

MALAYSIA PACIFIC CORPORATION BERHAD

(12200 - M)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE FINANCIAL PERIOD ENDED

30 SEPTEMBER 2015

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended		3 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
Revenue	2,184	3,084	2,184	3,084
Cost of sales	(86)	(1,472)	(86)	(1,472)
Gross profit	2,098	1,612	2,098	1,612
Other income	15	31	15	31
Administrative expenses	(2,749)	(2,002)	(2,749)	(2,002)
Loss from operations	(636)	(359)	(636)	(359)
Finance costs	(2,393)	(2,881)	(2,393)	(2,881)
Loss before tax	(3,029)	(3,240)	(3,029)	(3,240)
Taxation	-	(60)	-	(60)
Loss for the period	(3,029)	(3,300)	(3,029)	(3,300)
Other comprehensive loss, net of tax				
Foreign currency transaction differences for foreign operations	(78)	(29)	(78)	(29)
Total comprehensive loss	(3,107)	(3,329)	(3,107)	(3,329)
Loss attributable to:				
Owners of the parent	(3,029)	(3,300)	(3,029)	(3,300)
Non-controlling interest	-	-	-	-
	(3,029)	(3,300)	(3,029)	(3,300)
Total comprehensive loss attributable to:				
Owners of the parent	(3,107)	(3,329)	(3,107)	(3,329)
Non-controlling interest	-	-	-	-
	(3,107)	(3,329)	(3,107)	(3,329)
Loss per share attributable to owners of the parent:				
a) Basic (sen)	(1.05)	(1.15)	(1.05)	(1.15)
b) Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA PACIFIC CORPORATION BERHAD (12200 - M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

	As at 30/09/2015 (Unaudited) RM'000	As at 30/06/2015 (Audited) RM'000
Non-current assets		
Property, plant and equipment	673	788
Investment property	320,000	320,000
Land held for property development	224,576	224,576
Total non-current assets	<u>545,249</u>	<u>545,364</u>
Current assets		
Property development cost	15,268	15,268
Trade and other receivables	1,177	1,179
Cash and cash equivalents	760	357
Total current assets	<u>17,205</u>	<u>16,804</u>
Total assets	<u><u>562,454</u></u>	<u><u>562,168</u></u>
Equity and liabilities		
Equity		
Share capital	287,660	287,660
Reserves	(57,575)	(54,468)
Total equity	<u>230,085</u>	<u>233,192</u>
Liabilities		
Non-current liabilities		
Bank borrowings	598	655
Deferred tax liabilities	33,275	33,275
	<u>33,873</u>	<u>33,930</u>
Current liabilities		
Trade and other payables	203,719	200,241
Provision for liquidated and ascertained damages	257	257
Bank borrowings	91,828	91,856
Current tax liabilities	2,692	2,692
	<u>298,496</u>	<u>295,046</u>
Total liabilities	<u>332,369</u>	<u>328,976</u>
Total equity and liabilities	<u><u>562,454</u></u>	<u><u>562,168</u></u>
Net assets per share (RM)	0.80	0.81

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 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 30 SEPTEMBER 2015**

← Attributable to owners of the parent →
← Non-distributable →

	Share capital RM'000	Warrants reserve RM'000	Foreign exchange reserve RM'000	Accumulated losses RM'000	Total equity RM'000
As at 1 July 2015	287,660	-	(656)	(53,812)	233,192
Foreign currency translations, net of tax	-	-	(78)	-	(78)
Loss for the period	-	-	-	(3,029)	(3,029)
Total comprehensive loss for the period	-	-	(78)	(3,029)	(3,107)
As at 30 September 2015	287,660	-	(734)	(56,841)	230,085
As at 1 July 2014	287,660	10,011	135	(47,839)	249,967
Foreign currency translations, net of tax	-	-	(29)	-	(29)
Loss for the period	-	-	-	(3,300)	(3,300)
Total comprehensive loss for the period	-	-	(29)	(3,300)	(3,329)
As at 30 September 2014	287,660	10,011	106	(51,139)	246,638

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	3 months ended 30/09/2015 RM'000	3 months ended 30/09/2014 RM'000
Cash flows from operating activities		
Loss before tax	(3,029)	(3,240)
Adjustments for :		
Depreciation of property, plant and equipment	122	183
Interest expenses	2,393	2,881
Interest income	(7)	-
Unrealised gain on foreign exchange	(74)	-
Operating profit/(loss) before working capital changes	(595)	(176)
Trade and other receivables	2	13
Trade and other payables	3,474	222
Cash generated from operations	2,881	59
Interest expenses paid	(2,393)	(700)
Interest income received	7	-
Tax paid	-	(60)
Net cash generated from/(used in) operating activities	495	(701)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7)	-
Net cash used in investing activities	(7)	-
Cash flows from financing activity		
Repayment of bank borrowings	(68)	(60)
Net cash used in financing activity	(68)	(60)
Net increase/(decrease) in cash and cash equivalents	420	(761)
Cash and cash equivalents at beginning of financial period	(65,521)	(62,602)
Cash and cash equivalents at end of the financial period	(65,101)	(63,363)

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

	As at 30/09/2015 RM'000	As at 30/09/2014 RM'000
Cash and bank balances	760	553
Bank overdrafts	(65,861)	(63,916)
	(65,101)	(63,363)

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 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 30 SEPTEMBER 2015

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 2015 and all new and revised FRS, amendments to FRS and IC Interpretations issued by the MASB that are effective for annual financial periods beginning on or after 1 July 2015.

The application of the accounting standards, amendments and 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

Messrs UHY, the Company's External Auditors, had expressed a disclaimer opinion in the Company's Audited Financial Statements for the financial year ended 30 June 2015.

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.

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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. DIVIDEND 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 30 September 2015 as follows:-

a) 3 months ended 30 September 2015

Description	Property development and construction (RM'000)	Investment properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
Revenue				
External sales	-	2,184	-	2,184
Inter-segment sales	-	1,625	(1,625)	-
Sub-total	-	3,809	(1,625)	2,184
Results				
Segment results	(167)	(469)	-	(636)
Finance costs	-	(2,393)	-	(2,393)
Loss before taxation	(167)	(2,862)	-	(3,029)
Taxation				-
Loss after taxation				(3,029)

b) 3 months ended 30 September 2014

Description	Property development and construction (RM'000)	Investment properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
Revenue				
External sales	-	3,084	-	3,084
Inter-segment sales	-	2,409	(2,409)	-
Sub-total	-	5,493	(2,409)	3,084
Results				
Segment results	(294)	(65)	-	(359)
Finance costs	(454)	(2,427)	-	(2,881)
Loss before taxation	(748)	(2,492)	-	(3,240)
Taxation				(60)
Loss after taxation				(3,300)

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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 30/09/2015 RM'000	Cumulative Period 3 months ended 30/09/2015 RM'000
Loss before tax is arrived at after charging/ (crediting):		
Interest income	(7)	(7)
Depreciation of property, plant and equipment	122	122
Interest expenses	2,393	2,393
Unrealised gain on foreign exchange	(74)	(74)
	<u> </u>	<u> </u>

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

B1. PERFORMANCE REVIEW

The Group's revenue for the current quarter ended 30 September 2015 has decreased to RM2.2 million as compared to the preceding corresponding quarter ended of RM3.1 million. The lower revenue in the current financial period is due to lower contribution from rental of investment property.

The loss before tax for the current financial quarter was RM3.0 million as opposed to a loss before tax of RM3.2 million for the corresponding quarter ended 30 September 2014. The lower loss before tax for the current financial quarter are mainly due to lower of cost of sales.

The net asset value per share ("NAV") of the Group as at 30 September 2015 and 30 June 2015 is RM0.80 and RM0.81 respectively.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

In the current financial quarter under review, the Group recorded lower revenue of RM2.2 million as compared with the immediate preceding quarter ended 30 June 2015 of RM2.2 million due to reduce revenue of rental and have no contribution from property development and construction segment in the current financial quarter.

The loss before tax in the reported financial quarter was RM3.0 million as opposed to a loss before tax of RM10.4 million for the immediate preceding quarter ended 30 June 2015. The lower loss before tax for the quarter are mainly due to lower of administrative expenses in the preceding financial quarter.

B3. PROSPECTS FOR THE FINANCIAL YEAR

The Group's property development segment is anticipated to contribute to the Group's result for the financial year. Barring unforeseen circumstances, the Group's prospect for the financial year is optimistic.

B4. VARIANCES ON ACTUAL PROFIT FROM FORECAST PROFIT

This is not applicable to the Group.

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B5. TAXATION

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

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

There were no sales of unquoted investments for the current quarter ended 30 September 2015.

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

There are no corporate proposals announced as at the date of this report.

B9. OTHER PAYABLES

Included in other payables are:

- i) An amount of RM115.0 million which represents the balance of the settlement sum according to the Settlement Agreement with Amanahraya Development Sdn Bhd dated 10 March 2014.
- ii) An amount of RM25.8 million is due to major shareholders of the Company on a periodic emergency financial assistance requested by the Company. The amount owing is unsecured, interest free and with no fixed terms of repayment.
- iii) Interest accrued on revolving credit of RM13.4 million.

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B10. GROUP BORROWINGS

Total Group's borrowings as at 30 September 2015 are as follow: -

	Short Term	Long Term	
	Secured	Secured	Total
	RM'000	RM'000	RM'000
Hire purchase creditors	263	598	861
Revolving credit	25,704	-	25,704
Bank overdraft	65,861	-	65,861
Total	91,828	598	92,426

All the borrowings are denominated in Ringgit Malaysia (RM).

B11. MATERIAL LITIGATION UPDATES

(a) Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013

Wisma MPL JMB ("JMB" or "the Plaintiffs") vs. Malaysia Pacific Corporation Berhad ("MPCORP" or "Defendant" or "the Company").

On 16 November 2015, an application for stay was filed by the Company to stay the execution of the Writ of Possession (the "application for stay") pending the full and final disposal of the court proceedings filed in the High Court of Malaya at Kuala Lumpur vide Originating Summons No.: 24NCVC-1055-07/2015.

On 17 November 2015, the Court had granted an interim stay pending the disposal of the application for stay which has now been fixed for hearing on 18 December 2015.

(b) Johor Bahru High Court Originating Summons No. 24FC-1845-11/2014

AmanahRaya Development Sdn Bhd ("ADSB" or "Plaintiff") vs Taman Bandar Baru Masai Sdn Bhd ("TBBM" or "Defendant")

On 16 November 2015, the Johor Bahru High Court has fixed the final hearing of the Originating Summons on 31 January 2016.

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(c) Kuala Lumpur High Court Civil Suit No. S-22-347-2010

Wong Seng Huat & Safe Deposit Box Sdn Bhd (“Plaintiff”) vs Malaysia Pacific Corporation Berhad & MPC Properties Sdn Bhd (“Defendants”)

On 15 July 2015, the Court of Appeal has dismissed the Appellant’s appeal of the High Court Judgement and the order of the High Court on 16 January 2014 was affirmed with cost except the Appellant’s appeal against the double rental awarded by the High Court. The Court of Appeal varied the order of the High Court to the extent that the double rental was allowed only up to 25 April 2011, being the date where the Appellant was locked out the premises and not 4 September 2012.

(d) Johor Bahru Magistrate Court Civil Suit No. A72C-2-03/2015

Hiway Matra Consult (“Plaintiff”) vs Lakehill Resort Development Sdn Bhd (“Defendant”)

A settlement was reached between LRDSB and the Plaintiff and therefore, on 26 August 2015, the Plaintiff withdrawn the Writ of Summons with liberty to file a fresh with no order as to costs.

(e) Kuala Lumpur High Court Originating Summons No. 24NCVC-1055-07/2015

Malaysia Pacific Corporation Berhad (“MPCORP” or “the Company” or “the Plaintiff”) vs Wisma MPL JMB (“JMB” or “the defendant”)

The matter has now been fixed for Hearing of the Defendant’s application for security for costs and the Defendant’s application to strike out the Plaintiff’s claims on 26 November 2015.

The Originating Summons is also fixed for Case Management on 26 November 2015.

B12. DIVIDEND

The Board does not recommend any interim dividend for the current financial period ended 30 September 2015.

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B13. LOSS PER SHARE

(a) Basic

	Individual Period 3 months ended 30/09/2015	Individual Period 3 months ended 30/09/2014	Cumulative Period 3 months ended 30/09/2015	Cumulative Period 3 months ended 30/09/2014
Loss attributable to owners of the parent (RM'000)	(3,029)	(3,300)	(3,029)	(3,300)
Weighted average number of ordinary shares in issue (‘000)	287,660	287,660	287,660	287,660
Loss per share (sen)	(1.05)	(1.15)	(1.05)	(1.15)

(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 and thus it is anti-dilutive.

B14. REALISED AND UNREALISED PROFITS 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 30/09/2015 (Unaudited) RM'000	Group 30/06/2015 (Audited) RM'000
Total (accumulated losses)/retained earnings of the Group:		
Realised	(493,888)	(490,859)
Unrealised	256,361	256,361
	<u>(237,527)</u>	<u>(234,498)</u>
Less: Consolidation adjustments	180,686	180,686
Total accumulated losses	<u>(56,841)</u>	<u>(53,812)</u>

B15. This interim financial report is dated 24 November 2015.