant's tenants.

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The Defendant also contended that the maintenance and service charges were disproportionate, excessive and unreasonable and filed a Counterclaim against the Plaintiff claiming the sum of RM2,105,041 being damages suffered by the Defendant by reason of the poor maintenance and management services provided by the Plaintiff. The Defendant has also disputed the validity, formation and constitution of the Plaintiff contending that it contravened the Building and Common Property (Maintenance and Management) Act 2007.

The Plaintiff had filed an application seeking to enter summary judgment against the Defendant for the sum claimed, but the application was refused by the Learned Judge.

The decision of the High Court was given on 28 June 2012 wherein the Plaintiff's claim against the Company was allowed and the Company's counterclaim against the release of the written decision of the Learned Judge.

Upon solicitor's advice, the Defendant filed an application for stay on 23 July 2012. The matter was fixed for the Hearing (stay application) at High Court on 6 September 2012 and for the Case Management at the Court of Appeal on 12 September 2012.

Subsequently, the Hearing (stay application) at High Court was fixed for 6 September 2012 and for the Case Management at the Court of Appeal on 12 September 2012 has been withdrawn by the Defendant.

The parties had reached an out of court settlement whereby the Defendant paid RM561,000 on 8 October 2012 and the balance of RM5.3 million shall be paid by 12 months installments commencing 8 November 2012.

g. Kuala Lumpur High Court Civil Suit No. S-22-347-2010

Wong Seng Huat & Safe Deposit Box Sdn. Bhd. ("Plaintiffs") vs. Malaysia Pacific Corporation Berhad & MPC Properties Sdn. Bhd. ("Defendants").

The Plaintiffs commenced an action against the Defendants on 20 April 2010 under misrepresentation or collateral contracts/fraud and alleged that the Defendants made guarantees that all tower block lifts will be reprogrammed to stop automatically at the second floor of Wisma MPC. The Plaintiffs pray for specific performance to compel the Defendants to reprogram the lift or rescission of the Tenancy Agreement entered into on 22 January 2009 ("the Tenancy Agreement") and damages.

The Defendants filed their defense and prayed for vacant possession of their premises and filed a counterclaim against the plaintiff for outstanding rental due and owing under the Tenancy Agreement.

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The matter was fixed for Case Management on 20 November 2012. Subsequently, the Court had fixed the matter for another Case Management date on 30 November 2012.

At the Case Management on 30 November 2012, the Judge fixed this matter for Trial on 17 and 18 June 2013.

h. Kuala Lumpur High Court Civil Suit No.: 22NCC-1453-09/2012

AmanahRaya Development Sdn. Bhd. ("the Plaintiff") filed an action against Oriental Pearl City Properties Sdn. Bhd. ("OPCP") and Malaysia Pacific Corporation Berhad ("the Defendants") on 27 September 2012.

The Plaintiff's claim is for of RM 113,170,308.20 allegedly owing to the Defendant's as a result of a Put Option exercised by the Plaintiff as per a Joint Venture Agreement between the Plaintiff and OPCB, and a Deed of Undertaking between the Plaintiff and the Defendants.

The matter is fixed for Case Management on 8 November 2012. The Plaintiff had on 31 October 2012 served a Summary Judgment application on the Defendants. The matter is fixed for another Case Management on 22 November 2012.

At the Case Management on 22 November 2012, the Court fixed the matter for Hearing of the Summary Judgment application on 3 January 2013.

On 30 January 2013, the Kuala Lumpur High Court had entered summary judgment against OPCB and MPCB for the sum of RM113,170,308.20 together with interest at the rate of 7.2% per annum calculated from 19 September 2012 until the date of full settlement.

i. Kuala Lumpur Magistrates Suit No.: 72-79959-2012

Nik Mohd Zairul Nizam ("the Plaintiff") filed an action against Mazura Abd Rahim (MPCB's former staff) and MPC Properties Sdn. Bhd. ("the defendants") on 21 September 2012.

The Plaintiff is claiming for damages of RM93,600 for breach of terms of the tenancy agreement dated 6 July 2011. The matter was fixed for Mention on 22 November 2012.

The Magistrate has fixed the matter for another Mention date on 17 December 2012. The Magistrate noted that the claim is above the jurisdiction of Magistrate Court and directed the Plaintiff to file an application / originating summons to transfer the matter to Sessions Court.

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B12. DIVIDEND

The Board does not recommend any interim dividend for the current financial period ended 31 December 2012.

B13. LOSS PER SHARE

(a) Basic

	Individual Period 6 months ended 31/12/2012	Individual Period 6 months ended 31/12/2011	Cumulative Period 6 months ended 31/12/2012	Cumulative Period 6 months ended 31/12/2011
Loss attributable to owner of the parent (RM'000)	(3,770)	(2,220)	(9,058)	(5,044)
Weighted average number of ordinary shares in issue ('000)	287,660	287,660	287,660	287,660
Basic loss per share (sen)	(1.31)	(0.77)	(3.15)	(1.75)

(b) Diluted

The diluted loss per ordinary share is not presented as the average market value of the ordinary shares of the company is lower than the exercise price for the outstanding warrants and thus it is anti-dilutive.

B14. REALISED AND UNREALISED PROFIT OR LOSSES

The following analysis of realised and unrealised retained profits is pursuant to Paragraphs 2.06 and 2.23 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Securities and is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

	Group 31.12.2012 RM'000	Group 30.6.2012 RM'000
Total retained earnings/(accumulated losses) of the Group and its subsidiaries:		
Realised	(122,187)	(113,129)
Unrealised	59,817	59,817
	<hr/>	<hr/>
Total Group accumulated losses	<u>(62,370)</u>	<u>(53,312)</u>

B15. This interim financial report is dated 21 February 2013.