www.mpcb.com.my

www.aptec.com.my

malaysia pacific corporation berhad

Head Office:

Malaysia Pacific Corporation Berhad (12200-M)
21st Floor, Wisma MPL, Jalan Raja Chulan,
50200 Kuala Lumpur, Malaysia.
Tel: +603-2070 4488 Fax: +603-2070 4489

Sales & Showroom Office:

Lot 96489, Batu 18, Jalan Kong Kong,
81700 Pasir Gudang, Johor Darul Takzim, Malaysia.
Tel: +607-252 1133 Fax: +607-255 1815

Hong Kong Office:

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malaysia pacific corporation berhad Annual Report 2012

malaysia pacific corporation berhad
(12200-M)

APTEC
ASIA PACIFIC TRADE & EXPO CITY

and

LAKEHILL
RESORT CITY

APTEC - A NEW SILK ROAD
- CONNECTING CHINA, ASEAN, INDIA & THE MIDDLE EAST

2012 Annual Report

contents

NOTICE OF THE FORTIETH (40TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting of MALAYSIA PACIFIC CORPORATION BERHAD will be held at Plaza Ballroom, B1/Lower Lobby, PARKROYAL Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Friday, 28 December 2012 at 9.30 a.m. for the following purposes:-

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2012 together with the Reports of the Directors and Auditors thereon. **(Note 7)**

2. To approve the payment of Directors' Fees for the financial year ended 30 June 2012. **Ordinary Resolution 1**

3. To re-elect Dato' Syed Hussien bin Abd Kadir, a Director who retires pursuant to Article 85 of the Articles of Association of the Company. **Ordinary Resolution 2**

4. To re-elect Datuk Ramly bin Ahmad, a Director who retires pursuant to Article 92 of the Articles of Association of the Company. **Ordinary Resolution 3**

5. To re-elect Encik Norsyahrin bin Hamidon, a Director who retires pursuant to Article 92 of the Articles of Association of the Company. **Ordinary Resolution 4**

6. To re-elect Mr Da Cruz Sean Nicholas, a Director who retires pursuant to Article 92 of the Articles of Association of the Company. **Ordinary Resolution 5**

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

As Special Business

To consider and if thought fit, to pass the following Resolutions:-

8. **Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares**

   "That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issuance." **Ordinary Resolution 7**

9. **Proposed amendment to the Articles of Association of the Company**

   "THAT the amendment to the Articles of Association of the Company as set out in Appendix 1 attached in the Annual Report for the financial year ended 30 June 2012 be and is hereby approved." **Special Resolution 1**

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
CHAN SU SAN (MAICSA 6000622)

Company Secretaries
Kuala Lumpur
Date: 6 December 2012

Notes:

1. *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.*

2. *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.*

3. *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.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. *The instrument appointing a proxy shall be deposited at the registered office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*

6. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 19 December 2012 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.*

7. *The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.*

8. ***Explanatory Notes on Special Business***

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

   The Proposed Ordinary Resolution 7 is a renewal of the general mandate pursuant to Section 132D of the Companies Act, 1965 ("General Mandate") obtained from the shareholders of the Company at the previous Annual General Meeting and, if passed, will empower the Directors of the Company to issue new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued share capital of the Company for the time being.

   The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Thirty-Ninth Annual General Meeting held on 20 December 2011 and which will lapse at the conclusion of the Fortieth Annual General meeting.

   The General Mandate will provide flexibility to the Company for any possible issuance of new shares arising from the exercise of warrants, corporate restructuring exercises or fund raising activities.

   (ii) *Special Resolution 1 – Proposed amendment to the Articles of Association of the Company*

   The Special Resolution 1, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:-

1. To delete the following existing Article 64 and replace it with the new Article 64:-

Article No.	Existing Article	Amended Article
64	In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of him, and that a proxy need not also be a member and where a member appoints two or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy respectively. Where a member of a Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares or the Company standing to the credit of the said sescurities account.	A member entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote in 'his' stead at the meeting. There shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) or the Act shall not apply. Where a member appoints two or more proxies he shall specify the proportion of his shareholding to be represented by each proxy respectively. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A (1) of the Depositories Act.

Dear Shareholders,

On behalf of the Board of Directors (“Board”) of your Company, I wish to present to you the Annual Report and Audited Financial Statements of your Company and the Group for the financial year ended 30 June 2012.

PERIOD OF MAJOR CONSOLIDATION AND STRUCTURAL EXERCISE

During the past one year, your Company has undergone some major changes. I was appointed the new Chairman of the Board in place of Y.Bhg. Datuk Kamarrudin Taib who has retired as your Company’s Chairman owing to his other heavy fiduciary commitments, which among others often requires him to travel exclusively locally and abroad. I also wish to thank Mr. Fong Seow Kee and Mr. Seow Thiam Fatt for their past services as Independent Non-Executive Directors. Your Board would like to record its deepest appreciation for their past invaluable guidance and services to your Company.

Your Management has taken steps to improve an effective succession plan to anticipate challenges ahead to spearhead and complete successfully the Asia Pacific Trade & Expo City (APTEC) and Lakehill Resort City development within next 5 to 8 years. It will be a gigantic task but it is not impossible.

Your Management has the vision to approach the development beyond a normal stereo-type property development company of simply ‘build-and-sell’ on a year-on-year regular basis.

APTEC is to be viewed like a ‘jewel’, as analogous to the amount of time and thinking required to study a stone in its original raw form on how many facets and shapes to dissect in order to bring out its inert brilliance and turn it into a perfect diamond of unprecedented value.

We hope APTEC will become your Company’s ‘crown jewel’ in the making in time to come, which would become the ‘catalyst’ of the diversification plan that the Management had long planned as its ultimate goal.

Your Company’s property has been so far preserved as an integrated harmonious city concept without taking the easy stereo-type developer approach of stripping the assets or discarding piece-meal like for quick profit cash-flow, which is the usual and easy decision. Instead, Management has opted for a challenging route to preserve the two assets intact until they have reached their prime maturity. Although the liquidity of your Company is strained but its asset value has grown in few folds.

FINANCIAL PERFORMANCE

For the financial year ended 30 June 2012 (‘FYE 2012’), the Group registered a lower revenue of RM14,583,000.00, a decrease of 9.7% from RM16,151,000.00 in the corresponding financial year ended 30 June 2011 (‘FYE 2011’).

The lesser revenue of RM1,568,000.00 was due to deferment of the launch and sale marketing of houses for the year. The Company has adopted the strategy of securing approvals first in order to create a higher value and demand for strategic joint-ventures. This strategy has borne fruits as the value of properties in Iskandar Malaysia and Kuala Lumpur today have risen significantly.

In addition, the full year revenue for FYE 2012 was lower than that of FYE 2011 as the revenue in FYE 2011 had included a one-time revenue income from the disposal of a piece of land to Optima Mewah Sdn. Bhd.

The Group’s loss before tax of RM15,331,000.00 for FYE 2012 was lesser as compared to the loss of RM19,128,000.00 in FYE 2011, largely due to better rental and car park income derived from Wisma MPL as well as savings in administrative costs. We target to increase the rental income by improving the occupancy rate.

During the financial year, AmanahRaya Development Sdn. Bhd. (‘ADSB’) has written to the Company to exercise its ‘Put-Option’ to sell to Oriental Pearl City Properties Sdn. Bhd. (‘OPCP’) its 22% of the joint-venture in Lakehill Resort Development Sdn Bhd (‘LRDS’) at the Put-Option Price of RM110,880,00.00. Please refer to the ‘Significant Event During the Financial Year’ in the Directors’ Report on page 31.

As a matter of requirement, the said ‘Put-Option’ price has to be fully taken into account as provisional liabilities item. Due to OPCP’s ‘buy-back’ of the shares as a result of the exercise of the Put Option by ADSB, the ‘gain’ over net assets book value of LRDS of RM86.1million reflected in FYE 2009 had to be reversed. This one-off exceptional loss has created a net-liabilities position in the current financial year.

As a result, the current financial year result has shown a decrease in its net asset value (“NAV”) per share from RM1.20 each as at FYE 2011 to RM0.86 each as at FYE 2012.

However, it is to be noted that the LRDS's 638 acres surplus land valuation against book value could not be reflected in the NAV in order to comply to the standard accounting policy whereby land demarcated for development purpose is not to be accounted into the NAV.

OPERATION REVIEW

A. Wisma MPL

The Group's revenue for FYE2012 was still greatly dependent on its rental income of Wisma MPL. The rental income has improved slightly owing to higher occupancy and increase in rental rates. There are great potentials to further increase the future rental income by raising the rental rates once Wisma MPL has been redeveloped or renovated. The Company will be in better position to make a positive decision on the future plan of Wisma MPL in 2013.

B. APTEC and Lakehill Resort City in Iskandar Malaysia

APTEC cum Lakehill Resort City developments are designated as potential diversification 'springboard' in the 'directional' corporate road-map of the Group.

Your Board and Management are pursuing APTEC and Lakehill Resort City property development projects, largely to be an enlarged long-term 'investment portfolio', to achieve a sustainable long-term future recurring growth for the Group. The Board recognized that this pursuit is an enormous load on the Group's current strength, which will require new capital injections and high borrowings.

It is envisaged that advisors may be engaged at the appropriate time for the fund raising exercise.

SIGNIFICANT CORPORATE DEVELOPMENT

There are no other significant corporate developments during the reported financial year.

PROSPECT AND FUTURE

The Group is on the threshold of a very important phase ahead to decide on various types of strategic partners with the required financial strength, diversified expertise and corporate vision to contribute to APTEC's grand plan. The Group is expected to undertake corporate restructuring for fund raising exercises for developments of APTEC, Lakehill Resort City and Wisma MPL.

I would also like to highlight to shareholders that APTEC-Lakehill is a long-term investment plan which is not anticipated to generate immediate incomes or dividend payout in the near future.

Barring unforeseen circumstances, the years ahead hold new challenges and opportunities which will bring new turning prospects for the Group and Company.

APPRECIATION

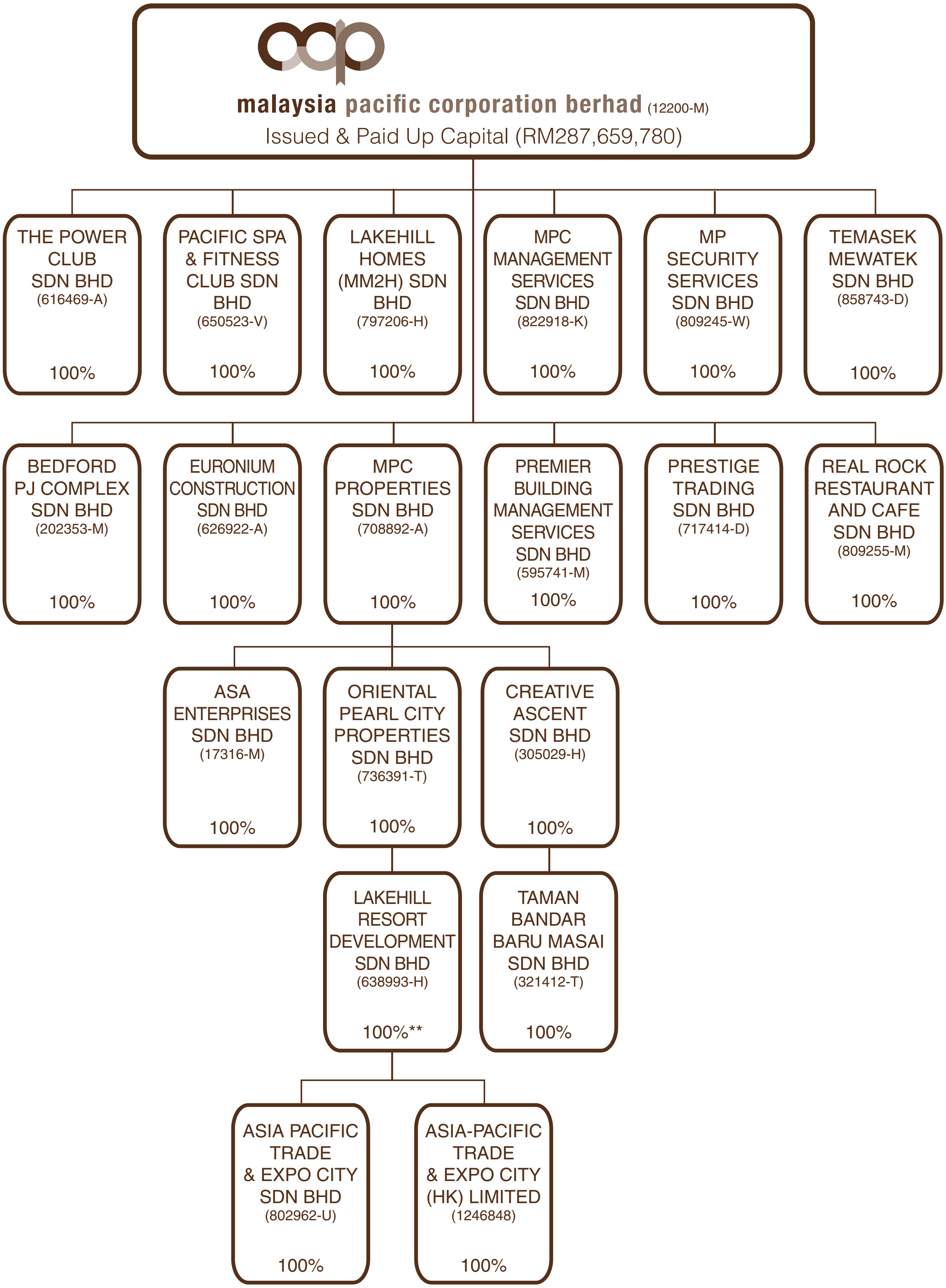
A new team has been structured to possess the right passion and visionary confidence of the Group's future in APTEC's goal, which will require enormous hard work and dedication to score big.

On behalf of my fellow Board members, I would like to express sincere appreciation to our bankers, consultants and business associates for their steadfast support to your Company and the Group.

The Board would also like to record special thanks to our shareholders for your support and unwavering confidence in the Group. We look forward to your continuing faith, patience and support.

Dato' Syed Hussien bin Abdul Kadir
Chairman

CORPORATE STRUCTURE



** : 100% represents the inclusion of 22% of shares in Lakehill Resort Development Sdn Bhd upon completion of the exercise of the Put Option by AmanahRaya Development Sdn Bhd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

YBhg Dato' Syed Hussien bin Abd Kadir
Chairman and Independent Non-Executive Director

YBhg Datin Kong Yuk Chu
Vice Chairman and Executive Director

Ch'ng Soon Sen
Executive Director

YBhg Datuk Ramly bin Ahmad
Executive Director (appointed on 7 August 2012)

Norsyahrin bin Hamidon
Independent Non-Executive Director (appointed on 18 July 2012)

Da Cruz Sean Nicholas
Independent Non-Executive Director (appointed on 5 November 2012)

Fong Seow Kee
Independent Non-Executive Director (resigned on 28 February 2012)

YBhg Datuk Kamaruddin bin Taib
Independent Non-Executive Director (resigned on 18 July 2012)

Seow Thiam Fatt
Independent Non-Executive Director (resigned on 7 August 2012)

SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Chan Su San (MAICSA 6000622)

REGISTERED OFFICE

Level 6.05, Level 6, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 - 7720 1188
Fax : 03 - 7720 1111/1177

REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 - 2264 3883
Fax : 03 - 2282 1886

PRINCIPAL PLACE OF BUSINESS

Level 21, Wisma MPL
Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03 - 2070 4488
Fax : 03 - 2070 4489

AUDITORS

Messrs BDO (AF 0206)
12th Floor, Menara Uni. Asia
1008, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03 - 2616 2888
Fax : 03 - 2616 3190

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : MPCORP
Stock Code : 6548

WEBSITE

www.mpcb.com.my
www.aptec.com.my

YBHG DATO' SYED HUSSIEN BIN ABD KADIR
Independent Non-Executive Director

Dato' Syed Hussien bin Abd Kadir, aged 63, a Malaysian, was appointed to the Board on 15 January 2008. He is an Independent Non-Executive Director of the Company.

Dato' Syed Hussien graduated from the University Sains Malaysia, is also a respected product of the Fletcher School of Law and Diplomacy, University of Tufts USA where he obtained his M.A in International Relation. Dato' Syed Hussien has been conferred with many awards and titles in recognition of his remarkable achievements especially in his tenure as the first Malaysian Ambassador to the United Arab Emirates. Such awards and titles include Darjah Paduka Mahkota Johor (DPMJ), Darjah Indera Mahkota Pahang (DIMP), Johan Setia Diraja (JSD), Setia Di Raja Kedah (SDK), Darjah Johan Negeri (DJN), among others.

Dato' Syed Hussien was appointed to the Administrative and Diplomatic Service of Malaysia in 1977 and has served as an Assistant Secretary at the Ministry of Foreign Affairs. From there, his credentials grew by leaps and bounds. He has added to his repertoire a host of other posts such as Principal Assistant Secretary (Organization of Islamic Conference) of the Ministry of Foreign Affairs; First Secretary, Embassy of Malaysia in Rabat, Morocco; Counsellor of Embassy of Malaysia in Moscow; Consul General of Malaysia, Jeddah, Saudi Arabia. He is also holding the post as a Deputy Permanent Representative of the OIC Secretariat in Jeddah.

He is presently the Secretary-General of the National Chamber of Commerce & Industry Malaysia; Group Chairman of Axisjaya Group; Director of Dagang Net; Chairman of Shapers Malaysia Sdn Bhd, Retirement Benefit Fund IIUM and Cagnar Engineering Sdn Bhd.

He is also the Chairman of the Audit & Risk Management Committee and Nominating and Remuneration Committee of the Company.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence within the past 10 years.

He attended 5 out of 6 Board Meetings held in the financial year ended 30 June 2012.

YBHG DATIN KONG YUK CHU
Vice Chairman and Executive Director

Datin Kong Yuk Chu, aged 64, a Hong Kong SAR National, permanent resident of Malaysia, was appointed to the Board on 15 November 2007. She became an Executive Director of the Company on 1 October 2008 and as Vice Chairman of the Company on 18 February 2011.

Datin Kong has many years of executive experience as a director and chairperson of public listed and private companies in Hong Kong. She was a Director of IHD Holdings Limited (1986-1993), Non-Executive Director and Chairman of China Everbright – IHD Pacific Limited (1994-1996) and a Director in Emporium Department Store and Supermarket (HK) Limited, Hong Kong (1989-1996).

Datin Kong has extensive experience in design, manufacturing 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.

Datin Kong is the spouse of Dato' Ch'ng Poh @ Ch'ng Chong Poh, the Chief Executive Officer of the Company, and the mother of Ch'ng Soon Sen, an Executive Director of the Company.

She has not been convicted of any offence within the past 10 years.

She attended 4 out 6 Board Meetings held in the financial year ended 30 June 2012.

MR CH'NG SOON SEN
Executive Director

Mr Ch'ng Soon Sen, aged 30, a Malaysian, was appointed to the Board on 20 November 2006 as an Executive Director of the Company.

Mr Ch'ng holds a degree in Business Management (Hons) from the University of Sunderland, UK and 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 a director of Top Lander Offshore Inc, a company incorporated in the British Virgin Islands which is a substantial shareholder of the Company and also a shareholder and director of several private companies.

He is the son of Dato' Ch'ng Poh @ Ch'ng Chong Poh, the Chief Executive Officer of the Company, and Datin Kong Yuk Chu, the Vice Chairman and Executive Director of the Company.

He has not been convicted of any offence within the past 10 years.

He attended all 6 Board Meetings held in the financial year ended 30 June 2012.

YBHG DATUK RAMLY BIN AHMAD
Executive Director

Datuk Ramly Bin Ahmad, aged 68, a Malaysian, was appointed to the Board on 7 August 2012. He is an Executive Director of the Company.

Datuk Ramly, a graduate of University of Malaya in 1967, served Bank Negara Malaysia from May 1967 to end 1998, in various positions with the last being Assistant Governor (1983-1998). During this period, Datuk Ramly was exposed to a variety of central banking functions including Economics Research, Internal Auditing and Financial Institutions Examination, Branch management, and as Head of Banking and International Operations (1983-1990). He was trained at a number of Wall Street Banks and the City of London's leading merchant banks (1976-1977) and completed the Advanced Management Programme at Harvard Business School in 1986.

While with Bank Negara Malaysia, Datuk Ramly also served on the National Steering Committee for the establishment of Bank Islam Malaysia Berhad (1981-1982) and as the first Secretary for the Malaysian National Trust Fund (1988-1989). On regional and international co-operation efforts, he represented Malaysia in ASEAN in banking and insurance matters and as a member of the Board of Trustees of the South-East Asia Central Banks Trust Fund (1985-1988), a member of the Investment Committees of the Public Trustee and of University of Malaya, and the OIC (Organisation of Islamic Conference) in various Task Forces hosted by Turkey, Jordan, Saudi Arabia and Sudan (1978-1989).

Datuk Ramly served on the boards of Pengurusan Pelaburan ASN Sdn Bhd (PPASN 1992-1998), a subsidiary of Permodalan Nasional Berhad ("PNB"), responsible for investment of ASN unit trusts, Bank Simpanan Nasional (National Savings Bank 1977-1990), Cagamas Bhd (National Mortgage Corporation 1986-1989) and the Council of Association of Banks in Malaysia and Banking Mediation Bureau Malaysia (1992-1998). He was a member of the boards of Johor State Economic Development Corporation (1972-1973), Yayasan Melaka, and Perbadanan Tanah Adat Melaka (1988-1994). He was a member of the Investment Committee (1978-1992) and on the Council/Board of Universiti Putra Malaysia effective 1992. He served as the University's Board Chairman from December 1996 to March 2004, and on the board and board committees of a public listed company, Konsortium Logistic Berhad (2002-2006).

Currently, Datuk Ramly is a member of the Board of Kumpulan Melaka Berhad, Melaka State Government's investment vehicle, since its inception in 1995. He retired from the service of Bank Negara Malaysia at end December 1998. In January 1999, he joined 1st Silicon (Malaysia) Sdn Bhd, a US$2 billion microchip wafer fabrication company in Kuching, owned by the Sarawak State Government, as Corporate and Finance Advisor and was appointed as Chief Financial Controller in May 2000, a position he held until his retirement, at end December 2003. He was engaged by Nomura Malaysia as its Malaysian Adviser between 1st July 2004 and 30th June 2006.

Datuk Ramly was admitted as a Fellow of the Institute of Banks Malaysia (FIBM) in 1992. At its 29th Convocation on 30th July, 2005, Universiti Putra Malaysia conferred him with the Honorary Degree of Doctor of Management.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence within the past 10 years.

He did not attend any Board Meetings held in the financial year ended 30 June 2012 as he was appointed to the Board subsequent to the financial year end.

ENCIK NORSYAHRIN BIN HAMIDON
Independent Non-Executive Director

Encik Norsyahrin bin Hamidon, aged 37, a Malaysian, was appointed to the Board on 18 July 2012. He is an Independent Non-Executive Director of the Company.

Encik Norsyahrin is a Chartered Accountant by qualification and an active member of Malaysian Institute of Accountants. He has started his professional accountancy practice with the Kumpulan FIMA Berhad, responsible for the internal audit of the group both domestic and FIMA's international subsidiary in Papua New Guinea. Commencing his own private practice in 2003, Syahrin & Co (Chartered Accountants) and Syahmas Management (Company Secretarial Advisors) today has a wide spectrum of clienteles from various industries with a portfolio of small to multi million ringgit companies.

Encik Norsyahrin's wide spectrum comprehension of accounting and financial matters has acclaimed his appointments as a director of a few cooperatives, private companies and NGOs. He was invited to become one of the Panellists to the National Tax Conference organized by LHDN and Chartered Tax Institute of Malaysia in 2011.

He has set the record by being the youngest to be appointed Treasurer General for the Malay Chamber of Commerce Malaysia (MCCM), Finance Committee member of National Chamber of Commerce and Industry Malaysia (NCCIM), Board Trustee of Yayasan Kajian Dan Pembangunan DPMM and also one of the committee members of Innovation Committee for SMEs of SME Corporation.

Encik Norsyahrin is also currently serving as a member of the Finance Committee of Majlis Tindakan Ekonomi Melayu Bersatu Berhad (MTEM), a Council that has a representation to Majlis Tindakan Agenda Bumiputra (MTAB) directly under the stewardedship of the Yang Amat Berhormat Prime Minister of Malaysia.

He is also a member of the Audit & Risk Management Committee and Nominating and Remuneration Committee of the Company.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence within the past 10 years.

He did not attend any Board Meetings held in the financial year ended 30 June 2012 as he was appointed to the Board subsequent to the financial year end.

MR DA CRUZ SEAN NICHOLAS
Independent Non-Executive Director

Mr Da Cruz Sean Nicholas, aged 28, a Singaporean, was appointed to the Board on 5 November 2012. He is an Independent Non-Executive Director of the Company.

Mr Da Cruz holds a degree in International Business Management (Hons) from the European Business School London. He completed his National Service in the Singapore Armed Forces in 2005, and has gained exposure and knowledge of corporate banking, investment and trading through work placements at Goldman Sachs, UBS and Nittan Capital in Hong Kong.

Mr Da Cruz is a shareholder and director of several private companies including RedRock Financial Investments Co. Ltd. a company incorporated in the British Virgin Islands specializing in investments and consulting in China.

He is also a member of the Audit & Risk Management Committee of the Company.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence within the past 10 years.

He did not attend any Board Meetings held in the financial year ended 30 June 2012 as he was appointed to the Board subsequent to the financial year end.

YBHG DATO' CH'NG POH @ CH'NG CHONG POH (DATO' BILL)
D.I.M.P.

Dato' Bill, aged 73, a Malaysian, was appointed the Chief Executive Officer of the Company on 30 December 2004. He devoted his career in the field of architecture from 1964 to 1983. Some of the many renowned projects he undertook are - Malaysia's first University of Malaya Medical Faculty cum University Teaching Hospital in Petaling Jaya, Motorola Complex, Citibank Headquarters, Genting Highlands Resort, Jurong Science Centre, the Indonesian Embassy both in Kuala Lumpur and Singapore, Russian Embassy, the British High Commission and Brunei Shell City.

With a lot of courage, he departed from private practice in 1983 and ventured into the corporate and entrepreneur field. He set forth to China as one of the first two Malaysians to be granted a special multiple 're-entry permits' and visa by both China and Malaysia, at the time when Malaysians were forbidden to set foot in China. He shouldered an advisory role and was an overseas consultant to Guangdong, Fujian and Shanghai during the period of China new "Open Policy" by Chairman Deng Xiao Peng. This made him indirectly instrumental in mooting the land reform experimental policy to allow private land ownership for the first time in China, which catapulted the new economic transformation in attracting FDIs into China and local privatisation which was the "catalyst".

The much accomplished Dato' Bill was two-times 1st Prize Winner in architecture and was awarded Asia's Outstanding Entrepreneurship in 2009. Featured in the international business journal and news in Hong Kong, China, Middle East and Asia, he has also been an active speaker in the Asia Business Forum, World Chinese Economic Forum, Property Forum, Cityscape, and seminars in China, Singapore and Malaysia organised by Asian Strategy & Leadership Institute.

His long working career encompassed a wide field of experiences in architecture, planning, engineering, construction, trading, retailing, distribution, hospitality services and corporate chieftain in public listed companies in UK, Hong Kong, Singapore and Malaysia. He also had a short stint of involvement in nuclear power consultancy in China in 1984, and acted as a special emissary of the Malaysian government to pave for the 'highest honor' ever accorded to our Asian Head of State during the first official visit of Y.A.B. Tun Dr Mahathir, the 4th Prime Minister of Malaysia, in the autumn of 1985.

Dato' Bill spent over 22 years working overseas under a very competitive corporate environment facing a host of challenges and politics of all kinds which he consolidated into a unique vision and outlook towards life to foster a better world of tomorrow. He returned to Malaysia in 2005 and is currently in "active" retirement to promote his visionary concept of a socio-economic "Platform" to reshape trade globalization in an aspiration to help reduce inflation and costs of doing business. This "Platform" is of paramount importance in fostering entrepreneurial innovation, creativity, SME, supply chains, jobs, and increasing the social income, and in the process will narrow the social-wealth gap. He is the creator of APTEC- Asia Pacific Trade & Expo City in Iskandar Malaysia.

- Council Member of Malaysia-China Business Council
- Council Member of Malaysia-Republic of Korea Business Council
- Standing Committee of the China-Oversea Chinese Federation Association- Quanzhou City
- Past Honorary Treasurer and Council Member of the Malaysian Institute of Architects (PAM)
- Bachelor of Architecture (NSW); FRAIA; RIBA; APAM.

Dato Bill is the spouse of Datin Kong Yuk Chu, the Vice Chairman and Executive Director of the Company, and father of Mr Ch'ng Soon Sen, an Executive Director of the Company.

He has not been convicted of any offence within the past 10 years.

MEMBERSHIP AND MEETINGS OF THE AUDIT & RISK MANAGEMENT COMMITTEE (ARMC)

The ARMC currently comprises three (3) members who are all Independent Non-Executive Directors. The position and details of attendance of each member (including those directors who have resigned subsequent to the financial year end) at meetings held during financial year ended 30 June 2012 are as follows:

Member	Position	No. of Meetings Attended
YBhg Dato' Syed Hussien bin Abd Kadir	*Independent Non-Executive Director and Chairman of the ARMC*	4/5
Norsyahrin bin Hamidon*	*Independent Non-Executive Director (appointed on 18 July 2012)*	Not Applicable
Da Cruz Sean Nicholas*	*Independent Non-Executive Director (appointed on 5 November 2012)*	Not Applicable
Seow Thiam Fatt	*Independent Non-Executive Director and ex-Chairman of the ARMC (resigned on 7 August 2012)*	5/5
YBhg Datuk Kamaruddin bin Taib	*Independent Non-Executive Director and ex-Chairman of ARMC (resigned on 18 July 2012)*	5/5
Fong Seow Kee	*Independent Non-Executive Director (resigned on 28 February 2012)*	4/4

* *Appointed to the ARMC subsequent to the financial year ended 30 June 2012.*

TERMS OF REFERENCE

1. Composition

(a) The ARMC shall be appointed by the Board from amongst their members and shall consist of at least three (3) members, the majority of whom are Independent Directors. All members of ARMC shall be non-executive directors.

(b) The Chief Executive Officer and/or alternate director(s) shall not be a member of ARMC.

(c) The members of the ARMC shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director.

(d) At least one member of the ARMC should be a member of the Malaysian Institute of Accountants (MIA); or possess at least 3 years of working experience and has passed the examinations set out in Part 1 of the First Schedule or a member of one of the associations of accountants set out in Part II of the First Schedule of the Accountants Act, 1967 respectively or fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

(e) In the event of any vacancy which results in the number of members in the ARMC being reduced to below three (3), the vacancy must be filled within three (3) months.

2. Procedure of Meetings

2.1 Frequency and Proceedings of Meetings

(a) The ARMC shall meet at least four (4) times a year and as many times as the ARMC deem necessary with due notice of issues to be discussed. The meeting and proceedings of any ARMC, where applicable, shall be governed by the provisions of the Articles of Association regulating the meetings and proceedings of Directors.

(b) The quorum for meeting of the ARMC shall be two (2) members of which the majority of members present must be Independent Non-Executive Directors.

TERMS OF REFERENCE *(continued)*

2. Procedure of Meetings *(continued)*

2.1 Frequency and Proceedings of Meetings *(continued)*

(c) A meeting of the ARMC may be held by means of video conference or telephone conference or other telecommunication facilities which permits all persons participating in the meeting to communicate with each other. A person so participating shall be deemed to be present in person at such meeting and be counted in a quorum and be entitled to vote and the meeting shall be deemed to have been held in Malaysia.

(d) A notice of meeting may be served by the Company or the Secretary upon any ARMC member as the case maybe either personally, by telephone, facsimile or by sending it through the post addressed to such member as the case maybe, at least seven (7) days before the meeting or such shorter notice as may be mutually agreed upon by all the ARMC members.

(e) Questions arising at any meeting shall be decided by a simple majority of votes expect for related party transaction where the interested ARMC members shall abstain from deliberation and voting.

(f) A resolution in writing signed by a majority in number of the ARMC members shall be as effective for all purposes as a resolution passed at a meeting of the ARMC duly convened, held and constituted and may consist of several documents in like form, each signed by one or more of the ARMC members. Any such documents may be accepted as sufficiently signed by an ARMC member if transmitted to the Company by any technology to include a signature and/or electronic signature of the ARMC member.

(g) The Company Secretary shall be the Secretary of the ARMC.

(h) In the event if the elected Chairman is not able to attend a meeting, a member who is an Independent Director shall be nominated as a Chairman for the meeting.

2.2 Minutes

(a) The ARMC shall cause minutes of all proceedings of the ARMC meetings to be duly entered in books provided for the purpose:

- Of all appointments of sub-committees;
- Of all the names of the ARMC present at each meeting of the ARMC;
- Of all resolutions and proceedings of meetings of the ARMC; and
- Of all orders made by the ARMC.

(b) Any such minutes of any meeting of the ARMC, if signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be prima facie evidence of the proceedings to which it relates.

(c) The books containing the minutes of proceedings of any ARMC Meeting shall be kept by the Company at the Registered Office of the Company and shall be opened to the inspection of any ARMC members or Directors of the Company.

3. Authority

The ARMC shall in accordance with the procedure determined by the Board and at the cost of the Company:-

(a) have the authority to appoint the Internal Auditor of the Company and establish an internal audit function which is independent of the activities and ensure that the Internal Auditor reports directly to the ARMC;

(b) have explicit authority to investigate any matter within the terms of reference;

(c) have the resources which the ARMC require to perform the duties;

TERMS OF REFERENCE *(continued)*

3. Authority *(continued)*

The ARMC shall in accordance with the procedure determined by the Board and at the cost of the Company:- *(continued)*

(d) have full and unrestricted access to any information which the ARMC require in the course of performing the duties;

(e) have unrestricted access to the Chief Executive Officer of the Company;

(f) have direct communication channels with the external auditors and internal auditors;

(g) be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company;

(h) be able to invite outsiders with relevant experience to attend its meetings, if necessary; and

(i) be able to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other executive Board members and employees of the Company, whenever deemed necessary.

4. Duties and Responsibilities

4.1 Matters relating to External Audit:-

(a) To nominate and recommend for the approval of the Board a person or persons as external auditors and review audit fee and any question of resignation or dismissal.

(b) To review the nature, scope and quality of external audit plan/arrangements.

(c) To review the external auditors' audit report and audit findings and the management's response thereto.

(d) To review quarterly reports and annual financial statements of the Company and of the Group, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, prior to approval by the Board.

(e) To review the assistance given by the Group's officers to the external auditors.

4.2 Matters relating to Internal Audit

(a) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that has the necessary authority to carry out is work.

(b) To review the Internal Audit programme, processes, results of the internal audit programme, processes or investigation undertaken and where necessary, ensure that appreciate actions are taken on the recommendation of the internal audit functions.

(c) To review the reports and findings of the Internal Audit Department including any findings of the internal investigations and the managements response thereto.

(d) To review the adequacy and integrity of internal control systems including risk management and management information system.

(e) To approve any appointment or termination of senior staff members of the internal audit functions.

(f) To take cognizance of resignations from internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

TERMS OF REFERENCE *(continued)*

4. Duties and Responsibilities *(continued)*

4.3 Roles and Rights of the ARMC

(a) To review and monitor the business and financial risks facing the Group and to ensure that all high impact risks are adequately managed at various levels within the Group.

(b) To review any related arty transactions and any other significant transaction which are not within the normal course of business that may arise within the Company or the Group.

(c) To report to Bursa Securities on any matter reported by the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities.

(d) To carry out any other functions that may be mutually agreed by the ARMC and the Board which would be beneficial to the Company and ensure the effective discharge of the ARMC's duties and responsibilities.

SUMMARY OF ACTIVITIES

The activities of the ARMC for the financial year ended 30 June 2012 were summarized 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 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; and
(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.

SUMMARY OF ACTIVITIES *(continued)*

3) External Audit *(continued)*

(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 Statement on Internal Control.

4) Related Party Transactions

Reviewed the related party transactions entered into by the Group.

SUMMARY OF INTERNAL AUDIT FUNCTION

The Internal Audit function was established with the primary objective of providing the necessary assistance to the ARMC in the course of discharging its duties and responsibilities.

Its role is to provide independent and reasonable assurance that the systems of internal controls and procedures in the operating business entities within the Group 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 Board of Directors ("Board") subscribes to the maintenance of high standards of corporate governance by implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 respectively in the Malaysian Code on Corporate Governance (Revised 2007) (the "Code").

Compliance Statement

The Group has complied throughout the financial year ended 30 June 2012 with all the best practices of the corporate governance set out in part 2 of the Code.

Principles Statement

The following statements illustrate how the Group has applied the principles in Part 1 of the Code.

A. DIRECTORS

The Board

The 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 terms of reference to assist in the discharge of its responsibilities.

Board Balance

Currently the Board comprises three (3) Executive Directors and three (3) Independent Non-Executive Directors which constitute more than a third of the total Board Composition.

The profiles of the members of the Board are set out on pages 9 to 11 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 in the financial year:

Directors	Position	No. of Meetings Attended
YBhg Dato' Syed Hussien bin Abd Kadir	*Chairman and Independent Non-Executive Director*	5/6
YBhg Datin Kong Yuk Chu	*Vice Chairman and Executive Director*	4/6
Ch'ng Soon Sen	*Executive Director*	6/6
YBhg Datuk Ramly bin Ahmad*	*Executive Director (appointed on 7 August 2012)*	Not Applicable
Norsyahrin bin Hamidon*	*Independent Non-Executive Director (appointed on 18 July 2012)*	Not Applicable
Da Cruz Sean Nicholas*	*Independent Non-Executive Director (appointed on 5 November 2012)*	Not Applicable
Seow Thiam Fatt	*Independent Non-Executive Director (resigned on 7 August 2012)*	6/6
YBhg Datuk Kamaruddin bin Taib	*Independent Non-Executive Director and ex-Chairman of the Board (resigned on 18 July 2012)*	6/6
Fong Seow Kee	*Independent Non-Executive Director (resigned on 28 February 2012)*	4/4

* *Appointed to the Board subsequent to the financial year ended 30 June 2012.*

A. DIRECTORS *(continued)*

Directors' Training

All Directors are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge to contribute effectively to the Company. Some of the related seminars, forums, workshops and trainings attended by the directors during the financial year ended 30 June 2012 are as follows:

Key Areas	Topics
Corporate Governance	Amendments to Listing Requirements
	Enhancing Standards of Disclosure
Investment, Business and Economics	Seminar on Investment in Afghanistan
	Third World Chinese Economic Forum – Linking East and West in a Globalised World
	Seminar on Edelman Trust Barometer
	World Halal Forum
	Malaysia-Islamic Development Bank Group Forum 2012 – A Beacon of Opportunity

The Directors appointed to the Board after the financial year end have attended and successfully completed the Mandatory Accreditation Programmes except for Mr Da Cruz Sean Nicholas who was appointed to the Board on 5 November 2012 and he will attend this programme within four months from the date of his appointment by 5 March 2013.

Conduct of Meetings

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

Supply of Information

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 matters.

Appointment to the Board

The Nominating & Remuneration Committee ("NRC") is responsible for identifying and recommending suitably qualified and experienced nominees for appointment to the Board. The new appointees for directorship require a mix of skills, experience and core competencies to enable the Board to discharge its duties effectively.

The NRC recommends the proposed candidates to be approved and appointed by the Board. The Company Secretary ensures all appointments are properly made and complied with the legal and regulatory obligations.

Re-election of Directors

Any Director appointed during the financial 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.

B. DIRECTORS' REMUNERATION

The fees for Directors for the financial year ended 30 June 2012 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	Total
a Executive	120	237	357
b Non-Executive	250	3	253
	370	240	610

II. Directors' Remuneration bands

	Executive	Non-Executive
RM1 – RM50,000	-	1
RM50,000 – RM100,000	1	3
RM200,000 – RM250,000	1	-

C. BOARD COMMITTEE

The Board of Directors delegates specific responsibilities to the respective Committees of the Board namely the Audit & Risk Management Committee ("ARMC") and the NRC in order to enhance business, corporate efficiency and effectiveness. These Committees have the authority to examine particular issues and will report to the Board with their recommendations. The Board, however, makes the final decision on all matters in the best interests of the Company.

Audit & Risk Management Committee

Composition of the ARMC, its terms of reference and a summary of its activities are set out on pages 13 to 17 of this Annual Report.

Nominating & Remuneration Committee

The NRC consists of two (2) Independent Non-Executive directors.

The primary function of the NRC 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 Dato' Syed Hussien bin Abdul Kadir
Chairman, Independent Non-Executive Director

Norsyahrin bin Hamidon
Independent Non-Executive Director (appointed on 18 July 2012)

YBhg Datuk Kamaruddin bin Taib
Independent Non-Executive Director and the ex-Chairman of Nominating & Remuneration Committee (resigned on 18 July 2012)

Seow Thiam Fatt
Independent Non-Executive Director (resigned on 7 August 2012)

D. SHAREHOLDERS

The Board recognized the importance of regular communication with the investors of the Company to enable the Board and the management to convey information about the Group's performance, corporate strategy and other matters affecting the shareholders' interests. Announcements are made through Bursa Malaysia Securities Berhad ("Bursa Securities") during the year pertaining to the performance of the Company via quarterly financial reports, circulars to shareholders, press releases and the annual report.

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

E. 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 Report on page 13 to 17 of this Annual Report.

Internal Control

The Board is committed to maintaining a sound system of internal control within the Group. The Board acknowledges that a good system of internal control covering various aspects of financial, operational, compliance and risk management is required to safeguard shareholders' investment and the Group's assets.

Information on the Group's internal control is set out in the Statement on Internal Control on pages 22 and 23 of this Annual Report.

Relationship with Auditors

The ARMC and the Board have established formal and transparent arrangements to maintain an appropriate relationship with its external auditors. The external auditor through its statutory audit function continues to review, evaluate and refine the Group's accounting policies and procedures, including the internal control measures.

The functions of the ARMC and its relations with the external auditors are set out in the Audit & Risk Management Committee Report on pages 13 to 17 of this Annual Report.

F. 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 at the end of the 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 2012, the Group 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.

G. RISK MANAGEMENT

The Board 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 such 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. Paragraph 15.26(b) of the Main Market 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. Paragraph 15.23 of the Main Market Listing Requirements states that the external auditors must review the statement made by the Board of Directors ("Board") with regard to the state of internal control and reports the results thereof to the Board.

BOARD RESPONSIBILITIES

Pursuant to the requirements under the Malaysian Code on Corporate Governance for companies listed on the Bursa Securities, the Board affirms its responsibility under the Main market Listing Requirements of Bursa Securities to:-

- Identify principal risks and ensure implementation of appropriate control measures to manage the risks.
- Review the adequacy and integrity of the internal control system and management information systems and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

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.

The Board has in place an ongoing process, for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period.

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 Board has established an Internal Audit function which provides independent and objective reports on the Group's management, operational, accounting policies and controls to the Audit and Risk Management Committee ("ARMC"). The internal auditor also assists ARMC in reviewing, appraising and making recommendations for improvements.

The Internal Audit functions are carried out based on the annual internal audit plan, which is adopted based on a risk-based approach, and reviewed and approved by the ARMC. The internal audit reports, findings and recommendations are provided to ARMC for its assessments and making of further implementation recommendations to the Board and management for internal control improvements.

During the financial year ended 30 June 2012, the internal audit reviews were disrupted due to the resignation of the Internal Auditor and the time it took for the Group to identify and appoint a suitable replacement. Nevertheless, the Board is of the opinion that the internal control processes were in order as continuous monitoring and reviews were carried out on the operations by key management during the financial year.

Recognizing the importance of the internal audit function, the Board will continue to take appropriate action plans to strengthen the human resources requirements of this area.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, other key elements of the Group's internal control system include:-

- Clearly defined organization structure and reporting lines;
- Establishment of Board Committees, namely Audit and Risk Management Committee and Nominating and Remuneration Committee, to assist the Board in discharging its duties;
- Regular Board and management meetings to provide updates on the business operations and performances;
- Periodic reviews on business processes to assess the effectiveness of internal control systems; and
- Provision of management accounts and reports for monitoring and actual performance evaluation.

CONCLUSION

The Board is of the opinion that the Group's internal control systems are adequate to achieve its 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.

The Board recognizes Corporate Social Responsibility ("CSR") as a fundamental and integral part of business activities of the Group, and as a socially responsible organization, the Group incorporates CSR principles into its current and future business development plans, including the development of Asia Pacific Trade & Expo City (APTEC) in Iskandar Malaysia, Johor, which on completion, is expected to benefit Malaysia in terms of urban and rural areas of supply, retailing services and logistic chains.

ENVIRONMENT

The Group is committed to integrate and implement green technologies in the design concepts and construction methods for its development at LakeHill Resort City and APTEC. Special emphasis is given in the incorporation of solar and renewable technologies, water and waste management not only to minimize costs but to contribute to clean the environment.

The Group advocates and will continue to pursue its development projects for a greener future and dedicate to its solid efforts in meeting the requirements of Malaysia's Green Building Index.

COMMUNITY

The Group had made monetary contributions to the following community activities for the financial year ended 30 June 2012:

a) Sponsorship to the Johor Hockey Association for its International Hockey Championship under the age of 21;
b) Sponsorship to the 3rd World Chinese Economic Forum 2011;
c) Donation for the Charity Night 2012 organised by EMC Global Sdn Bhd;
d) Donation to Persatuan Anak Melayu Johor; and
e) Donation to Malaysian AEON Foundation Charity Gala Dinner 2012.

WORKPLACE

The Group classifies its human resources as essential and valuable assets who contribute to its development. As such, it is important to practice a comprehensive policy which creates a healthy work environment that provides for career growth opportunities, staff welfare and knowledge and skills building.

1. UTILISATION OF PROCEEDS

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

2. SHARE BUY-BACK

The Company did not carry out any share buy-back during the financial year.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Pursuant to the Renounceable Two-Call Rights Issue which was successfully completed on 28 April 2010, the Company issued 115,062,987 ordinary shares of RM1.00 each in the Company (“Rights Shares”) together with 115,062,987 free detachable warrants (“Warrants”) at an issue price of RM1.00 per Rights Share on the basis of two (2) Rights Shares together with two (2) Warrants for every three (3) existing ordinary shares of RM1.00 each in the Company held on 31 March 2010 of which the first call of RM0.45 per Rights share shall be payable in cash on application and the second call of RM0.55 per Rights Share shall be capitalised from the Company’s retained earnings (“Right Issue”).

The exercise price of each Warrant shall be RM1.00 per ordinary share subject to provisions of Deed Poll. The exercise period shall commence from the date of issue of the Warrants and will expire on 21 April 2015 at 5.00 p.m.

As at 30 June 2012, 115,062,987 Warrants have yet to be exercised.

Save as above, there were no amount of options or other convertible securities exercised in respect of the financial year. The Company had not issued any new options or convertible securities during the financial year.

4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme 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

The Company did not pay any non-audit fee to the 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

The Company did not provide any profit guarantee during the financial year.

9. MATERIAL CONTRACT

There was no material contract (not being contracts entered into the ordinary course of business) entered into by the Company or its subsidiaries which involved directors and major shareholders' interest, either subsisting at the end of the financial year end under review or which were entered into since the end of the previous financial year.

10. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

The details of the transaction with related parties undertaken by the Group during the financial year are disclosed in Note 30 on pages 88 to 90 of this Annual Report.

financial statements

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2012.

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 9 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
Loss for the financial year	15,536	8,244
Attributable to:		
Owners of the parent	13,913	8,244
Non-controlling interests	1,623	-
	15,536	8,244

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend any final dividend 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 shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company.

DIRECTORS

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

YBhg Datin Kong Yuk Chu	
YBhg Dato' Syed Hussien bin Abd Kadir	
Ch'ng Soon Sen	
YBhg Datuk Ramly bin Ahmad	*(Appointed on 7 August 2012)*
Noryahrin bin Hamidon	*(Appointed on 18 July 2012)*
YBhg Datuk Kamaruddin bin Taib	*(Resigned on 18 July 2012)*
Seow Thiam Fatt	*(Resigned on 7 August 2012)*
Fong Seow Kee	*(Resigned on 28 February 2012)*

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares in the Company and of its related corporations during the financial year ended 30 June 2012 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

	← Number of ordinary shares of RM1.00 each →			
	Balance as at 1.7.2011	**Bought**	**Sold**	**Balance as at 30.6.2012**
Shares in the Company				
Direct interests:				
Seow Thiam Fatt	150,000	-	-	150,000
Ch'ng Soon Sen	469,000	-	-	469,000
Indirect interests:				
YBhg Datin Kong Yuk Chu	176,993,161	140,400	-	177,133,561

By virtue of her interests in the ordinary shares of the Company, YBhg Datin Kong Yuk Chu is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Ch'ng Soon Sen is deemed interested in the ordinary shares of the Company and of its related corporations by virtue of his mother, YBhg Datin Kong Yuk Chu's shareholding pursuant to Section 6A of the provisions of the Companies Act, 1965 as stated above.

	← Number of Warrants B →				
	Balance as at 1.7.2011	**Granted**	**Exercised**	**Sold**	**Balance as at 30.6.2012**
Warrants B in the Company					
Direct interests:					
Seow Thiam Fatt	60,000	-	-	-	60,000
Indirect interests:					
YBhg Datin Kong Yuk Chu	68,765,804	-	-	-	68,765,804

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 and the significant related party transactions as disclosed in Note 30 to the financial statements.

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 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 statements of comprehensive income and statements of financial position 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 satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values 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 necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and

(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 (12) 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.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY *(continued)*

(III) AS AT THE DATE OF THIS REPORT *(continued)*

(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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Pursuant to the Joint Venture Agreement ("JVA") dated 20 August 2008 between Amanah Raya Development Sdn. Bhd. ("ADSB") and Oriental Pearl City Properties Sdn. Bhd. ("OPCP"), an indirectly wholly-owned subsidiary of the Company, OPCP has granted ADSB an option for ADSB to sell and OPCP to buy back ADSB's shares in the Joint Venture Entity, Lakehill Resort Development Sdn. Bhd. ("LHRD") ("Put Option"). The Put Option was exercisable by ADSB during a fixed period of three (3) months commencing from the day immediately after thirty-six (36) months from the effective date of the JVA ("Option Period"), which is 31 October 2008.

The exercise price of the Put Option shall not be less than RM99.00 million of ADSB's original cost for its 22% equity interest in LHRD ("Base Price"), adding to its premium of 12% over the Base Price ("Put Option Price"). The 12% premium shall be subject to a deduction of whatever dividends previously in total paid or payable (accumulated dividends) from LHRD to ADSB prior to the date of exercise of the Put Option during the Option Period. If the Put Option is not exercised during the Option Period, the Put Option shall automatically lapse.

On 26 March 2012, ADSB exercised the Put option whereby the payment of RM110,880,000 (Option price) became due on 25 May 2012. However, ADSB had agreed to grant OPCP an extension of the Put option Price settlement period to 24 July 2012, subject to a late payment compensation interest of 7.20% per annum calculated at daily rest from 25 May 2012 until full settlement date. ADSB has also informed that no further extension will be granted after that.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 28 September 2012, a subsidiary of the Group, Oriental Pearl City Properties Sdn. Bhd. ("OPCP") was served with a Writ of Summons from Amanah Raya Development Sdn. Bhd. ("ADSB") for the following claims pertaining to the exercise of the Put Option granted under the Joint Venture Agreement dated 20 August 2008 between ADSB and OPCP:

(i) Settlement for Put Option Price and the interest amounting to RM113,170,308.20 up to 18 September 2012;

(ii) Interest on RM113,170,308.20 at a rate of 7.2% per annum calculated on a daily basis from 19 September 2012 until the date of full settlement;

(iii) Cost of action; and

(iv) Other relief that the Court deems fit.

AUDITORS

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

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

YBhg. Dato' Syed Hussien Bin Abd Kadir
Director

Ch'ng Soon Sen
Director

Kuala Lumpur
23 October 2012

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 35 to 102 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2012 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

YBhg. Dato' Syed Hussien Bin Abd Kadir
Director

Ch'ng Soon Sen
Director

Kuala Lumpur
23 October 2012

STATUTORY DECLARATION

I, Cheong Kah Wang, 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 35 to 102 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)
23 October 2012)

Cheong Kah Wang

Before me:

P. Valliamah
No. W594
Commissioner for Oaths

Report on the Financial Statements

We have audited the financial statements of Malaysia Pacific Corporation Berhad, which comprise the statements of financial position as at 30 June 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 101.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable approved Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2012 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 4.1 to the financial statements which discloses the premise upon which the Group and the Company have prepared their financial statements by applying the going concern assumption, notwithstanding that the Group and the Company recorded net losses of RM15,536,000 and RM8,244,000 respectively for the financial year ended 30 June 2012 and as of that date, the current liabilities of the Group exceeded its current assets by RM117,808,000. Included in the current liabilities of the Group and of the Company are payables within 12 (twelve) months, amounting to RM158,103,000 and RM56,242,000 respectively. Subsequent to the end of the reporting period, a creditor of the Group amounting to RM111,689,000 which forms part of the current liabilities as at the end of the reporting period had served a Writ of Summons against the Group. These conditions indicate the existence of an element of uncertainty which may have an impact on the ability of the Group and of the Company to continue as going concerns.

The Directors are of the opinion that, barring any unforeseen circumstances, the Group and the Company are confident to successfully execute their joint development initiatives in the foreseeable future and obtain continuing financial support from lenders and shareholders so as to generate positive cash flows to fulfil their obligations as and when they fall due. In the event if such cash flows are not forthcoming, the Group and the Company will have a fall back action to undertake disposal of certain of their assets or pledge its assets for financing to meet their obligations.

Report on the Financial Statements *(continued)*

Emphasis of matter (continued)

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary, should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which are indicated in Note 9 to the financial statements.

(c) 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 purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 37 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

Rejeesh A/L Balasubramaniam
2895/08/14 (J)
Chartered Accountant

Kuala Lumpur
23 October 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	3,498	4,170	2,425	2,742
Investment property	8	300,000	300,000	268,970	268,970
Investments in subsidiaries	9	-	-	8,355	8,551
Land held for property development	10	79,482	78,529	-	-
		382,980	382,699	279,750	280,263
Current assets					
Property development costs	11	121,239	122,676	-	-
Trade and other receivables	12	1,608	2,477	221,913	215,664
Current tax assets		406	287	357	239
Cash and cash equivalents	13	2,003	988	279	299
		125,256	126,428	222,549	216,202
TOTAL ASSETS		508,236	509,127	502,299	496,465
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	287,660	287,660	287,660	287,660
(Accumulated loss)/Retained earnings	15	(53,312)	46,698	63,765	72,009
Exchange translation reserve	15	132	90	-	-
Warrants reserve	15	10,011	10,011	10,011	10,011
		(43,169)	56,799	73,776	82,020
		244,491	344,459	361,436	369,680
Non-controlling interests		-	26,406	-	-
TOTAL EQUITY		244,491	370,865	361,436	369,680
LIABILITIES					
Non-current liabilities					
Bank borrowings	16	1,063	1,166	941	855
Deferred tax liabilities	20	19,618	19,618	-	-
		20,681	20,784	941	855

		Group		Company	
		2012	**2011**	**2012**	**2011**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Current liabilities					
Trade and other payables	21	158,103	35,109	56,242	45,370
Bank borrowings	16	83,870	80,741	83,680	80,560
Provision for liquidated and ascertained damages	22	257	257	-	-
Current tax liabilities		834	1,371	-	-
		243,064	117,478	139,922	125,930
TOTAL LIABILITIES		263,745	138,262	140,863	126,785
TOTAL EQUITY AND LIABILITIES		508,236	509,127	502,299	496,465

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

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	23	14,583	16,151	9,756	9,077
Cost of sales	24	(7,916)	(9,273)	(5,325)	(5,382)
Gross profit		6,667	6,878	4,431	3,695
Other operating income					
- interest income from subsidiaries		-	-	4,424	4,975
- others		277	351	139	233
Administrative expenses		(10,153)	(15,480)	(2,704)	(5,498)
Other operating expenses		(1,656)	(1,898)	(5,234)	-
Selling and distribution costs		(69)	(323)	(128)	(129)
Finance costs	25	(10,397)	(8,656)	(9,035)	(7,867)
Loss before taxation	26	(15,331)	(19,128)	(8,107)	(4,591)
Taxation	27	(205)	(1,109)	(137)	262
Loss for the financial year		(15,536)	(20,237)	(8,244)	(4,329)
Other comprehensive loss:					
Foreign currency translations		42	(2)	-	-
Total comprehensive loss		(15,494)	(20,239)	(8,244)	(4,329)
Loss attributable to:					
Owners of the parent		(13,913)	(19,022)	(8,244)	(4,329)
Non-controlling interest		(1,623)	(1,215)	-	-
		(15,536)	(20,237)	(8,244)	(4,329)
Total comprehensive loss attributable to:					
Owners of the parent		(13,871)	(19,024)	(8,244)	(4,329)
Non-controlling interest		(1,623)	(1,215)	-	-
		(15,494)	(20,239)	(8,244)	(4,329)

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

		Group	
	Note	2012	2011
Loss per ordinary share attributable to equity holders of the Company (Sen):			
Basic loss per ordinary share (Sen)	28	(4.83)	(6.61)
Diluted loss per ordinary share (Sen)	28	-	-

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

Group	Note	Share capital RM'000	Exchange translation reserve RM'000	Warrants reserve RM'000	Retained earnings/ (Accumulated loss) RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 30 June 2010		287,660	92	10,011	65,720	363,483	27,621	391,104
Loss for the financial year		-	-	-	(19,022)	(19,022)	(1,215)	(20,237)
Foreign currency translation		-	(2)	-	-	(2)	-	(2)
Total comprehensive loss		-	(2)	-	(19,022)	(19,024)	(1,215)	(20,239)
Balance at 30 June 2011		287,660	90	10,011	46,698	344,459	26,406	370,865
Transactions with owners								
Accretion of interest in a subsidiary	9	-	-	-	24,783	24,783	(24,783)	-
Exercise of put option	9	-	-	-	(110,880)	(110,880)	-	(110,880)
		-	-	-	(86,097)	(86,097)	(24,783)	(110,880)
Loss for the financial year		-	-	-	(13,913)	(13,913)	(1,623)	(15,536)
Foreign currency translation		-	42	-	-	42	-	42
Total comprehensive loss		-	42	-	(13,913)	(13,871)	(1,623)	(15,494)
Balance at 30 June 2012		287,660	132	10,011	(53,312)	244,491	-	244,491

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

	Share capital RM'000	Warrants reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company				
Balance at 30 June 2010	287,660	10,011	76,338	374,009
Total comprehensive loss	-	-	(4,329)	(4,329)
Balance at 30 June 2011	287,660	10,011	72,009	369,680
Total comprehensive loss	-	-	(8,244)	(8,244)
Balance at 30 June 2012	287,660	10,011	63,765	361,436

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

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(15,331)	(19,128)	(8,107)	(4,591)
Adjustments for:					
Impairment loss on:					
- trade and other receivables		1,596	1,864	353	-
- investment in subsidiaries		-	-	196	-
- amounts owing by subsidiaries		-	-	4,685	-
Reversal of impairment losses on:					
- trade and other receivables	12	(36)	-	-	-
- amount owing by subsidiaries		-	-	(17)	-
Depreciation of property, plant and equipment	7	1,105	1,065	750	705
Deposits forfeited		-	(47)	-	-
Property, plant and equipment written off	7	-	5	-	-
Gain on disposal of property, plant and equipment		(104)	(151)	(104)	(151)
Interest expense	25	10,397	8,656	9,035	7,867
Interest income		(73)	(69)	(4,437)	(5,042)
Operating (loss)/profit before working capital changes		(2,446)	(7,805)	2,354	(1,212)
Decrease in property development costs		1,437	1,177	-	-
(Increase)/Decrease in trade and other receivables		(691)	(2,504)	(315)	104
Increase in trade and other payables		3,868	2,895	3,657	2,441
Cash generated from/(used in) operations		2,168	(6,237)	5,696	1,333
Interest income received		75	67	14	66
Interest expense paid					
- bank borrowings		(4,973)	(5,996)	(4,973)	(5,996)
- related party		-	(125)	-	-
Tax (paid)/refunded		(862)	257	(257)	257
		(5,760)	(5,797)	(5,216)	(5,673)
Net cash (used in)/from operating activities		(3,592)	(12,034)	480	(4,340)

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances from related parties		2,943	1,936	2,943	1,574
Advances to subsidiaries		-	-	(6,266)	(8,327)
Proceeds from disposal of property, plant and equipment		104	251	104	251
Development expenditure incurred in land held for property development		(953)	(584)	-	-
Purchase of property, plant and equipment	7	(47)	(173)	(46)	(145)
Net cash from/(used in) investing activities		2,047	1,430	(3,265)	(6,647)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest expense paid on bank borrowings		(79)	(87)	(53)	(51)
Repayments of hire-purchase creditors		(511)	(530)	(332)	(367)
Net cash used in financing activities		(590)	(617)	(385)	(418)
Net decrease in cash and cash equivalents		(2,135)	(11,221)	(3,170)	(11,405)
Cash and cash equivalents at beginning of financial year		(53,646)	(42,425)	(54,335)	(42,930)
Cash and cash equivalents at end of financial year	13	(55,781)	(53,646)	(57,505)	(54,335)

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

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan, Malaysia.

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. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

These financial statements were approved and authorised for issue by the Board of Directors on 23 October 2012.

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 9 to the financial statements.

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

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 35 to 101 have been prepared in accordance with applicable approved Financial Reporting Standards ('FRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 37 to the financial statements set out on page 102 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements and also on the basis of accounting principles applicable to a going concern.

The Group and the Company recorded net losses of RM15,536,000 and RM8,244,000 for the financial year ended 30 June 2012 and as of that date, the current liabilities of the Group exceeded its current assets by RM117,808,000. Included in the current liabilities of the Group and the Company are payables within 12 (twelve) months, amounting to RM158,103,000 and RM56,242,000 respectively.

Subsequent to the end of the reporting period, a creditor of the Group amounting to RM111,689,000 which forms part of the current liabilities as at the end of the reporting period had served a Writ of Summons against the Group as disclosed in the Note 36 to the financial statements.

The Group and the Company are continuing their efforts in developing the land held for development and property development costs, namely Lakehill Resort City and APTEC and have so far received responses from strategic potential investors indicating interests in joint development. The Directors are confident that the cash flows from the joint development initiatives will unlock the asset values of Lakehill Resort City and APTEC and fulfil the obligations of the Group and of the Company as and when they fall due.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.1 Basis of accounting *(continued)*

In addition, the Directors are also confident that the existing financial institutions would continue to extend the credit facilities currently enjoyed by the Group and the Company.

Furthermore, the substantial shareholder of the Group, Top Lander Offshore Inc., has been providing continuous financial support to the Group and Company to meet their liabilities at all previous time in the past and would do its best to do so as and when they fall due.

The Directors have prepared cash flow projection for the next twelve (12) months that supports the ability of the Group and the Company to continue as going concerns. The cash flow projection assumes that the Group and the Company obtain sufficient cash flows from the joint venture development, as mentioned above. If such cash flows are not forthcoming, the Group and the Company will have a fall back action to undertake disposal of certain of their assets of which the value, as disclosed in Note 6.2(e) exceeds the current liabilities, or pledge them to financial institution for financing to meet their obligations.

In view of the above, the Directors have considered the application of the going concern basis in the preparation of financial statements to be appropriate in these circumstances. In the event that the going concern basis of preparing the financial statements of the Group and the Company be inappropriate, adjustments will have to be made to reclassify non-current assets and non-current liabilities as current assets and current liabilities, to restate the carrying value of the assets to their recoverable amounts and to provide for further liabilities which may arise.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgment in the process of applying the Group's accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results may differ from those estimates, barring unforeseen circumstances.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are entities (including special purposes entities) over which the Company has the power to govern the financial operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represents the equity in subsidiaries that are not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Basis of consolidation *(continued)*

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Group has applied the revised FRS 3 *Business Combinations* in accounting for business combinations from 1 July 2011 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the Standard.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or jointly controlled entity.

4.3 Business combination

<u>Business combinations from 1 July 2011 onwards</u>

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.3 Business combination *(continued)*

Business combinations from 1 July 2011 onwards *(continued)*

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 July 2011

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of business combination 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 business combination; and

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

When a business combination includes more than one exchange transaction, 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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 any accumulated impairment losses.

Freehold land is not depreciated. Depreciation is calculated to write off the cost of the assets to their residual values 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%
Renovation	10% - 20%

At the end of each reporting period, 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. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.10 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period 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. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

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 included in profit or loss.

4.5 Lease and hire-purchase

(a) Hire-purchase

Assets acquired under hire-purchase 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 assets 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 is used. Any initial direct costs incurred by the Group 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.5 Lease and hire-purchase *(continued)*

(a) Hire-purchase *(continued)*

The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance 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.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4.6 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties are the prices at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties reflect market conditions at the end of the reporting period, without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair values of investment properties are arrived at by reference to market evidence of transaction prices for similar properties. It is performed by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

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

4.7 Investments 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.7 Investments in subsidiaries *(continued)*

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost. Investments accounted for at cost shall be accounted for in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.8 Property development activities

(a) Land held for property development

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

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can 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.

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

4.9 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.

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.

4.10 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), property development costs and investment property measured at fair value, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.10 Impairment of non-financial assets *(continued)*

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 possible 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 profit or loss 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 profit or loss immediately.

An impairment loss 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 profit or loss.

4.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.11 Financial instruments *(continued)*

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.11 Financial instruments *(continued)*

(a) Financial assets *(continued)*

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss except for the investments or financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which shall be measured at cost.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.11 Financial instruments *(continued)*

(b) ***Financial liabilities*** *(continued)*

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) ***Equity***

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

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 profit or loss.

Interim dividends to shareholders are recognised in equity in the period which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.12 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.13 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 profit or loss. 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.

4.14 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit.

Taxes in the statement of comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.14 Income taxes *(continued)*

(b) 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 statement of financial position 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 profits 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 the end of each reporting period. If it is no longer probable that sufficient taxable profits 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 profits will be available, such reductions will be reversed to the extent of the taxable profits.

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 on either:

(i) either the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax will be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

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 substantively enacted by the reporting period.

4.15 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.

Provisions are reviewed as at the end of reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Provision for liquidated ascertained damages in respect of projects undertaken by certain subsidiaries is recognised based on the estimated claim in reference to the applicable sale and purchase agreements.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.16 Employee benefits

4.16.1 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.

4.16.2 Defined contribution plan

The Company and subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and recognise the contribution payable after deducting any contributions already paid as liability and as an expense in the period in which the employees render their services.

4.17 Foreign currencies

<u>Functional and presentation currency</u>

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

4.18 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 and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Sale of completed properties

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

(b) Rental income

Rental income is accounted for on a straight line basis over the lease terms on ongoing leases. The aggregate cost of incentives provided to lessee is recognised as a reduction of rental income over the lease term on a straight line basis.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.18 Revenue recognition *(continued)*

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 and specific recognition criteria have been met for each of the Group's activities as follows: *(continued)*

(c) Property development

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 end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date against 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.

(d) 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.

(e) Construction contracts

Profits from contracts works are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably.

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

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

(f) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(g) Dividend income

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.19 Earnings per share

(a) Basic

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

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.20 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Chief Executive Officer) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:

    (i) the combined reported profit of all operating segments that did not report a loss; and

    (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) percent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.21 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New FRS adopted during the current financial year

During the current financial year, the Group adopted the following new FRSs and Amendments to FRSs:

Title		Effective Date
Amendments to FRS 1	*Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011
Amendments to FRS 1	*Additional Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 2	*Group Cash-settled Share-based Payment Transactions*	1 January 2011
Amendments to FRS 7	*Improving Disclosures about Financial Instruments*	1 January 2011
IC Interpretation 4	*Determining Whether an Arrangement Contains a Lease*	1 January 2011
IC Interpretation 18	*Transfers of Assets from Customers*	1 January 2011
Improvements to FRSs (2010)		1 January 2011
Amendments to IC Interpretation 14 FRS 119	*Prepayments of a Minimum Funding Requirement*	1 July 2011
IC Interpretation 19	*Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011

There is no impact upon adoption of the above new FRSs, Amendments to FRSs and IC Interpretations during the current financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs *(continued)*

5.2 New FRSs that have been issued, but not yet effective and not yet adopted

Title		Effective Date
FRS 124	*Related Party Disclosures*	1 January 2012
Amendments to FRS 1	*Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7	*Disclosures - Transfers of Financial Assets*	1 January 2012
Amendments to FRS 112	*Deferred tax: Recovery of Underlying Assets*	1 January 2012
Mandatory Effective Date of FRS 9 and Transition Disclosures		1 March 2012
Amendments to FRS 101	*Presentation of Items of Other Comprehensive Income*	1 July 2012
FRS 10	*Consolidated Financial Statements*	1 January 2013
FRS 11	*Joint Arrangements*	1 January 2013
FRS 12	*Disclosure of Interests in Other Entities*	1 January 2013
FRS 13	*Fair Value Measurement*	1 January 2013
FRS 119	*Employee Benefits*	1 January 2013
FRS 127	*Separate Financial Statements*	1 January 2013
FRS 128	*Investments in Associates and Joint Ventures*	1 January 2013
Amendments to FRS 1	*Government Loans*	1 January 2013
Amendments to FRS 7	*Disclosures - Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to FRS 132	*Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 9	*Financial Instruments (IFRS 9 issued by IASB in November 2009)*	1 January 2015
FRS 9	*Financial Instruments (IFRS 9 issued by IASB in November 2010)*	1 January 2015

The Group is in the process of assessing the impact of the adoption of these FRSs, Amendments to FRSs and IC Interpretations since the effects would only be observable in the future financial years.

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2014

On 19 November 2011, the Malaysian Accounting Standards Board ('MASB') announced the issuance of the new MFRS framework that is applicable to entities other than private entities. However, based on the MASB announcement on 30 June 2012, the Group has elected for the continued use of FRS for the financial years ending 30 June 2013 and 30 June 2014 as a transitioning entity affected by the scope of MFRS 141 and/or IC Interpretation 15. The Group would subsequently adopt the MFRS framework for the financial year ending 30 June 2015.

The subsequent adoption of the MFRS framework would result in the Group preparing an opening MFRS statement of financial position as at 1 July 2013 which adjusts for differences between the classification and measurement bases in the existing FRS framework versus that in the new MFRS framework. This would also result in a restatement of the annual and quarterly financial performance for the financial year ending 30 June 2015 in accordance with MFRS which would form the MFRS comparatives for the annual and quarterly financial performance for the financial year ending 30 June 2015 respectively.

The MFRSs and IC Interpretations expected to be adopted are as follows:

MFRS 1	*First-time Adoption of Malaysian Financial Reporting Standards*
MFRS 2	*Share-based Payment*
MFRS 3	*Business Combinations*
MFRS 4	*Insurance Contracts*

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs *(continued)*

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2014 *(continued)*

The MFRSs and IC Interpretations expected to be adopted are as follows: *(continued)*

MFRS 5	*Non-current Assets Held for Sale and Discontinued Operations*
MFRS 6	*Exploration for and Evaluation of Mineral Resources*
MFRS 7	*Financial Instruments: Disclosures*
MFRS 8	*Operating Segments*
MFRS 9	*Financial Instruments*
MFRS 10	*Consolidated Financial Statements*
MFRS 11	*Joint Arrangements*
MFRs 12	*Disclosure of Interests in Other Entities*
MFRS 13	*Fair Value Measurement*
MFRS 101	*Presentation of Financial Statements*
Amendments to MFRS 101	*Presentation of Items of Other Comprehensive Income*
MFRS 102	*Inventories*
MFRS 107	*Statement of Cash Flows*
MFRS 108	*Accounting Policies, Changes in Accounting Estimates and Errors*
MFRS 110	*Events After the Reporting Period*
MFRS 111	*Construction Contacts*
MFRS 112	*Income Taxes*
MFRS 116	*Property, Plant and Equipment*
MFRS 117	*Leases*
MFRS 118	*Revenue*
MFRS 119	*Employee Benefits*
MFRS 119	*Employee Benefits (revised)*
MFRS 120	*Accounting for Government Grants and Disclosure of Government Assistance*
MFRS 121	*The Effects of Changes in Foreign Exchange Rates*
MFRS 123	*Borrowing Costs*
MFRS 124	*Related Party Disclosures*
MFRS 126	*Accounting and Reporting by Retirement Benefit Plans*
MFRS 127	*Consolidated and Separate Financial Statements*
MFRS 127	*Separate Financial Statements*
MFRS 128	*Investments in Associates*
MFRS 128	*Investments in Associates and Joint Ventures*
MFRS 129	*Financial Reporting in Hyperinflationary Economies*
MFRS 131	*Interests in Joint Ventures*
MFRS 132	*Financial Instruments: Presentation*
MFRS 133	*Earnings Per Share*
MFRS 134	*Interim Financial Reporting*
MFRS 136	*Impairment of Assets*
MFRS 137	*Provisions, Contingent Liabilities and Contingent Assets*
MFRS 138	*Intangible Assets*
MFRS 139	*Financial Instruments: Recognition and Measurement*
MFRS 140	*Investment Property*
MFRS 141	*Agriculture*
Improvements to MFRSs (2008)	
Improvements to MFRSs (2009)	
Improvements to MFRSs (2010)	
Amendments to MFRS 1	*Government Loans*
Amendments to MFRS 7	*Disclosures - Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 132	*Offsetting Financial Assets and Financial Liabilities*
Mandatory Effective Date of MFRS 9 and Transition Disclosures	
IC Interpretation 1	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*
IC Interpretation 2	*Members' Shares in Co-operative Entities and Similar Instruments*
IC Interpretation 4	*Determining Whether an Arrangement Contains a Lease*

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs *(continued)*

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2014 *(continued)*

The MFRSs and IC Interpretations expected to be adopted are as follows: *(continued)*

IC Interpretation 5	*Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
IC Interpretation 6	*Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment*
IC Interpretation 7	*Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies*
IC Interpretation 9	*Reassessment of Embedded Derivatives*
IC Interpretation 10	*Interim Financial Reporting and Impairment*
IC Interpretation 12	*Service Concession Arrangements*
IC Interpretation 13	*Customer Loyalty Programmes*
IC Interpretation 14	*MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
IC Interpretation 15	*Agreements for the Construction of Real Estate*
IC Interpretation 16	*Hedges of a Net Investment in a Foreign Operation*
IC Interpretation 17	*Distributions of Non-cash Assets to Owners*
IC Interpretation 18	*Transfers of Assets from Customers*
IC Interpretation 19	*Extinguishing Financial Liabilities with Equity Instruments*
IC Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*
IC Interpretation 107	*Introduction of the Euro*
IC Interpretation 110	*Government Assistance - No Specific Relation to Operating Activities*
IC Interpretation 112	*Consolidation - Special Purpose Entities*
IC Interpretation 113	*Jointly Controlled Entities - Non-Monetary Contributions by Venturers*
IC Interpretation 115	*Operating Leases - Incentives*
IC Interpretation 125	*Income Taxes - Changes in the Tax Status of an Entity or its Shareholders*
IC Interpretation 127	*Evaluating the Substance of Transactions Involving the Legal Form of a Lease*
IC Interpretation 129	*Service Concession Arrangements: Disclosures*
IC Interpretation 131	*Revenue - Barter Transactions Involving Advertising Services*
IC Interpretation 132	*Intangible Assets - Web Site Costs*

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Critical judgements made in applying accounting policies

The following are the judgements made by the management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Property development costs

The management has considered the development activities included within property development costs and, based on the status of development as at the end of reporting period, the management has determined that these development activities would be completed within the normal operating cycle.

(b) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of business.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

6.1 Critical judgements made in applying accounting policies *(continued)*

(c) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

6.2 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) 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.

(b) 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.

(c) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(d) Fair value of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

6.2 Key sources of estimation uncertainty *(continued)*

(e) Impairment of assets

The Group reviews the carrying amount of their non-current assets, which include land held for property development and property, plant and equipment, to determine whether there is an indication that those assets have suffered an impairment loss. Significant judgement is required to determine the extent and amount of the impairment loss, if any.

The carrying amount of Land Held For Property Development and Property Development Costs as at 30 June 2012 amounted to RM79,482,000 and RM121,239,000 respectively. Based on an independent valuation report of a professional valuer dated 29 July 2008, the market value of the Land Held For Property Development and Property Development Costs amounted to RM450,000,000. The Directors are of the view that there is no impairment of the Land Held For Property Development and Property Development Costs.

(f) Impairment of investments in subsidiaries

The Company determines whether investments in subsidiaries are impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries. Estimating value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

7. PROPERTY, PLANT AND EQUIPMENT

Group

2012	Balance as at 1.7.2011	Additions	Disposals	Depreciation charge for the financial year	Balance as at 30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000
Carrying amount					
Freehold land	442	-	-	-	442
Plant and machinery	468	1	(1)	(118)	350
Furniture, fittings and equipment	513	34	-	(154)	393
Motor vehicles	1,164	386	-	(334)	1,216
Renovation	1,583	13	-	(499)	1,097
	4,170	434	(1)	(1,105)	3,498

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	As 30.6.2012 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	442	-	442
Plant and machinery	9,786	(9,436)	350
Furniture, fittings and equipment	5,044	(4,651)	393
Motor vehicles	2,176	(960)	1,216
Renovation	4,480	(3,383)	1,097
	21,928	(18,430)	3,498

Group

2011	Balance as at 1.7.2010 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2011 RM'000
Carrying amount						
Freehold land	442	-	-	-	-	442
Plant and machinery	138	434	-	-	(104)	468
Furniture, fittings and equipment	593	81	-	(5)	(156)	513
Motor vehicles	984	586	(100)	-	(306)	1,164
Renovation	2,068	14	-	-	(499)	1,583
	4,225	1,115	(100)	(5)	(1,065)	4,170

	As 30.6.2011 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	442	-	442
Plant and machinery	9,786	(9,318)	468
Furniture, fittings and equipment	5,010	(4,497)	513
Motor vehicles	2,603	(1,439)	1,164
Renovation	4,467	(2,884)	1,583
	22,308	(18,138)	4,170

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company

2012	Balance as at 1.7.2011 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2012 RM'000
Carrying amount				
Plant and machinery	109	1	(33)	77
Furniture, fittings and equipment	352	33	(107)	278
Motor vehicles	1,022	386	(259)	1,149
Renovation	1,259	13	(351)	921
	2,742	433	(750)	2,425

	As 30.6.2012		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Plant and machinery	8,981	(8,904)	77
Furniture, fittings and equipment	4,495	(4,217)	278
Motor vehicles	1,619	(470)	1,149
Renovation	3,657	(2,736)	921
	18,752	(16,327)	2,425

Company

2011	Balance as at 1.7.2010 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2011 RM'000
Carrying amount					
Plant and machinery	121	20	-	(32)	109
Furniture, fittings and equipment	399	60	-	(107)	352
Motor vehicles	752	586	(100)	(216)	1,022
Renovation	1,595	14	-	(350)	1,259
	2,867	680	(100)	(705)	2,742

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	As 30.6.2011		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Plant and machinery	8,980	(8,871)	109
Furniture, fittings and equipment	4,462	(4,110)	352
Motor vehicles	2,046	(1,024)	1,022
Renovation	3,644	(2,385)	1,259
	19,132	(16,390)	2,742

(a) Included in property, plant and equipment of the Group and of the Company are plant and machinery and motor vehicles, which was acquired under hire-purchase arrangements with total carrying amounts of RM1,478,000 and RM1,149,000 (2011: RM1,500,000 and RM1,022,000) respectively.

(b) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Purchase of property, plant and equipment	434	1,115	433	680
Financed by hire-purchase arrangements	(387)	(942)	(387)	(535)
Cash payments on purchase of property, plant and equipment	47	173	46	145

8. INVESTMENT PROPERTY

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Carrying amount				
Balance as at 30 June	300,000	300,000	268,970	268,970

(a) The fair value of the investment property of the Group and of the Company, which comprise office buildings and shoplots were estimated by the Directors based on the assessment of the market values for similar properties in the same vicinity, which have been transacted in the open market. Pursuant to the valuation report dated 30 June 2010 by an independent firm of professional valuer, JB Jurunilai Bersekutu (KL) Sdn. Bhd. the fair value of the Investment Property is at RM300,000,000 using the comparison method.

(b) The investment property of the Group and of the Company are charged to financial institutions for credit facilities granted to the Group and the Company as disclosed in Notes 17 and 19 to the financial statements.

8. INVESTMENT PROPERTY *(continued)*

(c) Direct operating expenses arising from the investment property generating rental income during the financial year were as follows:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Quit rent and assessment	731	746	729	744
Service charges	3,290	3,386	2,717	2,875

(d) Direct operating expenses arising from the investment property that did not generate rental income during the financial year were as follows:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Quit rent and assessment	359	304	359	304
Service charges	1,621	1,383	1,338	1,174

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2012	2011
	RM'000	RM'000
Unquoted equity shares, at cost	8,551	8,551
Less: Impairment loss	(196)	-
	8,355	8,551

Details of the subsidiaries, which are incorporated in Malaysia unless otherwise stated are as follows:

Name of company	Interest in equity held by Company		Interest in equity held by Subsidiaries		Principal activities
	2012	2011	2012	2011	
	%	%	%	%	
MPC Properties Sdn. Bhd. #	100	100	-	-	Letting of investment properties and property development
Bedford PJ Complex Sdn. Bhd. #	100	100	-	-	Dormant
Euronium Construction Sdn. Bhd. #	100	100	-	-	Dormant
Pacific Spa & Fitness Club Sdn. Bhd. #	100	100	-	-	Dormant
Premier Building Management Services Sdn. Bhd. #	100	100	-	-	Dormant
Prestige Trading Sdn. Bhd. #	100	100	-	-	Dormant
The Power Club Sdn. Bhd. #	100	100	-	-	Dormant
Lakehill Homes (MM2H) Sdn. Bhd. #	100	100	-	-	Dormant
MPC Management Services Sdn. Bhd. #	100	100	-	-	Management services

9. INVESTMENTS IN SUBSIDIARIES *(continued)*

Details of the subsidiaries, which are incorporated in Malaysia unless otherwise stated are as follows: *(continued)*

Name of company	Interest in equity held by Company 2012 %	Company 2011 %	Subsidiaries 2012 %	Subsidiaries 2011 %	Principal activities
MP Security Services Sdn. Bhd. #	100	100	-	-	Dormant
Real Rock Restaurant and Café Sdn. Bhd. #	100	100	-	-	Dormant
Temasek Mewatek Sdn. Bhd. #	100	100	-	-	Dormant
Subsidiaries of MPC Properties Sdn. Bhd.					
ASA Enterprises Sdn. Bhd. #	-	-	100	100	Letting of investment properties
Oriental Pearl City Properties Sdn. Bhd. #	-	-	100	100	Investment holding
Creative Ascent Sdn. Bhd. #	-	-	100	100	Investment holding, project management and property co-development
Subsidiary of Oriental Pearl City Properties Sdn. Bhd.					
Lakehill Resort Development Sdn. Bhd. #	-	-	100	78	Property management and property development
Subsidiary of Creative Ascent Sdn. Bhd.					
Taman Bandar Baru Masai Sdn. Bhd. #	-	-	100	100	Property development
Subsidiaries of Lakehill Resort Development Sdn. Bhd.					
Asia Pacific Trade and Expo City Sdn. Bhd. #	-	-	100	100	Trade and distribution and property development
Asia Pacific Trade & Expo City(HK) Limited (Incorporated in Hong Kong)	-	-	100	100	Provision of corporate management services, marketing and promotion to Greater China

subsidiaries audited by BDO in Malaysia

An impairment loss on investments in subsidiaries amounting to RM196,000 has been recognised during the financial year due to declining business operations of the subsidiaries.

9. INVESTMENTS IN SUBSIDIARIES *(continued)*

Acquisition of additional interests in a subsidiary

Pursuant to the Joint Venture Agreement ("JVA") dated 20 August 2008 between Amanah Raya Development Sdn. Bhd. ("ADSB") and Oriental Pearl City Properties Sdn. Bhd. ("OPCP"), an indirectly wholly-owned subsidiary of the Company, OPCP had granted ADSB an option for ADSB to sell to OPCP to buy back 22% of ADSB's equity interest of 22% in the Joint Venture Entity, Lakehill Resort Development Sdn. Bhd. ("LHRD") ("Put Option").

On 26 March 2012, ADSB exercised the Put option whereby the payment of RM110,880,000 (Option price) became due on 25 May 2012. However, ADSB had agreed to grant OPCP an extension of the Put option Price settlement period to 24 July 2012, subject to late payment compensation interest of 7.2% per annum calculated at daily rest from 25 May 2012 until full settlement date. ADSB has also informed that no further extension will be granted after that.

Accordingly, the Group's effective equity interest in LHRD increased from 78% to 100% as at the end of the financial reporting period.

10. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2012	**2011**
	RM'000	**RM'000**
At beginning of financial year		
Cost	95,431	94,847
Cost incurred during the financial year		
Additions	953	936
Transferred to property development cost (Note 11)	-	(234)
Recognised as an expense in profit or loss	-	(118)
	953	584
Less: Accumulated impairment losses	(16,902)	(16,902)
At end of financial year	79,482	78,529
Carrying amount		
Freehold land, at cost	27,378	27,378
Development expenditure	52,104	51,151
	79,482	78,529

11. PROPERTY DEVELOPMENT COSTS

	Group 2012 RM'000	Group 2011 RM'000
At beginning of financial year		
Freehold land, at cost	74,027	74,027
Development expenditure	174,173	172,501
	248,200	246,528
Cost incurred during the financial year		
Development expenditure	-	1,438
Transferred during the financial year		
Transferred from land held for property development (Note 10)	-	234
Recognised as an expense in profit or loss		
In previous financial years	(101,500)	(98,651)
During the financial year	(1,437)	(2,849)
	(102,937)	(101,500)
Less: Accumulated impairment losses	(24,024)	(24,024)
At end of financial year	121,239	122,676

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables	4,687	3,809	364	359
Less: Impairment loss	(3,726)	(2,183)	(353)	-
	961	1,626	11	359
Other receivables	106	65	43	42
Amounts owing by subsidiaries	-	-	228,757	217,803
	106	65	228,800	217,845
Less: Impairment loss				
- Other receivables	(37)	(20)	(20)	(20)
- Amounts owing by subsidiaries	-	-	(7,222)	(2,554)
	69	45	221,558	215,271
Deposits	540	773	344	34
Loans and receivables	1,570	2,444	221,913	215,664
Prepayments	38	33	-	-
	1,608	2,477	221,913	215,664

(a) The credit terms offered by the Group and the Company in respect of trade receivables ranged from 14 to 30 days (2011: 14 to 30 days) from the date of invoice and progress billings. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(b) Trade and other receivables of the Group and of the Company are denominated in Ringgit Malaysia.

(c) The amounts owing by subsidiaries are analysed as follows:

	Company	
	2012 RM'000	2011 RM'000
Amounts owing by subsidiaries		
Interest bearing advances	159,392	154,746
Non-interest bearing advances	69,365	63,057
	228,757	217,803

Amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured and payable on demand in cash and cash equivalents. Advances amounting to RM159,392,00 (2011: RM154,746,000) bear interest ranging from 4.45% to 18.00% (2011: 4.45% to 18.00%) per annum.

12. TRADE AND OTHER RECEIVABLES *(continued)*

(d) The ageing analysis of trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	347	188	1	-
Past due, not impaired				
31 to 60 days	337	280	1	-
61 to 90 days	55	68	1	-
More than 90 days	222	1,090	8	359
	614	1,438	10	359
Past due and impaired	3,726	2,183	353	-
	4,687	3,809	364	359

<u>Receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the trade receivables of the Group and of the Company that are neither past due nor impaired have been renegotiated during the financial year.

<u>Receivables that are past due but not impaired</u>

At the end of the reporting period, trade receivables of the Group and of the Company arising from rental of property that are past due but not impaired are unsecured in nature. They are creditworthy debtors with good payment records with the Group and the Company.

<u>Receivables that are past due and impaired</u>

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

	Group Individually impaired		Company Individually impaired	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Trade receivables, gross	3,726	2,183	353	-
Less: Impairment loss	(3,726)	(2,183)	(353)	-
	-	-	-	-

12. TRADE AND OTHER RECEIVABLES *(continued)*

(d) The ageing analysis of trade receivables of the Group and of the Company are as follows: *(continued)*

Receivables that are past due and impaired *(continued)*

The reconciliation of movement in the impairment losses of trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
At 1 July 2011/2010	2,183	995	-	-
Charge for the financial year	1,579	1,864	353	-
Written off	-	(676)	-	-
Reversal of impairment loss	(36)	-	-	-
	1,543	1,188	353	-
At 30 June 2012/2011	3,726	2,183	353	-

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(e) Information on financial risks of trade and other receivables are disclosed in Note 33 to the financial statements.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	2,003	733	279	299
Deposit with a licensed bank	-	255	-	-
	2,003	988	279	299

Group

(a) Included in the Group's cash and bank balances is an amount of RM33,000 (2011: RM40,000) held under the Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

(b) In previous financial year, the fixed deposit with a licensed bank of the Group has a maturity period of three (3) months.

(c) Cash and cash equivalents of the Group and Company are denominated in Ringgit Malaysia.

(d) Information on financial risks of cash and cash equivalents are disclosed in Note 33 to the financial statements.

13. CASH AND CASH EQUIVALENTS *(continued)*

(e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	2,003	733	279	299
Deposit with a licensed bank	-	255	-	-
Bank overdrafts included in borrowings (Note 19)	(57,784)	(54,634)	(57,784)	(54,634)
	(55,781)	(53,646)	(57,505)	(54,335)

14. SHARE CAPITAL

	Group and Company			
	2012		2011	
	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:				
Balance as at 30 June	287,660	287,660	287,660	287,660

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

15. RESERVES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Reserves:				
(Accumulated loss)/Retained earnings	(53,312)	46,698	63,765	72,009
Non-distributable:				
Exchange translation reserve	132	90	-	-
Warrants reserve	10,011	10,011	10,011	10,011
	10,143	10,101	10,011	10,011
	(43,169)	56,799	73,776	82,020

(a) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currency are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Warrants reserve

The allocated fair values of free warrants are credited to a warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants periods will be transferred to retained earnings.

16. BANK BORROWINGS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current liabilities				
Revolving credit (Note 17)	25,704	25,704	25,704	25,704
Hire-purchase creditors (Note 18)	382	403	192	222
Bank overdrafts (Note 19)	57,784	54,634	57,784	54,634
	83,870	80,741	83,680	80,560
Non-current liabilities				
Hire-purchase creditors (Note 18)	1,063	1,166	941	855
Total bank borrowings				
Revolving credit (Note 17)	25,704	25,704	25,704	25,704
Hire-purchase creditors (Note 18)	1,445	1,569	1,133	1,077
Bank overdrafts (Note 19)	57,784	54,634	57,784	54,634
	84,933	81,907	84,621	81,415

(a) The bank borrowings of the Group and Company are denominated in Ringgit Malaysia.

(b) Information on financial risks of bank borrowings are disclosed in Note 33 to the financial statements.

17. REVOLVING CREDIT

	Group and Company 2012 RM'000	Group and Company 2011 RM'000
Secured		
Revolving credit	25,704	25,704

(a) The revolving credit is secured by a fixed charge over the Group's and the Company's investment property as disclosed in Note 8 to the financial statements.

(b) Information on financial risks of revolving credit is disclosed in Note 33 to the financial statements.

18. HIRE-PURCHASE CREDITORS

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum hire-purchase payments:				
- not later than one (1) year	447	480	244	272
- later than one (1) year and not later than five (5) years	1,048	1,071	918	765
- later than five (5) years	128	228	128	203
Total minimum hire-purchase payments	1,623	1,779	1,290	1,240
Less: Future interest charges	(178)	(210)	(157)	(163)
Present value of hire-purchase payments	1,445	1,569	1,133	1,077
Repayable as follows:				
Current liabilities:				
- not later than one year	382	403	192	222
Non-current liabilities:				
- later than one (1) year and not later than five (5) years	939	920	817	658
- later than five (5) years	124	246	124	197
	1,063	1,166	941	855
	1,445	1,569	1,133	1,077

Information on financial risks of hire-purchase creditors is disclosed in Note 33 to the financial statements.

19. BANK OVERDRAFTS

	Group and Company	
	2012	**2011**
	RM'000	**RM'000**
Secured		
Bank overdrafts	57,784	54,634

(a) The bank overdrafts are secured by a charge over the Group's and the Company's investment property as disclosed in Note 8 to the financial statements.

(b) Information on financial risks of bank overdrafts is disclosed in Note 33 to the financial statements.

20. DEFERRED TAX LIABILITIES

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 July	19,618	19,880	-	262
Recognised in profit or loss (Note 27)				
- current financial year	-	-	-	-
- over provision in prior financial years	-	(262)	-	(262)
	-	(262)	-	(262)
Balance as at 30 June	19,618	19,618	-	-

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 July	19,618	19,880	-	262
Recognised in profit or loss				
- excess of capital allowances over corresponding depreciation	-	(234)	-	(234)
- others	-	(28)	-	(28)
	-	(262)	-	(262)
Balance as at 30 June	19,618	19,618	-	-

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

	2012	**2011**
	RM'000	**RM'000**
Group		
Revaluation surplus arising from subsidiary's development properties	12,118	12,118
Temporary differences arising from interest capitalised into development properties	7,500	7,500
	19,618	19,618

20. DEFERRED TAX LIABILITIES *(continued)*

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

	Group	
	2012	2011
	RM'000	RM'000
Unabsorbed capital allowances	779	708
Unutilised tax losses	77,520	70,191
Other taxable temporary differences	(757)	(861)
	77,542	70,038

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

The deductible temporary differences do not expire under the current tax legislation.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	2,488	4,521	-	-
Other payables and accruals				
Amounts owing to subsidiaries	-	-	21,448	21,465
Other payables	143,215	21,259	22,682	14,965
Accruals	12,400	9,329	12,112	8,940
	155,615	30,588	56,242	45,370
	158,103	35,109	56,242	45,370

(a) The credit terms available to the Group and the Company in respect of trade payables ranged from 30 to 90 days (2011: 30 to 90 days) from the date of invoice and progress billing.

21. TRADE AND OTHER PAYABLES *(continued)*

(b) Included in other payables and accruals are the following:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest accrued on revolving credit	10,101	6,993	10,101	6,993
Amounts owing to Directors	395	250	395	250
Amount owing to acompany in which certain Directors have substantial financial interests	16,809	9,847	13,944	7,642
Deferred income	-	-	3,189	3,189
Amount owing to Amanah Raya Development Sdn. Bhd.	111,689	-	-	-

(c) The amounts owing to companies in which certain Directors of the Company have financial interests are unsecured, payable on demand in cash and cash equivalents and bear interest ranging from 13.00% to 15.00% (2011: 13.00% to 15.00%) per annum.

(d) The amount owing to Amanah Raya Development Sdn. Bhd. represents payment of RM110,880,000, which arose from the exercise of Put Option during the financial year and bear interest of 7.20% per annum calculated at daily rest from 25 May 2012 until full settlement date.

Subsequent to the end of the reporting period, Amanah Raya Development Sdn. Bhd. had served Writ of Summons to its subsidiary for a sum of RM113,170,038 as disclosed in the Note 36 to the financial statements.

(e) Amounts owing to subsidiaries and Directors represent non-trade transactions, advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(f) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	155,072	35,087	56,242	45,370
Hong Kong dollar ("HKD")	3,031	22	-	-
	158,103	35,109	56,242	45,370

(g) Information on financial risks of trade and other payables are disclosed in Note 33 to the financial statements.

22. PROVISION FOR LIQUIDATED AND ASCERTAINED DAMAGES

	Group	
	2012	**2011**
	RM'000	**RM'000**
At 1 July/ 30 June	257	257

23. REVENUE

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Rental income from investment property and property management services	12,545	11,084	9,756	9,077
Property development revenue	2,038	5,067	-	-
	14,583	16,151	9,756	9,077

24. COST OF SALES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Rental and property management services	6,421	6,306	5,325	5,382
Property development costs	1,495	2,967	-	-
	7,916	9,273	5,325	5,382

25. FINANCE COSTS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Interest expense on:				
- bank overdrafts	4,973	4,378	4,973	4,378
- hire-purchase creditors	79	87	53	51
- revolving credit	3,108	2,807	3,108	2,807
- amounts owing to related parties	1,416	978	900	631
- third parties creditors	821	406	1	-
	10,397	8,656	9,035	7,867

26. LOSS BEFORE TAXATION

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging:					
Auditors' remuneration:					
- current financial year					
- statutory audit		113	101	53	53
- non-statutory		3	-	3	-
- under/(over) provision in prior years					
- statutory audit		5	-	-	-
- non-statutory		3	(60)	3	(60)
Impairment loss on receivables:					
- trade	12	1,579	1,864	353	-
- non trade		17	-	-	-
-amounts owing by subsidiaries		-	-	4,685	-
-investments in subsidiaries		-	-	196	-
Depreciation of property, plant and equipment	7	1,105	1,065	750	705
Directors' remuneration:					
- fees		370	360	370	360
- other emoluments		240	233	60	53
Property, plant and equipment written off	7	-	5	-	-
Rental of:					
- premises		384	353	-	-
- machinery		26	26	19	19
Management fees:					
- subsidiaries		-	-	376	2,730
- related party		26	25	-	-
And crediting:					
Reversal of impairment losses on:					
-trade receivables		36	-	-	-
-amount owing by subsidiaries		-	-	17	-
Deposits forfeited		-	47	-	-
Gain on disposal of property,plant and equipment		104	151	104	151
Interest income from:					
- subsidiaries		-	-	4,424	4,975
- others		73	69	13	67
Rental income from subsidiaries		-	-	9,756	8,884

27. TAXATION

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current taxation based on taxable profit for the financial year:				
Malaysian income tax				
Current financial year	245	-	245	-
(Over)/Under provision in prior financial years	(40)	1,371	(108)	-
	205	1,371	137	-
Deferred tax (Note 20):				
Current financial year	-	-	-	-
Over provision in prior financial years	-	(262)	-	(262)
	-	(262)	-	(262)
	205	1,109	137	(262)

The Malaysian income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated taxable profit for the fiscal year.

The numerical reconciliations between taxation and the product of accounting loss multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Tax at Malaysian statutory tax rate of 25% (2011: 25%)	(3,833)	(4,782)	(2,027)	(1,148)
Tax effects in respect of:				
Non-allowable expenses	2,460	2,219	3,664	2,436
Non-taxable income	-	-	(1,134)	(1,288)
Utilisation of previously unrecognised tax losses	(258)	-	(258)	-
Deferred tax assets not recognised	1,876	2,563	-	-
	245	-	245	-
Over provision of deferred tax in prior financial years	-	(262)	-	(262)
(Over)/Under provision of income tax in prior financial years	(40)	1,371	(108)	-
	205	1,109	137	(262)

Subject to the agreement of the Inland Revenue Board, the Group has unutilised tax losses of approximately RM77,520,000 (2011: RM70,191,000) and unabsorbed capital allowances of approximately RM779,000 (2011: RM708,000) available to set-off against future taxable income.

28. LOSS PER ORDINARY SHARE

(a) Basic

Basic loss per ordinary share for the financial year is calculated by dividing the loss for the financial year attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2012	**2011**
	RM'000	**RM'000**
Loss attributable to owners of the parent	(13,913)	(19,022)
Weighted average number of ordinary shares in issue ('000)	287,660	287,660

	Group	
	2012	**2011**
	Sen	**Sen**
Basic loss per ordinary share	(4.83)	(6.61)

(b) Diluted

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

29. MATERIAL LITIGATIONS

(a) Kuala Lumpur High Court Suit No. S4-22-82-2006 and S2-23-29-2006

Under the Kuala Lumpur High Court Suit No. S4-22-82-2006, the Company's subsidiary Taman Bandar Baru Masai Sdn. Bhd. (''TBBM'') ("the Plaintiffs"), commenced a civil action on 14 November 2005 against former directors of the Company namely, Encik Chut Nyak Isham bin Nyak Ariff, Dato' Yusof bin Jusoh, YAM Tengku Syarif Syed Amir Abidin Putra Jamalullail, Dato' Thomas Teng Poh Foh (deceased) and Puan Asnah bt. Mohd Salleh and other connected parties, namely Warisan Alam Enterprise Sdn Bhd, Bumialpha Sdn Bhd, Dion Sharil Bin Chut Nyak Isham, Intan Safina Binti Yusof and Aishah Binti Mohd Jelani (collectively known as "the Defendants"). The Defendants settled out of court on 18 March 2012 with a token compensation of RM50,000 to the Company.

Subsequently, on 30 March 2012, the Defendants withdrew their counter claim against the Company under the Kuala Lumpur High Court Suit No. S2-23-29-2006.

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

The Company and its subsidiary, TBBM (collectively known as "the Plaintiffs") commenced a civil action on 14 October 2005 vide Johor Bahru High Court Suit No. 22-702-2005 against the former Group General Manager of the Company and TBBM, En. Zulhaimi bin Nordin as well as the former Group Managing Director and Group Chief Executive Officer of the Company and TBBM, En. Chut Nyak Isham Bin Nyak Ariff, including Inta Development Sdn Bhd ("Inta") and Inta directors and others (collectively known as "the Defendants") for alleged non-disclosed connected parties transaction in respect of the sale of land owned by TBBM held under PTD 149705 H.S (D) 310451, Mukim Plentong, Daerah Johor Bahru.

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

29. MATERIAL LITIGATIONS *(continued)*

(b) Johor Bahru High Court Suit No. 22-702-2005 was merged with Kuala Lumpur High Court Suit No.S3-22-1176-2006 *(continued)*

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

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

(c) Court of Appeal Civil Appeal No. J-02-107-11 (originally known as Johor Bahru High Court Suit No. 22-174-2007)

TBBM commenced civil action on 10 April 2007 against Scientex Quatari Sdn. Bhd. in relation to illegal encroachment, trespassing and erosion damages on TBBM's land held under PTD 149729 HS(D) 310467, Mukim Plentong, Daerah Johor Bahru ("the said Land") and sought relief for compensation and damages.

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

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

(d) Kuala Lumpur High Court Suit No. S3-22-1236-2007

TBBM as Plaintiff had on 22 October 2007 commenced legal action against Chut Nyak Isham Bin Nyak Ariff, the former Group Managing Director and Chief Executive Officer of the Company and TBBM, Dato' Yusoh Bin Jusoh, the former Chairman/Director of the Company and TBBM and one Ikmal Nazarin Bin Junid (Ikmal) (collectively known as "the Defendants") in relation to the sale of TBBM's two approved petrol service stations known as Unit No. 12BC (1st Parcel) and Plot 12A and 12D in the Mukim of Plentong, District of Johor Bahru, in questionable circumstances.

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

Ikmal filed an application to strike out TBBM's claim on 8 October 2009, but was dismissed by the learned judge with cost in favour of TBBM.

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

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

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

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

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

29. MATERIAL LITIGATIONS *(continued)*

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

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

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

The appeal is fixed for Hearing in the Court of Appeal on 15 October 2012. The appeal was adjourned to 22 October 2012 pending settlement between the parties. The appeal was further adjourned to 25 October 2012.

(f) <u>Kuala Lumpur High Court (Civil) No. D22NCC-1500-2010</u>

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

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

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

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

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

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

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

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

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

29. MATERIAL LITIGATIONS *(continued)*

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

Upon solicitor's advice, the Defendant/Company filed an application for stay on 23 July 2012.

The matter is fixed for the Hearing (stay application) at High Court on 6 September 2012 and for the Case Management at the Court of Appeal on 12 September 2012.

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

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

(h) <u>Kuala Lumpur High Court Civil Suit No. S-22-347-2010</u>

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

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

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

The matter is fixed for Case Management on 20 November 2012.

(i) <u>Kuala Lumpur High Court Civil Suit No.: 22NCC-1453-09/2012</u>

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

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

The matter is fixed for Case Management on 8 November 2012.

30. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

30. RELATED PARTY DISCLOSURES *(continued)*

(a) Identities of related parties *(continued)*

Related parties of the Group include:

Related parties	Relationships
Top Lander Offshore Inc.	A substantial shareholder of the Company
Steady Essence Sdn. Bhd.	A company in which Dato' Ch'ng Poh, the Chief Executive Officer of the Company, Datin Kong Yuk Chu and Ch'ng Soon Sen, both Executive Directors of the Company, who are also substantial shareholders of the Company, have substantial shareholding interests.
Ocean Power Enterprises Limited and Power View Holdings Limited (Incorporated in Hong Kong)	A company in which Dato' Ch'ng Poh, the Chief Executive Officer of the Company, and Datin Kong Yuk Chu, an Executive Director of the Company, who are also substantial shareholders of the Company, have substantial shareholding interests.
Optima Mewah Sdn. Bhd.	A company in which Dato' Ch'ng Poh, the Chief Executive Officer of the Company, Datin Kong Yuk Chu and Ch'ng Soon Sen, both Executive Directors of the Company, who are also substantial shareholders of the Company, have substantial shareholding interests.

(b) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest payable to Top Lander Offshore Inc.	1,140	756	900	631
Interest payable to Ocean Power Enterprise Limited	276	222	-	-
Ocean Power Enterprise Limited				
- rental of office premises	384	353	-	-
- management fees	26	25	-	-
Subsidiaries:				
- interest income	-	-	4,424	4,975
- rental income	-	-	9,756	8,884
- commission payable	-	-	120	120
- management fees payable	-	-	376	2,730
Advances from Top Lander Offshore Inc. (net)	2,943	1,936	2,943	1,574
Property development revenue from Optima Mewah Sdn. Bhd.	-	5,067	-	-

30. RELATED PARTY DISCLOSURES *(continued)*

(b) Significant related party transactions *(continued)*

The above transactions have been entered into the normal course of business and are based on negotiated and mutually agreed terms.

Significant balances with subsidiaries as at the end of the reporting period are disclosed in Notes 12 and 21 to the financial statements.

The related party balances for transactions other than trade in nature, which remained outstanding at the end of the reporting period are as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Related parties payable:				
- Top Lander Offshore Inc.	16,809	9,847	13,944	7,642

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short term employee benefits	5,662	7,244	-	-
Contributions to defined contribution plan	419	367	-	-
	6,081	7,611	-	-

31. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in the business of property development, investment properties and construction. The Group's property development activity is mainly undertaken by Lakehill Resort Development Sdn. Bhd., a 100% owned subsidiary of the Company.

The Group has arrived at three (3) reportable segments that are organised and managed separately, which require different business and marketing strategies. The 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 reportable segments are summarised as follows:

(i) Property development : Development of residential and commercial properties
(ii) Investment property : Letting of investment property
(iii) Construction : Construction of buildings

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

31. OPERATING SEGMENTS *(continued)*

Segment assets and liabilities exclude tax assets and tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements).

Group	**Property development**	**Investment property**	**Construction**	**Total**
2012	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue				
Total revenue	2,038	23,075	-	25,113
Inter-segment revenue	-	(10,530)	-	(10,530)
Revenue from external customers	2,038	12,545	-	14,583
Depreciation of property, plant and equipment	195	910	-	1,105
Segment (loss)/profit before taxation	(3,739)	486	(11)	(3,264)
Other material non-cash items				
- Impairment loss on trade and other receivables	-	1,596	-	1,596
- Gain on disposal of property, plant and equipment	-	104	-	104
Segment assets	201,763	314,479	1,709	517,951
Segment liabilities	9,704	238,869	247	248,820
2011				
Revenue				
Total revenue	5,067	25,404	-	30,471
Inter-segment revenue	-	(14,320)	-	(14,320)
Revenue from external customers	5,067	11,084	-	16,151
Depreciation of property, plant and equipment	198	867	-	1,065
Segment (loss)/profit before taxation	(2,712)	(1,476)	47	(4,141)
Other material non-cash items				
- Impairment loss on receivables	-	1,864	-	1,864
- Deposits forfeited	-	(47)	-	(47)
- Property, plant and equipment written off	-	5	-	5
- Gain on disposal of property, plant and equipment	-	(151)	-	(151)
Segment assets	202,786	314,655	1,716	519,157
Segment liabilities	10,776	111,799	241	122,816

31. OPERATING SEGMENTS *(continued)*

Major customers

The following are major customers with revenue equal or more than ten (10) percent of Group revenue:

	Revenue 2012 RM'000	Revenue 2011 RM'000	Segment
Customer A	2,038	5,067	Property development
Customer B	2,615	1,676	Investment property

Reconciliations of reportable segment revenues, loss for the financial year, assets and liabilities to the Group's corresponding amounts are as follows:

	2012 RM'000	2011 RM'000
Revenue		
Total revenue for reportable segments	25,113	30,471
Elimination of inter-segment revenue	(10,530)	(14,320)
Group's revenue per consolidated statement of comprehensive income	14,583	16,151
Loss for the financial year		
Total profit or loss for reportable segments	(3,264)	(4,141)
Elimination of inter-segment loss	(1,670)	(6,331)
Unallocated amounts:		
- Finance costs	(10,397)	(8,656)
Loss before taxation	(15,331)	(19,128)
Taxation	(205)	(1,109)
Loss for the financial year	(15,536)	(20,237)
Assets		
Total assets for reportable segments	517,951	519,157
Elimination of inter-segment assets	(10,121)	(10,317)
Current tax assets	406	287
Group's assets	508,236	509,127
Liabilities		
Total liabilities for reportable segments	248,820	122,816
Elimination of inter-segment liabilities	(5,527)	(5,543)
Current tax liabilities	834	1,371
Deferred tax liabilities	19,618	19,618
Group's liabilities	263,745	138,262

32. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2011.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2012 and 30 June 2011.

The Group is not subject to any externally imposed capital requirements.

(b) Financial instruments

(i) Categories of financial instruments

Group	2012 RM'000	2011 RM'000
Financial assets		
Loans and receivables		
Trade and other receivables, net of prepayments	1,570	2,444
Cash and cash equivalents	2,003	988
	3,573	3,432
Financial liabilities		
Other financial liabilities		
Bank borrowings	84,933	81,907
Trade and other payables	158,103	35,109
	243,036	117,016

Company	2012 RM'000	2011 RM'000
Financial assets		
Loans and receivables		
Trade and other receivables, net of prepayments	221,913	215,664
Cash and cash equivalents	279	299
	222,192	215,963

32. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial instruments *(continued)*

(i) Categories of financial instruments *(continued)*

Company	**2012 RM'000**	**2011 RM'000**
Financial liabilities		
Other financial liabilities		
Bank borrowings	84,621	81,415
Trade and other payables	56,242	45,370
	140,863	126,785

(c) Fair values of financial instruments

The carrying amounts of the financial instruments of the Group and of the Company as at the end of the reporting period approximate their fair values except as set out below:

		Group		**Company**	
	Note	**Carrying amount RM'000**	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
2012					
Hire-purchase creditors	18	1,445	1,462	1,133	1,154
2011					
Hire-purchase creditors	18	1,569	1,543	1,077	1,053

(d) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as trade and other receivables and trade and other payables, are reasonable approximation of fair value, due to relatively short-term maturity of these financial instruments.

(ii) The fair value of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group and to the Company for similar types of borrowing arrangements at the end of the reporting period.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures are detailed below.

(i) Credit risk

Cash deposits and trade receivables may rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are mainly from trade receivables. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Credit risk concentration profile

The concentration of 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.

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 the amounts subject to impairment is inherent in the Group's trade receivables.

The Company does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments other than the amounts owing by subsidiaries of RM228,757,000 (2011: RM217,803,000).

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 12 to the financial statements. Deposits with licensed banks that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 12 to the financial statements.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12 to the financial statements.

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(ii) Liquidity and cash flow risk *(continued)*

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2012				
Financial liabilities:				
Bank borrowings	83,935	1,048	128	85,111
Trade and other payables	158,103	-	-	158,103
Total undiscounted financial liabilities	242,038	1,048	128	243,214
2011				
Financial liabilities:				
Bank borrowings	80,818	1,071	228	82,117
Trade and other payables	35,109	-	-	35,109
Total undiscounted financial liabilities	115,927	1,071	228	117,226

Company	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2012				
Financial liabilities:				
Bank borrowings	83,732	918	128	84,778
Trade and other payables	56,242	-	-	56,242
Total undiscounted financial liabilities	139,974	918	128	141,020
2011				
Financial liabilities:				
Bank borrowings	80,610	765	203	81,578
Trade and other payables	45,370	-	-	45,370
Total undiscounted financial liabilities	125,980	765	203	126,948

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(iii) 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 it is managed through effective negotiation with financial institutions for best available rates. The Group does not use derivative financial instruments to hedge its risk.

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

Group	Note	Weighted average effective annual 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
2012									
Financial assets									
Floating rates									
Cash held in housing development accounts	13	2.10	33	-	-	-	-	-	33
Financial liabilities									
Fixed rates									
Hire-purchase creditors	18	5.81	382	254	236	225	224	124	1,445
Amount owing to a company in which certain Directors have substantial financial interests	21	14.00	16,809	-	-	-	-	-	16,809
Amount owing to Amanah Raya Development Sdn. Bhd.	21	7.20	111,689	-	-	-	-	-	111,689
Floating rates									
Bank overdrafts	19	8.43	57,784	-	-	-	-	-	57,784
Revolving credit	17	8.50	25,704	-	-	-	-	-	25,704

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(iii) Interest rate risk *(continued)*

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: *(continued)*

Group	Note	Weighted average effective annual 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
2011									
Financial assets									
Floating rates									
Cash held in housing development accounts	13	2.10	40	-	-	-	-	-	40
Deposit with a licensed bank	13	3.00	255	-	-	-	-	-	255
Financial liabilities									
Fixed rates									
Hire-purchase creditors	18	5.00	403	347	192	197	184	246	1,569
Amount owing to a company in which certain Directors have substantial financial interests	21	14.00	9,847	-	-	-	-	-	9,847
Floating rates									
Bank overdrafts	19	8.20	54,634	-	-	-	-	-	54,634
Revolving credit	17	8.50	25,704	-	-	-	-	-	25,704

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(iii) Interest rate risk *(continued)*

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: *(continued)*

Company	Note	Weighted average effective annual 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
2012									
Financial assets									
Fixed rates									
Amounts owing by subsidiaries	12	11.25	159,392	-	-	-	-	-	159,392
Financial liabilities									
Fixed rates									
Hire-purchase creditors	18	5.11	192	203	214	202	198	124	1,133
Amount owing to a company in which certain Directors have substantial financial interests	21	14.00	13,944	-	-	-	-	-	13,944
Floating rates									
Bank overdrafts	19	8.43	57,784	-	-	-	-	-	57,784
Revolving credit	17	8.50	25,704	-	-	-	-	-	25,704

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(iii) Interest rate risk *(continued)*

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: *(continued)*

Company	Note	Weighted average effective annual 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 2011									
Financial assets									
Fixed rates									
Amounts owing by subsidiaries	12	11.23	154,746	-	-	-	-	-	154,746
Financial liabilities									
Fixed rates									
Hire-purchase creditors	18	4.80	222	156	166	175	161	197	1,077
Amount owing to a company in which certain Directors have substantial financial interests	21	14.00	7,642	-	-	-	-	-	7,642
Floating rates									
Bank overdrafts	19	8.20	54,634	-	-	-	-	-	54,634
Revolving credit	17	8.50	25,704	-	-	-	-	-	25,704

Sensitivity analysis for interest rate risk

As at 30 June 2012, if interest rates had been 10 basis points higher/lower, with all other variables held constant, the Group's and the Company's loss for the financial year would have been RM63,000 (2011: RM60,000) higher/lower respectively, arising mainly as a result of higher/lower finance costs on the Group's and the Company's borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

34. EMPLOYEE BENEFITS

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages and salaries	4,314	8,254	-	-
Defined contribution plan	419	446	-	-
Other employee benefits	1,348	1,210	-	-
	6,081	9,910	-	-

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Pursuant to the Joint Venture Agreement ("JVA") dated 20 August 2008 between Amanah Raya Development Sdn. Bhd. ("ADSB") and Oriental Pearl City Properties Sdn. Bhd. ("OPCP"), an indirectly wholly-owned subsidiary of the Company, OPCP has granted ADSB an option for ADSB to sell and OPCP to buy back ADSB's shares in the Joint Venture Entity, Lakehill Resort Development Sdn. Bhd. ("LHRD') ("Put Option"). The Put Option is exercisable by ADSB during a fixed period of three (3) months commencing from the day immediately after thirty-six (36) months from the effective date of the JVA ("Option Period"), which is 31 October 2008.

The exercise price of the Put Option shall not be less than RM99.00 million of ADSB's original cost for its 22% equity interest in LHRD ("Base Price"), adding to its premium of 12% over the Base Price ("Put Option Price"). The 12% premium shall be subject to a deduction of whatever dividends previously in total paid or payable (accumulated dividends) from LHRD to ADSB prior to the date of exercise of the Put Option during the Option Period. If the Put Option is not exercised during the Option Period, the Put Option shall automatically lapse.

On 26 March 2012, ADSB exercised the Put option whereby the payment of RM110,880,000 (Option price) would become due on 25 May 2012. However, ADSB has agreed to grant OPCP an extension of the Put option Price settlement period to 24 July 2012, subject to a late payment compensation interest of 7.20% per annum calculated at daily rest from 25 May 2012 until full settlement date. ADSB has also informed that no further extension will granted after that.

36. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

On 28 September 2012, a subsidiary of the Group, Oriental Pearl City Properties Sdn. Bhd. ("OPCP") was served with a Writ of Summons from Amanah Raya Development Sdn. Bhd. ("ADSB") for the following claims pertaining to the exercise of the Put Option granted under the Joint Venture Agreement dated 20 August 2008 between ADSB and OPCP:

(i) Settlement for Put Option Price and the interest amounting to RM113,170,308.20 up to 18 September 2012;

(ii) Interest on RM113,170,308.20 at a rate of 7.20% per annum calculated on a daily basis from 19 September 2012 until the date of full settlement;

(iii) Cost of action; and

(iv) Other relief that the Court deems fit.

37. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The (accumulated loss)/retained earnings of the Group and of the Company as at the end of the reporting period may be analysed as follows:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Total (accumulated loss)/retained earnings				
- Realised	(113,129)	(13,119)	3,655	11,899
- Unrealised	59,817	59,817	60,110	60,110
Total (accumulated loss)/retained earnings	(53,312)	46,698	63,765	72,009

	Tenure		Location	Approximately Net Lettable Area/ Land Area		Approximate Age of Building (years)	At Valuation (RM'000)	Date of Revaluation
1	Freehold	i	19 Level office tower	266,283 sq ft	}	38	300,000	20/8/2010
		ii	Majority of the floor area of 4 level retail podium at Jalan Raja Chulan 50200 Kuala Lumpur	74,542 sq ft	}			
							300,000	
2	Freehold		Remaining land & Development in the Mukim Plentong, District of Johore Bahru, Johor Darul Takzim	502 acres	}	-	450,000	24/07/2008
			Land earmarked for local amenities and requirements	136 acres	}			
			Total land area	638 acres			450,000	

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	: RM500,000,000
Issued and Paid-up Share Capital	: RM287,659,780
Class of Shares	: Ordinary shares of RM1.00 each
Voting Rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Less than 100	166	4.27	5,912	0.00
100 to 1,000	1,068	27.50	988,602	0.34
1,001 to 10,000	1,469	37.82	7,394,263	2.57
10,001 to 100,000	996	25.64	34,401,634	11.96
100,001 to less than 5% of issued shares	184	4.74	67,735,808	23.55
5% and above of issued shares	1	0.03	177,133,561	61.58
TOTAL	**3,884**	**100.00**	**287,659,780**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Top Lander Offshore Inc.	177,133,561	61.58	-	-
Dato' Ch'ng Poh @ Ch'ng Chong Poh	-	-	177,133,561 (1)	61.58 (1)
Datin Kong Yuk Chu	-	-	177,133,561 (1)	61.58 (1)
Seacrest Land Limited	-	-	177,133,561 (2)	61.58 (2)

(1) *Deemed interested by virtue of his/her substantial interest in Seacrest Land Limited, which has an indirect interest in the Company via its wholly-owned subsidiary, Top Lander Offshore Inc. pursuant to Section 6A(4) of the Companies Act, 1965.*

(2) *Deemed interested by virtue of its indirect interest in the Company via its wholly-owned subsidiary, Top Lander Offshore Inc. pursuant to Section 6A(4) of the Companies Act, 1965.*

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Name	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Datin Kong Yuk Chu	-	-	177,133,561 (1)	61.58 (1)
Dato' Syed Hussien bin Abd Kadir	-	-	-	-
Ch'ng Soon Sen	469,000 (2)	0.16 (2)	-	-
Norsyahrin bin Hamidon	-	-	-	-
Datuk Ramly bin Ahmad	-	-	-	-
Da Cruz Sean Nicholas	-	-	-	-

(1) *Deemed interested by virtue of his/her substantial interest in Seacrest Land Limited, which has an indirect interest in the Company via its wholly-owned subsidiary, Top Lander Offshore Inc. pursuant to Section 6A(4) of the Companies Act, 1965.*

(2) *Registered in the name of JF Apex Nominees (Tempatan) Sdn Bhd, Pledged Securities Account for Ch'ng Soon Sen (STA1).*

TOP THIRTY SECURITIES SHAREHOLDERS

	Name of Shareholders	Holdings No. of Shares	Holdings % of Issued Capital
1	Top Lander Offshore Inc.	177,133,561	61.58
2	Yap Lian Far	2,495,700	0.87
3	Ong Wan Chin	2,200,000	0.76
4	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yap Lian Far (8039110)*	2,145,200	0.75
5	CIMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Poh Choo (Penang-CL)*	1,660,000	0.58
6	AMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Parmjit Singh A/L Meva Singh*	1,459,900	0.51
7	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chin Kiam Hsung*	1,436,000	0.50
8	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Chin Kiam Hsung*	1,374,300	0.48
9	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tang Sing Ling*	1,320,000	0.46
10	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chua Eng Ho Waa @ Chua Eng Wah*	1,266,900	0.44
11	Siva Kumar A/L M Jeyapalan	1,047,400	0.36
12	Chin Sin Lin	1,036,100	0.36
13	Lee Ai Chu	1,027,700	0.36
14	Chong Pak Kin	1,000,000	0.35
15	Lee Ee Me	963,200	0.33
16	Lim Chen Tong	933,300	0.32
17	CIMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wang Choon Keng (Penang)*	898,000	0.31
18	Ong Kek Poh	879,000	0.30
19	HDM Nominees (Tempatan) Sdn Bhd *Taiping Recovery Sdn Bhd- In Liquidation for Ho Ngan Yin*	871,000	0.30
20	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wang Choon Seang*	855,400	0.30
21	Wong Choon Shein	800,000	0.28
22	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ta Kin Yan (472435)*	751,851	0.26
23	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Lee Chee Wan*	750,000	0.26
24	Ong Ak Huk @ Ong Ah Huat	700,000	0.24
25	Chin Kian Fong	679,000	0.24
26	Affin Nominees (Asing) Sdn Bhd *Exempt an for Phillip Securities (Hong Kong) Ltd (Client's Account)*	669,800	0.23
27	Tan Siew Hoong	661,000	0.23
28	Koh Sin Eng	660,000	0.23
29	Tan Yen Kean	607,300	0.21
30	Maybank Nominees (Tempatan) Sdn Bhd *Chua Eng Ho Wa'a @ Chua Eng Wah*	572,500	0.20
	TOTAL	**208,854,112**	**72.60**

ANALYSIS OF WARRANTHOLDINGS

No. of warrants in issue	: 115,062,987
Exercise of warrants	: NIL
Expiry date of the warrants	: 21 April 2015
Exercise price of the warrants	: RM1.00

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrant Holdings	No. of Warrantholders	% of Warrantholders	No. of Warrants held	% of Issued Warrants
Less than 100 warrants	39	3.50	2,157	0.00
100 to 1,000 warrants	118	10.57	80,992	0.07
1,001 to 10,000 warrants	521	46.68	2,263,040	1.97
10,001 to 100,000 warrants	343	30.74	12,980,568	11.28
100,001 to less than 5% of issued warrants	94	8.42	30,970,426	26.92
5% and above of issued warrants	1	0.09	68,765,804	59.76
TOTAL	**1,116**	**100.00**	**115,062,987**	**100.00**

DIRECTORS' WARRANTHOLDINGS

	Direct Interest		Indirect Interest	
Name	No. of Warrants Held	% of Issued Warrants	No. of Warrants Held	% of Issued Warrants
Datin Kong Yuk Chu	-	-	68,765,804 (1)	59.76 (1)
Dato' Syed Hussien bin Abd Kadir	-	-	-	-
Ch'ng Soon Sen	-	-	-	-
Norsyahrin bin Hamidon	-	-	-	-
Datuk Ramly bin Ahmad	-	-	-	-
Da Cruz Sean Nicholas	-	-	-	-

(1) *Deemed interested by virtue of his/her substantial interest in Seacrest Land Limited, which has an indirect interest in the Company via its wholly-owned subsidiary, Top Lander Offshore Inc. pursuant to Section 6A(4) of the Companies Act, 1965.*

TOP THIRTY WARRANTHOLDERS

		Holdings	
	Name of Warrantholders	No. of Warrants	% of Issued Warrants
1	Top Lander Offshore Inc.	68,765,804	59.76
2	Ong Wan Chin	1,624,000	1.41
3	Hau Gat Niw	950,000	0.83
4	ECML Nominees (Tempatan) Sdn Bhd *Pleged Securities Account for Tan Bee Yook (008)*	927,200	0.81
5	Chua Tik Pong	919,800	0.80
6	Lim Phee Lin	900,000	0.78

TOP THIRTY WARRANTHOLDERS *(continued)*

	Name of Warrantholders	Holdings No. of Warrants	Holdings % of Issued Warrants
7	Chin Kiam Hsung	855,000	0.74
8	Tan Yee Ming	812,200	0.70
9	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Chin Kiam Hsung*	803,900	0.70
10	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chua Eng Ho Waa @ Chua Eng Wah*	800,100	0.70
11	AMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Parmjit Singh A/L Meva Singh*	800,000	0.70
12	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tang Sing Ling*	773,800	0.67
13	Lee Mee Kuen	750,000	0.65
14	Chap Kar Kar	676,500	0.59
15	Goh Ah Led	630,000	0.55
16	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tong Tin Heng (CCTS)*	559,900	0.49
17	Chin Sin Lin	516,600	0.45
18	Ang Choo Teong	481,000	0.42
19	ECML Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Kiam Song (008)*	450,000	0.39
20	Tan Siew Hoong	446,100	0.39
21	Chuah Sze Ming	440,000	0.38
22	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Soo Kin Lam*	440,000	0.38
23	Lim Chen Tong	433,300	0.38
24	ECML Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Fu Hau Hian (008)*	405,300	0.35
25	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Wong Ah Yong (MY1278)*	400,000	0.35
26	Maybank Nominess (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Sun Ping*	400,000	0.35
27	Ong Kek Poh	400,000	0.35
28	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yeoh Kok Keat*	382,400	0.33
29	Wong Kok Sin	361,000	0.31
30	Kean Thong Trading Sdn Bhd	350,000	0.30
	TOTAL	**87,453,904**	**76.01**

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malaysia pacific corporation berhad 12200-M
(Incorporated in Malaysia)

PROXY FORM

CDS account no. of authorised nominee

No. of shares held

I/We*..
(name of shareholder as per NRIC, in capital letters)

IC No./ ID No./ Company No. ....

of ....
(full address)

being a member/members* of MALAYSIA PACIFIC CORPORATION BERHAD, hereby appoint ....

.... IC No. ....
(name of proxy as per NRIC, in capital letters)

of ....
(full address)

or failing him/her*, ... IC No. ....
(name of proxy as per NRIC, in capital letters)

of ....
(full address)

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Fourtieth Annual General Meeting of the Company or at any adjournment thereof to be held at Plaza Ballroom, B1/Lower Lobby, PARKROYAL Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Friday, 28 December 2012 at 9.30 a.m..

No.	Resolution	For	Against
Ordinary Resolution 1	To approve the payment of Directors' Fees for the financial year ended 30 June 2012		
Ordinary Resolution 2	To re-elect Dato' Syed Hussien bin Abd Kadir as a Director retiring pursuant to Article 85 of the Articles of Association of the Company		
Ordinary Resolution 3	To re-elect Datuk Ramly bin Ahmad as a Director retiring pursuant to Article 92 of the Articles of Association of the Company		
Ordinary Resolution 4	To re-elect Encik Norsyahrin bin Hamidon as a Director retiring pursuant to Article 92 of the Articles of Association of the Company		
Ordinary Resolution 5	To re-elect Mr Da Cruz Sean Nicholas as a Director retiring pursuant to Article 92 of the Articles of Association of the Company		
Ordinary Resolution 6	To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 7	To give authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares		
Special Resolution 1	Proposed amendment to the Articles of Association of the Company		

* *Strike out whichever is not desired.*

[Please indicate with a cross (x) in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy may vote or abstain as he thinks fit.]

....
Signature or Common Seal of Member(s)

Dated this .... day of 2012

Notes:

1. *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.*
2. *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.*
3. *Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion if his shareholdings to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. *The instrument appointing a proxy shall be deposited at the registered office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*
6. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 December 2012 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.*
7. *The Audited Financial Statements in Agenda 1 is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.*

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AFFIX
STAMP

Company Secretary
MALAYSIA PACIFIC CORPORATION BERHAD
(12200-M)
Level 6.05, Level 6, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

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