

# **MALAYSIA PACIFIC CORPORATION BERHAD**

(12200 – M)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED**

**31 DECEMBER 2019**

# MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

|   | Individual Quarter                   |  | Cumulative Quarter                              |   |
|---|--------------------------------------|--|---|---|
|   | Current Year<br>31-12-2019<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31-12-2018<br>RM'000 | Current Year<br>To Date<br>31-12-2019<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31-12-2018<br>RM'000 |
| Revenue   | 1,010                                | 4,157  | 4,063   | 6,780   |
| Cost of sales   | (698)                                | (2,292)  | (3,063)   | (4,210)   |
| <b>Gross profit</b>   | 312                                  | 1,865  | 1,000   | 2,570   |
| Other income/ loss  | 88                                   | (250)  | 13,904  | 302   |
| Administrative expenses   | (2,366)                              | (2,062)  | (5,053)   | (4,655)   |
| <b>(Loss)/ Profit from operations</b>                                 | (1,966)                              | (447)  | 9,851   | (1,783)   |
| Finance costs   | (5)                                  | (3,431)  | (9)   | (6,687)   |
|   | (1,971)                              | (3,878)  | 9,842   | (8,470)   |
| Share of results in an associate                                      | -                                    | -  | -   | -   |
| <b>(Loss)/ Profit before tax</b>                                      | (1,971)                              | (3,878)  | 9,842   | (8,470)   |
| Taxation  | 5                                    | 92   | 65  | 124   |
| <b>(Loss)/ Profit for the financial period</b>                        | (1,966)                              | (3,786)  | 9,907   | (8,346)   |
| <b>Other comprehensive profit/ (loss), net of tax</b>                 |                                      |  |   |   |
| Foreign currency transaction differences<br>for foreign operations    | -                                    | -  | 38  | (2)   |
| <b>Total comprehensive (loss)/ profit</b>                             | (1,966)                              | (3,786)  | 9,945   | (8,348)   |
| <b>(Loss)/ Profit attributable to:</b>                                |                                      |  |   |   |
| Owners of the parent  | (1,966)                              | (3,786)  | 9,907   | (8,346)   |
| Non-controlling interest  | -                                    | -  | -   | -   |
|   | (1,966)                              | (3,786)  | 9,907   | (8,346)   |
| <b>Total comprehensive (loss)/ profit attributable to:</b>            |                                      |  |   |   |
| Owners of the parent  | (1,966)                              | (3,786)  | 9,945   | (8,348)   |
| Non-controlling interest  | -                                    | -  | -   | -   |
|   | (1,966)                              | (3,786)  | 9,945   | (8,348)   |
| <b>(Loss)/ Profit per share attributable to owners of the parent:</b> |                                      |  |   |   |
| a) Basic (sen)  | (0.68)                               | (1.32)   | 3.44  | (2.90)  |
| b) Diluted (sen)  | N/A                                  | N/A  | N/A   | N/A   |

The condensed consolidated statement 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 2019.

# MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

|                                     | As At End Of<br>Current Quarter<br>31-12-2019<br>(Unaudited)<br>RM'000 | As At Preceding<br>Financial Year Ended<br>30-06-2019<br>(Audited)<br>RM'000 |
|-------------------------------------|--|--|
| <b>Non-current assets</b>           |  |  |
| Property, plant and equipment       | 763  | 887  |
| Inventories                         | 217,672  | 217,761  |
| Investment in associated company    | 50   | 50   |
| <b>Total non-current assets</b>     | <u>218,485</u>   | <u>218,698</u>   |
| <b>Current assets</b>               |  |  |
| Inventories                         | 8,085  | 8,935  |
| Trade and other receivables         | 15,107   | 18,158   |
| Tax recoverable                     | 143  | 1,244  |
| Cash and cash equivalents           | 7,810  | 3,752  |
|                                     | <u>31,145</u>  | <u>32,089</u>  |
| Assets held for sales               | 189,000  | 189,000  |
| <b>Total current assets</b>         | <u>220,145</u>   | <u>221,089</u>   |
| <b>Total assets</b>                 | <u><u>438,630</u></u>  | <u><u>439,787</u></u>  |
| <b>Equity and liabilities</b>       |  |  |
| <b>Equity</b>                       |  |  |
| Share capital                       | 287,660  | 287,660  |
| Reserves                            | (222,840)  | (232,785)  |
| <b>Total equity</b>                 | <u>64,820</u>  | <u>54,875</u>  |
| <b>Liabilities</b>                  |  |  |
| <b>Non-current liabilities</b>      |  |  |
| Other payables                      | 8,905  | 9,915  |
| Bank borrowings                     | 281  | 316  |
| Deferred tax liabilities            | 33,033   | 33,098   |
|                                     | <u>42,219</u>  | <u>43,329</u>  |
| <b>Current liabilities</b>          |  |  |
| Trade and other payables            | 331,521  | 197,774  |
| Bank borrowings                     | 70   | 143,809  |
|                                     | <u>331,591</u>   | <u>341,583</u>   |
| <b>Total liabilities</b>            | <u>373,810</u>   | <u>384,912</u>   |
| <b>Total equity and liabilities</b> | <u><u>438,630</u></u>  | <u><u>439,787</u></u>  |
| Net assets per share (RM)           | 0.23   | 0.19   |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019.

## MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

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

|  | Share<br>capital<br>RM'000 | Warrants<br>reserve<br>RM'000 | Foreign<br>exchange<br>reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>equity<br>RM'000 |
|--|----------------------------|-------------------------------|--|---------------------------------|---------------------------|
| <b>As at 1 JULY 2019</b>                                       | 287,660                    | -                             | (1,274)                                  | (231,511)                       | 54,875                    |
| Other comprehensive income<br>for the financial period         | -                          | -                             | 38                                       | -                               | 38                        |
| Profit for the financial period                                | -                          | -                             | -  | 9,907                           | 9,907                     |
| <b>Total comprehensive profit<br/>for the financial period</b> | -                          | -                             | 38                                       | 9,907                           | 9,945                     |
| <b>As at 31 DECEMBER 2019</b>                                  | 287,660                    | -                             | (1,236)                                  | (221,604)                       | 64,820                    |
| <b>As at 1 JULY 2018</b>                                       | 287,660                    | -                             | (694)                                    | (150,428)                       | 136,538                   |
| Effects on adopting MFRS 9                                     | -                          | -                             | -  | (6)                             | (6)                       |
| Other comprehensive loss<br>for the financial period           | -                          | -                             | (2)                                      | -                               | (2)                       |
| Loss for the financial period                                  | -                          | -                             | -  | (8,346)                         | (8,346)                   |
| <b>Total comprehensive loss<br/>for the financial period</b>   | -                          | -                             | (2)                                      | (8,352)                         | (8,354)                   |
| <b>As at 31 DECEMBER 2018</b>                                  | 287,660                    | -                             | (696)                                    | (158,780)                       | 128,184                   |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019.

# MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

|  | <b>As At End Of<br/>Current Quarter<br/>31-12-2019<br/>(Unaudited)<br/>RM'000</b> | <b>As At Preceding<br/>Financial Year Ended<br/>30-06-2019<br/>(Audited)<br/>RM'000</b> |
|--|---|---|
| <b>Cash flows from operating activities</b>                                    |   |   |
| Profit/ (Loss) before tax  | 9,842   | (77,546)  |
| Adjustments for :  |   |   |
| Bad debts written off  | -   | 38  |
| Depreciation of property, plant and equipment                                  | 124   | 241   |
| Impairment loss/ (gain) on trade and other receivables                         | (116)   | 63  |
| Impairment loss/ (gain) on assets held for sales                               | -   | 63,000  |
| Interest expenses  | 9   | 13,040  |
| Interest income  | (63)  | (176)   |
| Waive of interest from bank borrowing  | (13,632)  | -   |
| Gain on winding up of subsidiary companies                                     | -   | (100)   |
| Unrealised loss/ (gain) on foreign exchange                                    | -   | (1)   |
| Fair value adjustment on other payables  | 536   | 729   |
| Reversal of payable arising from proof of debts                                | -   | (1,996)   |
| Reversal of Provision for liquidated and ascertained damages                   | -   | (257)   |
| Share of result of associate   | -   | 37  |
| Change in working capital  | (3,300)   | (2,928)   |
| Inventories  | 939   | 4,947   |
| Trade and other receivables  | 3,167   | (7,521)   |
| Trade and other payables   | 132,202   | 27,025  |
| Foreign exchange reserve   | 38  | (580)   |
| Cash generated from operations   | 133,046   | 20,943  |
| Interest expenses paid   | (9)   | (21)  |
| Interest income received   | 63  | 176   |
| Tax paid   | (7)   | 2   |
| Tax refund   | 1,108   | (21)  |
| <b>Net cash generated from operating activities</b>                            | <b>134,201</b>  | <b>21,079</b>   |
| <b>Cash flows from investing activities</b>                                    |   |   |
| Investment in associated company   | -   | (87)  |
| Purchase of property, plant and equipment                                      | -   | (91)  |
| <b>Net cash generated/ (used in) investing activities</b>                      | <b>-</b>  | <b>(178)</b>  |
| <b>Cash flows from financing activity</b>                                      |   |   |
| Repayment of bank borrowing  | (37,063)  | (10,692)  |
| Repayment of finance lease liabilities   | (34)  | (105)   |
| <b>Net cash used in financing activity</b>                                     | <b>(37,097)</b>   | <b>(10,797)</b>   |
| Net increase in cash and cash equivalents                                      | 97,104  | 10,104  |
| <b>Cash and cash equivalents at beginning of financial period</b>              | <b>(89,294)</b>   | <b>(99,399)</b>   |
| <b>Effect of exchange transaction differences on cash and cash equivalents</b> | <b>-</b>  | <b>1</b>  |
| <b>Cash and cash equivalents at end of the financial period</b>                | <b>7,810</b>  | <b>(89,294)</b>   |
| Cash and cash equivalents comprise the following:                              |   |   |
| Cash and bank balances   | 7,810   | 3,752   |
| Bank overdrafts  | -   | (93,046)  |
|  | <b>7,810</b>  | <b>(89,294)</b>   |

# MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

### 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 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 interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019.

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 2019 and all new and revised FRS and amendments to FRS issued by the MASB that are effective for annual financial periods beginning on or after 1 July 2018. The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 30 June 2019.

| <b>FRSs that have been issued by MASB but are not yet effective for the Group:</b> |  | <b>Effective dates for financial periods beginning on or after</b> |
|--|--|--|
| MFRS 16  | Leases   | 1 January 2019   |
| IC Interpretation 23   | Uncertainty Over Income Tax Treatments   | 1 January 2019   |
| Amendments to MFRS 9   | Prepayment Features with Negative Compensation   | 1 January 2019   |
| Amendments to MFRS 119   | Plan Amendment, Curtailment or Settlement  | 1 January 2019   |
| Amendments to MFRS 128   | Long-term Interests in Associates and Joint Ventures                                   | 1 January 2019   |
| Annual Improvements to MFRSs 2015 - 2017 Cycle:                                    |  |  |
| • Amendments to MFRS 3   |  | 1 January 2019   |
| • Amendments to MFRS 11  |  | 1 January 2019   |
| • Amendments to MFRS 112   |  | 1 January 2019   |
| • Amendments to MFRS 123   |  | 1 January 2019   |
| Amendments to References to the Conceptual Framework in MFRS Standards             |  | 1 January 2020   |
| Amendments to MFRS 3   | Definition of a Business   | 1 January 2020   |
| Amendments to MFRS 101 and MFRS 108  | Definition of Material   | 1 January 2020   |
| MFRS 17  | Insurance Contracts  | 1 January 2021   |
| Amendments to MFRS 10 and MFRS 128   | Sales or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice                                      |

### **A1. ACCOUNTING POLICIES (CONT'D)**

The adoption of the above Amendments to FRSs does not have any material impact on the financial statements of the Group. The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 30 June 2021.

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Frameworks. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial year ending 30 June 2020 could be different if prepared under the MFRS Frameworks.

### **A2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The independent auditors' report of the Company's audited financial statements for the financial year ended 30 June 2019 contained disclaimer of opinion on the financial statements.

The following Basis for Disclaimer of Opinion shown below are extracted from the independent auditors' report of the Company's audited financial statement for the financial year ended 30 June 2019.

#### *Basis for Disclaimer of Opinion*

(a) Going concern assumption

- (i) On 1 December 2014, the Company announced that the Company was classified as an affected listed issuer pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As an affected listed issuer, the Company is required to submit a proposed regularisation plan to the relevant authorities for approval and to implement the regularisation plan within the stipulated time frame. On 17 July 2019, Bursa Malaysia Securities Berhad had granted approval to the Company for an extension of time up to 31 December 2019 to submit its proposed regularisation plan to the relevant authorities.

**A2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS (CONT'D)**

- (ii) As at 30 June 2019, the amount due to Wisma MPL JMB by the Group and the Company amounting to RM17,014,000 and RM16,625,000 respectively. The Company and certain of its subsidiary companies have entered into settlement agreements with Wisma MPL JMB for settlement of all outstanding maintenance charges and sinking fund contribution together with Car Parks Settlement Sum. However, the Company has not complied with the repayment within the agreed date stated in the now terminated settlement agreement. The Company undertake to fully settle the amount due to Wisma MPL JMB upon receiving full balance of proceeds from purchaser on disposal of Wisma MPL by 25 November 2019 (“Completion Date”). We would like to highlight that the ability of the Group and of the Company to discharge their liabilities is depends on the purchaser to fulfil its payment obligation at Completion Date.
- (iii) As disclosed in Note 2(c) to the financial statements, the Group and the Company incurred a net loss of RM81,074,000 and RM82,272,000 during the financial year ended 30 June 2019 respectively. As at 30 June 2019, the Group’s current liabilities exceeded its current assets by RM120,494,000 and the Company recorded a deficit in its shareholders’ equity of RM9,877,000.

The factors set forth above indicate the existence of material uncertainty that may cast significant doubt on the ability of the Group and of the Company to continue as going concern and therefore, they may be unable to realise their assets and discharge their liabilities in the normal course of business.

As at the date of this report, as the Company is currently in the midst of formalising the Regularisation Plan, we are unable to determine whether the Regularisation Plan will be approved by the relevant authorities and whether it will be successfully implemented for the Group and for the Company to achieve sustainable and viable operations.

As disclosed in Note 2(c) to the financial statements, the financial statements of the Group and of the Company are prepared on a going concern basis. The appropriateness of preparing the financial statements of the Group and of the Company on going concern basis is dependent upon the successful and timely formulation and implementation of the proposed regularisation plan.

Should the going concern basis of preparing the financial statements be no longer appropriate, adjustments would have to be made to reduce the value of all assets to their estimated realisable values, and to provide further estimated liabilities that may arise, and to reclassify property, plant and equipment and other non-current assets and non-current liabilities as current assets and current liabilities respectively. The financial statements of the Group and of the Company do not include any adjustment and classification relating to the recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concern.



**A2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS (CONT'D)**

- (b) As disclosed in Note 15(a) and 31(a) to the financial statements, on 28 September 2012, a creditor of a subsidiary company of the Company had served a Writ of Summons on the subsidiary company and the Company (collectively known as the “Defendants”) for a sum of RM113,170,308 together with interest of 7.20% per annum calculated from 19 September 2012 until the date of full settlement. The amount due to the creditor arose from a Put Option exercised by the creditor under a joint venture agreement dated 20 August 2008 entered into between the creditor and the subsidiary company and a Deed of Undertaking between the creditor and the Defendants.

On 23 August 2019, the Company and its subsidiary companies entered into a settlement agreement with the creditor which involves the effective disposal of land as settlement of debts due to the creditor of RM115,000,000 (“Proposed Land Disposal”). The Proposed Land Disposal is pending completion as at the date of this report. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group and of the Company should the Proposed Land Disposal is not approved by the Company’s shareholders at an extraordinary general meeting to be convened and by the relevant authorities.

- (c) As at 30 June 2019, a trade receivable of the Group has not complied with the payment schedule as stipulated in the joint venture agreement amounting to RM8.07 million. The Directors are of the opinion that the amount are recoverable and accordingly no impairment is required to be made in the financial statements. However, we would like to highlight that the recoverability of the amount due is depends on the management’s continuous effort in debt recovery.

**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 ended.

**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 current financial period ended under review.

## MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

### A6. DEBTS AND EQUITY SECURITIES

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

### A7. DIVIDEND PAID

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

### A8. SEGMENTAL REPORTING

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

#### Results for 6 months ended 31 December 2019

| Description               | Property<br>Development<br>RM'000 | Investment<br>Property<br>RM'000 | Elimination<br>RM'000 | Consolidation<br>RM'000 |
|---------------------------|-----------------------------------|----------------------------------|-----------------------|-------------------------|
| Revenue                   |                                   |                                  |                       |                         |
| - External Sales          | 1,871                             | 2,192                            | -                     | 4,063                   |
| - Inter-Segment Sales     | -                                 | -                                | -                     | -                       |
| Group's Revenue           | 1,871                             | 2,192                            | -                     | 4,063                   |
| Results                   |                                   |                                  |                       |                         |
| Segment Results           | (845)                             | 10,696                           | -                     | 9,851                   |
| Finance Costs             | (9)                               | -                                | -                     | (9)                     |
| (Loss)/ Profit Before Tax | (854)                             | 10,696                           | -                     | 9,842                   |
| Taxation                  | 65                                | -                                | -                     | 65                      |
| (Loss)/ Profit After Tax  | (789)                             | 10,696                           | -                     | 9,907                   |

#### Results for 6 months ended 31 December 2018

| Description           | Property<br>Development<br>RM'000 | Investment<br>Property<br>RM'000 | Elimination<br>RM'000 | Consolidation<br>RM'000 |
|-----------------------|-----------------------------------|----------------------------------|-----------------------|-------------------------|
| Revenue               |                                   |                                  |                       |                         |
| - External Sales      | 3,591                             | 3,189                            | -                     | 6,780                   |
| - Inter-Segment Sales | -                                 | -                                | -                     | -                       |
| Sub Total             | 3,591                             | 3,189                            | -                     | 6,780                   |
| Results               |                                   |                                  |                       |                         |
| Segment Results       | (129)                             | (1,654)                          | -                     | (1,783)                 |
| Finance Costs         | (10)                              | (6,677)                          | -                     | (6,687)                 |
| Loss Before Tax       | (139)                             | (8,331)                          | -                     | (8,470)                 |
| Taxation              | 124                               | -                                | -                     | 124                     |
| Loss After Tax        | (15)                              | (8,331)                          | -                     | (8,346)                 |

## MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

### A9. VALUATION OF LAND, PROPERTY, PLANT AND EQUIPMENT

#### (a) Assets held for sales

The fair value of the assets held for sales of the Group and the Company, which comprise of office buildings and shoplots have been arrived at on the basis of a valuation carried out by an independent firm of professional valuers, JB Jurunilai Bersekutu (KL) Sdn Bhd (“JBJBKL”) on 10 May 2019. The market value of the investment property amounting to RM220 million. The decreased in fair value of the investment property of the Group and the Company amounting to RM63 million has been recognised as impairment loss in profit and loss account in the last financial year.

#### Assets held for sales:

|   | <b>As at End of<br/>Current<br/>Quarter<br/>31-12-2019<br/>RM'000</b> | <b>As at Preceding<br/>Corresponding<br/>Quarter<br/>31-12-2018<br/>RM'000</b> |
|---|---|--|
| Freehold land and buildings             |   |  |
| - At Cost                               | 31,114  | 31,114   |
| - At Valuation                          | 188,886   | 220,886  |
| - Adjustment loss as per disposal value | (31,000)  | -  |
|   | <u>189,000</u>  | <u>252,000</u>   |

#### (b) Land held for property development

Base on the certificate of the update valuation issued by Ian Scott International (M) Sdn Bhd dated 10 October 2019. The market value of 34 parcels of freehold agricultural and commercial lands with an approximate aggregate land area of 17.72 million square foot amounting to RM413.09 million or average RM23.31 per square foot, based on “as is” basis by using comparison method, making reference relevant comparable transactions in the market. As such management is in view that no impairment is required for land held for property development.

On the assumptions that all the 34 parcels of land are converted into residential and commercial use and issued with separate unencumbered freehold land titles with all premiums and relevant statutory fees are fully paid. The market value of the 34 parcels freehold agricultural and commercial land amounting to RM553.47 million or average RM31.23 per square foot.

## **MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)**

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### **A10. SIGNIFICANT AND SUBSEQUENT MATERIAL EVENTS**

Save and disclosed below, there were no material events subsequent to the end of the financial period ended under review:

On 27 December 2019, TA Securities Holdings Berhad had submitted an application to Bursa Malaysia Security Berhad for a further extension of time up to 30 June 2020 to make the requisite announcement and to submit the Company's regularisation plan to regulatory authorities.

On 10 February 2020, Bursa Malaysia Securities Berhad approved the application for an extension of time up to 30 June 2020 for the Company to make the requisite announcement and submit its regularisation plan to the regulatory authorities.

The extension of time is without prejudice to Bursa Securities' right to proceed to suspend the trading of the listed securities of MPCORP and to de-list the Company in the event:

- (i) the Company fails to make the requisite announcement and to submit a regularisation plan to the regulatory authorities on or before 30 June 2020;
- (ii) the Company fails to obtain the approval from any of the regulatory authorities necessary for implementation of its regularisation plan; and
- (iii) the Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of any events set out in (i) to (iii) above, Bursa Securities shall suspend the trading of the listed securities of MPCORP on the 6th market day after the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company's right to appeal against the delisting.

On 8 January 2020, the Building Disposal has been completed in accordance with the terms and conditions of the Sales and Purchase Agreement (SPA).

### **A11. CHANGES IN THE COMPOSITION OF THE GROUP**

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

### **A12. CHANGES IN CONTINGENT LIABILITIES/ASSETS**

There were no material contingent liabilities or contingent assets for the financial period ended under review.

## MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

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### A13. Commitments

|                                 | <b>As At End Of<br/>Current Quarter<br/>31-12-2019<br/>RM'000</b> |
|---------------------------------|---|
| Contracted for court settlement | 12,470  |
| Contracted for debt settlement  | 4,215   |
| <b>Total</b>                    | <b>16,685</b>   |

Note

All the commitments had been provided for in the accounts.

### A14. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME

#### PROFIT/ (LOSS) BEFORE TAX

|   | <b>Individual period<br/>3 months ended<br/>31-12-2019<br/>RM'000</b> | <b>Cumulative period<br/>6 months ended<br/>31-12-2019<br/>RM'000</b> |
|---|---|---|
| Depreciation of property, plant and equipment | 62  | 124   |
| Interest expenses                             | 5   | 9   |
| Reversal of Impairment loss on receivables    | 29  | (116)   |
| Interest income                               | (49)  | (63)  |

### A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions have been entered into the normal course of business under normal trade terms except for advances from Top Lander Offshore Inc.

|  | <b>As At End Of<br/>Current Quarter<br/>31-12-2019<br/>(Unaudited)<br/>RM'000</b> | <b>As At Preceding<br/>Financial Year Ended<br/>30-06-2019<br/>(Audited)<br/>RM'000</b> |
|--|---|---|
| Advances from/ (Repayment to) Top Lander Offshore Inc. (net) | -   | 11,071  |

## **MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)**

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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 financial quarter ended 31 December 2019 decreased by RM3.15 million to RM1.01 million as compared to the preceding year's corresponding quarter ended 31 December 2018 of RM4.16 million. The decrease in revenue for the current quarter was mainly due to low rental income and revenue recognition from investment property and property development segment respectively.

The Group's registered pre-tax loss for the current quarter of RM1.97 million as compared to loss before tax in the preceding year's corresponding period ended 31 December 2019 of RM3.88 million. The decrease in loss was mainly due to lower bank interest charges from disposal of Wisma MPL

As on the year to date basis, the Group revenue decreased by RM2.72 million to RM4.06 million as compare to the proceeding year's corresponding financial year period ended 31 December 2019 of RM6.78 million. The decrease in revenue for the current financial period was mainly due to lower rental income and revenue recognition from investment property and property development segment respectively.

The Group recorded profit before tax for the current financial period of RM9.84 million as compared to pre-tax loss in the preceding year's corresponding period ended 31 December 2018 of RM8.47 million. The increase in profit was saving from bank interest waived after recognize the full settlement of RHB bank loan account.

#### **B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

|                           | <b>Current Quarter<br/>Ended<br/>31-12-2019<br/>RM'000</b> | <b>Preceding Quarter<br/>Ended<br/>30-09-2019<br/>RM'000</b> | <b>Difference</b> |          |
|---------------------------|--|--|-------------------|----------|
|                           |  |  | <b>RM'000</b>     | <b>%</b> |
| Revenue                   | 1,010  | 3,053  | (2,043)           | (66.92)  |
| (Loss)/ Profit before tax | (1,971)  | 11,813   | (13,784)          | (116.69) |

As compared to the preceding quarter, the Group revenue has decreased by RM2.04 million. The decrease in revenue for the current quarter was mainly due to low rental income and revenue recognition from investment property and property development segment respectively.

The Group's registered pre-tax loss of RM1.97 million as compare to the preceding quarter pre-tax profit of RM11.81 million. The loss was mainly due to low rental income and revenue recognition from investment property and property development segment respectively.

## MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

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### B3. PROSPECTS AND OUTLOOK FOR THE FINANCIAL YEAR

The Board believes that the prospect for the financial year will be challenging due to the local economic situation and the current pandemic which may further impact the economy and markets. Sluggish property market conditions to continue in 2020. And it is crucial to submit comprehensive regularisation plan for Practice Note 17 including to address the going concern issue.

On 27 December 2019, TA Securities Holdings Berhad had submitted an application to Bursa Malaysia Security Berhad for a further extension of time up to 30 June 2020 to make the requisite announcement and submit the regularisation plan.

Bursa Malaysia Securities Berhad had on 10 February 2020 approved the application for an extension of time up to 30 June 2020 for the Company to make the requisite announcement and submit its regularisation plan to the regulatory authorities.

### B4. VARIANCES ON ACTUAL PROFIT FROM FORECAST PROFIT

This is not applicable to the Group.

### B5. TAXATION

No provision for taxation for the current financial period ended as the Group of companies have no chargeable income and adjustment and non-recognition of deferred tax liabilities for temporary differences.

|                                 | INDIVIDUAL QUARTER |                       | CUMULATIVE QUARTER |                      |
|---------------------------------|--------------------|-----------------------|--------------------|----------------------|
|                                 | Current Year       | Preceding Year        | Current Year       | Preceding Year       |
|                                 | Quarter            | Corresponding Quarter | To Date            | Corresponding Period |
|                                 | 31-12-2019         | 31-12-2018            | 31-12-2019         | 31-12-2018           |
|                                 | RM'000             | RM'000                | RM'000             | RM'000               |
| Income tax expense for the year | -                  | -                     | -                  | -                    |
| Deferred Tax                    | (5)                | (92)                  | (65)               | (124)                |
|                                 | <u>(5)</u>         | <u>(92)</u>           | <u>(65)</u>        | <u>(124)</u>         |

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial year ended

## MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

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### B6. GROUP BORROWINGS

Total Group's borrowings as at 31 December 2019 are as follow:-

|                        | <b>Short Term<br/>Secured<br/>RM'000</b> | <b>Long Term<br/>Secured<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------|--|---|-------------------------|
| Finance lease payables | 70                                       | 281                                     | 351                     |

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

### B7. MATERIAL LITIGATION UPDATES

Kuala Lumpur High Court Summons No. WA-22NCC-41-01/2020

Asia New Ventures Sdn Bhd ("Asia New Ventures") vs Malaysia Pacific Corporation Berhad ("The Company")

On 31 January 2020, the Company through its solicitor has filed Memorandum of Appearance to the High Court in pursuant to the serving of the Writ of Summons.

On 20 February 2020 the Company has filed its Defence and Counterclaim stipulating the Company's defences to Asia New Ventures allegations and counterclaims.

The Court has fixed the date for the case management on 10 March 2020.

### B8. DIVIDEND

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

### B9. (LOSS)/ PROFIT PER ORDINARY SHARE

|  | <b>Individual Quarter</b> |                       | <b>Cumulative Quarter</b> |                       |
|--|---------------------------|-----------------------|---------------------------|-----------------------|
|  | <b>Current Year</b>       | <b>Preceding Year</b> | <b>Current Year</b>       | <b>Preceding Year</b> |
|  | <b>Quarter</b>            | <b>Corresponding</b>  | <b>Current Year</b>       | <b>Corresponding</b>  |
|  | <b>31-12-2019</b>         | <b>Quarter</b>        | <b>To Date</b>            | <b>Corresponding</b>  |
|  |                           | <b>31-12-2018</b>     | <b>31-12-2019</b>         | <b>Period</b>         |
|  |                           |                       | <b>31-12-2019</b>         | <b>31-12-2018</b>     |
| <b>(a) Basic Earnings Per Share</b>                            |                           |                       |                           |                       |
| (Loss)/ Profit attributable to members of the Company (RM'000) | (1,966)                   | (3,786)               | 9,907                     | (8,346)               |
| Weighted average number of ordinary shares in issue ('000)     | 287,660                   | 287,660               | 287,660                   | 287,660               |
| Basic (loss)/ profit per share (sen)                           | (0.68)                    | (1.32)                | 3.44                      | (2.90)                |



**B9. (LOSS)/ PROFIT PER ORDINARY SHARE (CONT'D)**

**(b) Diluted**

The Group and the Company has no dilution in its loss per ordinary share as there is no dilutive potential ordinary share. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial period ended and before the authorisation of these financial statements.

**B10. PROFITS/ (LOSSES) ON SALE OF UNQUOTED INVESTMENTS AND/ OR PROPERTIES**

There was no disposal of unquoted investments and/or properties for the current financial period ended.

**B11. PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

There was no disposal of quoted securities for the current financial period ended.

**B12. STATUS OF CORPORATE PROPOSAL**

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

**B13. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors on 27<sup>th</sup> February 2020