malaysia pacific corporation berhad
(12200-M)

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

ANNUAL REPORT 2007

ANNUAL REPORT 2007

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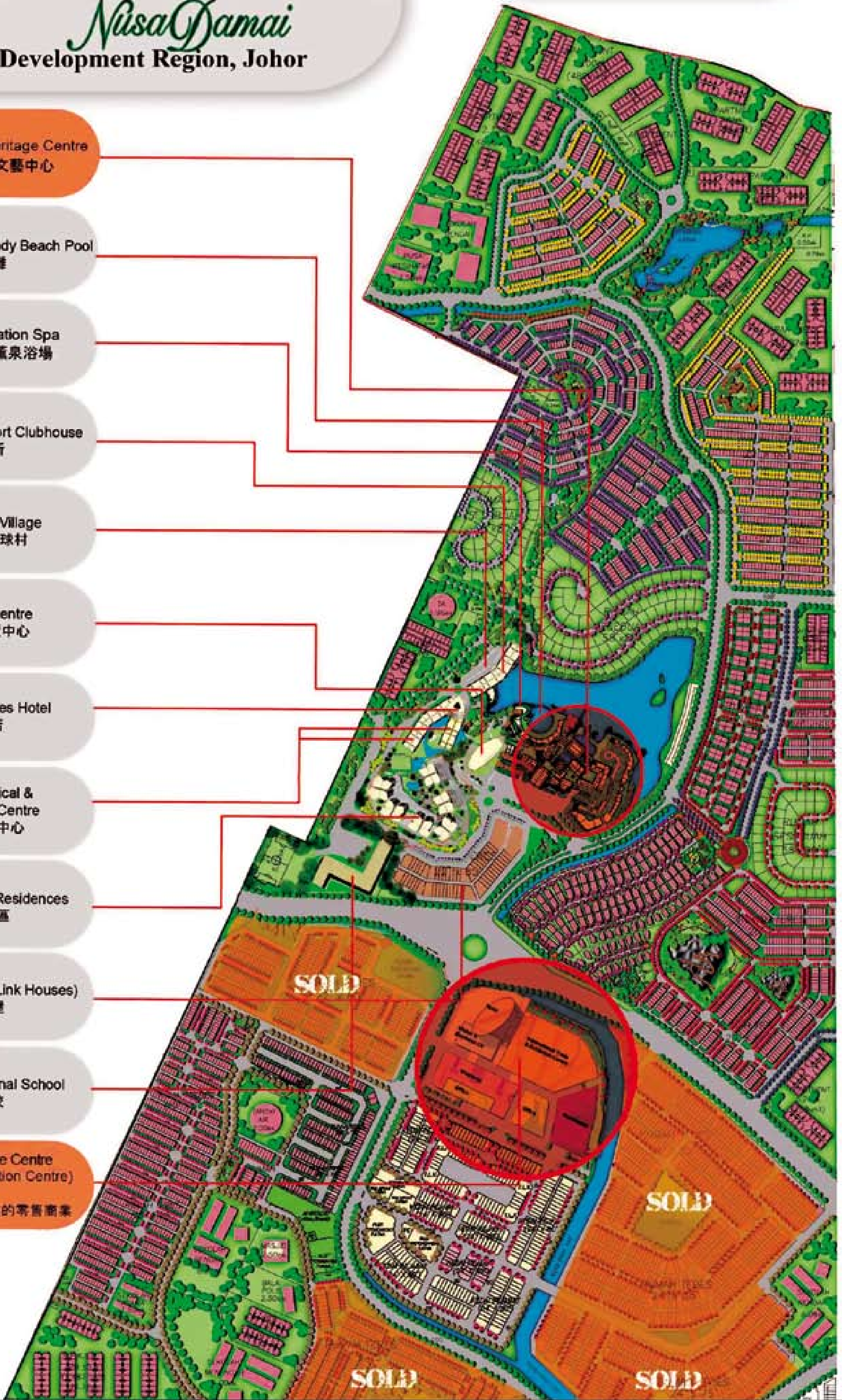
JOHOR SITE OFFICE : Lot 1441, Batu 18, Jalan Kong Kong, 81700 Pasir Gudang, Johor Darul Takzim. TeL: 07-252 1133 Fax: 07-255 1815

LakeHill Resort
NusaDamai
Iskandar Development Region, Johor

FREEHOLD LAND

- Village Resort & Heritage Centre 度假村及傳統文藝中心
- Man-Made White Sandy Beach Pool 人造沙灘
- Colossal Relaxation Spa 壯麗可觀的香薰泉浴場
- LakeHill Power Resort Clubhouse 專用會所
- LakeHill Golf Village 消遣高爾夫球村
- Business Centre 會議及展覽中心
- LakeHill All-Suites Hotel 套房酒店
- LakeHill Medical & Rejuvenation Centre 醫療及復健中心
- LakeHill Platinum Residences 悠閒住宅區
- LakeHill Crescent (Link Houses) 花園連屋
- Lakehill International School 國際學校
- LakeHill City Trade Centre (Wholesale & Exhibition Centre) 天寶城 購物商場及高科技的零售商業



Master Layout Plan

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NOTICE OF THE THIRTY-FIFTH (35TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting of the Company will be held at Mezzanine 9 & 10 (Level 4), Crown Plaza Mutiara Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Friday, 21 December 2007 at 10.00 a.m. to transact the following businesses:-

AGENDA

A. Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2007 and the Reports of Directors and Auditors thereon. *(Ordinary Resolution 1)*

2. To approve Directors' Fees for the financial year ended 30 June 2007. *(Ordinary Resolution 2)*

3. To approve a special gratuity sum of RM25,000 each to the retiring Directors, Mr Teh Leong Kiat and Dato' Abdul Karim Bin Marzuki. *(Ordinary Resolution 3)*

4. To elect Madam Kong Yuk Chu as Director retiring pursuant to Article 92 of the Company's Articles of Association. *(Ordinary Resolution 4)*

5. To elect Mr Wong Seng Huat as Director retiring pursuant to Article 92 of the Company's Articles of Association. *(Ordinary Resolution 5)*

6. To re-appoint Messrs BDO Binder as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

B. Special Business

To consider and if thought fit, to pass, with or without modifications, the following Ordinary/ Special Resolutions:-

7. AUTHORITY TO ALLOT AND ISSUE SHARES *(Ordinary Resolution 7)*

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company at any time and upon such terms and conditions for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting."

8. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY *(Special Resolution)*

"THAT the alterations, modifications, deletions and/or additions to the Articles of Association of the Company as set out in Appendix A of the Annual Report be and are hereby approved AND THAT the Directors of the Company be and are hereby authorised to do all things and acts necessary to effect the amendments to the Articles of Association of the Company."

C. Other Business

9. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

NG YEN HOONG (LS 008016)
LIM POH YEN (MAICSA 7009745)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
28 November 2007

NOTES:-

1. Appointment of Proxy

(i) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. A member who is an authorised nominee may appoint not more than two proxies in respect of each securities account it holds.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(iii) Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(iv) The instrument appointing a proxy shall be deposited at the registered office of the Company at Level 14, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

2. Explanatory Notes on Special Business

(i) Ordinary Resolution 7 – Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution 7, if passed, will give the Directors the authority to allot and issue new ordinary shares up to an amount not exceeding 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

(ii) Special Resolution – Amendments to the Articles of Association of the Company

This Special Resolution, if passed, will render the Company's Articles of Association to be consistent with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad.

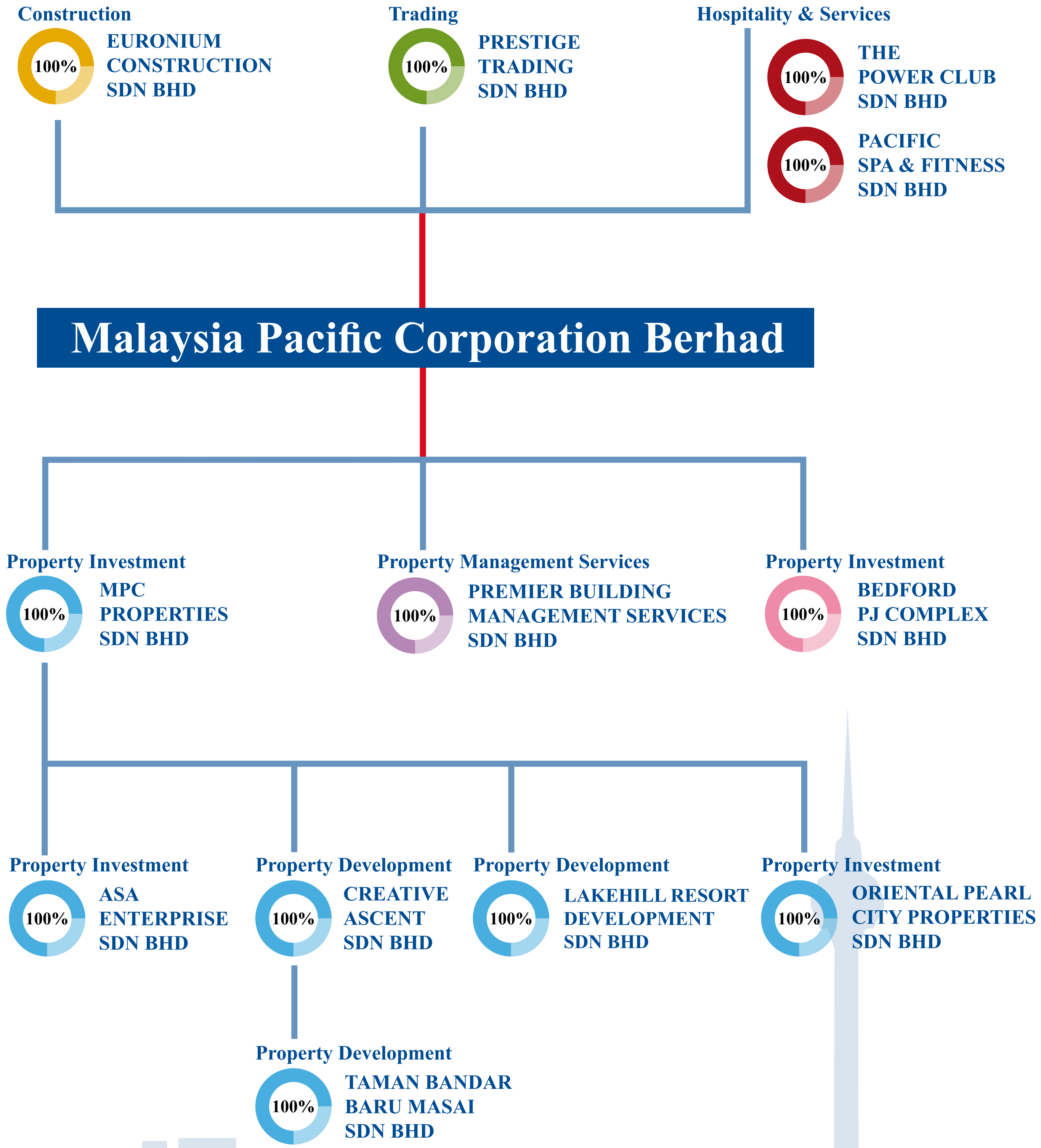
STATEMENT ACCOMPANYING NOTICE OF THE THIRTY-FIFTH (35TH) ANNUAL GENERAL MEETING

Directors who are standing for re-election at the 35th Annual General Meeting

The Directors who are standing for re-election pursuant to Article 92 of the Company's Articles of Association are:-

(a) Madam Kong Yuk Chu
(b) Mr Wong Seng Huat

(The details of the above Directors are set out in their respective profiles on page 7 of this Annual Report.)


Construction
100%
EURONIUM CONSTRUCTION SDN BHD
Trading
100%
PRESTIGE TRADING SDN BHD
Hospitality & Services
100%
THE POWER CLUB SDN BHD
100%
PACIFIC SPA & FITNESS SDN BHD
Malaysia Pacific Corporation Berhad
Property Investment
100%
MPC PROPERTIES SDN BHD
Property Management Services
100%
PREMIER BUILDING MANAGEMENT SERVICES SDN BHD
Property Investment
100%
BEDFORD PJ COMPLEX SDN BHD
Property Investment
100%
ASA ENTERPRISE SDN BHD
Property Development
100%
CREATIVE ASCENT SDN BHD
Property Development
100%
LAKEHILL RESORT DEVELOPMENT SDN BHD
Property Investment
100%
ORIENTAL PEARL CITY PROPERTIES SDN BHD
Property Development
100%
TAMAN BANDAR BARU MASAI SDN BHD

CORPORATE INFORMATION

BOARD OF DIRECTORS

YBhg Datuk Kamaruddin Bin Taib
Independent & Non-Executive Director
(Re-designated on 27-7-2007)

Seow Thiam Fatt
Independent & Non-Executive Director
(Re-designated on 27-7-2007)

Ch'ng Soon Sen
Executive Director - Operation
(Re-designated on 1-11-2007)

Kong Yuk Chu
Non-Independent & Non-Executive Director
(Appointed on 15-11-2007)

Wong Seng Huat
Independent & Non-Executive Director
(Appointed on 15-11-2007)

YBhg Dato' Abdul Karim Bin Marzuki
Independent & Non-Executive Director
(To retire at the forthcoming Annual General Meeting)

Teh Leong Kiat
Independent & Non- Executive Director
(To retire at the forthcoming Annual General Meeting)

SECRETARIES

Ng Yen Hoong (LS 008016)
Lim Poh Yen (MAICSA 7009745)

REGISTERED OFFICE

Level 14, Uptown 1,
No.1 Jalan SS21/58,
Damansara Uptown,
47400 Petaling Jaya, Selangor
Tel : 03 -7718 6188
Fax: 03 -7725 7791

REGISTRAR

PFA Registration Services Sdn Bhd
Level 13,Uptown 1,
No.1,Jalan SS21/58,
Damansara Uptown
47400 Petaling Jaya, Selangor
Tel : 03 -7718 6000
Fax : 03 -7722 2311

AUDITORS

Messrs BDO Binder
Chartered Accountants
12th Floor, Menara Uni Asia,
1008, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03 -2616 2888
Fax : 03 -2616 3190

YBhg Datuk Kamaruddin Bin Taib
PJN
Non Independent & Non-Executive Director

Datuk Kamaruddin Bin Taib, aged 49, a Malaysian, holds a Bachelor of Science Degree in Mathematics from the University of Salford (UK).

His first job was with a leading Merchant Bank in Malaysia. Subsequently, he served as a Director of several private companies as well as companies listed on Bursa Securities Malaysia Berhad (BURSA). Apart from the experience of serving on the Board of Companies listed on BURSA, Datuk Kamaruddin's experience also include previously serving on the Board of Companies listed on the Stock Exchange of India and on NASDAQ.

Datuk Kamaruddin is a shareholder and director of several private companies. He is also an Independent and Non-Executive Director of IRIS Corporation Berhad, a company listed on MESDAQ.

He has attended eight (8) out of nine (9) Board meetings held in the financial year ended 30 June 2007.

Mr Seow Thiam Fatt
Non Independent & Non-Executive Director

Mr. Seow Thiam Fatt, aged 66, a Malaysian and Chartered Accountant by profession is also a Corporate Consultant and Business Advisor. He is an Independent and Non-Executive Director of Tan Chong Motor Holdings Bhd, Warisan T C Holdings Berhad, Affin Investment Bank Berhad and ING Funds Berhad.

Mr. Seow is a Fellow of CPA Australia, Fellow of the Institute of Chartered Secretaries and Administrators and a past Fellow of the Institute of Chartered Accountants in Australia. He is also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants (MICPA). He is a past President of MICPA and also served four years as a government appointed Independent Director of the previous Kuala Lumpur Commodities Exchange (KLCE). He was also a past President of the Lions Club of Petaling Jaya and a past Council Member of the Malaysian Institute of Chartered Secretaries and Administrators.

Mr Seow has more than 20 years professional experience as a practicing accountant in the capacity of a Senior Partner of Larry Seow & Co./Moores & Rowland and a Partner of Arthur Young. He diverted from professional practice in 1994 and was previously on the Board of several private and public companies. He has held senior positions as the Finance Director of AC Nielsen (Malaysia) Sdn Bhd and Business Development Manager of Bolton Berhad. His regulatory work experience includes a two-year contract with the Securities Commission of Malaysia as the General Manager of the Financial Reporting Surveillance and Compliance Department.

He has attended nine (9) out of nine (9) meetings held in the financial year ended 30 June 2007.

Mr Ch'ng Soon Sen
Non-Independent & Non-Executive Director

Mr Ch'ng Soon Sen, aged 25, holds a degree in Business Management (Honors) from the University of Sunderland, UK.

He also possesses an Advance Diploma in Business Administration accorded by the Association of Business Executives (ABE), UK. He completed a one year course in B.Sc (Hons) in Computing and Business in Kingston University, London, UK, and one year in B.A (Hons) Architecture in University of Brighton, UK.

He is currently a director of Top Lander Offshore Inc, K-Elite Sdn Bhd and Optima Mewah Sdn Bhd, which are collectively the majority shareholders of Malaysia Pacific Corporation Berhad. He is also a director of JacMoli Design & Jewellers (M) Sdn Bhd.

He has attended four (4) out of four (4) meetings held in the financial year ended 30 June 2007.

Ms. Kong Yuk Chu

Non-Independent and Non-Executive Director

Ms Kong Yuk Chu, age 58, born in China, a Hong Kong SAR National, is a permanent resident of Malaysia. Ms Kong is a substantial shareholder of Top Landers Offshore Inc. (Top Lander) which in turn owns and controls 48.41% of Malaysia Pacific Corporation Berhad (MP Corp), jointly with her husband, who is also the Chief Executive Officer of MP Corp.

Ms Kong has several years of working experience as a Director in a few public listed company in Hong Kong. She was a Director of IHD Holdings Limited (1986 – 1993) and Non-Executive Chairman and Director of China Everbright – IHD Pacific Limited (1994 – 1996). She was also a Director in Emporium Department Store and Supermarket (HK) Limited, Hong Kong (1989 – 1996).

Ms Kong's has many years of experience in the design and retail of jade jewellery in Hong Kong and Malaysia. She is the Managing Director of Jacmoli Design Jewellers (HK) Limited, Hong Kong and Jacmoli Design Jewellers (M) Sdn Bhd, Malaysia. She is also a Director of Power Pacific Petroleum (M) Sdn Bhd.

Her other interest is in the media and movie industry in Hong Kong. She is the proprietor and director of Hong Kong Star Makers Limited, which deal in talent scouting, training and filming in Hong Kong and China. Ms Kong Yuk Chu was appointed to the Board as Non-Independent and Non- Executive Director on 15th November 2007.

Mr. Wong Seng Huat

Independent and Non-Executive Director

Mr. Wong Seng Huat, age 52, a Malaysian, holds a Bachelor of Science Degree in Economics (Hons.). He is also a member of the Institute of Chartered Accountants of England and Wales. Mr. Wong has 23 years of working experience in auditing, financial services, banking and securities trading.

Mr. Wong started his career with the accounting firm of Robson Rhodes, Chartered Accountants, in London in 1979. He was Audit Senior until 1983 when he left to join Malaysian International Merchant Bankers as Manager. He became the General Manager, Head of Corporate Finance of Commerce International Merchant Bankers Berhad from 1987 till 1992.

He then moved on in 1992 to become the Executive Director of TA Enterprise Berhad until 1999. He is currently the Managing Director of Pasarakyat Sdn Bhd. Mr. Wong was appointed to the Board as an Independent and Non-Executive Director on 15th November 2007.

YBhg Dato' Abdul Karim Bin Marzuki

DSDK, KMN

Independent & Non-Executive Director

Dato' Abdul Karim, a Malaysian, 71 years old, holds a Bachelor of Arts degree from the School of Government and Politics, Sydney University, Australia.

Upon graduation in 1961, he joined the Malaysian Administrative Service as Assistant Secretary in the Prime Minister's Department, after which, in 1965, he continued his government career in the Malaysian Diplomatic Service. Besides stints at the Ministry of Foreign Affairs (Wisma Putra), Dato' Abdul Karim had served at Malaysian embassies in Indonesia, Australia, Thailand and Soviet Union (USSR), and as well during these periods, he attended senior diplomatic trainings at the German Foundation for Developing Countries in West Berlin and at the Royal Defence College of Thailand in Bangkok. He completed his diplomatic career as High Commissioner successively to Fiji, Sri Lanka and Australia.

Upon his retirement from government service in 1992, Dato' Abdul Karim joined Kuok Group's Fiji Resort Limited, the owner and operator of Shangri-La Fiji Resort as Managing Director, and after this as Shangri-La Hotels (M) Berhad's Director of Development at Palm Beach Hotel in Penang. He last served as Human Resource and Administration Manager with a garment company in Perak.

Dato' Abdul Karim was appointed to the Board on 14 April 2006. He was also appointed Chairman of Audit and Risk Management Committee and a member of Nominating and Remuneration Committee.

He has attended nine (9) out of nine (9) Board meetings held in the financial year ended 30 June 2007.

He has expressed his desire not to seek for re-election at the forthcoming Annual General Meeting.

Mr Teh Leong Kiat

Independent & Non-Executive Director

Mr. Teh Leong Kiat, aged 61, a Malaysian, has a Bachelor of Agricultural Science, majoring in Soil Science (MU). He is a certified Professional Trainer (IPMA / UK), Professional Speaker and a member of Toastmasters International (Manila).

Apart from his experiences in managing rubber and oil palm plantations in Felda, Guthrie and Sime Darby, he was also actively involved in the cultivation and exporting of Orchid Flowers with a German company. Furthermore, he had also carried out research and development on land rehabilitation in Washington, USA and he is now involved in lecturing trainers in public speaking and presentation skills.

His other interests lie in community service works with Rotary Club and developing patterns of communication excellence through NLP Programmes. He is a member of MAXIS Toastmasters Club and the past President of the "Whoosh" society for NLP participants.

He has attended nine (9) out of nine (9) Board meetings held in the financial year ended 30 June 2007.

He has expressed his desire not to seek for re-election at the forthcoming Annual General Meeting.

Mr. Bill C. P. Ch'ng

Chief Executive Officer

Bill C. P. Ch'ng obtained his Bachelor of Architecture from the University of New South Wales, Sydney, Australia in 1964. He is a Fellow of the Royal Australian Institute of Architects (FRAIA), Associate of the Royal Institute of British Architects (RIBA) and Pertubuhan Akitek Malaysia (PAM). He served as a Council Member cum Treasurer of PAM between 1966 and 1968.

Bill, a partner of Messrs James Cubitt & Partners (JCP), designed the University of Malaya first Medical Faculty Campus and the University Teaching Hospital, Petaling Jaya.

He was pioneer architect/planner and a founding shareholder of Genting Highland Casino Hill Resort starting from the application of land, application of the casino license and application for the listing on the KLSE from 1965 till he resigned in 1972 (for personal reason) and kept the copyright of his original resort Master-Plan.

He won the 1st prize in the design of "Pusat Sivik Petaling Jaya" in 1971. His Singapore firm also won the 1st prize design of "Jurong Science Centre", Jurong, Singapore in the same year.

He was Chairman of PRC Engineering (Malaysia) Sdn Bhd (PRC) in the 1970's. PRC was one of the largest engineering firms in the world and was one of the consultants of NASA's first space shuttle programme, named the "Columbia Space Shuttle".

He branched into property development, construction, retail, hotel and financial services, spanning from Malaysia, Singapore, Hong Kong and China from 1982. He was at different periods, a Chairman and/or CEO of Q-Built System Sdn Bhd, IHD Holdings Limited Hong Kong, Telequote Malaysia Sdn Bhd, Sheraton-Imperial Hotel Sdn Bhd, Emporium Department Stores and Supermarkets Singapore Limited, Boustead PLC London and Bousteadco Singapore Limited.

He was named the "50 Asia's Top Corporate CEOs" by Business Weekly International in 1989.

Bill resided permanently in Hong Kong for 21 years from 1984 to 2005.

He was granted the Special Multi-re-entry permit to work and advise on planning and foreign joint-ventures in China between 1983 and 1989.

He was professionally appointed by China in securing the first financial package of USD 2 billion for the Daya Bay Nuclear Power Project in Guangdong in 1984. He fast-tracked and built two conventional oil-fired Power Plants, in Xiamen and Fuzhou, in 1984-1985 on "Design-Built-Finance" contract.

He was instrumental in paving the China-Malaysia Closer Political and Economic Ties in 1985 which Wisma Putra appointed him to liaise directly and privately with the Government of China in arranging the First Official Visit of Y.A.Bhg Tun Dr. Mahathir Mohammad to China in 1985.

First Consultant and Member of the Standing Committee of 'Quanzhou Overseas Fraternity Association' appointed by the Communist Party of China, Quanzhou Municipal Committee, Fujian, China in April 2000 and September 2007 respectively.

In 2005 he was invited by the then substantial shareholder, Messrs Hong Leong Group, to take up the role as an Advisor to the Board of Malaysia Pacific Corporation Berhad (MPCorp) to revamp the Company and subsequently he was appointed CEO on 29 December 2005. In December 2006, his family completed a Mandatory General Offer (MGO) and acquired the majority control of MPCorp which signified his confidence in the Company's future.

Mr. Mak Choong Moon

Chief Operating Officer

Mr Mak Choong Moon JP, aged 46, a Malaysian received his master's degree in 1986. He is a Member of the Malaysian Institute of Management and Harvard Business School Alumni Club of Malaysia. Mr Mak started his career and worked with major housing developers, both locally and overseas. He was also involved in setting up a Retail Departmental Store in Nantong, China for two (2) years and prior to that, running an IT Company involved in Distribution, Stock Broking and Banking softwares. His other past work experience includes Company Secretarial Practices, Manufacturing as well as Executive Director of Public Listed Companies in Malaysia. Prior to joining the Group in August 2006, he was CEO, at a private Company involving in property development and investment.

Mr. Paul, Yeong Chee Fong

Chief Financial Officer

Mr. Paul, Yeong Chee Fong, aged 54, a Malaysian and Chartered Accountant by profession, is a member of the Malaysian Institute of Certified Public Accountants (MICPA), Malaysian Institute of Accountants(MIA), a Certified Internal Auditor (CIA) of The Institute of Internal Auditors of USA (IIA) and Malaysia (CMIIA), an Associate member of the Association of Certified Fraud Examiners (ACFE, USA) and a Certified Financial Planner (CFP, USA) of the Financial Planning Association of Malaysia.

Mr. Yeong has 34 years of working experience in auditing and investigations, accounting, corporate finance and planning, consultancy services, business development, trading, contracting, manufacturing, property development, timber and plantations. Mr. Yeong started his career with the accounting firm of Coopers & Lybrand in 1973. He left in 1982 and became the Finance and Administration Manager of a contracting and trading group. He has worked for Bristol Myers (Malaysia) Sdn Bhd, UMW Toyota Assembly Services Sdn Bhd, Applied Magnetics (M) Sdn Bhd, a USA multinational company and the Berjaya Group Berhad.

He then worked for a legal firm and a computer distribution company in Canada before re-joining the Berjaya Group in 1994 as General Manager, Business Development. He was a Director of 8 companies within the Berjaya Group including a public listed company on the Toronto Stock Exchange. He was with Eden Enterprises (M) Berhad as Group General Manager, Corporate Finance and Planning before joining the company on 25th June 2007.

Ir. Chin Chean Fui

Senior General Manager

Ir. Chin Chean Fui, aged 54, a Malaysian, holds a Bachelor of Engineering Degree (Civil) from the University of Singapore. He is a member of the Institution of Engineer's Malaysia and the Institution of Civil Engineers, U.K. He is registered as a Professional Engineer of Malaysia and a Chartered Engineer of the U.K.

Ir. Chin began his working career at the PWD, Malaysia and later at a Hashim and Neh consulting engineers where he designed hundreds of kilometers of roads and bridges in Malaysia; notable is the KL – Kepong 3 - tier interchange and the Seremban – Senawang interchange.Then he worked for a property/construction company and also a British construction company R.C Douglas before he joined Berjaya Land Berhad as General Manager (property and development) for many years and completed many residential, commercial, industrial, hotels and resorts located in Malaysia and abroad.

Ir. Chin joined the company on August 2007 as Senior General Manager (property, construction and investment)

Mr. Chin Kok Siong

Financial Controller

Mr. Chin Kok Siong, age 42, a Malaysian and Chartered Accountant is the Financial Controller responsible for the Corporate Finance and Accounts of the Group. His main responsibilities include overseeing the corporate finance functions, strategic planning, treasury, accounting functions, cash-flow and taxation planning of the Group.

He has more than 19 years of experience in corporate finance and accounting areas where he received his professional training with KPMG Peat Marwick, an international accounting firm, for 4 years and various attachments with public listed companies. Prior of joining the Group, he was the General Manager, Finance of Meda Inc. Bhd and worked with several other listed property companies such as Country Heights Holdings Bhd and Lien Hoe Corporation Bhd holding senior positions.

Mr Chin is a member of the Malaysian Institute of Accountants and The Chartered Association of Certified Accountants (ACCA, UK)

Ms. Shyamini Govendan

Senior Manager, Human Resource, Administration and Legal

Shyamini Govendan, aged 36, a Malaysian is the Senior Manager for the Human Resource, Administration and Legal Department. She obtained her Bachelor of Law from the University of London, United Kingdom in 1995 and her Masters of Arts in Human Resource Management from University of Rockhampton, United States.

Ms Shyamini, has more than 12 years experience in Legal, Human Resources Management, Industrial Relations, Training and Performance Management. She was previously working in Arab Malaysian Finance Berhad and JAKS Resources Berhad. She is responsible for implementing optimal solutions in Human Resource development and management in order to achieve the corporate vision that is congruent with the company's business decision. She also manages the Legal and Administration Departments.

Mr. Daniel Tang Kian Yong

Project & Contract Manager

Mr. Daniel Tang Kian Yong, age 29, a Malaysian and a Civil Engineer by profession. Mr. Tang has a total of 10 years working experience in various fields with the major concentration in the operations of commercial and residential property development and in the construction sector.

Mr. Tang has worked with various corporations and companies prior to joining Malaysia Pacific Corporation Berhad. Notable ones are the Hong Leong Group, Berjaya Group and the most recent, Bina Puri Holdings Berhad where he worked in the capacity of a Construction Manager overseeing projects in Libya. Mr. Tang has been operating in the managerial capacity for various organisations for the last 5 years overseeing projects in different parts of West Malaysia.

Puan Faridah Mohd. Amin

Internal Audit Manager

Puan Faridah Mohd Amin, aged 48, a Malaysian, holds a Bachelor of Business Degree in Accounting from the Western Australian Institute of Technology, Perth, Australia. She is a Chartered Member of the Institute of Internal Auditors Malaysia.

Puan Faridah began her working career at the Bank Negara Malaysia when she was appointed as Bank Negara Examiner in 1987. Her Risk Management Experience was acquired when she was attached at the Risk Management Department of the KL International Airport Berhad, in 1995 before she joined ACP Industries Berhad in 1997.

Puan Faridah joined the company on July 2006 as the Internal Audit Manager.

The Directors take pleasure in presenting the Annual Report and Financial Results of your Company for the financial year ended 30 June 2007.

FINANCIAL HIGHLIGHTS

The Group achieved a consolidated revenue of RM 45.098million for the year ended 30 June 2007. This is an increase of 189.44% compared to the previous year. This increase includes the revaluation gain of RM33.688 million on the Nusa Damai property which now come under Iskandar Development Region (IDR) zoning plan. The massive impairment loss incurred in previous year's result amounted to RM 74.614 million is presently reduced to a smaller loss of RM 34.877 million after taking into account the revaluation gain and reversal of Real Property Gain Tax (RPGT) provision of RM 6.049 million which is no longer required.

Messrs Axial Capital Sdn Bhd (Axial), an investigating body, appointed on 20 August 2007, has commenced its investigative audit on the reason behind the large impairment loss incurred last year and will advise the Board on any follow up actions needed. Axial is unable to complete the investigation in time for this report, owing to the slow cooperation and information yet to be provided by the former auditors and others who had served as directors and/or management during the period between 1995 and 2005. However, based on preliminary findings of Axial, the circumstances surrounding the complex transactions and the way the payment was made on the Johor Property in 1996 have opened much queries. A separate announcement of the final findings will be disclosed to the shareholders as soon as the report is completed.

The Group's pre-tax profit of RM 18.232 million ending 30 June 2007, represents a significant improvement as compared to the previous year's pre-tax loss of RM81.486 million. However, the profit attributable to shareholders is RM25.891 million mainly because of write-back of deferred tax of RM6.049 million of last year's RPGT.

The nett asset value (NAV) per share has increased correspondingly from 75 sen to 90 sen in this financial year.

Earnings for this year is 15.00 sen per share compared to a loss per share of 47.15 sen last year.

The Group consolidated revenue could have been improved if not owing to the delay in the sales and marketing launch of LakeHill Resort cum City Development project in IDR Johor and Taman Nusa Damai development in IDR Johor. The reason for delaying the launch was due to the decision to wait for the approval of the revised Master-Plan and new design concept submitted to the relevant authorities in late 2006. The revised Master-plan has included detailed planning of several "Services Sectors" category into the development so as to qualify for IDR-status or Incentives Special Package (ISP)-status. The approvals of IDR-status and ISP-status would increase the Gross Development Value (GDV) of the project and would add premium on the future selling price of the houses and development. Furthermore the 10 years tax free and other incentives would benefit the company tremendously under IDR or ISP status. Hence, the decision to wait and delay the sales launching is considered advisable.

Approval is anticipated sometime in December 2007. Hence, launching is delayed till January 2008. This would again impact on the sales revenue in the first two quarters 1 July 2007 to 31 December 2007, but the third quarter from January 2008 onwards would see a significant sales improvement once Lakehill Resort's first phase is launched.

LakeHill Resort City Development, Nusa Damai, IDR will be an important major milestone development project that would bring sustainable long-term development income and profit to the Company. It is anticipated to provide an estimated GDV of about RM 6 billion or more over a planned period of 8 to 10 years of development.

The Company has appointed HwangDBS Investment Bank Berhad as Financial Advisor on 20th September 2007 to evaluate various corporate proposals to position the Group on strong financial footing to prepare it for future business expansion plans.

The major shareholder, Top Lander Offshore Inc, has expressed its willingness to support any financial restructuring plan to be recommended by the Advisor, in order to bring tangible and attractive benefits to shareholders and enhance shareholders' value.

REVIEW OF OPERATIONS

Property Investment-Wisma MPL

The Company had earlier planned to renovate, extend and modernise Wisma MPL. The upgrading, extension and renovation work would incur substantial cost which would either be raised via additional bank borrowings (meaning incurring additional debts) or via an increase in share capital or issuance of new structured instruments.

After due consideration, the Board has decided not to incur further debt and instead fast-track the turnaround plan to strengthen the Group's financial health by selling Wisma MPL outright or joint-venture with a 'strategic partner', since it is still receiving many serious offers lately to purchase or joint-venture. By selling Wisma MPL, it will enable the Group to immediately unlock value and realise the extraordinary gain that will immediately turnaround the Group into a strong positive cashflow position and drastically reduce the current heavy financing costs to bring the Group to profitability.

Hence, the earlier plan to renovate and upgrade Wisma MPL is temporarily put on hold, pending a sale or a joint-venture. Meantime, the design submission for an increase in plot ratio of Wisma MPL, from existing 4 times plot ratio to anticipated 11 times plot ratio or more, will still be pursued. The Board is pleased to inform that the Development Order (DO) of the 'Red-Sails' concept of theme restaurants and entertainment outlets abutting the side garden area of Wisma MPL, has been approved by Dewan Bandaraya Kuala Lumpur (DBKL), on 30 May 2007, which has increased value and will add an additional gross area of about 60,000 sq ft to Wisma MPL.

Wisma MPL - as in presently

Approved 'Red Sails' theme restaurants and entertainment complex, abutting Wisma MPL

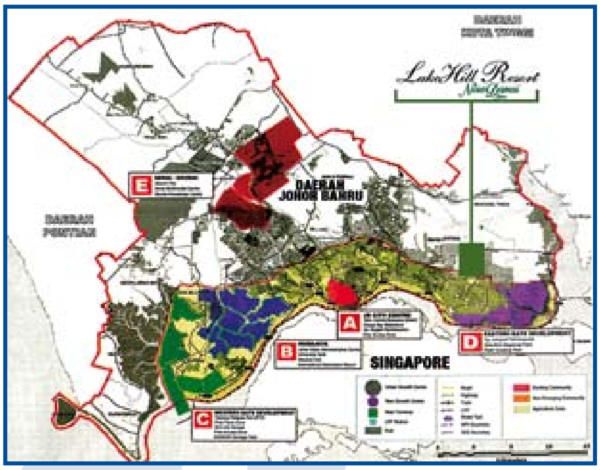
Property Development:

1. **'LakeHill Resort & City', Nusa Damai, Iskandar Development Region, (IDR)-Johor**
2. **Taman Nusa Damai', Nusa Damai, Iskandar Development Region, (IDR)-Johor**

The Property Development division reported a lower operating revenue of RM2.057 million but a higher pre-tax profit of RM24.499 million as compared to RM9.749 million and pre-tax loss of RM77.243 million respectively, in the corresponding period, was mainly due to the revaluation gain of the development properties in IDR.

The revised Master Layout Plan of 'LakeHill Resort' was submitted in late 2006 which included several 'Services Sectors' category into the development proposal to meet the criteria of IDR-status or ISP-status in order to qualify for the tax incentives and other special benefits for the Company.

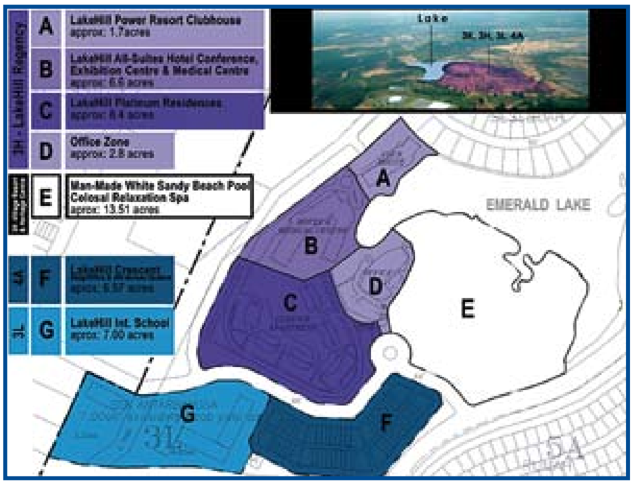
'Taman Nusa Damai', Nusa Damai, IDR, is suitable to remain as medium-cost housing development, as this location is immediately adjacent to the earlier built 2000 units of medium-cost houses developed and sold by the Company.



PROXIMITY TO SINGAPORE

On the Northern portion of the Master-plan development of 460 acres it is separated by a Highway and because of the natural beauty of the landscape terrains which wrap around a large natural clear water 'Emerald' lake in this location, it supports the concept of 'LakeHill Resort' upmarket development of lifestyle homestead living and tranquil-type commercial development. The lakeside and waterfront development will comprise of one resort hotel, residence club house, super-spa, medical health rejuvenation hospital, platinum residences (for retirees), convention/wedding centre, neighbourhood leisure shopping, waterfront al-fresco restaurants and dining, "Malaysia Heritage and Tourist Village" that depicts the 13 States of Malaysia's interesting history and multi-cultural society. (See Comprehensive Development Plan below)

The decision to switch the city centre development and LakeHill Resort into an up-market lifestyle resort living, resort commercial, health tourism on 460 acres site and on the City Centre commercial area of 59 acres named 'LakeHill City' that comprises the 'Asia Trade and Permanent Exhibition Centre' and tourist 'Clark Quay' type entertainment hub will reinforce the Federal Government's vision of the 'Iskandar Development Region' (IDR) announced in November 2006. This timely announcement has spurred your Company's confidence that our revised Master-plan of the proposed 'LakeHill Resort City' is a great feasible idea and is complementary to the Vision of IDR.



COMPREHENSIVE DEVELOPMENT PLAN AROUND THE 'EMERALD LAKE AREA'

'LakeHill Resort cum City development' and 'Taman Nusa Damai', which are both situated in the suburb of Nusa Damai, IDR-Johor will have the advantage of their strategic location being served by two Highways, three existing international-class golf courses nearby and proximity to Jusco and Tesco Supermalls. The location is about 30 minutes away from Johor Bahru City Limit and is about 60 minutes from Changi International Airport and Orchard Road, Singapore, which is convenient for international and 'Malaysia My Second Home' (MM2H) buyers, expatriates and Singaporeans, to commute.

Hence, the target markets of the said development are the local affluent Malaysians, Singaporeans, Indonesians, other expatriates, overseas investors and retirees under the MM2H programme. LakeHill Resort will become an added destination for tourist shoppers, holiday-makers weekenders, health tourists and retirees who will come for recreation, entertainment, sports, holistic activities, homestay, rejuvenation, business conferences and seminars.

The View of the 'Emerald Lake' – LakeHill Resort (an artist's impression)

'LakeHill City' is planned to be one of the largest 'Trade and Permanent Exhibition Distribution Supply City' in Malaysia and the region.

"Asia Trade & Exhibition City" - Shopping Mall, Hotel, Residences & Offices

Artist's impression by renowned architectural firm, 'Surbana', Singapore.

Another area of LakeHill City is the 'LakeHill Entertainment Square', a concept which will serve the other segment of commercial requirement such as the 'back-of-house' IT services and providers, as well as for tourist shopping, eating and dining destination. It will become one of IDR's satellite commercial trade and IT suburbs on the East-side of IDR, It will have a wide variety of tourist entertainment, F & Bs, shops and leisure outlets similar to the likes of 'Bangsar Telawi', Kuala Lumpur or 'Clark Quay' Singapore, which is a purpose-built design concept free of vehicular traffic. The Company has plan to work in collaboration with nearby developers to combine all the nearby developments into one grand collective "Master-Plan" to be called the 'EASTGATE' of IDR (on the Eastside) to provide added choice for foreign direct investors to help quicken the pace of development in IDR.

To realise this Grand Vision and goal, the finances will be raised through joint-ventures. The selling of Wisma MPL is one of the strategic financial moves to help kick-start the visionary development of 'LakeHill Resort cum City' in 'EASTGATE' of IDR. The 'Asia Trade and Exhibition Centre' in 'EASTGATE' IDR will serve as a major catalytic magnets to draw trades, business and tourism to 'LakeHill City Resort' through its beauty of 'Emerald Lake', the 'Tourist Heritage Village' and "THE ROCK" restaurant and cafes which sits on top of an existing rocky outcrop.

The management is optimistic that 'LakeHill City Resort' under a "EASTGATE" collective planning will complement the government's wishes.

MANAGEMENT OUTLOOK AND PROSPECTS

The property investment and development will remain as one of the Company's main core businesses. The Company is always on the lookout for opportunities into other profitable and growth-type ventures locally and overseas.

The imminent sale or joint-venture of Wisma MPL, Kuala Lumpur, will augur well for the Company as it will immediately put your Company into a turnaround position with positive cashflow and cash reserves which will kick-start 'LakeHill City Resort' in Nusa Damai, IDR, Johor.

Barring any unforeseen circumstances, and as the above plans materialises, the future of your Group certainty looks promising and will go from strength to strength.

ACKNOWLEDGEMENT

The period under review was a difficult year, because past problems still kept haunting the Company which kept on surfacing with new surprises with past undisclosed liabilities that new management had to absorb period after period. The Company hopes it can from now onwards confidently look forward to a smoother task ahead with no new surprises and devote more productive time into the business in the coming year ahead. With the sizeable projects in hand in IDR and other projects under negotiation for the Company to acquire or joint venture, many more qualified professionals would be employed in the very near future.

The directors wish to express their gratitude to the management and the staff for their hard work, loyalty and dedication. Appreciation also goes to our bankers, sub-contractors, suppliers and business associates for their patience and morale support.

The directors also wish to express their appreciation to all shareholders for their patience and confidence. The recent heavy active trades and rise in share market-price are largely owed to major changes in substantial shareholders and a wider attraction of quality retail and investment-type shareholders. The shareholding public spread is currently 51%, which may be the reason that created the increase in trading volume and liquidity.

The Board wishes to welcome the new appointments of Madam Kong Yuk Chu as Non-Independent and Non-Executive Director and Mr. Wong Seng Huat as Independent and Non-Executive Director, of the Company who both joined the Board on 15 November 2007.The board looks forward to their contribution in experience and knowledge to enhance the Company's operations.

Finally, the Board wishes to thank the past services of the two Directors, YBhg Dato' Karim Bin Marzuki (Dato' Karim) and Mr. Teh Leong Kiat (Mr. Teh), who have served your Company professionally with full dedication. In appreciation of their services, the Board has approved and recommended a special remuneration gratuity payment of lump sum RM25,000 each. Dato' Karim is leaving owing to age being exceeding 70 years old and Mr. Teh is leaving owing to his other heavy personal business commitments.

Thank you.

Yours sincerely,
Board of Directors

MEMBERS OF THE AUDIT & RISK MANAGEMENT COMMITTEE (ARMC)

YBhg Dato' Abdul Karim B Marzuki
(Independent & Non-executive Director and Chairman of the ARMC)

Mr Seow Thiam Fatt
(Independent & Non-executive Director)

Mr Teh Leong Kiat
(Independent & Non-executive Director)

The Committee met five (5) times during the financial year ended 30 June 2007. The attendance of the ARMC is tabulated as follows;

		Meeting Held					
Director	**Position**	**22/8/06**	**16/10/06**	**17/11/06**	**27/2/07**	**25/05/07**	**Total**
YBhg Dato' Abul Karim bin Marzuki	Independent Non-executive Director and Chairman of the ARMC	✓	✓	✓	✓	✓	5/5
Mr Seow Thiam Fatt	Independent Non-executive Director	✓	✓	✓	✓	✓	5/5
Mr Teh Leong Kiat	Independent Non-executive Director	✓	✓	✓	✓	✓	5/5

TERMS OF REFERENCE

The terms of reference of the ARMC are as follows:

Objectives

The principal objective of the ARMC is to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of Malaysia Pacific Corporation Berhad ("MPCorp") and its subsidiaries ("Group"). In addition, the ARMC shall:

a. Evaluate the quality of the audit conducted by the internal and external auditors;

b. Provide assurance that the financial information presented by the management is relevant, reliable and timely;

c. Oversee compliance with laws and regulations as well as observance of a proper code of conduct; and

d. Determine the adequacy of the Group's control environment.

Membership

The ARMC shall be appointed by the Board from amongst the Directors and shall consist of at least three (3) Directors, a majority of whom are Independent Directors. The Chairman of the ARMC shall be an Independent Non-Executive Director.

At least one (1) member of the ARMC must be a member of the Malaysian Institute of Accountants (MIA), or if he is not a member of MIA, he must have at least three (3) years working experience; and

a) must have passed the examinations specified in Part 1 of the 1st schedule of the Accountant Act 1967; or

b) must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

In accordance with Practice Note No 13/2002 issued by Bursa Malaysia Securities Berhad ("Bursa Securities"), it is prescribed that the following qualifications are also acceptable:

a) a degree/ master/ doctorate in accounting or finance and at least three (3) years' post-qualification experience in accounting or finance; or

b) at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

Any vacancy in the ARMC resulting in the non-compliance of the said requirements must be filled within three (3) months.

No Alternate Director shall be appointed as a member of the ARMC and the Secretary of the ARMC is the Company Secretary.

Meetings

The ARMC shall meet on a quarterly or at more frequent intervals as required to deal with matters within its terms of reference. The meetings shall have a quorum of two (2) members who are independent.

Authority

The ARMC shall have the authority as follows:

a) Financial Reporting

To review the quarterly reports and annual financial statements of the Company and of the Group prior to the approval by the Board to ensure its compliance of the Provisions of the Companies Act, 1965; Listing Requirements of Bursa Securities; Applicable approved accounting standards in Malaysia; and Other legal and regulatory requirements.

b) External Audit

- To nominate and recommend for the approval of the Board, a person or persons as external auditor(s).
- To review the external auditor's fees.
- To review, with the external auditors, the audit scope and plan.
- To review, with the external auditors, the audit report and audit findings and the management's response thereto.
- To review the assistance given by the Group's officers to the external auditors.

c) Internal Audit

- To review the adequacy of the internal auditor's scope, functions and resources.
- To review the report and findings of the internal audit department including the findings of the internal audits conducted, the internal auditor's recommendation and the management's response thereto.
- To review the adequacy and integrity of internal control systems, including risk management and management information system.
- Provide assurance that the financial information presented by the management is relevant, reliable and timely;
- Oversee compliance with laws and regulations and observance of a proper code of conduct; and
- Determine the quality, adequacy, and effectiveness of the Group's control environment.

d) Risk Management

To review and monitor the business and financial risks encountered by the Group and to ensure that all highly impacting risks are adequately managed at various level within the Group.

e) Related Party Transactions

To review any related party transactions that may arise within the Company or the Group.

f) Other Functions

Other functions as may be agreed to by the ARMC and the Board.

SUMMARY OF ACTIVITIES

The activities of the ARMC for the financial year were summarised as follows:

1) Financial Results

a) Reviewed the quarterly and yearly unaudited financial results of the Group before recommending them for approval of the Board of Directors.

b) Reviewed the annual audited financial statements of the Company and its subsidiaries with the external auditors prior to submission to the Board of Directors for their approval.

2) Internal Audit

a. Reviewed the annual audit plan to ensure adequate scope on the audit activities of the Group.

b. Reviewed the effectiveness of the audit process, resource requirements for the year.

c. Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations. Where appropriate, the ARMC has directed action to be taken by the management to rectify and improve systems of internal controls and procedures based on the internal auditor's recommendation for improvements.

d. Monitored the implementation of the audit recommendation to ensure all the key risks and controls have been addressed.

e. Reviewed the staffing requirements of Internal Audit Department.

3) External Audit

a. Reviewed the annual audited financial statements of the Group with the external auditors prior to submission to the Board of Directors for their approval.

b. Monitored the implementation of the audit recommendations to ensure that all the key risks and controls have been addressed.

c. Reviewed with the external auditors:

i. their scope of work and audit plan for the year;
ii. the results of the annual audit, their audit report and management letter together with management's responses to the findings of the external auditor.

d. Reviewed the independence and effectiveness of the external auditors and made recommendations to the Board of Directors on their appointment and remuneration.

e. Reviewed the annual report statement inclusive of the Board Audit & Risk Management Committee Report, Statement of Corporate Governance and the Statement on Internal Control.

4) Related Party Transactions

Reviewed the related party transactions entered into by MPCorp Group.

INTERNAL AUDIT FUNCTION

The Internal Audit Department assisted the Committee in the discharge of its duties and responsibilities. Its role is to provide independent and reasonable assurance that the systems of internal controls are adequate and effective to mitigate the risks identified. The internal audit covers the review of the adequacy of risk management, operational controls, management efficiency and compliance with established procedures and guidelines, amongst others.

The Malaysian Code on Corporate Governance ("Code") introduced in March 2000, sets out the principles and best practices that companies may apply in the direction and management of their business and affairs towards achieving the ultimate objectives of maximizing shareholder value.

The principles and best practices of the Code were incorporated into the revamped Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") on January 2001 and listed companies are required to disclose the extent of compliance with the Code or in areas where there are deviations, the alternative measures undertaken.

The statement below sets out how the Group has applied the key principles and the extent of its compliance with the best practices throughout the financial year ended 30 June 2007.

A. THE BOARD OF DIRECTORS

The Board

The Board of Directors ("Board") recognizes the importance of practicing high standards of corporate governance throughout the Group as a fundamental part of discharging its fiduciary responsibilities to protect and enhance shareholders' value and the financial performance of the company and the Group. The Board has established the term of reference to assist in the discharge of its responsibilities.

Board Composition

Currently the Board comprises one (1) Executive Director and six (6) Non-executive Directors. There were 3 re-designations and two (2) new appointments to the Board. The re-designations were of Mr Seow Thiam Fatt and YBhg Datuk Kamaruddin Taib from Non-Independent Directors to Independent Directors on the 27 July 2007 and the other was of Mr Ch'ng Soon Sen from Non-executive Director to Executive Director on 1 November 2007. The newly appointed Directors were Madam Kong Yuk Chu and Mr Wong Seng Huat. Madam Kong Yuk Chu was appointed as Non-independent Non-executive Director while Mr Wong Seng Huat was appointed as Independent and Non-executive Director. They were appointed on 15 November 2007. The total numbers of Independent Directors are five (5) which constitute more than a third of the total Board Composition.

The profiles of the members of the Board are set out in pages 7 to 9 of this Annual Report. The Board is of the opinion that the composition of the Board fairly reflects the investment of the Company by all the shareholders.

Board Meetings

Attendance of present directors during their office tenure:

Director	No of Meetings Attended
Mr. Seow Thiam Fatt (Independent & Non-executive Director) *Re-designated on 27.7.2007*	9/9
YBhg Dato' Abdul Karim bin Marzuki (Independent & Non-Executive Director)	9/9
YBhg Datuk Kamaruddin bin Taib (Independent & Non-Executive Director) *Re-designated on 27.7.2007*	8/9
Mr Teh Leong Kiat (Independent & Non-Executive Director)	9/9
Mr Ch'ng Soon Sen (Executive Director) *Re-designated on 1.11.2007*	4/4
Madam Kong Yuk Chu (Non-independent & Non-executive Director) *Appointed on 15.11.2007*	–
Mr Wong Seng Huat (Independent & Non-executive Director) *Appointed on 15.11.2007*	–

Director's Training

In compliance with the Listing Requirements of Bursa Securities all members of the Board have attended and will be attending the Mandatory Accreditation Programme prescribed by the Bursa Securities. Directors are encouraged to attend talks, training programmes and seminar to update themselves on new developments in the business environment.

Conduct of Meetings

The Board ensures that any potential conflict of interest is avoided by requesting the Director(s) concerned to declare his/their interests and abstain from the decision making process.

Supply of and Access to Information Advice

The Directors are provided with the relevant agenda and Board papers detailing the agenda to be discussed at the meeting, in sufficient time prior to the meeting to enable the Directors to obtain further information and clarification before the meeting. The Board papers include reports on the Group's financial, operational and Corporate Development.

Re-election of Directors

Any Director appointed during the year is required under the Company's Articles of Association, to retire and seek re-election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Articles also require that one-third of the Directors including the Managing Director, if any, to retire by rotation and seek re-election at each AGM and that each Director shall submit himself for re-election at least one in every three years.

Directors' Remuneration

The fees for Directors for the financial year ended 30 June 2007 are recommended by the Board for approval by shareholders of the Company at its Annual General Meeting.

I. Aggregate Directors' Remuneration paid or payable to all Directors of the Company by the Group

	RM'000				
	Fees	**Salaries and other emoluments**	**Bonus**	**Benefits-in-kind**	**Total**
Executive	–	–	–	–	–
Non-Executive	231	34	–	–	265
Total	231	34	–	–	265

The number of directors whose remuneration falls into the following bands is as follows:

II. Directors' Remuneration bands

	Executive	**Non-Executive**
RM1 – RM 50,000	–	5

B. BOARD COMMITTEE

The Board of Directors delegates specific responsibilities to the respective Committees of the Board namely the Board Audit & Risk Management Committee (ARMC) and the Nominating & Remuneration Committee in order to enhance business, corporate efficiency and effectiveness.

Nominating & Remuneration Committee

The Nominating & Remuneration Committee consists of three (3) Independent Non-Executive directors.

The primary function of the Nominating & Remuneration Committee is to set up the policy framework and to recommend to the Board on remuneration packages and other terms of employment of the executive directors. The determination of the remuneration for the Non-executive Directors will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration package.

The members of the Nominating & Remuneration Committee are as follows:-

YBhg Datuk Kamaruddin bin Taib
Chairman
(Independent & Non-Executive Director)
Re-designated on 27.7.2007

Mr Teh Leong Kiat
(Independent & Non-Executive Director)

YBhg Dato' Abdul Karim Bin Marzuki
(Independent & Non-Executive Director)

C. SHAREHOLDERS COMMUNICATION AND INVESTOR RELATIONS

The Board recognizes the importance of regular communication with the investors of the Company that enables the Board and the management to convey information about the Group's performance, corporate strategy and other matters affecting the shareholders' interest. Announcements are made through Bursa Securities during the year pertaining to the performance of the Company via quarterly financial reports, circulars to shareholders, press releases and the annual reports.

Forums such as the Annual General Meeting and Extraordinary General Meeting provide an opportunity for dialogue with the shareholders, whereby the shareholders have direct access to the Board and are given the opportunity to raise questions pertaining to the resolutions being proposed or about the Group's operations in general.

Notice of the Annual General Meeting and Extraordinary General Meeting and Annual Reports are sent out with sufficient notice before the date of meeting to enable the shareholders to have full information about the meeting to facilitate informed decision-making.

Shareholders, investors and the general public can also obtain information on the Company by accessing the Company's website at www.mpcb.com.my. The shareholders are able to access the latest corporate, financial and market information of the Company via Bursa Securities website at www.bursamalaysia.com.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Company's financial statements are prepared in accordance with the requirements of the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia to ensure that the financial statements of the Company present a balanced and fair assessment of the state of affairs of the company. In presenting the financial statements, the Company used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and prepared on an ongoing basis.

The ARMC assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The composition, summary of activities and terms of reference of the ARMC can be found in the Board Audit & Risk Management Committee Report on pages 18 to 20 of this Annual Report.

Internal Audit

The Group's internal audit function is independent of the activities. The audit is performed with impartiality, proficiency and due professional care. The internal audit review of the operating units by the internal audit department is an independent and objective assessment of a unit's compliance with internal controls.

An internal audit review highlights major weaknesses in control procedures and makes recommendations for improvements. A Statement on Internal Control is set out on page 25 of this Annual Report.

External Auditors

Through the ARMC, the company has established a transparent and appropriate relationship with the external auditors. The external auditors have an obligation to bring any significant defects in the Group's system of internal control and compliance to the attention of the management and if necessary to the ARMC and the Board. The functions of the ARMC and its relations with the external auditors are set out in the Board Audit & Risk Management Committee Report on page 18 to 20 of this Annual Report.

E. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The Listing Requirements of Bursa Securities require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as the end of financial year and of the results and cash flows of the Group and of the Company for the financial year.

The Directors are satisfied that, in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2007, the Group has used the appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant accounting standards have been followed in the preparation of these financial statements.

F. RISK MANAGEMENT

The Board of Directors is aware and recognizes the various types of risks, which the Group faces from time to time. The ARMC is constantly monitoring such risk factors and measures are taken to eliminate, control or manage suck risks. Efforts are being made to establish proper risk management to identify, evaluate and manage the risks.

Introduction

The Malaysian Code of Corporate Governance requires listed companies to maintain a sound internal control system to safeguard shareholders' investments and the Group's assets. The Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") requires directors of listed companies to include a statement in their annual reports on the state of their internal controls. The Board of Directors of MP Corp (the Board) is pleased to issue the following statement on the state of internal control of the Group for the financial year under review, which was prepared in accordance with the "Statement on Internal Control: Guidance for Directors of Public Listed Companies" issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities.

Board Responsibilities

The Board acknowledges that it is responsible for the Company and its subsidiaries ("Group") system of internal control and for the review of its adequacy and integrity.

The Group's system of internal control is designed to manage rather than to eliminate the risks involved. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

Risk Management

Appropriate system of internal control has been implemented to monitor and control risk to ensure the long term viability of the Group. The internal control is embedded in the operations of the Group and forms part of its work culture.

Internal Audit Function

The Group has an Internal Audit Department ("IAD") which assists Audit and Risk Management Committee ("ARMC") to review, appraise and recommend ways of improving the system.

During the financial year under review, the IAD perform departmental risk assessment to identify the level of risks associated throughout the Group. It aims to assess the controls effectiveness and to provide recommendations to improve the controls. It is also to audit, identify gaps and to ensure action plans are in place.

The IAD's activities are based on the annual internal audit plan which is reviewed and approved by ARMC. The ARMC has full access to both the internal and external auditors and receives reports on all audit performed. IAD submits its internal audit reports to the ARMC which reviews the audit findings and recommendations with the management at its Audit and Risk Management Committee Meetings. The IAD adopts a risk-based approach when establishing its audit plan and strategy. The responses from management and action plans are regularly reviewed and followed up by the IAD and the ARMC.

Other Key Elements Of Internal Control

Apart from risk management and internal audit, the other key elements of the Group's Internal Control System include: -

- Clearly defined organisation structure and reporting lines.
- Various Committees have been established to assist the Board in discharging its duties. Among the Committees are: -
  - Audit and Risk Management Committee
  - Nomination and Remuneration Committee
- Policies, Procedures and Standard Operating Procedures for key processes to guide staff.
- Systems of operational and financial reporting to the Board on quarterly basis.
- Executive Committee ("EXCO") and Management Meetings with operation units held on a regular basis to identify, discuss and resolve strategic, operational, financial and key management issues.
- Regular visits to operating units by Directors and Senior Management.

Conclusion

The Board is of the opinion that the system of internal control is adequate to achieve the Group's business objectives. There is an ongoing process in evaluating and managing significant risks. The Board continues to take measures to strengthen the internal control environment within the Group.

This statement is made at the Board of Directors' meeting held on 31 October 2007 and had been reviewed by the external auditors.

OTHER COMPLIANCE STATEMENTS

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal during the financial year.

2. SHARE BUY-BACKS

There were no Share Buy-Backs during the financial year.

3. OPTIONS ,WARRANTS OR CONVERTIBLE SECURITIES

There were no Warrants, Redeemable Convertible Secured Loan Stocks or Employee Share Option Scheme exercised during the financial year.

4. AMERICAN DEPOSITORY RECEIPT ("ADR")/GLOBAL DEPOSITORY RECEIPT ("GDR")

There were no ADR/GDR programme sponsored by the Company during the financial year.

5. SANCTIONS AND/OR PENALTIES

There were no sanctions or material penalties imposed by any of the regulatory bodies on the Company and its subsidiaries, directors or management during the financial year.

6. NON-AUDIT FEES

There were no non-audit fees paid to external auditors during the financial year.

7. VARIATION IN RESULTS

There is no significant variance result between the audited results for the financial year and the unaudited results previously announced.

8. PROFIT GUARANTEE

During the year, there were no profit guarantee given by the Company.

9. MATERIAL CONTRACT

There were no material contracts entered into by the Company and its subsidiaries which involved Director's and major shareholders' interest either still subsisting at the end of the financial year ended 30 June 2006 or entered into since the end of the previous financial year.

10. REVALUATION POLICY

The Group's revaluation policy is stated in Note 5.5 to the financial statement.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no recurrent related party transactions of a revenue nature during the financial year.

Financial Statement

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2007.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of letting of investment properties and investment holding company. The principal activities of the subsidiary companies are set out in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	25,891	3,665

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

WARRANTS 2006/2010

The Company had, on 11 May 2004, issued 27,500,000 detachable warrants. The details of the warrants are as follows:

(a) The warrants were constituted by a Deed Poll dated 27 February 2004.

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM1.00 at an exercise price of RM1.00 per new ordinary share. The expiry date for subscription is on 10 May 2009.

(b) The new ordinary shares issued upon exercise of the warrants shall be fully paid-up and shall rank pari-passu in all respects with the existing ordinary shares of the Company except that these new shares shall not be entitled to any dividends, rights, allotment or other distributions if the date of the new shares to be issued pursuant to the exercise of the warrants is after the Record Date (Record Date means the date as at the close of business on which shareholders must be registered in the Record of Depository with Bursa Malaysia Depository Sdn. Bhd. in order to participate in any dividends, rights, allotments or other distributions). The warrant holders will not have any voting rights in any general meeting of the Company unless the warrants are exercised.

In prior years, 18,596,793 warrants were converted into new ordinary shares. No exercise of warrants had taken place during the financial year. As of the balance sheet date, the total number of warrants which remained unexercised was 8,903,207 (2006: 8,903,207) warrants. Any warrants which have not been exercised at the date of expiry will lapse and cease to be valid for any purpose.

DIRECTORS

The Directors who have held office since the date of the last report are:

YBhg Datuk Kamaruddin Bin Taib
YBhg Dato' Abdul Karim Bin Marzuki
Seow Thiam Fatt
Teh Leong Kiat
Ch'ng Soon Sen (Appointed on 2 November 2006)

In accordance with Article 85 of the Company's Articles of Association, Teh Leong Kiat retires from the Board by rotation at the forthcoming Annual General Meeting and does not seek re-election.

YBhg Dato' Abdul Karim Bin Marzuki who has attained the age of seventy, retires in accordance with Section 129(2) of the Companies Act, 1965 and does not seek re-appointment.

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings which are required to be kept under Section 134 of the Companies Act, 1965, none of the directors in office at the end of the financial year ended 30 June 2007 held any shares in the Company and its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the remuneration received and receivable by the Directors from the related corporations in their capacity as Directors of those corporations.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY:

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

The auditors, BDO Binder, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

....
YBhg Datuk Kamaruddin Bin Taib
Director

....
Seow Thiam Fatt
Director

Kuala Lumpur
31 October 2007

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 33 to 77 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia so as to give a true and fair view of:

(i) the state of affairs of the Group and of the Company as at 30 June 2007 and of their results for the financial year then ended; and

(ii) the cash flows of the Group and of the Company for the financial year ended 30 June 2007.

On behalf of the Board,

....
YBhg Datuk Kamaruddin Bin Taib
Director

....
Seow Thiam Fatt
Director

Kuala Lumpur
31 October 2007

STATUTORY DECLARATION

I, Yeong Chee Fong, being the officer primarily responsible for the financial management of Malaysia Pacific Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 77 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
31 October 2007)

Before me:

REPORT OF THE AUDITORS

TO THE MEMBERS OF MALAYSIA PACIFIC CORPORATION BERHAD

We have audited the financial statements set out on pages 33 to 77. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of:

  (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

  (ii) the state of affairs of the Group and of the Company as at 30 June 2007 and of their results and cash flows for the financial year then ended;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Section 174(3) of the Act.

In forming our opinion, we have considered the adequacy of disclosure made in Note 5.1 to the financial statements on the appropriateness of preparing the financial statements of the Group on a going concern basis. We consider this should be brought to your attention but our opinion is not qualified in this report.

BDO Binder
AF : 0206
Chartered Accountants

Ng Chee Hoong
2278/10/08 (J)
Partner

Kuala Lumpur
31 October 2007

	NOTE	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	4,234	4,598	4,097	4,385
Investment properties	9	167,123	167,000	151,920	151,920
Investment in subsidiaries	10	–	–	8,500	8,500
Land held for property development	11	137,455	85,316	–	–
Total non-current assets		308,812	256,914	164,517	164,805
Current assets					
Property development costs	12	56,247	70,684	–	–
Inventories	13	2,550	5,002	–	–
Accrued billings		–	2,068	–	–
Trade receivables	14	3,227	4,865	254	376
Other receivables, deposits and prepayments	15	324	422	85	133
Amounts owing by subsidiary companies	16	–	–	158,136	151,084
Tax recoverable		317	433	155	155
Fixed deposit with a licensed bank	17	231	–	–	–
Cash and bank balances	18	289	883	65	27
Total current assets		63,185	84,357	158,695	151,775
TOTAL ASSETS		371,997	341,271	323,212	316,580
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	19	172,597	172,597	172,597	172,597
Reserves	20	(16,481)	(42,372)	44,776	41,111
TOTAL EQUITY		156,116	130,225	217,373	213,708
LIABILITIES					
Non-current liabilities					
Hire-purchase creditors	21	637	525	596	472
Bank borrowings- secured	22	71,815	71,639	–	–
Deferred tax liabilities	24	20,586	28,323	184	5,994
Total non-current liabilities		93,038	100,487	780	6,466

	NOTE	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Current liabilities					
Trade payables	25	5,090	3,919	123	6
Other payables, accruals and deposits	26	12,872	7,860	9,877	3,032
Amounts owing to subsidiary companies	27	–	–	22,534	22,518
Provision for liquidated and ascertained damages	28	2,209	2,452	–	–
Hire-purchase creditors	21	169	120	157	110
Bank overdrafts	29	68,789	66,010	46,664	45,036
Bank borrowings-secured	22	31,704	27,104	25,704	25,704
Tax liabilities		2,010	3,094	–	–
Total current liabilities		122,843	110,559	105,059	96,406
TOTAL LIABILITIES		215,881	211,046	105,839	102,872
TOTAL EQUITY AND LIABILITIES		371,997	341,271	323,212	316,580

The attached notes form an integral part of the financial statements.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

		Group		Company	
		2007	2006	2007	2006
	NOTE	RM'000	RM'000	RM'000	RM'000
Revenue	30	10,579	18,024	7,349	6,917
Cost of sales		(7,289)	(14,535)	(3,975)	(4,297)
Gross profit		3,290	3,489	3,374	2,620
Other operating income					
- Exceptional item	31	33,688	–	–	–
- Provision for liquidated and ascertained damages no longer required		271	5,436	–	–
- Others		560	346	6,048	5,675
Administration expenses		(4,931)	(4,303)	(4,303)	(3,445)
Other operating expenses					
- Exceptional item	31	–	(74,614)	–	–
- Others		(490)	(375)	(333)	(32)
Selling and distribution costs		(84)	(140)	(79)	(131)
Finance costs		(14,072)	(11,325)	(6,730)	(5,922)
Profit/(Loss) before tax	32	18,232	(81,486)	(2,023)	(1,235)
Tax income/(expense)	33	7,659	108	5,688	(99)
Profit/(Loss) for the year attributable to equity holders of the Company		25,891	(81,378)	3,665	(1,334)

Earnings/(Loss) per ordinary share attributable to equity holders of the Company (Sen):			
Basic earnings per ordinary share	34	15.00	(47.15)
Fully diluted earnings per ordinary share	34	–	–

The attached notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	← Attributable to equity holders of the Company →			
Group	**Ordinary share capital RM'000**	**Revaluation reserve RM'000**	**(Accumulated losses) RM'000**	**Total RM'000**
Balance as at 30 June 2005	172,597	17,950	(11,676)	178,871
Surplus from revaluation of investment properties	–	34,456	–	34,456
Tax effect on revaluation surplus (Note 24)	–	(1,724)	–	(1,724)
Income recognised directly in equity	–	32,732	–	32,732
Loss for the year	–	–	(81,378)	(81,378)
Total recognised income and expense for the year	–	32,732	(81,378)	(48,646)
Balance as at 30 June 2006	172,597	50,682	(93,054)	130,225
Balance as at 30 June 2006, as previously reported	172,597	50,682	(93,054)	130,225
Effect of adopting FRS 140 (Note 6.3 (c))	–	(50,682)	50,682	–
Balance as at 30 June 2006, as restated	172,597	–	(42,372)	130,225
Profit for the financial year, representing total recognised income and expense for the year	–	–	25,891	25,891
Balance as at 30 June 2007	172,597	–	(16,481)	156,116

Company	Ordinary share capital RM'000	Revaluation reserve RM'000	(Accumulated losses)/ Retained profits RM'000	Total RM'000
Balance as at 30 June 2005	172,597	17,349	(1,469)	188,477
Surplus from revaluation of investment properties	–	27,963	–	27,963
Tax effect on revaluation surplus (Note 24)	–	(1,398)	–	(1,398)
Income recognised directly in equity	–	26,565	–	26,565
Loss for the year	–	–	(1,334)	(1,334)
Total recognised income and expense for the year	–	26,565	(1,334)	25,231
Balance as at 30 June 2006	172,597	43,914	(2,803)	213,708
Balance as at 30 June 2006, as previously reported	172,597	43,914	(2,803)	213,708
Effect of adopting FRS 140 (Note 6.3(c))	–	(43,914)	43,914	–
Balance as at 30 June 2006, as restated	172,597	–	41,111	213,708
Profit for the financial year, representing total recognised income and expense for the year	–	–	3,665	3,665
Balance as at 30 June 2007	172,597	–	44,776	217,373

The attached notes form an integral part of the financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	18,232	(81,486)	(2,023)	(1,235)
Adjustments for:				
Allowance for doubtful debts	374	173	242	30
Allowance for doubtful debts no longer required	(157)	(25)	(46)	–
Bad debts written off	116	–	92	–
Depreciation of property, plant and equipment	866	846	821	823
(Gain)/loss on disposal of property, plant and equipment	–	(2)	–	(2)
Impairment loss on development expenditure	–	74,614	–	–
Reversal of impairment on development expenditure	(33,688)	–	–	–
Property, plant and equipment written off	52	–	–	–
Provision for liquidated and ascertained damages	120	200	–	–
Provision for liquidated and ascertained damages no longer required	(271)	(5,436)	–	–
Interest expenses	14,072	11,314	6,727	5,910
Interest income	(73)	(160)	(5,146)	(5,172)
Operating (loss)/profit before working capital changes	(357)	38	667	354
(Increase)/Decrease in property development costs	(1,018)	6,992	–	–
Decrease in accrued billings	2,068	1,104	–	–
Decrease in inventories	3,009	250	–	–
Decrease/(Increase) in trade receivables	1,378	1,022	(93)	(65)
Decrease/(Increase) in other receivables, deposits and prepayments	25	215	(25)	260
Increase/(Decrease) in trade payables	1,171	(2,168)	117	(4)
Increase/(Decrease) in other payables, accruals and deposits	4,862	(518)	6,845	(168)
Decrease in progress billings	–	(61)	–	–
Cash generated from operations	11,138	6,874	7,511	377
Interest received	73	160	5,146	5,172
Interest paid	(14,038)	(11,282)	(6,699)	(5,878)
Liquidated and ascertained damages paid (Note 28)	(92)	(822)	–	–
Net tax (paid)/refund	(896)	3,966	(122)	(124)
	(14,953)	(7,978)	(1,675)	(830)
Net cash (used in)/from operating activities	(3,815)	(1,104)	5,836	(453)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries (Note 10)	–	–	–	(200)
Proceeds from disposal of subsidiaries (Note 10)	–	–	–	550
Proceeds from disposal of property, plant and equipment	–	16	–	16
Purchase of investment properties	(123)	–	–	–
Development expenditure incurred in land held for property development	(3,553)	(4,405)	–	–
Purchase of property, plant and equipment (Note 35)	(274)	(768)	(253)	(643)
Net cash used in investing activities	(3,950)	(5,157)	(253)	(277)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances to subsidiaries	–	–	(7,036)	(4,342)
Interest paid	(34)	(32)	(28)	(32)
Advances/(Repayment) of bank borrowings	4,776	(3,788)	–	–
Repayment of hire-purchase creditors	(119)	(104)	(109)	(104)
Net cash from/(used in) financing activities	4,623	(3,924)	(7,173)	(4,478)
Net decrease in cash and cash equivalents	(3,142)	(10,185)	(1,590)	(5,208)
Cash and cash equivalents at beginning of financial year	(65,127)	(54,942)	(45,009)	(39,801)
Cash and cash equivalents at end of financial year (Note 36)	(68,269)	(65,127)	(46,599)	(45,009)

The attached notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 14, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at 21st Floor, Wisma MPL, Jalan Raja Chulan, 50200 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of letting of investment properties and investment holding company. The principal activities of the subsidiaries are set out in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors recognises the importance of financial risk management in the overall management of the Group's business. A sound risk management will not only mitigate financial risk but will be able to create opportunities if risk elements are properly managed.

The operations of the Group are subject to a variety of financial risks, including liquidity and cash flow risk, credit risk and interest rate risk. Various risk management policies are in place to control and manage risks associated with financial instruments and they are summarised below:

(a) Liquidity and cash flow risks

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by forecasting its cash commitments and maintaining sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group also maintains sufficient banking facilities for contingent funding requirements of working capital.

(b) Credit risk

Credit risk, which is the risk of counterparties defaulting, is controlled by the application of credit control procedures. The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition. The management monitors exposure to credit risk on an ongoing basis and performs credit evaluation on customers regularly.

(c) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits are managed through effective negotiation with financial institutions for best available rates. The Group does not use derivative financial instruments to hedge its risk.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

On 1 July 2006, the Group and the Company adopted new and revised Financial Reporting Standards ("FRSs") which are mandatory for financial periods beginning on or after 1 January 2006 and those that are relevant to the Group as disclosed in Note 6.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies and also on the basis of accounting principles applicable to going concern.

As at 30 June 2007, the Group's current liabilities exceeded its current assets by RM59,658,000 which indicate uncertainty on whether the Group would be able to meet its liabilities as and when they fall due and continue as a going concern. The Group is currently evaluating various ways on how best to maximise and unlock value that will quickly return the Group to operating profitability and continue future sustainable growth and new business opportunities. In the meantime, the Company has also appointed a financial adviser for a restructuring exercise and to evaluate various corporate proposals to position the Group on a stronger financial footing and to unlock future value of the Group. The major shareholder is willing to underwrite its portion of the restructuring exercise to inject more working capital into the Company, subject to approval of the relevant authorities.

The Directors have considered the application of the going concern basis in the preparation of financial statements to be appropriate in this circumstances, given the positive indication that upon successful implementation of the above plans and proposed restructuring exercise, the Group will be able to meet their financial obligations as and when they fall due.

In the event that the going concern basis of preparing the financial statements of the Group and the Company is inappropriate, adjustments will have to be made to restate the carrying value of the assets to their recoverable amounts, to provide for further liabilities which may arise and to reclassify non-current assets and non-current liabilities to current assets and current liabilities respectively.

The preparation of financial statements in conformity with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In addition, the Directors are also required to exercise their judgement in the process of applying the Group's accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 7. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

5.2 Basis of consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and all its subsidiaries made up to the balance sheet date using the purchase method of accounting.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. The cost of an acquisition is measured as the aggregate of fair values of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination.

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary, the excess and further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been covered.

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and equity holders of the Group.

5.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent costs are included in the carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the parts of property, plant and equipment being replaced is derecognised accordingly. The cost of regular repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and which have different useful lives, are depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and subsequent accumulated impairment losses.

Capital work in progress is not depreciated. Depreciation is calculated to write off the cost or valuation of other assets on the straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Plant and machinery	5% - 10%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in the income statement and the revaluation reserve related to those assets, if any, is transferred directly to retained profits.

5.4 Assets acquired under hire-purchase agreements

Assets acquired under hire-purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The financial charges are recognised in profit or loss over the period of the term of the hire-purchase to produce a constant periodic rate of interest on the remaining lease and hire-purchase liabilities.

5.5 Investment properties

Investment properties are properties which are held to earn rentals or for capital appreciation or for both. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at using the Comparison Method and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Prior to 1 July 2006, investment properties were stated at valuation. Investment properties were revalued at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying value of the revalued assets materially differ from market values. Surplus arising on the revaluation were credited to shareholder's equity as revaluation reserve.

Following the adoption of FRS 140 Investment Property, these investment properties are now stated at fair value. The adoption of FRS 140 has resulted in a change in accounting policy for investment properties. The effect of this change in accounting policy is disclosed in Note 6.3 (c).

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and shall be recognised in profit or loss in the period of retirement or disposal.

5.6 Investment in subsidiaries

A subsidiary is an entity in which the Group and the Company has power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary which is eliminated on consolidation is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

5.7 Property development activities

(a) Land held for property development

Land held for property development, stated at cost less impairment losses, if any, is classified as non-current assets when no development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

(b) Property development cost

Property development cost comprises all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including administrative overheads and borrowing costs.

Development properties on which development activities have commenced or where it can be demonstrated that the development activities can be completed within the normal operating cycle are classified as current assets.

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the balance sheet date. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

When revenue recognised in the income statement exceeds progress billings to purchasers, the balance is classified as accrued billings under current asset. When progress billings exceed revenue recognised in the income statement, the balance is classified as progress billings under current liabilities.

5.8 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract, and such other costs that are specifically chargeable to the customer under the terms of the contract.

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

5.9 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investment in subsidiaries), construction contract assets, property development costs and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not probable to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the income statement when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in the income statement immediately except for the impairment on revalued asset where the impairment loss is recognised directly against the revaluation reserve account to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to the income statement.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if and only if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

5.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

5.11 Financial instruments

5.11.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowances are made for debts which are considered doubtful of collection.

Receivables are not held for trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, bank overdraft, deposits with licensed banks and other short term, highly liquid investments which are readily convertible to cash and which are subject to insignificant risk of changes in value.

(c) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(d) Ordinary shares

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

Where the Company purchases its equity share capital, the consideration paid, including any attributable transaction costs is deducted from shareholders' equity as treasury shares until they are cancelled. Where such shares are reissued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

(e) Interest bearing borrowings

Interest bearing borrowings are recorded at the amount of proceeds received and interest accrued.

5.11.2 Financial instruments not recognised on the balance sheets

There were no financial instruments not recognised on the balance sheets.

5.12 Borrowing costs

Borrowing cost that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to the income statement. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing cost eligible for capitalisation is the actual borrowing cost incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

5.14 Employee benefits

5.14.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

5.14.2 Defined contribution plans

The Company and subsidiary companies make contributions to a statutory provident fund and recognise the contribution payable:

(a) after deducting contributions already paid as liability; and
(b) as an expense in the financial year in which the employees render their services.

5.15 Income tax

Income tax in the financial statements for the financial year comprises current tax expense and deferred tax.

5.15.1 Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted by the balance sheet date.

5.15.2 Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

5.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of completed properties

Revenue from sale of completed properties is recognised in the income statement when significant risk and rewards of ownership have been transferred to the customers.

(b) Rental income

Rental income is recognised on accrual basis unless collectibility is in doubt.

(c) Sale of development properties

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 5.7.

(d) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion as described in Note 5.8.

(e) Revenue from provision of property management services

Revenue from provision of property management services is recognised upon rendering of these services unless collectibility is in doubt.

(f) Interest income

Interest income is recognised based on accrual basis.

(g) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

5.17 Segment information

Segment information is presented in respect of the Group's business segments. The primary reporting segment information is in respect of business segments as the Group's risk and rates of return are affected predominantly by differences in the nature of its businesses.

A segment with a majority of operating income earned from providing product or services to external clients and whose operating income, results or assets are 10% or more of all the segments is reported separately.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

6. ADOPTION OF NEW AND REVISED FRSs AND AMENDMENTS TO FRSs

6.1 New and revised FRSs adopted

On 1 July 2006, the Group and the Company adopted the following new and revised FRSs which are effective for annual periods beginning on or after 1 January 2006. All new and revised standards adopted by the Group and the Company require retrospective application unless otherwise stated.

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held For Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

6.2 New and revised FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations not adopted

At the date of authorisation of these financial statements, the following FRSs and amendments to FRSs were in issue, but not yet effective for the Group, which the Group and the Company have not elected to early adopt:

	For financial periods beginning on or after
FRS 117 : Leases	1 October 2006
FRS 124 : Related Party Disclosures	1 October 2006
FRS 6 : Exploration for and Evaluation of Mineral Resource	1 January 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - net investment in foreign operation	1 July 2007
FRS 107 : Cash Flow Statements	1 July 2007
FRS 111 : Construction Contracts	1 July 2007
FRS 112 : Income Taxes	1 July 2007
FRS 118 : Revenue	1 July 2007
FRS 119 : Employee Benefits	1 July 2007
FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 126 : Accounting and Reporting by Retirement Benefit Plans	1 July 2007
FRS 129 : Financial Reporting in Hyperinflationary Economies	1 July 2007
FRS 134 : Interim Financial Reporting	1 July 2007
FRS 137 : Provisions, Contingent Liabilities and Contingent Assets	1 July 2007

IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 1292004 Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007
FRS 139 : Financial Instruments: Recognition and Measurement	Yet to be determined

The adoption of FRS 107, 111, 112, 118, 119, 126, 134 and 137 does not have any significant financial impact on the results and the financial position of the Company when these standards become effective to the Company.

IC Interpretation 1, 2, 5, 6, 7, 8 and FRS 6, 120, 126 and 129 are not relevant to the Group's operations.

By virtue of exemption provided for in FRS 117, FRS 124 and FRS 139, the impact of applying these standards need not be disclosed.

6.3 Impact of the new and revised FRSs adopted

The adoption of the above FRSs does not have significant financial impact on the Group and the Company except FRSs as stated below:

(a) FRS 101: Presentation of Financial Statements

(i) Classification of financial liabilities

FRS 101 requires a financial liability due within the next 12 months or is payable on demand whereby the entity does not have an unconditional right to defer settlement beyond the next 12 months after the balance sheet date to be classified as a current liability, even if an agreement to refinance or reschedule payments on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue.

FRS 101 also requires a long-term financial liability payable on demand because the entity has breached a condition of its loan agreement on or before the balance sheet date to be classified as a current liability at the balance sheet date even if, after the balance sheet date and before the financial statements are authorised for issue, the lender had agreed not to demand payment as a consequence of the breach.

Prior to 1 July 2006, all such liabilities were classified as non-current liabilities in the financial statements. The change has no material impact on the financial statements of the Group and the Company.

(ii) Disclosure of judgements and estimates

FRS 101 requires disclosures of judgements made by management in the process of applying the Group's accounting policies that has the most significant effect in the amounts recognised in the financial statements and the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. These disclosures are made in Note 7.

(b) FRS 140: Investment Property

Prior to 1 July 2006, investment properties were stated at valuation and were not depreciated. Revaluations were carried out at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying value of the revalued assets materially differ from the market values. Surplus arising on the revaluation was credited to shareholder's equity as revaluation reserve. The investment properties were last revalued on 30 June 2006. Upon the adoption of FRS 140, investment properties are now stated at fair value and gains and losses arising from changes in fair values are recognised in profit or loss in the year in which they arise.

The Group and the Company has applied FRS 140 in accordance with the transitional provision. The change in accounting policy has had no impact on amounts reported for financial year 2006 or prior periods. Instead, the revaluation reserves held as at 1 July 2006 has been reclassified to retained earnings.

The effects on the balance sheets as at 30 June 2007 are set out in Note 6(c) below. There were no effects on the income statements for the financial year ended 30 June 2007.

(c) Summary of effects of adopting new and revised FRSs on the current year's financial statements

The following table provides estimates of the extent to which each of the line items in the balance sheets for the year ended 30 June 2007 is higher or lower than it would have been had the previous policies been applied in the current year:

Effects on balance sheets as at 30 June 2007

	Increase/(Decrease) FRS 140 Note 6(b) RM'000
Group	
Revaluation reserve	(50,682)
Retained earnings	50,682
Company	
Revaluation reserve	(43,914)
Retained earnings	43,914

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below:-

(i) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these assets based on common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised.

8. PROPERTY, PLANT AND EQUIPMENT

Group 2007	Balance as at 1.7.2006 RM'000	Additions RM'000	Written off RM'000	Depreciation charge for the year RM'000	Balance as at 30.6.2007 RM'000
Carrying amount					
Plant and machinery	426	17	(52)	(102)	289
Furniture, fittings and equipment	3,417	35	–	(531)	2,921
Motor vehicles	755	334	–	(233)	856
Renovation in progress	–	168	–	–	168
	4,598	554	(52)	(866)	4,234

	As at 30.6.2007		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Plant and machinery	9,411	(9,122)	289
Furniture, fittings and equipment	7,594	(4,673)	2,921
Motor vehicles	1,641	(785)	856
Renovation in progress	168	–	168
	18,814	(14,580)	4,234

Group **2006** **Carrying amount**	**Balance as at 1.7.2005 RM'000**	**Additions RM'000**	**Disposal RM'000**	**Depreciation charge for the year RM'000**	**Balance as at 30.6.2006 RM'000**
Plant and machinery	437	97	–	(108)	426
Furniture, fittings and equipment	3,284	652	–	(519)	3,417
Motor vehicles	905	83	(14)	(219)	755
	4,626	832	(14)	(846)	4,598

	As at 30.6.2007		
	Cost RM'000	**Accumulated depreciation RM'000**	**Carrying amount RM'000**
Plant and machinery	9,521	(9,095)	426
Furniture, fittings and equipment	7,559	(4,142)	3,417
Motor vehicles	1,245	(490)	755
	18,325	(13,727)	4,598

Company **2007** **Carrying amount**	**Balance as at 1.7.2006 RM'000**	**Additions RM'000**	**Depreciation charge for the year RM'000**	**Balance as at 30.6.2007 RM'000**
Plant and machinery	327	–	(82)	245
Furniture, fittings and equipment	3,384	28	(522)	2,890
Motor vehicles	674	335	(217)	792
Renovation in progress	–	170	–	170
	4,385	533	(821)	4,097

	As at 30.6.2007		
	Cost RM'000	**Accumulated depreciation RM'000**	**Carrying Amount RM'000**
Plant and machinery	8,960	(8,715)	245
Furniture, fittings and equipment	7,302	(4,412)	2,890
Motor vehicles	1,393	(601)	792
Renovation in progress	170	–	170
	17,825	(13,728)	4,097

Company	**Balance**			**Depreciation**	**Balance**
	as at			**charge for**	**as at**
2006	**1.7.2005**	**Additions**	**Disposal**	**the year**	**30.6.2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Carrying amount					
Plant and machinery	419	5	–	(97)	327
Furniture, fittings and equipment	3,255	638	–	(509)	3,384
Motor vehicles	905	–	(14)	(217)	674
	4,579	643	(14)	(823)	4,385

	←	**As at 30.6.2007**	→
		Accumulated	**Carrying**
	Cost	**depreciation**	**amount**
	RM'000	**RM'000**	**RM'000**
Plant and machinery	8,961	(8,634)	327
Furniture, fittings and equipment	7,274	(3,890)	3,384
Motor vehicles	1,058	(384)	674
	17,293	(12,908)	4,385

Included in property, plant and equipment of the Group and of the Company are motor vehicles acquired under hire-purchase arrangements with net book value of RM856,808 and RM792,078 (2006: RM755,859 and RM674,600) respectively.

9. INVESTMENT PROPERTIES

	Group		**Company**	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Carrying amount				
Freehold land	89,275	89,275	81,213	81,213
Building	77,848	77,725	70,707	70,707
	167,123	167,000	151,920	151,920

(a) Investment properties of the Group and of the Company comprise office buildings and shoplots that were previously revalued by the Directors on 30 June 2006 based on revaluation carried out by independent professional valuers using the Comparison Method.

(b) The investment properties of the Group and of the Company have been charged to financial institutions for credit facilities granted to the Group and the Company as disclosed in Note 22 to the financial statements.

(c) No revaluation has been carried out during current financial year. The fair value of the investment properties of the Group and of the Company as at balance sheet date are estimated to be not materially different from the revaluation carried out on 30 June 2006.

10. INVESTMENT IN SUBSIDIARIES

	Company 2007 RM'000	Company 2006 RM'000
Unquoted equity shares, at cost	8,500	8,500

The details of the subsidiaries are as follows:

Name of company	Interest in equity held by Company 2007 %	Company 2006 %	Subsidiary companies 2007 %	Subsidiary companies 2006 %	Principal activities
Bedford PJ Complex Sdn. Bhd.	100	100	–	–	Dormant
Euronium Construction Sdn. Bhd.	100	100	–	–	Construction projects, property management, engineering and trading
MPC Properties Sdn. Bhd. ("MPCPSB")	100	100	–	–	Property investment and property development
Pacific Spa & Fitness Sdn. Bhd. ("PSFSB")	100	100	–	–	Dormant
Premier Building Management Services Sdn. Bhd.	100	100	–	–	Property management services
Prestige Trading Sdn. Bhd. ("PTSB")	100	100	–	–	Dormant
The Power Club Sdn. Bhd. ("TPCSB")	100	100	–	–	Dormant
Subsidiaries of MPCPSB					
ASA Enterprises Sdn. Bhd. ("AESB")	–	–	100	100	Letting of investment Properties
Creative Ascent Sdn. Bhd. ("CASB")	–	–	100	100	Investment holding, project management and property co-development
Lakehill Resort Development Sdn. Bhd. ("LRDSB")	–	–	100	100	Property management and property development
Oriental Pearl City Properties Sdn. Bhd. ("OPCPSB")	–	–	100	100	Dormant
Subsidiary of CASB					
Taman Bandar Baru Masai Sdn. Bhd. ("TBBMSB")	–	–	100	100	Property development

All the subsidiaries are incorporated in Malaysia and audited by BDO Binder.

During the last financial year, the Company acquired the following:

(a) On 7 September 2005, the Company acquired 99.99% equity interest in MPCPSB comprising 99,999 ordinary shares of RM1.00 each for a cash consideration of RM99,999.

(b) On 7 December 2005, the Company acquired 99.99% equity interest in PTSB comprising 99,999 ordinary shares of RM1.00 each for a cash consideration of RM99,999.

(c) On 12 December 2005, the Company acquired the entire equity interest in TPCSB comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.

(d) On 18 March 2006, the Company acquired and disposed of the following subsidiary companies:

  (i) acquisition of the remaining balance of 0.01% equity interest in MPCPSB comprising 1 ordinary share of RM1 each for a cash consideration of RM1.

  (ii) acquisition of the remaining balance of 0.01% equity interest in PTSB comprising 1 ordinary share of RM1 each for a cash consideration of RM1.

  (iii) acquisition of the entire equity interest in PSFSB comprising 2 ordinary shares of RM1 each for a cash consideration of RM2.

  (iv) disposal of the entire equity interest in AESB comprising 350,000 ordinary shares of RM1 each for a cash consideration of RM350,000 to MPCPSB.

  (v) disposal of the entire equity interest in CASB comprising 2 ordinary shares of RM1 each for a cash consideration of RM2 to MPCPSB.

  (vi) disposal of the entire equity interest in LRDSB comprising 200,000 ordinary shares of RM1 each for a cash consideration of RM200,000 to MPCPSB.

(e) On 2 June 2006, LRDSB's issued and paid-up share capital was increased from RM200,000 to RM250,000 via allotment of 50,000 ordinary shares of RM1 each at par for working capital purposes. MPCPSB subscribed for all the 50,000 new ordinary shares.

(f) On 5 June 2006, MPCPSB acquired 99.99% equity interest in OPCPSB comprising 99,999 ordinary shares of RM1.00 each for a cash consideration of RM99,999. On 26 June 2006, MPCPSB acquired the remaining balance of 0.01% equity interest in OPCPSB comprising 1 ordinary share of RM1.00 for a cash consideration of RM1.

These acquisitions do not have any material impact on the financial position and results of the Group.

11. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2007 RM'000	Group 2006 RM'000
Cost		
At beginning of financial year	126,123	143,925
Additions during the financial year	3,553	4,405
Transferred from/(to) property development costs (Note 12)	24,681	(22,207)
	154,357	126,123
Less: Impairment losses		
At beginning of financial year	(40,807)	–
Recognised during the financial year	–	(40,807)
Reversed during the financial year	23,905	–
	(16,902)	(40,807)
At end of financial year	137,455	85,316
At carrying value		
Freehold land, at cost	53,509	51,030
Development expenditure	83,946	34,286
	137,455	85,316

The freehold land of the Group has been charged to financial institutions for credit facilities granted to the Group as disclosed in Notes 23 and 29 to the financial statements.

12. PROPERTY DEVELOPMENT COSTS

	Group 2007 RM'000	Group 2006 RM'000
At beginning of financial year		
Freehold land, at cost	48,013	53,255
Development expenditure	156,114	128,668
	204,127	181,923
Cost incurred during the financial year		
Freehold land, at cost	–	–
Development expenditure	33	3,935
	33	3,935
Transferred during the financial year		
Transferred (to)/from land held for property development (Note 11)	(24,681)	22,207
Transferred to inventories	(557)	(3,938)
	(25,238)	18,269
Recognised as an expense in the income statement		
In previous years	(99,636)	(88,710)
During the financial year	985	(10,926)
	(98,651)	(99,636)
Impairment losses		
At beginning of financial year	(33,807)	–
Recognised during the financial year	–	(33,807)
Reversed during the financial year	9,783	–
	(24,024)	(33,807)
At end of financial year	56,247	70,684

Included in the development expenditure of the Group is interest expense incurred during the financial year amounting to Nil (2006: RM2,899,651).

The freehold land of the Group has been charged to financial institutions for credit facilities granted to the Group as disclosed in Note 23 and 29 to the financial statements.

13. INVENTORIES

	Group 2007 RM'000	Group 2006 RM'000
At cost		
Completed properties	2,550	5,002

Completed properties of the Group have been charged to financial institutions for credit facilities granted to the Group as disclosed in Note 23 to the financial statements.

14. TRADE RECEIVABLES

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Trade receivables	5,064	6,557	1,607	1,606
Less: Allowance for doubtful debts	(1,837)	(1,692)	(1,353)	(1,230)
	3,227	4,865	254	376

The credit terms offered by the Group in respect of trade receivables range from 14 to 30 days from the date of invoice and progress billing.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Other receivables	144	131	99	79
Less: Allowance for doubtful debts	(73)	–	(73)	–
	71	131	26	79
Deposits	225	253	32	23
Prepayments	28	38	27	31
	324	422	85	133

16. AMOUNTS OWING BY SUBSIDIARY COMPANIES

	Company 2007 RM'000	Company 2006 RM'000
Interest bearing advances	156,284	149,283
Non-interest bearing advances	1,852	1,801
	158,136	151,084

Amounts owing by subsidiary companies represent advances and payments made on behalf which are unsecured and repayable on demand. Certain advances bear interest at 4.45% (2006: 4.45%) per annum.

17. FIXED DEPOSIT WITH A LICENSED BANK

The fixed deposit of the Group as at 30 June 2007 has maturity period of 3 months.

18. CASH AND BANK BALANCES

Group

Included in cash and bank balances is an amount of RM34,122 (2006: RM646,893) held under the Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

19. SHARE CAPITAL

	Group and Company			
	2007		2006	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM1.00 each:				
Authorised	500,000	500,000	500,000	500,000
Issued and fully paid	172,597	172,597	172,597	172,597

Warrants 2006/2010

The Company had, on 11 May 2004, issued 27,500,000 detachable warrants. The details of the warrants are as follows:

(a) The warrants were constituted by a Deed Poll dated 27 February 2004.

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM1.00 at an exercise price of RM1.00 per new ordinary share. The expiry date for subscription is on 10 May 2009.

(b) The new ordinary shares issued upon exercise of the warrants shall be fully paid-up and shall rank pari-passu in all respects with the existing ordinary shares of the Company except that these new shares shall not be entitled to any dividends, rights, allotment or other distributions if the date of the new shares to be issued pursuant to the exercise of the warrants is after the Record Date (Record Date means the date as at the close of business on which shareholders must be registered in the Record of Depository with Bursa Malaysia Depository Sdn. Bhd. in order to participate in any dividends, rights, allotments or other distributions). The warrant holders will not have any voting rights in any general meeting of the Company unless the warrants are exercised.

In prior years, 18,596,793 warrants were converted into new ordinary shares. No exercise of warrants had taken place during the financial year. As of the balance sheet date, the total number of warrants which remained unexercised was 8,903,207 (2006: 8,903,207) warrants. Any warrants which have not been exercised at the date of expiry will lapse and cease to be valid for any purpose.

20. RESERVES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Non-distributable:				
Revaluation reserve	–	50,682	–	43,914
Distributable:				
(Accumulated losses)/Retained earnings	(16,481)	(93,054)	44,776	(2,803)
	(16,481)	(42,372)	44,776	41,111

(a) The revaluation reserve arose from the revaluation of freehold land and building of the Group's and Company's investment properties. The Group and Company has applied FRS 140 in accordance with the transitional provision. The movement of revaluation reserve is shown in the Statements of Changes in Equity.

(b) The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of net dividend amounting to RM32,389,000 out of its retained profits as at 30 June 2007. Retained profits not covered by tax credit amounted to RM12,387,000.

21. HIRE-PURCHASE CREDITORS

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Minimum hire-purchase payments:				
- not later than 1 year	207	152	191	136
- later than 1 year and not later than 5 years	620	509	574	447
- later than 5 years	86	75	86	75
	913	736	851	658
Less: Future interest	(107)	(91)	(98)	(76)
Present value of hire-purchase liabilities	806	645	753	582
Repayable as follows:				
Current liabilities:				
- not later than 1 year	169	120	157	110
Non-current liabilities:				
- later than 1 year and not later than 5 years	555	451	514	398
- later than 5 years	82	74	82	74
	637	525	596	472
	806	645	753	582

22. BANK BORROWINGS - SECURED

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current liabilities				
Revolving credit	25,704	25,704	25,704	25,704
Bank loans (Note 23)	6,000	1,400	–	–
	31,704	27,104	25,704	25,704
Non-current liabilities				
Bank loans (Note 23)	71,815	71,639	–	–
	103,519	98,743	25,704	25,704

The revolving credit is secured by:

(a) a fixed charge over the Group's investment properties as disclosed in Note 9 to the financial statements; and

(b) a negative pledge over the Company's entire assets.

23. BANK LOANS

	Group	
	2007	**2006**
	RM'000	**RM'000**
Term loan	26,998	25,858
Bridging loan	50,817	47,181
	77,815	73,039

During the last financial year, a subsidiary has obtained the approval of the bank to restructure the repayment terms of the bank loans from the principal repayments of 60 monthly principal installments to 84 monthly principal installments ranging from RM50,000 to RM1,030,000 commencing 1 July 2005.

	Group	
	2007	**2006**
	RM'000	**RM'000**
Repayable as follows:		
Current liabilities:		
- not later than 1 year	6,000	1,400
Non-current liabilities:		
- later than 1 year and not later than 5 years	71,815	54,240
- later than 5 years	–	17,399
	71,815	71,639
	77,815	73,039

The bank loans are secured by:

(a) a charge over the Group's freehold land as disclosed in Note 11 and Note 12 to the financial statements;
(b) a debenture of RM120 million by way of a fixed and floating charge over all present and future assets of a subsidiary;
(c) a charge over the completed properties of the Group as disclosed in Note 13 to the financial statements;
(d) assignment of all proceeds and/or sale derived or arising from the proposed project of a subsidiary, both present and future including all moneys standing in credit in the Housing Development Account opened and maintained or to be opened and maintained by a subsidiary company subject however to the provisions of the relevant regulations; and
(e) an assignment over the sales proceeds of a subsidiary's development project.

24. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
At beginning of financial year	28,323	26,494	5,994	4,596
Recognised in the income statements (Note 33)				
- current year	(37)	105	(37)	–
- prior years	(66)	–	(66)	–
- relating to change in tax rate	(1,584)	–	(15)	–
- reversal of deferred tax on revaluation reserve	(6,050)	–	(5,692)	–
	(7,737)	105	(5,810)	–
Surplus on revaluation of investment properties	–	1,724	–	1,398
At end of financial year	20,586	28,323	184	5,994

(b) The movements of the deferred tax liabilities during the financial year are as follows:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
At beginning of financial year	28,323	26,494	5,994	4,596
Recognised in the income statements (Note 33)				
- excess of capital allowance over corresponding depreciation	(118)	–	(118)	–
- realisation of deferred tax upon sale of development properties	(970)	(122)	–	–
- temporary differences arising from interest capitalised into development expenditure expenditureexpenditures	(599)	227	–	–
- reversal of deferred tax on revaluation reserve	(6,050)	–	(5,692)	–
	(7,737)	105	(5,810)	–
Surplus on revaluation of investment properties	–	1,724	–	1,398
At end of financial year	20,586	28,323	184	5,994

(c) The components of deferred tax liabilities at the end of the financial year comprise the tax effect of:

	2007 RM'000	**2006 RM'000**
Group		
Excess of capital allowances over corresponding depreciation	184	302
Revaluation surplus arising from subsidiary company's development properties	12,602	13,572
Temporary differences arising from interest capitalised into development properties	7,800	8,399
Surplus on revaluation of investment properties	–	6,050
	20,586	28,323
Company		
Excess of capital allowances over corresponding depreciation	184	302
Surplus on revaluation of investment properties	–	5,692
	184	5,994

(d) The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheet are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Unutilised capital allowances	58	46
Unabsorbed tax losses	42,112	28,051
	42,170	28,097

Deferred tax assets of certain subsidiary companies have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiary companies will be available against which the deductible temporary differences can be utilised.

25. TRADE PAYABLES

Group and Company

The credit terms available to the Group and the Company in respect of trade payables range from 30 to 90 days from the date of invoice and progress billing.

26. OTHER PAYABLES, ACCRUALS AND DEPOSITS

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other payables and accruals	9,777	3,611	7,983	1,093
Purchasers' deposits	1,105	2,149	–	–
Tenants' deposits	1,990	2,100	1,894	1,939
	12,872	7,860	9,877	3,032

27. AMOUNTS OWING TO SUBSIDIARIES

Amounts owing to subsidiaries represent trade transactions, advances and payments made on behalf which are unsecured, interest-free and repayable on demand.

28. PROVISION FOR LIQUIDATED AND ASCERTAINED DAMAGES

	Group	
	2007	**2006**
	RM'000	**RM'000**
At beginning of financial year	2,452	8,510
Provision made during the financial year	120	200
Provision for liquidated and ascertained damages no longer required	(271)	(5,436)
Payment made during the financial year	(92)	(822)
At end of financial year	2,209	2,452

29. BANK OVERDRAFTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Bank overdrafts				
- secured	67,193	64,672	45,068	43,698
- unsecured	1,596	1,338	1,596	1,338
	68,789	66,010	46,664	45,036

The bank overdrafts are secured by:

(a) charge over the Group's investment properties as disclosed in Note 9 to the financial statements;

(b) a charge over the Group's freehold land as disclosed in Note 11 and Note 12 to the financial statements; and

(c) a debenture of RM120 million by way of fixed and floating charge over all present and future assets of a subsidiary company.

30. REVENUE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Rental and service charges	8,522	8,295	7,349	6,917
Sale of completed properties	3,371	–	–	–
Property development	(1,314)	9,729	–	–
	10,579	18,024	7,349	6,917

31. EXCEPTIONAL ITEM

In the last financial year, an impairment loss was recognised on development expenditure in respect of the property development project in Johor, based on the valuation carried out by independent professional valuers.

In the current financial year, part of the impairment loss had been reversed due to revaluation of the land of the property development project in Johor, situated in Iskandar Development Region. The fair value of the land is estimated at RM191,000,000 by the Directors based on revaluation carried out by independent professional valuers.

32. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration:				
- current year	78	68	43	30
- under provision in prior years	3	9	3	9
Allowance for doubtful debts	374	173	242	30
Bad debts written off	116	–	92	–
Depreciation of property, plant and equipment (Note 8)	866	846	821	823
Impairment loss on development expenditure (Note 31)	–	74,614	–	–
Provision for liquidated and ascertained damages	120	200	–	–
Property, plant and equipment written off	52	–	–	–
Directors' remuneration:				
- fees				
- current year	231	209	231	209
- over provision in prior year	–	(81)	–	(81)
- emoluments other than fees				
- current year	34	13	34	13
- overprovision in prior year	(3)	–	(3)	–
Interest expense on:				
- hire-purchase	34	32	28	32
- bank loans	5,460	4,086	–	–
- bank overdrafts	5,300	4,674	3,846	3,509
- revolving credit	2,551	2,369	2,551	2,369
- others	727	153	302	–
Rental of premises	40	12	–	–

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
And crediting:				
Allowance for doubtful debts no longer required	157	25	46	–
Gain on disposal of property, plant and equipment	–	2	–	2
Interest income from:				
- subsidiaries	–	–	5,146	5,132
- others	73	160	–	40
Provision for liquidated and ascertained damages no longer required	271	5,436	–	–
Reversal of impairment loss on development expenditure (Note 31)	33,688	–	–	–
Rental income	6,962	7,349	6,568	6,136

33. TAX (INCOME)/EXPENSE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current tax expense based on profit for the financial year:-				
Malaysian income tax	119	131	119	99
(Over)/Under provision in prior years:-				
Malaysian income tax	(41)	(344)	3	–
	78	(213)	122	99
Deferred tax liabilities (Note 24):-				
Relating to origination and reversal of temporary differences	(37)	105	(37)	–
Reversal of deferred tax on revaluation reserve	(6,050)	–	(5,692)	–
Relating to changes in tax rates	(1,584)	–	(15)	–
(Over)/Under provision in prior years	(66)	–	(66)	–
	(7,737)	105	(5,810)	–
	(7,659)	(108)	(5,688)	99

The Malaysian income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated taxable profit for the fiscal year. The Malaysian statutory tax rate will be reduced to 26% from the current year's rate of 27% for the fiscal year of assessment 2008 onwards. The computation of deferred tax as at 30 June 2007 has reflected these changes.

The numerical reconciliation between the average effective tax expense and the applicable tax expense of the Group and of the Company are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Applicable tax expense/(income)	4,922	(22,816)	(546)	(346)
Tax effect in respect of:				
Non-allowable expenses	1,302	22,595	628	477
Non-taxable income	(9,096)	(1,522)	–	–
Utilisation of previously unrecognised tax losses and capital allowances	(16)	(32)	–	(32)
Deferred tax assets not recognised	2,970	2,017	–	–
Reversal of deferred tax on revaluation reserve	(6,049)	–	(5,692)	–
Effect of changes in tax rate on deferred tax	(1,585)	–	(15)	–
Reduction in statutory tax rate on first RM500,000 chargeable income for a subsidiary	–	(6)	–	–
	(7,552)	236	(5,625)	99
Over provision of deferred tax in prior years	(66)	–	(66)	–
(Over)/Under provision in prior years	(41)	(344)	3	–
Average effective tax (income)/expense	(7,659)	(108)	(5,688)	99

Tax savings of the Group and of the Company are as follows:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Arising from utilisation of previously unrecognised tax losses and capital allowances	16	–	–	–

Subject to the agreement of the Inland Revenue Board, the Group has unabsorbed tax losses amounting to approximately RM42,000,000 (2006: RM28,000,000) and unutilised capital allowances of approximately RM58,000 (2006: RM46,000) available to set-off against future taxable income.

34. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the year is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	Group 2007	Group 2006
Profit/(Loss) attributable to equity holders of the Company (RM'000)	25,891	(81,378)
Weighted average number of ordinary shares in issue ('000)	172,597	172,597
Basic earnings/ (loss) per ordinary share (Sen)	15.00	(47.15)

(b) Fully diluted earnings per ordinary share

The diluted earnings 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 it is anti dilutive.

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Purchase of property, plant and equipment (Note 8)	554	832	533	643
Less: Financed by hire-purchase arrangements	(280)	(64)	(280)	–
Cash payments on purchase of property, plant and equipment	274	768	253	643

36. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash and bank balances	289	883	65	27
Fixed deposit with a licensed bank	231	–	–	–
Bank overdrafts	(68,789)	(66,010)	(46,664)	(45,036)
	(68,269)	(65,127)	(46,599)	(45,009)

37. CONTINGENT LIABILITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Secured:				
Corporate guarantee given to financial institutions for credit facilities granted to a subsidiary - secured against the Company's undertaking for registration of a legal charge over the Company's investment properties	–	–	99,940	94,013
Unsecured:				
Corporate guarantee given to financial institutions for trade facilities granted to a subsidiary	–	–	3,500	3,500
Claim for defamatory suit as disclosed in Note 38 (d) to the financial statements	1,000	1,000	1,000	1,000

38. MATERIAL LITIGATION

(a) The Company and Taman Bandar Baru Masai Sdn Bhd ("TBBM") have commenced a civil action vide Kuala Lumpur Civil High Court Suit No. S4-22-82-2006 against its former directors, En. Chut Nyak Isham Bin Nyak Ariff, Dato' Yusof Bin Jusoh, Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail, Dato' Thomas Teng Poh Foh, Pn. Asnah Binti Mohd Salleh as well as Warisan Enterprise Sdn. Bhd. and Bumialpha Sdn. Bhd. for inter alia breach of section 132(E) of the Companies Act 1965, loss and damages to be assessed and/or for an account.

Defendants have all filed their defence. The matter is pending filing of the Plaintiffs Statement of Reply and Defence to Counterclaim.

(b) Vide Johor Bahru High Court No. 22-702-2005, the Company and TBBM have also filed a claim against the directors of Inta Development Sdn. Bhd.("Inta"), En. Zulhaimi Bin Nordin, En. Chut Nyak Isham Bin Nyak Ariff and others for the sale of TBBM's land to Inta, to be assessed and/or for an account.

The matter is now pending transfer from Johor Bahru High Court to the Kuala Lumpur Civil High Court for hearing and is pending mention. The Company and TBBM has applied to have the matter heard in conjunction with (c) below and are now pending consolidation.

(c) Claim by Inta against TBBM vide Kuala Lumpur High Court No. S3-22-1128-2004 in respect of the sale and purchase agreement dated 26 December 2001 between Inta and TBBM for inter alia loss and damages.

The Court has fixed the matter for further case management on 7 January 2008.

(d) A claim for defamation has been filed by four former directors of the Company i.e. En. Chut Nyak Isham Bin Nyak Ariff, Dato' Yusof Bin Jusoh, Dato' Thomas Teng Poh Foh and Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail against the Company vide Kuala Lumpur Civil High Court No. S2-23-29-06 in respect of certain statements made in the Company's Annual Report for the year ended 30 June 2005 as well as what was subsequently reported in the Star Newspaper dated 15 November 2005.

The Court had, vide its decision on 8 February 2007 struck out the claim of slander brought by the four former directors against the Company and the Court has therein ordered that the Plaintiffs amend their statements of claim, by eliminating the claim of slander allegation part against the Company.

Plaintiff's application to amend has been filed and pending trial date from the Court.

39. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

The Company has controlling related party relationships with its direct subsidiary companies. The Group is deemed to have related party relationships with the following companies:

Related parties	**Relationships**
Top Lander Offshore Inc.	A substantial shareholder of the Company
Spektrum Semangat Sdn. Bhd.	A company appointed by Top Lander Offshore Inc./ K-Elite Sdn. Bhd. to fund the loan of RM13.8 million to the Company to ward off creditors prior to the completion of the Rights Issue exercise
Steady Essence Sdn. Bhd.	A company related to the Chief Executive Officer and Ch'ng Soon Sen, a Director of the Company

(b) Significant related party transactions

In the normal course of business, the Group undertakes transactions with certain of its related parties listed above. Set out below is the significant related party transactions for the financial year and related party balances as at financial year end (in addition to related party disclosures mentioned elsewhere in the financial statements). The related party transactions and balances described below were carried out on terms and conditions mutually agreed between the respective parties.

	Group		**Company**	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Interest payable to Steady Essence Sdn. Bhd.	424	–	424	–
Temporary advance received from Steady Essence Sdn. Bhd.	3,400	–	3,400	–

The net related party balances for transactions other than trade in nature which remained outstanding at the financial year end are as follows:

	Group		**Company**	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Related party receivable/(payable)				
- Spektrum Semangat Sdn. Bhd.	53	53	53	53
- Steady Essence Sdn. Bhd.	(3,824)	–	(3,824)	–

40. SEGMENT REPORTING

(i) Business segments

Segment information is presented in respect of the Group's business segments. The primary reporting segment information is in respect of business segments as the Group's risk and rates of return are affected predominantly by differences in the nature of its businesses.

The Group's operations comprise the following business segments:

Property development	:	Development of residential and commercial properties
Investment properties	:	Letting of investment properties
Construction	:	Construction of buildings

Group 2007	Property development RM'000	Investment properties RM'000	Construction RM'000	Elimination RM'000	Total RM'000
Revenue					
External sales	2,057	8,522	–	–	10,579
Inter-segment sales	–	3,043	377	(3,420)	–
Total revenue	2,057	11,565	377	(3,420)	10,579
Results					
Segment results	32,837	4,630	55	(4,980)	32,542
Unallocated income					–
Unallocated corporate expenses					(238)
Interest expense					(14,072)
Profit before tax					18,232
Tax income					7,659
Profit for the financial year					25,891
Other information					
Segment assets	233,012	331,779	2,004	(195,115)	371,680
Unallocated corporate assets					317
Total assets					371,997
Segment liabilities	270,158	116,339	830	(194,042)	193,285
Unallocated corporate liabilities					22,596
					215,881
Capital expenditure	23	533	–	(2)	554
Depreciation and amortisation	28	838	–	–	866
Non-cash expenses other than depreciation and amortisation	172	490	–	–	662

Group 2006	**Property development RM'000**	**Investment properties RM'000**	**Construction RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue					
External sales	9,729	8,295	–	–	18,024
Inter-segment sales			785	(785)	–
Total revenue	9,729	8,295	785	(785)	18,024
Results					
Segment results	(70,806)	905	(43)	43	(69,901)
Unallocated income					149
Unallocated corporate expenses					(420)
Interest expense					(11,314)
Profit before tax					(81,486)
Tax income					108
Profit for the financial year					(81,378)
Other information					
Segment assets	318,774	173,269	749	(151,954)	340,838
Unallocated corporate assets					433
Total assets					341,271
Segment liabilities	247,153	83,791	639	(151,954)	179,629
Unallocated corporate					31,417
Total liabilities					211,046
Capital expenditure	188	644	–	–	832
Depreciation and amortisation	23	823	–	–	846
Non-cash expenses other than depreciation and amortisation	74,814	173	–	–	74,987

(ii) Geographical segments

No segmental reporting on geographical location has been prepared as the Group's activities are predominantly conducted within Malaysia.

41. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The following tables set out the carrying amounts, the weighted average effective interest rates as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

Group	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	> 5 years RM'000	Total RM'000
At 30 June 2007								
Financial assets								
Cash held in housing development accounts	2.1	34	–	–	–	–	–	34
Fixed deposit	3.0	231	–	–	–	–	–	231
Financial liabilities								
Fixed rates								
Hire-purchase creditors	5.00	169	145	143	151	116	82	806
Floating rates								
Bank overdrafts	8.00	68,789	–	–	–	–	–	68,789
Revolving credit	9.50	25,704	–	–	–	–	–	25,704
Term loans	7.50	2,400	3,600	6,960	6,960	7,078	–	26,998
Bridging loans	7.50	3,600	6,000	12,360	12,360	16,497	–	50,817
At 30 June 2006								
Financial assets								
Cash held in housing development accounts	2.3	647	–	–	–	–	–	647
Financial liabilities								
Fixed rates								
Hire-purchase creditors	5.27	120	128	108	105	110	74	645
Floating rates								
Bank overdrafts	7.75	66,010	–	–	–	–	–	66,010
Revolving credit	9.00	25,704	–	–	–	–	–	25,704
Term loans	7.38	–	2,400	3,600	6,960	6,960	5,938	25,858
Bridging loans	7.38	–	3,600	6,000	12,360	12,360	12,861	47,181

Company	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	> 5 years RM'000	Total RM'000
At 30 June 2007								
Financial liabilities								
Fixed rates								
Hire-purchase creditors	4.76	157	132	129	137	116	82	753
Floating rates								
Bank overdrafts	8.00	46,664	–	–	–	–	–	46,664
Revolving credit	9.50	25,704	–	–	–	–	–	25,704
At 30 June 2006								
Financial liabilities								
Fixed rates								
Hire-purchase creditors	4.92	110	116	96	91	95	74	582
Floating rates								
Bank overdrafts	7.75	45,036	–	–	–	–	–	45,036
Revolving credit	9.00	25,704	–	–	–	–	–	25,704

(b) Fair values

The Company provides financial guarantee to a bank for credit facilities extended to a subsidiary. The fair value of such financial guarantee is estimated based on the fair values of the banking facilities utilised by the Company's subsidiary as at balance sheet date.

The following methods and assumptions are used to determine the fair value of the financial instruments:

(i) The carrying amounts of financial assets and liabilities maturing within 12 months approximate their fair values due to the relatively short term maturity of these financial instruments.

(ii) The fair values of the Group's and the Company's borrowings are estimated based on the market rates for the same or similar loans offered to the Group and the Company with the same remaining maturities.

(c) Credit risk

The concentration of credit risk in respect of property buyers are limited by withholding legal ownership before the full consideration is received. For trade receivables other than property buyers, the concentration of credit risk is limited due to the Group's large number of customers who are dispersed over a broad spectrum of industries and business.

The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, the directors believe that no additional credit risk beyond amounts allowed for doubtful debts is inherent in the Group's trade receivables.

Other than as mentioned, the Group has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheet.

42. STAFF COSTS

The total staff costs recognised in the income statements are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Wages and salaries	2,133	1,760	1,793	1,401
Defined contribution retirement plan	149	173	112	135
Other employee benefits	165	107	152	98
	2,447	2,040	2,057	1,634

43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 31 October 2007.

PROPERTIES HELD BY THE GROUP

AS AT 7 JUNE 2007

Tenure	Location	Approximate Net Lettable Area */ Land Area	Approximate Age of Building(years)	Net Book Value (RM'000)	Date of Revaluation
Freehold	i. 19 Level office tower ii. Majority of the floor area of 4 level retail podium at Jalan Raja Chulan 50200 Kuala Lumpur	266,283 sq ft * } } 74,542 sq ft * }	33	167,000	11/10/2006
Freehold	Remaining Land & Development in the Mukim Plentong, District of Johore Bahru, Johor Darul Takzim	501 acres	–	191,000	28/5/2007
	Land earmarked for local amenities and requirements	138 acres		*not valued*	
	Total land area	639 acres			

Share Capital

Authorised Share Capital	:	RM500,000,000.00
Issued and Fully Paid Up Capital	:	RM172,596,793
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights		
- On show of hands	:	1 vote
- On a poll	:	1 vote for each share held

Distribution Schedule of Shareholders

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 99	100	2.24	3,973	negligible
100 - 1,000	1,335	29.85	1,282,764	0.74
1,001 - 10,000	2,034	45.48	9,892,241	5.73
10,001 - 100,000	866	19.36	30,787,205	17.84
100,001 - less than 5% of issued shares	136	3.04	47,068,253	27.27
5% and above of issued shares	1	0.03	83,562,357	48.42
TOTAL	4,472	100	172,596,793	100

Thirty Largest Shareholders

No.	Name of Shareholders	No. of Shares	%
1	Top Lander Offshore Inc.	83,562,357	48.41
2	Yap Lian Far	5,020,200	2.91
3	Tan Lee Hwa	1,698,800	0.98
4	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities for Kek Lian Lye*	1,676,000	0.97
5	Leow Hong Yen	1,300,000	0.75
6	Lew Siew Yen	1,194,000	0.69
7	HDM Nominees (Tempatan) Sdn Bhd *- Taiping Recovery Sdn Bhd* *- In liquidation for Chut Nyak Isham Bin Nyak Ariff*	1,010,000	0.59
8	Soh Teck Toh	900,000	0.52
9	HDM Nominees (Tempatan) Sdn Bhd *- Taiping Recovery Sdn Bhd* *- In liquidation for Ho Ngan Yin*	871,000	0.50
10	Mayban Nominees (Asing) Sdn Bhd *Pledged Securities Account for Lim Ai Ling*	821,100	0.48
11	Seshan Lim Tee Heng	818,000	0.47
12	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Credit Suisse (HK BR-TST-Asing)*	762,700	0.44
13	Tan Lai Fong	760,100	0.44
14	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Ah Peng (CEB)*	711,700	0.41
15	Lee Chee Wan	710,000	0.41
16	Khoo Seng Miau	680,000	0.39
17	Mayban Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Yang Ooi Chun*	625,500	0.36
18	Beh Yong Ning	612,200	0.35
19	Mayban Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Thong Mei Chin (REM865-Margin)*	570,000	0.33

Thirty Largest Shareholders *(Cont'd)*

No.	Name of Shareholders	No. of Shares	%
20	Wong Choon Shein	560,000	0.32
21	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teo Kwee Hock (Margin)*	550,000	0.32
22	Lee Teck Seng Patrick	540,000	0.31
23	Low Koon Keng	540,000	0.31
24	AmBank (M) Berhad *Pledged Securities Account for Teow Choo Hing (Smart)*	500,000	0.29
25	Bagan Pesona Sdn Bhd	500,000	0.29
26	Ong Poh Lan	500,000	0.29
27	Sai Yee @ Sia Say Yee	500,000	0.29
28	Yoong Oai Tai	500,000	0.29
29	Tan Yen Kean	459,000	0.27
30	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ta Kin Yan (472435)*	451,111	0.26
	TOTAL	109,903,768	63.64

Substantial Shareholders

Name of Substantial Shareholders	Direct Interest No. of Shares	Direct Interest %	Deemed Interest No. of Shares	Deemed Interest %
Top Lander Offshore Inc	83,562,357	48.41		
Ch'ng Poh	–	–	83,562,357	48.41[1]
Kong Yuk Chu	–	–	83,562,357	48.41[1]
Seacrest Land Limited	–	–	83,562,357	48.41[2]

Notes:-

1 Deemed interested by virtue of his/her substantial interest in Top Lander Offshore Inc and Seacrest Land Limited and Optima Mewah Sdn Bhd.

2 Deemed interested by virtue of its substantial interest in Top Lander Offshore Inc.

Directors' Shareholdings

Name of Directors	Direct Interest No. of Shares	Direct Interest %	Deemed Interest No. of Shares	Deemed Interest %
Kong Yuk Chu	–	–	83,562,357	48.41[1]

Notes:-

1 Deemed interested by virtue of her substantial interest in Top Lander Offshore Inc and Seacrest Land Limited and Optima Mewah Sdn Bhd.

No of 2004/2009 warrants issued	:	27,500,000
No. of 2004/2005 warrants outstanding	:	8,903,207
Voting Rights		
- On show of hands	:	1 vote
- On a poll	:	1 vote for each warrant held

Distribution Schedule of 2004/2009 Warrantholders

Size of Holdings	No. of 2004/2009 Warrantholders	%	No. of 2004/2009 Warrants	%
1 - 99	226	16.26	11,752	0.13
100 - 1,000	550	39.57	264,713	2.97
1,001 - 10,000	439	31.58	1,744,387	19.59
10,001 - 100,000	166	11.94	5,136,655	57.69
100,001 - less than 5% of issued warrants	9	0.65	1,745,700	19.62
5% and above of issued warrants	0	0	0	0
TOTAL	1,390	100	8,903,207	100

Thirty Largest 2004/2009 Warrantholders

No.	Name of 2004/2009 Warrantholders	No. of 2004/2009 Warrants	%
1	Trade Pioneer Limited	289,000	3.25
2	United Overseas Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Goh Kai Yunn (MKL)*	275,200	3.09
3	Leow Hong Yen	250,000	2.81
4	Tan Yen Kean	210,000	2.36
5	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Boon Pock (TAN6190M)*	192,400	2.16
6	Wu Song See @ Goh Song See	171,600	1.93
7	Wong Foo Chong @ Wong Poo Keong	135,000	1.52
8	Ng Swee Ying	120,000	1.35
9	Zarinah Binti Zailani	102,500	1.15
10	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Boon Pock (TAN1290C)*	100,000	1.12
11	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Tien Chor (NGT0249M)*	100,000	1.12
12	Chan Way Meng	100,000	1.12
13	Kwong Ming Kwei	100,000	1.12
14	Wong Choon Shein	100,000	1.12
15	Cheok Leong Kien	95,000	1.07
16	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ta Kin Yan (472435)*	80,555	0.90
17	Ng Kok Chee	80,000	0.90
18	Tan Sim Huay	75,000	0.84
19	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Thien Nyuk Lin (8036356)*	70,000	0.79
20	HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Ah Yong*	70,000	0.79
21	Wong Foo Chong @ Wong Poo Keong	68,000	0.76
22	Niap Kim Lock @ Andrew Niap Kim Fook	65,400	0.73
23	Lee Hoon Ngoh	64,000	0.72

ANALYSIS OF WARRANTHOLDINGS *(Cont'd)*

AS AT 7 NOVEMBER 2007

Thirty Largest 2004/2009 Warrantholders *(Cont'd)*

No.	Name of 2004/2009 Warrantholders	No. of 2004/2009 Warrants	%
24	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Sow Gek Pong (MLK)*	61,111	0.69
25	AIBB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Yeok Kew*	60,000	0.67
26	Chong Chin Nyok	60,000	0.67
27	Yeo Tian Huat	60,000	0.67
28	Lawrence Chin Kok Jin	55,000	0.62
29	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Boon Hong (TAN1317C)*	50,000	0.56
30	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Jen Chang (LIM5009C)*	50,000	0.56
	TOTAL	3,309,766	37.16

ARTICLES	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 2	Interpretation Approved Market Place – **Stock Exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998 or any statutory modification, amendment or re-enactment thereof for the time being in force.**	Interpretation Approved Market Place – **Deleted.**
Article 2	Interpretation Central Depository – Malaysian Central Depository Sdn Bhd	Interpretation **Depository – Bursa Malaysia Depository Sdn Bhd including any further change to its name;** **And that the term "Central Depository" wherever it appears in these Articles be replaced with the term "Depository".**
Article 2	Interpretation Central Depositories Act – Securities Industry (Central Depositories) Act, 1991.	Interpretation Central Depositories Act – The Securities Industry (Central Depositories) Act, 1991 **or any statutory modifications, amendments or re-enactments thereof for the time being in force.**
Article 2	Interpretation Depositor – A holder of a Securities Account.	Interpretation Depositor – **means a holder of a securities account established by the Depository.**
Article 2	Interpretation Deposited Security – A security standing to the credit of a securities account and include securities account that is in suspense.	Interpretation Deposited Security - **Shall have the meaning given in Section 2 of the Securities Industry (Central Depositories) Act 1991.**
Article 2	Interpretation Market Days – Any day between Monday and Friday which is not a market holiday of the Stock Exchange or Public Holidays.	Interpretation **Market day – means a day on which the stock market of the Exchange is open for trading in securities.**
Article 2	Interpretation Member – Any person or persons for the time being holding shares in the Company and whose names appear in the Register (except the Malaysian Central Depository Nominees Sdn Bhd), including depositors whose names appear on the Record of Depositors who is a registered shareholder of the Company.	Interpretation **Member – includes a depositor who shall be treated as if he were a member pursuant to Section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Depository in its capacity as a bare trustee.**

ARTICLES	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 2	Interpretation **No Provision**	Interpretation <u>To add/insert</u> **Listing Requirements – Means the Listing Requirements of the Exchange including any amendment thereto that may be made from time to time.**
Article 2	Interpretation Record of Depositors – A record provided by Central Depository to the Company under Chapter 24.0 of the Rules.	Interpretation Record of Depositors – **means a record provided by the Depository to the Company under Chapter 24.0 of the Rules of the Depository.**
Article 2	Interpretation Rules – The Rules of the Central Depository.	Interpretation **Rules of the Depository - shall have the meaning given in Section 2 of the Securities Industry (Central Depositories) Act 1991.** **And that the term "Rules" wherever it appears in these Articles be replaced with the term "Rules of the Depository".**
Article 2	Interpretation **No Provision**	Interpretation <u>To add/insert</u> **Rules of the Exchange – means the Rules of Bursa Malaysia Securities Berhad including any amendment thereto that may be made from time to time.**
Article 2	Interpretation Securities Account – An account established by the Central Depository for the recording of deposit or withdrawal of securities and for dealing in such securities by the Depositor.	Interpretation **Securities Account – means an account established by the Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor.**
Article 2	Interpretation The Stock Exchange – Kuala Lumpur Stock Exchange and/or other stock exchange in which the shares or other securities of the Company are quoted.	Interpretation **Exchange – means Bursa Malaysia Securities Berhad and such other stock exchange if any upon which the shares of the Company may be listed and quoted;** **And that the term "Stock Exchange" wherever it appears in these Articles be replaced with the term "Exchange".**
Article 4(v)(b)	He holds office in the Company in an executive capacity. A non-executive Director may participate in an issue of shares if made pursuant to public issue offer for sale or any other scheme approved by the relevant authorities and the shareholders of the Company."	**Deleted**

ARTICLES	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 5	Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed **but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time** and the Company shall not issue preference shares ranking in priority over preference shares already issued, but may issue preference shares ranking equally therewith.	Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not issue preference shares ranking in priority over preference shares already issued, but may issue preference shares ranking equally therewith.
Article 9	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the share of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meetings the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary, quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holders of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary apply.	If at any time the share capital **of the Company by reason of the issue of preference shares or otherwise** is divided into different classes of shares, **the repayment of such preference capital other than redeemable preference or all or any of** the rights **and privileges** attached to each class (unless otherwise provided by the terms of issue of the share of that class) may **subject to the provision of the Act be varied, modified, commuted, dealt with, affected or abrogated** with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meetings the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary, quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holders of shares of the class present in person or by proxy may demand a poll. **Provided however that in the event of the necessary majority not having been obtained in the manner aforesaid consent in writing may be secured from Members holding at least three-fourths of the issued shares of the class and such consent if obtained within two months from the date of the separate general meeting shall have the force and validity of a special resolution duly carried by a vote in person or by proxy.** To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary apply.

ARTICLES	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 30	In the event that:- (a) the securities of the Company are listed on an **Approved Market Place**; (b) the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act 1991 or Section 29 of the Securities Industry (Central Depositories) Amendment Act, 1998, as the case may be, under the Rules in respect of such securities, the Company shall, upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the **Approved Market Place (herein referred to as "the Foreign Register")**, to the register of holders maintained by the Registrar of the Company in Malaysia **(hereinafter referred to as "the Malaysian Register")** provided that there shall be no change in ownership of such securities **AND THAT the company which fulfils the requirements of the said paragraph (a) and (b) above shall not allow any transmission of securities from the Malaysian Register into the Foreign Register.**	Where:- (a) the securities of the Company are listed on **another stock exchange**; and (b) the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules **of the Depository** in respect of such securities, the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the **other stock exchange**, to the register of holders maintained by the registrar of the company in Malaysia and **vice versa** provided that there shall be no change in the ownership of such securities.
Article 33	The Register of Transfers and the Register of Members shall be closed during the seven days (or such longer period as the Directors may decide) immediately preceding every Annual General Meeting of the Company, and such other times (if any) and for such period as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty (30) market days in any year. At least **twelve (12) clear** market days' notice after the announcement to the Exchange or such other period as may be prescribed by the Exchange notice of intention to close the transfer books shall be advertised in the local daily newspaper circulating in Malaysia and given to the Exchange upon which the Company is listed, stating the period or periods for which the books will be closed and the purpose of such closure. At least three (3) market days' prior notice shall be given to the **Central Depository** to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions at least seven (7) market days' prior notice shall be given to the **Central Depository**.	The Register of Transfers and the Register of Members shall be closed during the seven days (or such longer period as the Directors may decide) immediately preceding every Annual General Meeting of the Company, and such other times (if any) and for such period as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty (30) market days in any year. At least ten **(10) market days'** notice after the announcement to the Exchange or such other period as may be prescribed by the Exchange notice of intention to close the transfer books shall be advertised in the local daily newspaper circulating in Malaysia and given to the Exchange upon which the Company is listed, stating the period or periods for which the books will be closed and the purpose of such closure. At least three (3) market days' prior notice shall be given to the **Depository** to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions at least seven (7) market days' prior notice shall be given to the **Depository**.

ARTICLES	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 60	Subject to the provision of the Act relating to acts for shorter notice, at least fourteen (14) days' notice before the meeting or at least twenty-one (21) days' notice before the meeting where any special resolution is to be proposed or where it is an annual general meeting shall be given to all Members (other than those who under the provisions of these presents or the terms of issue of the shares held by them are not entitled to receive notices of general meetings of the Company). The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall also be given by advertisement **in the daily press** and in writing and in writing to the **Stock Exchange** upon which the Company is listed.	Subject to the provision of the Act relating to acts for shorter notice, at least fourteen (14) days' notice before the meeting or at least twenty-one (21) days' notice before the meeting where any special resolution is to be proposed or where it is an annual general meeting shall be given to all Members (other than those who under the provisions of these presents or the terms of issue of the shares held by them are not entitled to receive notices of general meetings of the Company). The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall also be given by advertisement **in at least one (1) nationally circulated Bahasa Malaysia or English newspaper** and in writing to **each stock exchange** upon which the Company is listed.
Article 62	The Company shall also request the **Central** Depository in accordance with the Rules of the **Central** Depository, to issue a Record of Depositors, as at a date not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). Subject to the Securities Industry (Central Depositors) (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall note be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.	The Company shall also request the Depository in accordance with the **Rules of the Depository**, to issue a Record of Depositors, as at **the latest** date **which is reasonably practicable which shall in any event be** not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). Subject to the Securities Industry (Central Depositors) (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.
Article 84	**All the Directors of the Company shall be natural persons and until otherwise determined by general meeting** the number of Directors (disregarding Alternate Directors) shall not be less than two (2) nor more than twelve (12) unless otherwise determined by the Company in general Meeting.	The number of Directors (disregarding Alternate Directors) shall not be less than two (2) nor more than twelve (12) unless otherwise determined by the Company in general Meeting.

ARTICLES	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 96 (a), (d) and (g)	(a) becomes bankrupt or has a Receiving Order in Bankruptcy made against him or makes any arrangement or composition with his creditors generally; (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder and the Directors resolve that his office be vacated; (g) is absent for more than 50% of the total board of directors' meetings held during a financial year.	(a) becomes bankrupt or has a Receiving Order in Bankruptcy made against him or makes any arrangement or composition with his creditors generally **during his term of office**; (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder **during his term of office** and the Directors resolve that his office be vacated; (g) **Deleted**.

malaysia pacific corporation berhad

MALAYSIA PACIFIC CORPORATION BERHAD
(12200-M)
(Incorporated in Malaysia)

PROXY FORM

I/We ______________________________ NRIC No. ____________
(PLEASE USE BLOCK CAPITAL)

of ______________________________
(FULL ADDRESS)

a member/members of **MALAYSIA PACIFIC CORPORATION BERHAD** ____________

hereby appoint* the Chairman of the Meeting or ____________

of ______________________________

or failing him ____________ of ____________

as *my/our proxy/proxies to attend and vote for *me/us or *my/our behalf, at the Thirty-Fifth (35th) Annual General Meeting of the Company to be held at Mezzanine 9 & 10 (Level 4), Crown Plaza Mutiara Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on **Friday, 21 December 2007** at 10.00 a.m. and at any adjournment thereof, to vote as indicated below:-

RESOLUTIONS	ORDINARY RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1	Receive the Audited Financial Statements together with the Reports of the Directors and Auditors thereon.		
Ordinary Resolution 2	Approval of Directors' Fees.		
Ordinary Resolution 3	Approval of a special gratuity sum of RM25,000 each to the retiring Directors, Mr Teh Leong Kiat and Dato' Abdul Karim Bin Marzuki.		
Ordinary Resolution 4	Election of Madam Kong Yuk Chu as Director pursuant to Article 92 of the Company's Articles of Association.		
Ordinary Resolution 5	Election of Mr Wong Seng Huat as Director pursuant to Article 92 of the Company's Articles of Association.		
Ordinary Resolution 6	Re-appointment of Messrs BDO Binder as Auditors.		
Special Business			
Ordinary Resolution 7	Authority to allot and issue shares.		
Special Resolution	Amendments to the Articles of Association of the Company.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.)

Dated this ________ day of ____________ 2007

____
Signature of Shareholder(s) or Common Seal

Notes:-

(i) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. A member who is an authorised nominee may appoint not more than two proxies in respect of each securities account it holds.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(iii) Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(iv) The instrument appointing a proxy shall be deposited at the registered office of the Company at Level 14, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

Company Secretary of
MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)
Level 14, Uptown 1, No. 1, Jalan SS21/58,
Damansara Uptown
47400 Petaling Jaya, Selangor
Malaysia

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