MALAYSIA
PACIFIC
CORPORATION
BERHAD
(12200-M)

Transform for New Challenges

Annual Report 2015

Contents

Notice of the Forty-Third (43rd) Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Third Annual General Meeting of MALAYSIA PACIFIC CORPORATION BERHAD will be held at Crystal Room, Level 1, Crystal Crown Hotel Harbour View, 217, Persiaran Raja Muda Musa, 42000 Port Klang, Selangor Darul Ehsan, Malaysia on Wednesday, 16 December 2015 at 8.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2015 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 2015. **Ordinary Resolution 1**

3. To re-elect Mr Ch'ng Soon Sen, a Director who retires pursuant to Article 85 of the Articles of Association of the Company. **Ordinary Resolution 2**

4. To re-elect Mr Tang Boon Hiap, a Director who retires pursuant to Article 92 of the Articles of Association of the Company. **Ordinary Resolution 3**

5. To re-elect Mr Lim Yit Kiong, a Director who retires pursuant to Article 92 of the Articles of Association of the Company. **Ordinary Resolution 4**

6. To re-elect Dato' Muralee A/L Y.S.Menon, a Director who retires pursuant to Article 92 of the Articles of Association of the Company. **Ordinary Resolution 5**

7. To re-elect Mr Leong Kah Mun, a Director who retires pursuant to Article 92 of the Articles of Association of the Company. **Ordinary Resolution 6**

8. To re-elect Mr Yee Wei Meng, a Director who retires pursuant to Article 92 of the Articles of Association of the Company. **Ordinary Resolution 7**

9. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**

As Special Business

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

10. **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 9**

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
Company Secretary

Date: 24 November 2015

Notes:

1. A member entitled to attend and vote at 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, Malaysia, 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 7 December 2015 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**

   Ordinary Resolution 9 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

   The Proposed Ordinary Resolution 9 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.

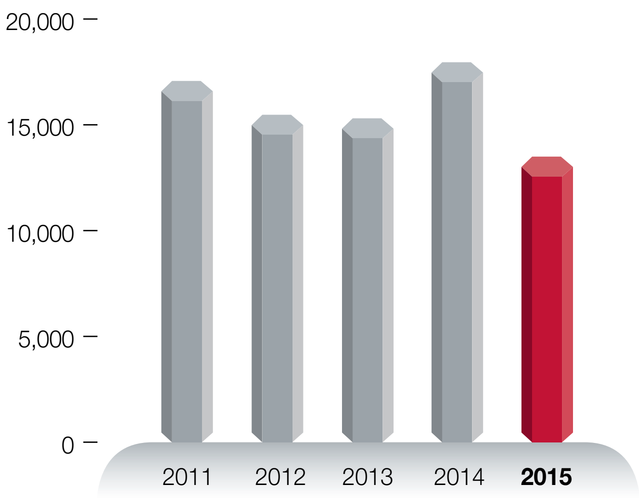
   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Forty-Second Annual General Meeting held on 30 December 2014 and which will lapse at the conclusion of the Forty-Third Annual General Meeting.

   The General Mandate will provide flexibility to the Company for any possible issuance of new shares arising from fund raising activities.

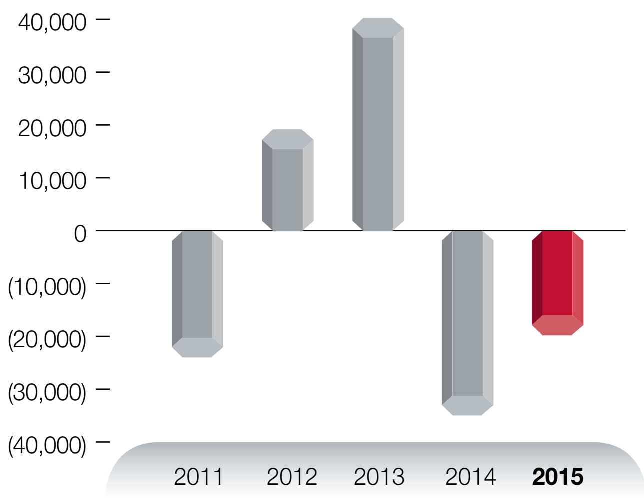
Five Year Financial Highlights

		Year Ended 30 June				
		2015	**2014**	**2013**	**2012**	**2011**
Revenue	(RM'000)	**12,580**	17,107	14,388	14,583	16,151
(Loss)/Profit Before Taxation	(RM'000)	**(16,049)**	(14,587)	36,928	(15,331)	(19,128)
(Loss)/Profit After Taxation	(RM'000)	**(15,984)**	(31,137)	36,610	(15,536)	(20,237)
Paid-Up Capital	(RM'000)	**287,660**	287,660	287,660	287,660	287,660
Equity Attributable To Owners Of The Parent	(RM'000)	**233,192**	249,967	281,123	244,491	344,459
Total Assets	(RM'000)	**562,168**	565,462	565,344	508,236	509,127
Basic (Loss)/Earnings Per Share	(Sen)	**(5.56)**	(10.82)	12.73	(4.83)	(6.61)
Net Assets per Share	(RM)	**0.81**	0.87	0.98	0.85	1.29

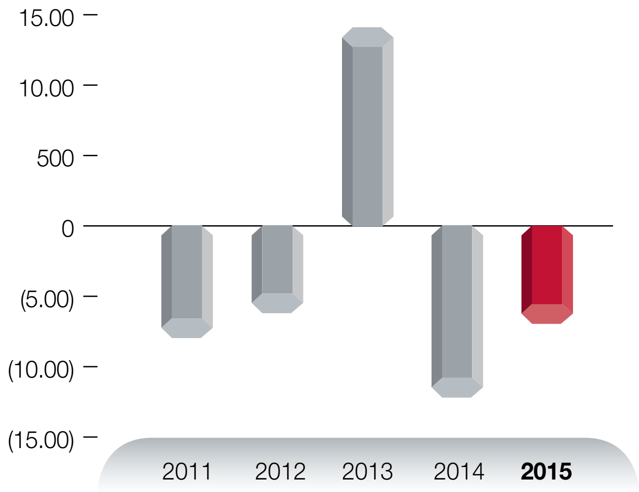
REVENUE
(RM'000/Year)



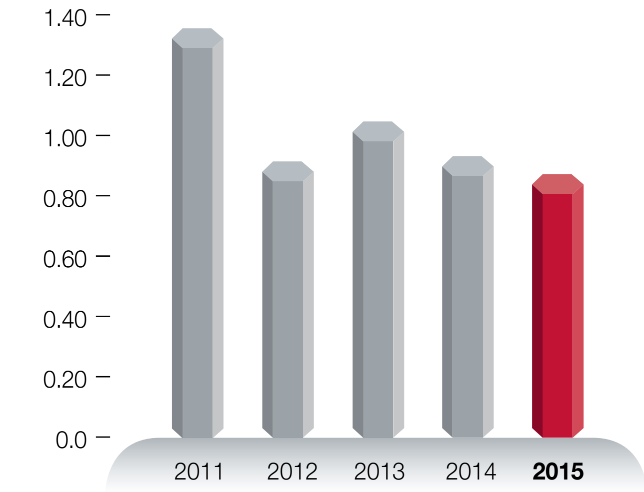
PROFIT/(LOSS) AFTER TAXATION
(RM'000/Year)



BASIC EARNINGS/(LOSS) PER SHARE
(Sen/Year)



NET ASSETS PER SHARE
(RM/Year)



Dear Shareholders,
On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of the Group and of your Company for the financial year ended 30 June 2015.

Chairman's Statements

FINANCIAL REVIEW

For the financial year ended 30 June 2015, the Group's revenue reduced by 26% to RM12.6 million as compared to RM17.1 million for the previous financial year ended 30 June 2014.

The decrease in revenue was due to lower contribution from the rental cum property management services division and the property development division.

The Group recorded a loss before tax of RM16.0 million for the financial year ended 30 June 2015 as compared to a loss before tax of RM14.6 million for the previous financial year ended 30 June 2014.

The reduction in revenue was primarily due to the lower contributions from the rental and property management services division and the property development division despite taking into accounting a favourable lower administrative expenses and financing costs.

For the financial year ended 30 June 2015, the net asset per share of the Group was RM0.81 as compared to that of RM0.87 for the previous financial year ended 30 June 2014.

OPERATION REVIEW

Wisma MPL

The Group's revenue for the financial year ended 30 June 2015 was derived mainly from contributions by the rental and property management services division.

As Wisma MPL is strategically located in a prime location, the Group is actively exploring various strategies to unlock and maximize the value of its investment properties in the near future.

For the previous financial year ended 30 June 2014, the Joint Management Body (JMB) of Wisma MPL had filed an action in the High Court of Kuala Lumpur ("High Court") against Malaysia Pacific Corporation Berhad ("the Company") via Originating Summons No.: 24NCVC-1341-08/2013 for amongst others, the following orders:

i. a declaration that the Car Parks forms part of the Common Property;

ii. that the Company shall cease to operate the Car Parks within seven (7) days from being served the Sealed Order therein ("the Handover Date:) and thereafter, JMB shall be entitled to operate the Car Parks vide its agents and/or servants;

iii. All monies and income derived from the operation of the Car Parks since the formation of JMB on 5 April 2008 until the Handover Date shall be paid by the Company into the Building Maintenance Fund of JMB within fourteen (14) days from the date of the Handover Date;

iv. That the Company shall submit to JMB, a full audited account of all monies and income derived from the Car Parks since 5 April 2008 until the Handover Date within thirty (30) days of the date of the Order.

Unfortunately the High Court ruled in favour of JMB ("High Court Order") and its decision was upheld by the Court of Appeal on 19 May 2014 ("Court of Appeal Order").

The Company subsequently filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal. However, the said application to the Federal Court was dismissed on 26 January 2015. Subsequent to the financial year ended 30 June 2015, the Company has filed a suit in the Kuala Lumpur High Court via Originating Summons No.: 24NCVC-1055-07/2015 for declaration that the High Court Order dated 10 January 2014 is a nullity and therefore not binding on the Company.

The Company has been actively identifying prospective investors for the disposal of the Company's investment property (Wisma MPL) and/or the landed properties situated in Mukim of Plentong, Johor as a long term solution to address the default in repayment of outstanding banking facilities to RHB Bank Berhad and the financial condition of the Company.

The Company's proposal to carry out a Fund Raising Exercise announced earlier was not implemented and subsequently aborted following the Company's admission into a Practice Note 17 (PN17) status company on 28 November 2014.

On 6 November 2015, the Company had accepted an agreement with M&A Securities Sdn Bhd to formulating the Regularisation Plan. The Board would seek for extension of time from the relevant authority to submit the Company's Regularisation Plan within the stipulated timeline.

Lakehill Resort City

In May 2015, the Group had entered into a Joint Development Agreement with Bina Puri Properties Sdn Bhd (BP Properties) for the development of residential houses on a land measuring approximately 24.41 acres for an estimated gross development value (GDV) of approximately RM204.0 million. The Group as landowner is entitled to payment at a sum of approximately RM21.2 million and twenty percent (20%) of the project's profit proportionally within the six (6) years from Unconditional Date. There are on-going negotiations on potential joint venture with other prospective partners to develop certain phases of Lakehill Resort City. The Group has so far received good responses from several prospective partners to unlock the Group's asset values and is expected to contribute positively to the cash flow and performance the Group.

In respect of the amount owing to AmanahRaya Development Sdn Bhd (ARDSB), the Group is in discussion with ARDSB for settlement of the outstanding sum of RM115 million owing to ARDSB.

PROSPECT AND FUTURE

The Board is evaluating various strategic options to preserve and increase the Group's value. Barring unforeseen circumstances, the Group is optimistic on the prospect for the next financial year.

APPRECIATION

The Board also wishes to extend its sincere appreciation to our shareholders and business associates for their support and confidence to the Group. We look forward to your continuing patience and support.

Dato' Muralee A/L Y.S.Menon
Chairman and Independent Non-Executive Director

Corporate Structure

MALAYSIA PACIFIC CORPORATION BERHAD
(12200-M)

Issued & Paid Up Capital **(RM 287,659,780)**

- **100%** THE POWER CLUB SDN BHD 616469-A
- **100%** PACIFIC SPA & FITNESS CLUB SDN BHD 650523-V
- **100%** LAKEHILL HOMES (MM2H) SDN BHD 797206-H
- **100%** MPC MANAGEMENT SERVICES SDN BHD 822918-K
- **100%** MP SECURITY SERVICES SDN BHD 809245-W
- **100%** TEMASEK MEWATEK SDN BHD 858743-D
- **100%** BEDFORD PJ COMPLEX SDN BHD 202353-M
- **100%** EURONIUM CONSTRUCTION SDN BHD 626922-A
- **100%** MPC PROPERTIES SDN BHD 708892-A
  - **100%** ASA ENTERPRISES SDN BHD 17316-M
  - **100%** ORIENTAL PEARL CITY PROPERTIES SDN BHD 736391-T
    - **100%** LAKEHILL RESORT DEVELOPMENT SDN BHD 638993-H
      - **100%** ASIA PACIFIC TRADE AND EXPO CITY SDN BHD 802962-U
      - **100%** ASIA-PACIFIC TRADE & EXPO CITY (HK) LIMITED 1246848
  - **100%** CREATIVE ASCENT SDN BHD 305029-H
    - **100%** TAMAN BANDAR BARU MASAI SDN BHD 321412-T
- **100%** PREMIER BUILDING MANAGEMENT SERVICES SDN BHD 595741-M
- **100%** PRESTIGE TRADING SDN BHD 717414-D
- **100%** REAL ROCK RESTAURANT AND CAFÉ SDN BHD 809255-M

Corporate Information

BOARD OF DIRECTORS

Dato' Muralee A/L Y.S.Menon
Chairman and Independent Non-Executive Director
(Appointed on 9 November 2015)

Datin Kong Yuk Chu
Vice Chairman and Executive Director

Ch'ng Soon Sen
Chief Executive Officer and Executive Director

Tang Boon Hiap
Independent Non-Executive Director
(Appointed on 26 February 2015)

Lim Yit Kiong
Independent Non-Executive Director
(Appointed on 26 February 2015)

Leong Kah Mun
Independent Non-Executive Director
(Appointed on 9 November 2015)

Yee Wei Meng
Independent Non-Executive Director
(Appointed on 9 November 2015)

SECRETARY

Tai Yit Chan
(MAICSA 7009143)

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

Boardroom Corporate Services (KL) Sdn Bhd
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

PRINCIPAL PLACE OF BUSINESS

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

AUDITORS

Messrs UHY (AF 1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 - 2279 3088
Fax : 03 - 2279 3099

STOCK EXCHANGE LISTING

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

WEBSITE

www.mpcb.com.my

Board of Directors

DATO' MURALEE A/L Y.S.MENON
Chairman and Independent Non-Executive Director

Dato' Muralee A/L Y.S.Menon ("Dato' Menon"), aged 53, a Malaysian, was appointed to the Board on 9 November 2015. He is an Independent Non-Executive Director of the Company.

Dato' Menon read law at the University of Buckingham where he was conferred the Degree of Bachelor of Laws, with honours in 1986 and he returned to Malaysia in December 1986. In February 1987 he read for the Certificate in Legal Practise at the University of Malaya and graduated with honours in October 1987. He returned to England in August 1987 while waiting for his CLP results, on an attachment program with Messrs. Chandler Ray, Solicitors and Commissioners, Buckingham, England. Thereafter, he commenced his pupillage with Messrs. Soo Thein Ming & Shahrizat in December 1987 where he was exposed to conveyancing and banking. Subsequently, he joined Messrs. Lawrence, Dhillon & Associates in June 1988 and did insurance related matters including third-party claims, workmen compensation, professional indemnity claims, marine-insurance and criminal matters. He was called to the Malaysian Bar in 7 October 1988. Dato' Menon progressed to practise at Messrs. Lee & Lee where he did substantial work related to bankruptcy, hire-purchase, leasing, corporate matters, litigation, restructuring of loans and other debt collection related matters where he has many judgments reported in the Malayan Law Journal.

In 1990, Dato' Menon was invited to structure and organize a new firm Messrs. L. Pereira & Associates. Thereafter, in 1991, he jointly formed a new firm, Messrs. Jaffar & Menon with Datin Rubiah Jaffar. He also served as the Chairman of the Liaison Committee at Palm Garden Golf Club for 13 years and is a member of the Disciplinary Committee at Kelab Golf Sultan Abdul Aziz Shah, Shah Alam. He was the Chairman of the PTA Victoria Institution, was Golf Convenor for the Malaysian Bar and had organized many charitable events. His current portfolio includes substantial Receiver & Manager related work for various banks, sits with the Disciplinary Committee of the Advocates & Solicitors, Disciplinary Board. He is also an appointed and serving President to the Strata Management Tribunal.

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 2015 as he was appointed to the Board subsequent to the financial year end.

DATIN KONG YUK CHU
Vice Chairman and Executive Director

Datin Kong Yuk Chu, aged 67, 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 Chairperson of China Everbright – IHD Pacific Limited (1994-1996) and a Director of 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.

Datin Kong is the mother of Ch'ng Soon Sen, the Chief Executive Officer and Executive Director of the Company.

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

She attended all 8 Board Meetings held in the financial year ended 30 June 2015.

CH'NG SOON SEN
Chief Executive Officer and Executive Director

Mr. Ch'ng Soon Sen, aged 33, a Malaysian, was appointed to the Board on 20 November 2006 as an Executive Director of the Company and then subsequently appointed as Chief Executive Officer of the Company on 19 December 2013.

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 is a director of Top Lander Offshore Inc, a company incorporated in the British Virgin Islands which is a substantial shareholder of Malaysia Pacific Corporation Berhad and also a shareholder and director of several private companies.

He is the son of 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 8 Board Meetings held in the financial year ended 30 June 2015.

TANG BOON HIAP
Independent Non-Executive Director

Mr. Tang Boon Hiap, aged 44, a Malaysian, was appointed to the Board on 26 February 2015 as an Independent Non-Executive Director of the Company.

Mr. Tang was graduated from University of Malaya, Kuala Lumpur in 1996 with an Honours Bachelor Degree in Accounting. He is a member of the Malaysian Institute of Accountants, the Chartered Tax Institute of Malaysia, as well as the Institute of Internal Auditors Malaysia.

Mr. Tang is an Approved Company Auditor registered with The Ministry of Finance and holding licensed with Audit Oversight Board (AOB). With that, he is an approved auditor rendering auditing services to private and public listed companies.

Mr. Tang is also a Licensed Tax Agent and Tax Consultant approved by the Ministry of Finance and Inland Revenue Board of Malaysia. He is also involved in providing internal auditing service to Public Listed Company. His experience in internal audit covers the process of setting up and monitoring internal control system, risk management review and various statutory reporting review works.

He had previously served in Messrs. Deloitte KassimChan and subsequently joined Messrs. CHI-LLTC (then known as LLTC) as a Partner since January 2001.

Presently, Mr. Tang is a Managing Senior Partner of Messrs. CHI-LLTC (An independent Member of CH International (Group) Limited, London, United Kingdom) and a Tax Director in LLTC Consulting (PJ) Sdn. Bhd.

He is also the Chairman of the Audit and 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 2 Board Meetings held in the financial year ended 30 June 2015 since his date of appointment.

LIM YIT KIONG
Independent Non-Executive Director

Mr. Lim Yit Kiong, aged 39, a Malaysian, was appointed to the Board on 26 February 2015 as Independent Non-Executive Director of the Company.

Mr. Lim obtained his Honours Degree in Commerce Accounting from Curtin University of Technology. Mr. Lim is a member of the CPA Australia and a member of Malaysian Institution of Accountants (MIA).

He was attached to KPMG from 1999 to 2003. After spending four (4) years in audit line, he was invited to join Aturmaju Resources Berhad as Group Account Manager in 2004. After leaving Aturmaju Resources Berhad, he was appointed Group Accountant of Usahawan Borneo Group on 2 May 2008. He was also appointed as the Company Secretary of Usahawan Borneo Group on 12 August 2008.

He is also a member of the Audit and 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 2 Board Meetings held in the financial year ended 30 June 2015 since his date of appointment.

LEONG KAH MUN
Independent Non-Executive Director

Mr. Leong Kah Mun, aged 46, a Malaysian, was appointed to the Board on 9 November 2015 as Independent Non-Executive Director of the Company.

Mr. Leong is currently the managing partner of a boutique management consultancy firm, specializing in corporate restructuring, internal auditing and risk management. He is a Chartered Accountant and a Council Member of the Malaysian Institute of Accountants (MIA) for the year 2012 to 2016. He is also an Associate Member of the Institute of Internal Auditors, Malaysia (IIAM).

Mr. Leong began his career in an audit firm and subsequently moved into various senior management capacity in both private and public listed companies in Malaysia, with businesses ranging from property management, construction and development, manufacturing of various property related products and quarrying, trading in ICT related solution and services. He is a member of the Finance & Marketing Committee of the Olympic Council of Malaysia (OCM) for the year 2013/15. Mr. Leong was also the honorary treasurer and founding member of the MCA ICT Resource Centre (MIRC) for year 2005 to 2009.

He is a Director of Halex Holdings Berhad, a company listed on the Main Market of Bursa Securities.

He is also a member of the Audit and 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 2015 as he was appointed to the Board subsequent to the financial year end.

YEE WEI MENG
Independent Non Executive Director

Mr. Yee Wei Meng, aged 37, a Malaysian was appointed to the Board on 9 November 2015 as Independent Non-Executive Director of the Company.

Mr. Yee graduated with Bachelor of Laws with honours from University of Leicester, England in 1999 and obtained the Certificate in Legal Practice (CLP), Malaysia in 2002. He holds a Master degree in Business Administration from Charles Sturt University, Australia in 2003. He is a qualified lawyer and was called to the Malaysian Bar in 2003. Prior to 2004, he worked as legal assistant in various advocates and solicitors firms where he was responsible for conveyancing, corporate finance and litigation matters for two years.

He has served on the Board of Fontern International group of companies involving in all kinds of business such as steel & hardware trading, oil palm & rubber plantations, plantations development, property & share investment, business investment acquisition, property development and hotel industry and assured the role as the Group Managing Director since 2004. He is also in charge of daily business operations, accounts, legal matters, marketing and business expansion.

He is a Director of Superlon Holdings Berhad, a company listed on the Main Market of Bursa Securities.

He is also a member of the Audit and 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 2015 as he was appointed to the Board subsequent to the financial year end.

Audit and Risk Management Committee Report

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

The ARMC currently comprises four (4) members who are all Independent Non-Executive Directors. The members of the Audit and Risk Management Committee for the financial year ended 30 June 2015 are as follows:

Directors	Position	No. of Meeting Attended
Tang Boon Hiap*	Independent Non-Executive Director and Chairman of the AMRC	1/1
Lim Yit Kiong#	Independent Non-Executive Director	1/1
Ng Kok Wah#	Independent Non-Executive Director	1/1

Notes:

* Mr Tang Boon Hiap was appointed as a member of ARMC on 26 February 2015 and has been re-designated as Chairman of ARMC on 22 May 2015. There was one (1) ARMC meeting held since his appointment as a member of the ARMC.

Mr Lim Yit Kiong and Mr Ng Kok Wah were appointed as members of ARMC on 26 February 2015. There was one (1) ARMC meeting held since their appointment as members of the ARMC. Mr Ng Kok Wah had subsequently resigned on 9 November 2015.

i. Mr Leong Kah Mun and Mr Yee Wei Meng were appointed as members of ARMC on 9 November 2015, subsequent to the financial year end.

ii. Dato' Sri Syed Hussien bin Abd Kadir resigned on 26 February 2015. Attended two (2) ARMC meetings out of three (3) ARMC meetings held during his tenure of office.

iii. Encik Norsyahrin bin Hamidon, Mr Da Cruz Sean Nicholas, Dato' Syed Norulzaman Bin Syed Kamarulzaman retired at the conclusion of the Forty-Second Annual General Meeting held on 30 December 2014. They attended all three (3) ARMC meetings held during their tenure of office.

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 three (3) years of working experience and has passed the examinations set out in Part 1 of the First Schedule of the Accountants Act, 1967 or a member of one of the associations of accountants set out in Part II of the First Schedule of the Accountants Act, 1967 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) or non-compliance of 1(d) above, the vacancy must be filled within three (3) months.

TERMS OF REFERENCE (CONT'D)

2. Procedure of Meetings

2.1 Frequency and Proceedings of Meetings

(a) The ARMC shall meet at least four (4) times in a financial year and such other additional 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 of the Company 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.

(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 except 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 of the Company 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.

TERMS OF REFERENCE (CONT'D)

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 Audit 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;

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

(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, 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.

(f) To discuss the contracts for the provision of non-audit services which can be entered into and procedures that must be followed by the external auditors. The contracts that cannot be entered into with the external auditors should include management consulting, strategic decision, internal audit and standard operating policies and procedures documentation.

TERMS OF REFERENCE (CONT'D)

4. Duties and Responsibilities (Cont'd)

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 to ensure that the internal auditors have the necessary authority to carry out its work.

(b) To review the Internal Audit programme, processes, results of the internal audit programme, processes or investigation undertaken and where necessary, ensure that appropriate 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 the internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning.

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 the adequacy of Group's risk management framework and assess the resources and knowledge of the Management and employees involved in the risk management process.

(c) To review the Group's risk profile and risk tolerance.

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

(e) 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.

(f) 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 2015 were summarised as follows:

1) Financial Results

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

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

SUMMARY OF ACTIVITIES (CONT'D)

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.

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 auditors.

(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 Risk Management and Internal Control.

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.

INTRODUCTION

The Board of Directors is committed to ensuring that high standards of corporate governance are practiced throughout Malaysia Pacific Corporation Berhad ("MPCORP" or "Company") and its subsidiaries ("Group"). The Board is of the view that this is fundamental towards the protection and enhancement of shareholders' value. The Board fully supports the principles set out in the Malaysian Code on Corporate Governance 2012 ("Code") and is pleased to outline the manner in which the Group has applied the principles set out in the Code and observed the recommendations set out in the Code, where applicable.

Principle 1 – Establish Clear Roles and Responsibilities of the Board and Management

The Board takes cognizance of its roles and responsibilities in discharging its fiduciary duties and leadership functions. The Board together with Management, through the Discretionary Authority Limits and Standard Operating Procedures, have established the division of roles and functions in managing the Group. The Board is responsible for oversight and overall management of the Group, whilst the Management is responsible for the day-to-day operations of the business and effective implementation of Board decisions.

The Board in discharging its duties has adopted the following objectives:

- reviewing and adopting a strategic plan for our Group;
- overseeing the conduct of our Group's businesses to evaluate whether our businesses are being properly managed;
- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management;
- developing and implementing a Corporate Disclosure Policy for our Group;
- reviewing the adequacy and the integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- ensuring that the Company's financial statements are true and fair and conform with the accounting standards; and
- ensuring that the Company adheres to high standards of ethics and corporate behaviour.

The Executive Directors are responsible in overseeing the implementation of objectives and plans for the Group whilst Management is responsible for the day to day operations of the Group. The independent non-executive directors, ensures that the Board practices good governance in discharging its duties and responsibilities. The Board, as a whole, retains overall control of the Group.

The Board has established Board Committees as set out below, each with its own functions and responsibilities, to assist the Board in discharging its duties.

- Audit and Risk Management Committee; and
- Nominating and Remuneration Committee.

The Directors in their individual capacity or the Board as a whole, in furtherance of their duties, are entitled to independent professional advice, if and when they deem necessary, and at the Group's expense.

The Board has unrestricted access to the advice and services of the Company Secretary on procedural and regulatory requirements. The Board recognises the importance role of the Company Secretaries in supporting the Board by advising and ensuring regulatory compliance and development and also board policies and procedures.

The Board Charter is available on the corporate website at www.mpcb.com.my.

Principle 2 – Strengthening Composition

Board Composition

MPCORP is led by a team of experienced directors. Each director comes from different professional backgrounds bringing depth and diverse areas of expertise, a wide range of experience and knowledge to the business strategies and operations of the Group.

Presently, the Board comprises two (2) executive directors and five (5) independent non-executive directors as set out below.

Name	Directorship
Dato' Muralee A/L Y.S.Menon (Chairman)	Independent and Non-Executive
Datin Kong Yuk Chu (Vice Chairman)	Executive
Ch'ng Soon Sen	Executive
Tang Boon Hiap	Independent and Non-Executive
Lim Yit Kiong	Independent and Non-Executive
Leong Kah Mun	Independent and Non-Executive
Yee Wei Meng	Independent and Non-Executive

The profile of each Director is presented in this Annual Report.

Audit and Risk Management Committee

The composition, the Terms of Reference and activities of the Audit and Risk Management Committee are separately set on the Audit and Risk Management Committee Report of this Annual Report.

Nominating and Remuneration Committee

The Nominating and Remuneration Committee ('NRC") consists of four (4) independent and non-executive directors as below:

Name	Directorship
Tang Boon Hiap (Chairman)	Independent and Non-Executive
Lim Yit Kiong	Independent and Non-Executive
Leong Kah Mun	Independent and Non-Executive
Yee Wei Meng	Independent and Non-Executive

The authorities, functions and responsibilities of the NRC are set out in its terms of reference.

The main objectives of the NRC are to review, recommend and consider candidates for appointment to the Board based on skills and experience, to assess the effectiveness and continually seek ways to upgrade the effectiveness of the Board as a whole and the Committees of the Board. It also assesses the contribution of each Director, executive or independent non-executive. In evaluating candidates for directorship, the NRC will consider the following criteria:

- Mix of skills, experience and diversity;
- Character, integrity, knowledge and expertise; and
- In the case of independent directors, their abilities to discharge their responsibilities and functions.

The Board does not specify any gender policies in its evaluation of candidacy as the focus is on skills, experience, character, knowledge, time commitment and integrity. However, the evaluation will be reviewed and revised from time to time to meet the needs of the Company.

During the year, the NRC met to review the performance of all the Board members, individually and collectively as a Board based on the following key aspects:-

- Size, composition, independence, mix of skills and experience within the Board and Board Committees;
- Functions of the Board and Board Committees; and
- Discharge of responsibilities of the Board and Board Committees.

The NRC had also assessed character, experience integrity competency and time commitment of the Chief Executive Officer ("CEO").

Principle 2 – Strengthening Composition (Cont'd)

Nominating and Remuneration Committee (Cont'd)

The NRC is satisfied that the Board, Board Committees, each Director, the CEO has fulfilled their duties and responsibilities and are suitably qualified in their respective positions.

The NRC will review the remuneration packages of each individual Executive Director to ensure that the remuneration packages remain competitive in order to attract and retain competent executives who can manage the Group successfully. Executive Directors play no part in decisions on their own remuneration.

The determination of remuneration packages of independent non-executive directors is a matter of the Board as a whole. The independent non-executive directors do not partake in decisions affecting their remuneration.

During the year under review, the NRC had met to discuss the remuneration structure and packages for review by the Board.
The aggregate remuneration of Directors for the financial year ended 30 June 2015 is as follows:

		RM'000		
		Fees	Salaries and Other emoluments	Total
a	Executive	120	1,556	1,676
b	Non-Executive	311	307	618
		431	1,863	2,294

The number of Directors whose total remuneration falls within the following bands are as follows:-

	Executive	Non-Executive
RM1 – RM50,000	1	9
RM50,001 – RM100,000	-	-
RM100,001 – RM200,000	2	1
RM400,001 – RM500,000	1	-
RM1,200,001 – RM1,300,000	1	-

Principal 3 – Reinforce Independence

The Board has an established evaluation on an annual basis of independent directors to ensure compliance with the requirements of independent directors set out in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the effectiveness and contribution of the independent directors. In the opinion of the Board as a whole, each independent director brings invaluable judgement to bear on issues of strategy, performance, resource allocation, risk management and standards of conduct. The minority shareholders are well represented by the presence of these highly capable and credible independent non-executive directors.

The Board takes cognizance that the Code recommends that the tenure of an independent director should not exceed a cumulative term of 9 years. As set out above, the Company has an established assessment on an annual basis to ensure and determine the independency of each independent director and if each of them have contributed positively and effectively as an independent director. In this connection, the Company does not limit the terms of an independent director. The evaluation process will determine if an independent director will remain objective and continue to be fair and impartial in all Board deliberations and decision making.

The continued tenure of independent directors also brings stability to the Board, and the Company benefits from directors who have, over time, gained valuable insight into the Group, its market and the industry.

Furthermore, all directors are required to submit themselves for re-election at annual general meeting every 3 years under the MMLR of Bursa Securities and Articles of Association of the Company. In addition, the re-appointment of directors who have attained 70 years of age and above is subject to shareholders' approval at annual general meeting under Section 129 of the Companies Act, 1965.
As at the date of this statement and up to the forth-coming Annual General Meeting, none of the existing Independent Directors has served the Company for a cumulative period of more than 9 years.

The Board recognises the importance of having a clearly accepted division of power and responsibilities to ensure a balance of power and authority. It is the policy of the Board to keep the roles of Chairman and the Chief Executive Officer ("CEO") separate.

Principle 4 – Foster Commitment

The Directors are mindful of their responsibilities and committed to carry out their responsibilities. In line with the MMLR of Bursa Securities, the Directors are required to comply with the restrictions on the number of directorships in public listed companies. The Directors will notify the Board on acceptance of any new board appointments.

Board meetings are structured with pre-determined agendas. Notices to Board meetings are sufficiently given to the Board. Appropriate and complete Board papers are prepared prior to each Board meeting and are distributed to the Board in sufficient time to enable the Directors to obtain further information and explanation, where necessary. Directors also have unfettered access to all information within the Group in furtherance of their duties.

The Board meets regularly, at least on a quarterly basis, with additional matters addressed by way of circular resolutions and additional meetings held as and when necessary.

The Board met eight (8) times during the financial year ended 30 June 2015. The attendance of the directors during the said financial year is set out below.

Directors	Position	No. of Meeting Attended
Datin Kong Yuk Chu	Vice Chairman and Executive Director	8/8
Ch'ng Soon Sen	Chief Executive Officer and Executive Director	8/8
Lim Yit Kiong*	Independent Non-Executive Director	2/2
Ng Kok Wah#	Independent Non-Executive Director	2/2
Tang Boon Hiap*	Independent Non-Executive Director	2/2

Notes:
- * Mr Lim Yit Kiong and Mr Tang Boon Hiap were appointed on 26 February 2015. There were two (2) meetings held since their appointment.
- \# Mr Ng Kok Wah was appointed on 26 February 2015 and has resigned on 9 November 2015. He attended all two (2) meetings held during his tenure of office.

1. Dato' Muralee A/L Y.S.Menon, Mr Leong Kah Mun and Mr Yee Wei Meng were appointed on 9 November 2015, subsequent to the financial year end.
2. Dato' Sri Syed Hussien bin Abd Kadir resigned on 26 February 2015. He attended five (5) meetings out of six (6) meetings held during his tenure of office.
3. Encik Norsyahrin bin Hamidon, Mr Da Cruz Sean Nicholas, Dato' Syed Norulzaman Bin Syed Kamarulzaman retired at the conclusion of the Forty-Second Annual General Meeting held on 30 December 2014. They attended all four (4) meetings held during their tenure of office.
4. Mr Tey Por Yee retired at the conclusion of the Forty-Second Annual General Meeting held on 30 December 2014. He attended one (1) meeting out of three (3) meetings held during his tenure of office.
5. Dr Lai Chee Chuan resigned on 11 February 2015. He attended all four (4) meetings held during his tenure of office.

The Board believes life-long learning is essential to each Director for enhancement of knowledge and skills.

Principle 4 – Foster Commitment (Cont'd)

The Directors will continuously review conferences, seminars and forums based on the suitability of subject matter. In addition to attending conferences, seminars and other training programmes, the Directors constantly keep up to date with all types of reading materials concerning market development, industry news, changes in the regulations and related issues. All of the Directors during the financial year have attended the Directors' Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. During the financial year ended 30 June 2015, the training programmes attended by the Directors are as follows:

Topics
Corporate Governance Guide (2nd Edition), Proposed Amendments in the New Companies Bill & Goods and Services Tax
Mandatory Accreditation Programme for Directors of Public Listed Companies
Khusus Khas Cukai Barang dan Perkhidmatan (GST) untuk Ejen Cukai Anjuran Jabatan Kastam Diraja Malaysia Bersama Malaysian Institute of Accountants (MIA)
GST Post-Implementation Issues
Capital Allowances – Principles and Latest Developments
GST: Agriculture and Forestry Industry
Seminar Percukaian Kebangsaan 2014
GST – How it affects your business
National Tax Conference 2014
UHY GST Seminar

Principle 5 – Uphold Integrity in Financial Reporting

1. Financial Reporting

In presenting the annual financial statements and quarterly results, the Board aims to present a balanced and understandable assessment of the Group's position and prospects.

The ARMC assists the Board in examining information to be disclosed to ensure the accuracy and authenticity of such information and compliance with the applicable financial reporting standards. The ARMC also assesses the financial statements with the assistance of the external auditors for Board's approval prior to their release to the regulators.

2. Relationship with the External Auditors

The ARMC has established a formal and transparent relationship with the auditors of the Company. At least twice a year, the ARMC will meet with the external auditors without the presence of executive directors and management. The role of the ARMC in relation to the external auditors is further described in the ARMC of this Annual Report.

In the assessment of the performance of the external auditors including independence policies and procedures of the external auditors, the ARMC noted that the external auditors, in accordance with the independence requirements set out in the By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants, evaluate the level of threat to objectivity and potential safeguards to prevent any threats prior to acceptance of any non-audit engagement. The ARMC will require a confirmation from the external auditors that they are, and have been, independent throughout the conduct of the audit engagement with Group.

Principle 6 – Recognise and Manage Risks

The Board has established an appropriate risk management and internal control to identify and manage risks including Internal Audit Department that reports directly to the ARMC. This is further elaborated in the Statement on Risk Management and Internal Control set out in this Annual Report.

Principle 7 – Ensure Timely and High Quality Disclosure

The Board prescribes to the corporate disclosure policy and disclosure requirements on material information set out in the MMLR of Bursa Securities. The Company has established its website, www.mpcb.com.my which allows shareholders and the public access to corporate information, financial statements, announcements released to Bursa Securities, news, and events relating to the Group.

Principle 8 – Strengthen Relationship between Company and Shareholders

The Board values and encourages communications with the shareholders and other investors to establish better understanding of the Company's objectives and performance. Announcements pertaining to the corporate, financial and market information of the Company are made through Bursa Securities.

The Annual General Meeting provides an appropriate forum for the shareholders to participate in questions and answers sessions. Notices of general meetings and the accompanying explanatory notes are provided within the prescribed notice period. This allows shareholders to make the necessary arrangements to attend and participate either in person or by proxy. The rights of shareholders to demand to vote by way of a poll at the general meetings are set out in the Articles of Association of the Company.

OTHERS DISCLOSURES

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Board recognises the importance of the Group in its role as a responsible corporate citizen. The Group's business and operation practices reflect its values and the interests of all stakeholders including its customers, investors, employees, the community and environment.

The Group is committed in ensuring Environmental, Social and Governance Responsibility is a fundamental integral part of business activities of the Group. As an on-going long term initiative, the Group is committed to integrate and implement the Green Technology in its design concepts and construction methods for its development of Asia Pacific Trade and Expo City ("APTEC") and Lakehill Resort City.

As an employer, the Group is committed to provide growth opportunities, fair performance evaluation and reward systems, and skills enhancement of its employees, both technical and soft skills. We believe that our employees are essential assets who contribute to our development and growth.

As a conscientious developer, the Group has and will continually support humanitarian causes, educational and social development of the society through donation, sponsorships and participation in fund raising and community events which include the involvement and efforts of the employees of the Group.

The Board is aware that as the Group continues to grow, so will its social responsibility efforts. It will have to make frequent adjustments in response to economic and regulatory changes. The Group is committed to consider and adopt sustainable methods and processes where applicable and feasible, from time to time.

MATERIAL CONTRACTS

There was no material contracts (not being contracts entered into the ordinary course of business) entered into by the Company or its subsidiaries which involved the interests of the Directors and/or major shareholders of the Company other than those disclosed in Note 32, Note 36(c) and Note 36(d) of the Notes to the Financial Statements of this Annual Report.

NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

There is no non-audit fees paid to external auditors during the financial year ended 30 June 2015.

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 year under review; and save for a tax penalty imposed on a subsidiary of the Company by the Inland Revenue Board.

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 had expired on 21 April 2015.

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.

SHARE BUY-BACK

During the financial year, there were no share buy-back of the Company's own shares.

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 32 of this Annual Report.

DEPOSITORY RECEIPT ("DR") PROGRAMME

During the financial year, the Company did not sponsor any DR programmes.

PROFIT ESTIMATE, FORECAST, PROJECTION OR UNAUDITED RESULTS

There were no profit estimate, forecast or projection released by the Company. There were no significant variance between the released unaudited results of the Company and the audited results of the Company which require explanation.

PROFIT GUARANTEE

No profit guarantee was given by the Company during the financial year.

UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT ON FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their profit or loss and cashflows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 ("MCCG 2012") requires Public Listed Companies to maintain a sound risk management and internal control system to reasonably safeguard shareholders' investments and Group's assets. Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements requires directors of Public Listed Companies to include a statement in their annual reports on the state of their risk management and internal control. The Board of Directors ("Board") is pleased to provide the following statement that is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY

The Board acknowledges the importance of a sound risk management and internal control system to good corporate governance and assumes its responsibilities to maintain a sound risk management and internal control system. The Board has established an ongoing process for identifying, evaluating and managing the significant risks affecting the achievement of its business objectives. The ongoing process is embedded in the Group's risk management and internal control system and is quarterly reviewed by the Board. The Board recognised that the risk management and internal control system are designed to manage rather than eliminate the risks to achieve the business objectives. In addition it should be noted that the system could provide only reasonable and not absolute assurance against material misstatement or loss.

The Group's Chief Executive Officer has provided assurance to the Board in writing that the Group's system of risk management policy and internal control is operating adequately in all material aspects based on the risk management and internal control system put in place. This assurance is further supported by the respective Heads of Department's written statements that the respective risk management and internal control systems have operated adequately in all material aspects based on the system of risk management and internal control put in place.

RISK MANAGEMENT

The Board is aware that an effective risk management system is an integral part of the daily operations of the Group to ensure success in our risk-taking activities. In this regards, the management of the Group has embedded risk management as part of its business practice to ensure that the Group's assets are well-protected and shareholders' value enhanced.

Risk Management Committee (RMC) will assist in the facilitation of the risk management practice as a process of monitoring, identification and assessment of risk which include the proposed and implementation of appropriate systems to manage risks. The RMC, with the assistance of head of department responsible of implementing and maintaining the appropriate risk management framework to achieve the following objectives:-

- Communicate the vision, role, direction and priorities to all employees and key stakeholders.
- Ensuring that key risks to the Group's business are identified and evaluated, and responses are developed to mitigate these risks.
- Create a risk-aware culture and building the necessary knowledge for risk management at every level of management.

In order to achieve the above objectives, the Group has adopted a risk assessment, monitoring and reporting framework. The Group also fostered a culture of continuous improvement in risk management through risk review meetings.

INTERNAL AUDIT

The Board recognizes that effective monitoring on a continuous basis is a vital component of a sound internal control system and had tasked the ARMC with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The Group had engaged an independent external firm of professional internal auditors which reports directly to the ARMC.

Observations from internal audits are presented to the ARMC together with the management's responses and proposed action plans for its review thereafter followed up during subsequent internal audits with implementation status reported to the ARMC. The ARMC has reviewed the internal audit reports of the Group during the financial year.

INTERNAL CONTROL

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

- An organizational structure which clearly defined the delegation of responsibilities to Committees promoting accountability for appropriate risk management and control procedures;
- Establishment of the Board Committees namely ARMC and Nominating and Remuneration Committee to assist the Board in discharging its duties with the authority to examine all matters within their scope reporting to the Board with their recommendations;
- Clearly defined Board Charter, Code of Conduct, Code of Ethics, Terms of Reference and other policies of the various Committees established by the Board;
- Board and Management meetings to provide updates on the business operations and performances; and
- Reviews on business processes to access the effectiveness of internal control systems.

CONCLUSION

The Board is of the opinion that the risk management and internal controls system in place for the financial year under review are adequate to achieve its business objectives. The Board and Management will continue to take appropriate measures to sustain and where required to improve the Group's risk management and internal control system.

Financial Statements

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of letting of investment properties and investment holding.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss for the financial year, attributable to Owners of the Parent	15,984	6,950

DIVIDEND

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any 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 as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors in office since the date of the last report are as follows:

YBhg. Datin Kong Yuk Chu	
Ch'ng Soon Sen	
Tang Boon Hiap	(appointed on 26.2.2015)
Lim Yit Kiong	(appointed on 26.2.2015)
Ng Kok Wah	(appointed on 26.2.2015)
YBhg. Dato' Sri Syed Hussien Bin Abd Kadir	(resigned on 26.2.2015)
Lai Chee Chuen	(resigned on 11.2.2015)
Da Cruz Sean Nicholas	(retired on 30.12.2014)
Norsyahrin Bin Hamidon	(retired on 30.12.2014)
Dato' Syed Norulzaman Bin Syed Kamarulzaman	(retired on 30.12.2014)
Tey Por Yee	(retired on 30.12.2014)

DIRECTORS' INTERESTS

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.7.2014	Addition	Disposal	At 30.6.2015
Interests in the Company				
Direct interest				
Ch'ng Soon Sen	469,000	-	-	469,000
Indirect interest				
YBhg. Datin Kong Yuk Chu (#)	177,133,561	-	(15,000,000)	162,133,561

	Number of warrants 2010/2015			
	At 1.7.2014	Granted	Lapsed	At 30.6.2015
Interests in the Company				
Indirect interest				
YBhg. Datin Kong Yuk Chu (#)	68,765,804	-	(68,765,804)	-

(#) Deemed interested by virtue of 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 of the Companies Act, 1965.

By virtue of her interests in the shares of the Company, YBhg. Datin Kong Yuk Chu is also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 6A of the Companies Act, 1965.

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

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by 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, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 33(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the 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

(a) Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

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

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(iv) 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.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due other than the effect, if any, that may arises from material litigations as disclosed in Note 31 to the financial statements;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the notes to the financial statements; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report 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 other than as disclosed in Note 31 to the financial statements.

SIGNIFICANT EVENTS

The significant events are disclosed in Note 36 to the financial statements.

AUDITORS

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 October 2015.

YBHG. DATIN KONG YUK CHU **CH'NG SOON SEN**

Kuala Lumpur

Statements by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 37 to 100 are drawn up in accordance with Financial Reporting Standards and the requirements 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 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 39 to the financial statements on page 101 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 October 2015.

YBHG. DATIN KONG YUK CHU

CH'NG SOON SEN

Kuala Lumpur

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, LOK SHIAU JIUNN, being the officer primarily responsible for the financial management of MALAYSIA PACIFIC CORPORATION BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 37 to 101 are 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 in the Federal Territory on 29 October 2015.)

LOK SHIAU JIUNN

Before me,

No. W521
MOHAN A.S. MANIAM
COMMISSIONER FOR OATHS

REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the financial statements of Malaysia Pacific Corporation Berhad, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of profit or loss and other 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 37 to 100.

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 Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 conducting the audit in accordance with approved standards on auditing in Malaysia. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

(A) We draw attention to Note 2(c) to the financial statements which state the following:

(i) The Group and the Company have reported net losses of RM15,984,000 and RM6,950,000 respectively during the financial year ended 30 June 2015 and, as of that date, the current liabilities of the Group and of the Company exceeded their current assets by RM278,242,000 and RM96,192,000 respectively.

(ii) As disclosed in Note 15 to the financial statements, the Company was served with a Declaration of Default on 8 March 2013 by a financial institution on the default in the repayments of principal sums and interest in respect of the revolving credit and bank overdraft facilities amounting to RM108,957,000 as at 30 June 2015.

On 27 October 2014, the Company has accepted the offer from the financial institution to restructure the revolving credit and bank overdraft facilities into term loans. The new term loans will be secured by a fixed deposit pledged of RM5,000,000 and a fresh specific deed of debenture on the investment property of the Company.

On 16 January 2015, the Company received a letter from the advocates and solicitors acting on behalf of the financial institution informing that restructuring offer for the above banking facilities has lapsed as the necessary agreements were not finalised within the stipulated time frame.

On 12 March 2015, the Company has been served with a Form 16D dated 11 March 2015 (Notice of Default With Respect of a Charge) pursuant to Section 254 of the National Land Code 1965 ("the Notice") from the financial institution for the repayment of revolving credit and bank overdraft facilities of RM68,338,247 as at 31 December 2014. The financial institution would proceed to apply an order for sale in respect of investment property charged to the financial institution if the Company fails to remedy the breach. The Company is seeking legal advice on the Notice and will take appropriate steps to address the issue.

(iii) Furthermore, on 28 September 2012, a creditor of a subsidiary of the Group had served a Writ of Summons on the subsidiary and the Company (collectively known as the 'Defendants') for a sum of RM113,170,308 together with interest of 7.20% per annum calculated from 19 September 2012 until the date of full settlement ("Judgement Sum"). The amount owing to the creditor arose from a Put Option exercised by the creditor under a joint venture agreement dated 20 August 2008 entered into between the creditor and the subsidiary and a Deed of Undertaking between the creditor and the Defendants. On 30 January 2013, the Kuala Lumpur High Court entered a summary judgement against the subsidiary and the Company for the Judgement Sum.

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Basis for Disclaimer of Opinion (Cont'd)

(A) We draw attention to Note 2(c) to the financial statements which state the following: (Cont'd)

(iii) However, the Company defaulted in the repayment of the amount of RM115,000,000 on the date of 10 September 2014. On 10 October 2014, the creditor served a "Notice of Default With Respect to a Charge" on the subsidiary of the Group under Section 254 of the Companies Act, 1965 in Malaysia for failing to settle the outstanding amount of RM120,000,000; and the subsidiary was required to remedy the breach within the period of one (1) month from the service of the notice. On 16 October 2014, the creditor retracted the Notice of Default issued on 10 October 2014 and served the same "Notice of Default With Respect to a Charge" on the subsidiary for the outstanding amount of RM115,000,000 whereby the subsidiary was required to remedy the breach within one (1) month from the date of the service of the notice. On 27 November 2014, the subsidiary was served with an Originating Summon for an application of order for public auction of the seven (7) parcels of land in Johor which were charged to the creditor.

The creditor had on 15 May 2015 agreed to suspend the foreclosure action of the seven (7) parcels of land in Johor for four (4) months effective from 27 May 2015, in view of the ongoing disposal deal with a potential buyer. The foreclosure matter was postponed by the creditor and currently pending the finalisation of the disposal.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and of the Company to continue as going concerns. Should the going concern basis for the preparation of the financial statements be no longer appropriate, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

However, the financial statements of the Group and of the Company have been drawn up on the basis of accounting principles applicable to going concerns. 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, or to provision for further liabilities that may arise should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate. The assumption is premised on future events of which the outcome is inherently uncertain.

(B) As disclosed in Note 31(d) to the financial statements, a Management and Maintenance Body of the Company's investment property, Wisma MPL JMB, ('the Plaintiff') had served an Originating Summons dated 14 August 2013 against the Company on 16 August 2013 for all monies and income derived from the operation of the car parks of the investment property ('Car Parks') of the Company.

The Company subsequently filed a striking out application on 22 October 2013 to strike out the Originating Summons of the Plaintiff ('Notice of Application'). However, on 10 January 2014, the Kuala Lumpur High Court had dismissed the Notice of Application by the Company and allowed the Plaintiff's claim against the Company whereby it was declared that the Car Parks of the investment property form part of the common property of the investment property of the Company; and all monies and income derived from operation of the Car Parks since the formation of the investment property's joint management body on 5 April 2008 until the handover date to the Plaintiff shall be paid by the Company into the Building Maintenance Fund to the Plaintiff.

The Company filed Notices of Appeal to the Court of Appeal against the Kuala Lumpur High Court's Decision but the Appeals were dismissed by the Court of Appeal on 19 May 2014. Subsequently on 17 June 2014, the Company appealed to the Federal Court and on 26 January 2015, the Federal Court had dismissed the Company's Application for Leave to Appeal.

The gross amount of the income derived from the operation of the Car Parks of the Group and of the Company amounted approximately RM11,569,000 and RM2,587,000 respectively for the period commencing from the date of the formation of the investment property's joint management body on 5 April 2008 up till 30 June 2015. The Group and the Company had made a provision of RM7,566,000 and RM2,587,000 respectively for the litigation claim. For Car Parks income derived for period 5 April 2008 to 30 June 2014, the Group had made a provision of RM6,137,000 after net of the operating costs of the Car Parks of RM4,003,000; while the Group had made provision of RM1,429,000 based on gross amount of Car Parks income derived for financial year ended 30 June 2015.

We are not able to obtain sufficient appropriate audit evidence to ascertain whether the provision for litigation claims made by the Group and the Company should be made on a gross or net basis. We are also not able to obtain sufficient appropriate audit evidence to determine the completeness and accuracy of the Group's net operating costs of the Car Parks of RM4,003,000.

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Basis for Disclaimer of Opinion (Cont'd)

(B) As disclosed in Notes 24 and 31(d) to the financial statements, a subsidiary of the Group had continued to recognise revenue of RM1,429,000 in relation to the rental income from the Car Parks during the current financial year ended 30 June 2015 notwithstanding that the Company had failed to defend the litigation in both Kuala Lumpur High Court and the Court of Appeal. The amount of RM1,429,000 was also provided for by the Group and included in the amount of provision of RM7,566,000.

We are not able to obtain sufficient appropriate audit evidence to determine the outcome of the ongoing litigation between the Company and the Plaintiff due to the uncertainties involved in the litigation.

(C) As disclosed in Note 21 to the financial statements, the amount due to Wisma MPL JMB by the Group and by the Company amounted to RM6,233,000 and RM6,149,000 respectively. Due to the ongoing litigation between the Company and Wisma MPL JMB, we are not able to obtain sufficient appropriate audit evidence on the accuracy of these amounts.

(D) As disclosed in Note 5 to the financial statements, the investment property of the Group and of the Company are stated at its fair value of RM320,000,000 and RM289,530,000 respectively as at 30 June 2015. However, the fair value of the investment property of the Group and of the Company carried in the financial statements includes the fair value of the Car Parks notwithstanding that the Company's ongoing litigation with Wisma MPL JMB.

We have not been able to obtain sufficient appropriate audit evidence to determine the appropriateness of including the fair value of Car Parks as part of the fair value of the investment property of the Group and of the Company.

(E) As disclosed in Note 8 to the financial statements, the Group had classified property development costs of RM15,268,000 as current assets as at 30 June 2015. We are not able to obtain sufficient appropriate audit evidence to ascertain whether the classification of this property development costs as current assets is appropriate.

(F) As disclosed in Note 12 to the financial statements, the management has also determined that the amount due from subsidiaries of the Company with a total carrying amount of RM81,225,000 as at 30 June 2015 should be classified as current assets. We are not able to obtain sufficient appropriate audit evidence to determine whether the subsidiaries can repay the amounts owing within the next twelve (12) months and therefore, we are not able to determine whether the classification of these amounts as current assets is appropriate and the effects of any possible adjustments, if any arising from the classification of the amount due from subsidiaries of RM81,225,000 as non-current assets.

(G) As at the date of this report, replies relating to certain creditors confirmation requests of certain subsidiaries are outstanding. We are unable to confirm or verify by alternative means as to whether the carrying amounts of the debtors and creditors balances for the financial year ended 30 June 2015 were appropriate.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis of an audit opinion. Accordingly, we do not express an opinion on the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the followings:

(a) In view of the matters as described in the Basis for Disclaimer of Opinion paragraph, in our opinion, the accounting and other records required by the Companies Act, 1965 in Malaysia to be kept by the Company and by its subsidiaries of which we have acted as auditors may not been properly kept in accordance with the provisions of the Act.

In our opinion, however, the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and by 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 6 to the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONT'D)

(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 purposes 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 qualifications or any adverse comment made under Section 174(3) of the Act, except as disclosed in Note 6 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on in Note 39 on page 101 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 Disclosures 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

(1) The financial statements of the Group and of the Company for the financial year ended 30 June 2014 which are presented for comparative purposes were examined and reported by another firm of auditors who have rendered on disclaimer of opinion on those statements on 28 November 2014.

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

UHY
Firm Number: AF 1411
Chartered Accountants

NG WEE TEIK
Approved Number: 1817/12/16 (J)
Chartered Accountant

Kuala Lumpur
29 October 2015

Statements of Financial Position

As at 30 June 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-Current Assets					
Property, plant and equipment	4	**788**	1,455	**536**	1,033
Investment property	5	**320,000**	320,000	**289,530**	289,530
Investment in subsidiaries	6	**-**	-	**8,128**	8,181
Land held for property development	7	**224,576**	225,683	**-**	-
		545,364	547,138	**298,194**	298,744
Current Assets					
Property development costs	8	**15,268**	15,358	**-**	-
Inventories	9	**-**	274	**-**	-
Trade receivables	10	**429**	527	**-**	-
Other receivables	11	**750**	1,417	**445**	379
Amount due from subsidiaries	12	**-**	-	**81,225**	77,774
Tax recoverable		**-**	30	**-**	-
Cash and bank balances		**357**	718	**86**	568
		16,804	18,324	**81,756**	78,721
Total Assets		**562,168**	565,462	**379,950**	377,465
Equity					
Share capital	13	**287,660**	287,660	**287,660**	287,660
Exchange translation reserve	14	**(656)**	135	**-**	-
Warrants reserve	14	**-**	10,011	**-**	10,011
Accumulated losses	14	**(53,812)**	(47,839)	**(99,405)**	(102,466)
Total		**233,192**	249,967	**188,255**	195,205
Non-Current Liabilities					
Bank borrowings	15	**655**	925	**437**	658
Deferred tax liabilities	19	**33,275**	33,275	**13,310**	13,310
		33,930	34,200	**13,747**	13,968
Current Liabilities					
Trade payables	20	**2,849**	2,831	**-**	-
Other payables	21	**196,691**	185,531	**62,925**	55,808
Amount due to Directors	22	**701**	515	**701**	515
Amount due to subsidiaries	12	**-**	-	**21,408**	21,430
Bank borrowings	15	**91,856**	89,286	**91,808**	89,239
Provision for liquidated and ascertained damages	23	**257**	257	**-**	-
Tax payable		**2,692**	2,875	**1,106**	1,300
		295,046	281,295	**177,948**	168,292
Total Liabilities		**328,976**	315,495	**191,695**	182,260
Total Equity and Liabilities		**562,168**	565,462	**379,950**	377,465

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

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	24	**12,580**	17,107	**8,672**	9,642
Cost of sales		**(6,843)**	(8,323)	**(5,236)**	(4,535)
Gross profit		**5,737**	8,784	**3,436**	5,107
Other income		**914**	11,634	**3,848**	13,280
Administrative expenses		**(15,326)**	(12,418)	**(6,948)**	(6,561)
Other expenses		**(2,229)**	(9,775)	**(2,230)**	(162,433)
Loss from operations		**(10,904)**	(1,775)	**(1,894)**	(150,607)
Finance costs	25	**(5,145)**	(12,812)	**(5,132)**	(11,342)
Loss before tax	26	**(16,049)**	(14,587)	**(7,026)**	(161,949)
Taxation	27	**65**	(16,550)	**76**	(14,577)
Loss for the financial year		**(15,984)**	(31,137)	**(6,950)**	(176,526)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation difference for foreign operation		**(791)**	(19)	**-**	-
Total comprehensive loss for the financial year		**(16,775)**	(31,156)	**(6,950)**	(176,526)
Loss for the financial year attributable to:					
Owners of the parent		**(15,984)**	(31,137)	**(6,950)**	(176,526)
Total comprehensive loss for the financial year attributable to:					
Owners of the parent		**(16,775)**	(31,156)	**(6,950)**	(176,526)
Loss per ordinary share attributable to equity holders of the Company (sen):					
- Basic and diluted	28	**(5.56)**	(10.82)		

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

Statements of Changes in Equity

For the financial year ended 30 June 2015

	Attributable to Owners of the Parent				
	Non-distributable				
	Share Capital RM'000	Exchange Translation Reserve RM'000	Warrants Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Group					
At 1 July 2014	287,660	135	10,011	(47,839)	249,967
Loss for the financial year	-	-	-	(15,984)	(15,984)
Other comprehensive loss for the financial year	-	(791)	-	-	(791)
Total comprehensive loss for the financial year	-	(791)	-	(15,984)	(16,775)
Transactions with owners:					
Cancellation of expired warrants	-	-	(10,011)	10,011	-
At 30 June 2015	**287,660**	**(656)**	**-**	**(53,812)**	**233,192**
At 1 July 2013	287,660	154	10,011	(16,702)	281,123
Loss for the financial year	-	-	-	(31,137)	(31,137)
Other comprehensive loss for the financial year	-	(19)	-	-	(19)
Total comprehensive loss for the financial year	-	(19)	-	(31,137)	(31,156)
At 30 June 2014	287,660	135	10,011	(47,839)	249,967

Statements of Changes in Equity

For the financial year ended 30 June 2015

	Attributable to Owners of the Parent			
	Non-distributable			
	Share Capital RM'000	**Warrant Reserve RM'000**	**Accumulated Losses RM'000**	**Total RM'000**
Company				
At 1 July 2014	287,660	10,011	(102,466)	195,205
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(6,950)	(6,950)
Transactions with owners:				
Cancellation of expired warrants	-	(10,011)	10,011	-
At 30 June 2015	**287,660**	**-**	**(99,405)**	**188,255**
At 1 July 2013	287,660	10,011	74,060	371,731
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(176,526)	(176,526)
At 30 June 2014	287,660	10,011	(102,466)	195,205

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

Statements of Cash Flows

For the financial year ended 30 June 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash Flows From Operating Activities					
Loss before tax		**(16,049)**	(14,587)	**(7,026)**	(161,949)
Adjustments for:					
Bad debts written off		**197**	-	**-**	-
Depreciation of property, plant and equipment		**678**	916	**507**	731
Impairment losses on:					
- trade receivables		**224**	368	**-**	-
- investment in subsidiaries		**-**	-	**53**	59
- amount due from subsidiaries		**-**	-	**1,797**	159,630
Reversal of impairment losses on:					
- trade receivables		**-**	(6)	**-**	-
- amount due from subsidiaries		**-**	-	**(3,030)**	-
Property, plant and equipment written off		**-**	1	**-**	-
Fair value adjustment on investment properties		**-**	-	**-**	(3,230)
Gain on disposal of property, plant and equipment		**-**	(85)	**-**	-
Waiver of interest to a subsidiary		**-**	-	**-**	155
Unrealised gain on foreign exchange		**(809)**	-	**(807)**	(80)
Interest expenses		**5,145**	12,812	**5,132**	11,342
Interest income		**(73)**	(5)	**-**	(4,441)
Waiver of interest by a company in which certain Directors have substantial financial interests		**-**	(8,147)	**-**	(5,509)
Operating loss before working capital changes		**(10,687)**	(8,733)	**(3,374)**	(3,292)
Changes in working capital:					
Property development costs		**1,197**	364	**-**	-
Inventories		**274**	168	**-**	-
Trade receivables		**(263)**	(580)	**-**	-
Other receivables		**607**	(725)	**(66)**	(6)
Trade payables		**18**	346	**-**	-
Other payables		**8,182**	13,474	**4,121**	11,040
Directors		**186**	2	**186**	2
Subsidiaries		**-**	-	**(1,433)**	(3,940)
		10,201	13,049	**2,808**	7,096
Cash (used in)/generated from operation		**(486)**	4,316	**(566)**	3,804
Interest received		**73**	5	**-**	5
Interest paid		**(2,149)**	(5,085)	**(2,136)**	(5,074)
Tax paid		**(88)**	(582)	**(118)**	42
		(2,164)	(5,662)	**(2,254)**	(5,027)
Net cash used in operating activities		**(2,650)**	(1,346)	**(2,820)**	(1,223)

Statements of Cash Flows
For the financial year ended 30 June 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash Flows From Investing Activities					
Proceeds from disposal of property, plant and equipment		**-**	85	**-**	-
Purchase of property, plant and equipment	4(b)	**(11)**	(66)	**(10)**	(10)
Net cash (used in)/from investing activities		**(11)**	19	**(10)**	(10)
Cash Flows From Financing Activity					
Repayment of finance lease liabilities		**(258)**	(264)	**(210)**	(205)
Net cash used in financing activity		**(258)**	(264)	**(210)**	(205)
Net decrease in cash and cash equivalents		**(2,919)**	(1,591)	**(3,040)**	(1,438)
Cash and cash equivalents at the beginning of the financial year		**(62,602)**	(61,011)	**(62,752)**	(61,314)
Cash and cash equivalents at the end of the financial year	29	**(65,521)**	(62,602)	**(65,792)**	(62,752)

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 Company is principally engaged in the business of letting of investment properties and investment holding. The principal activities of the subsidiaries are disclosed in Note 6. There have been no significant changes in the nature of these activities during the financial year.

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.

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

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards and IC Interpretation

During the financial year, the Group and the Company have adopted the following amendments to FRSs and IC Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies
Amendments to FRS 119	Defined Benefits Plans: Employee Contributions
Annual Improvements to FRSs 2010 – 2012 Cycle	
Annual Improvements to FRSs 2011 – 2013 Cycle	

Adoption of above amendments to FRSs and IC Interpretation did not have any significant impact on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new FRSs and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to FRSs 2012 – 2014 Cycle		1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The Group and the Company intend to adopt the above FRSs when they become effective.

The initial application of the abovementioned FRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

FRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 *Financial Instruments: Recognition and Measurement.*

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

The adoption of FRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting FRS 9.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 30 June 2019. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial year ended 30 June 2015 could be different if prepared under the MFRS Framework.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand except when otherwise stated.

(c) Going concern

The Group and the Company have reported net losses of RM15,984,000 and RM6,950,000 respectively during the financial year ended 30 June 2015 and, as of that date, the current liabilities of the Group and of the Company exceeded their current assets by RM278,242,000 and RM96,192,000 respectively.

As disclosed in Note 15, the Company was served with a Declaration of Default on 8 March 2013 by a financial institution on the default in the repayments of principal sums and interest in respect of the revolving credit and bank overdraft facilities amounting to RM108,957,000 as at 30 June 2015.

On 27 October 2014, the Company has accepted the offer from the financial institution to restructure the revolving credit and bank overdraft facilities into term loans. The new term loans will be secured by a fixed deposit pledged of RM5,000,000 and a fresh specific deed of debenture on the investment property of the Company. On 16 January 2015, the Company received a letter from the advocates and solicitors acting on behalf of the financial institution informing that restructuring offer for the above banking facilities has lapsed as the necessary agreements were not finalised within the stipulated time frame.

On 12 March 2015, the Company has been served with a Form 16D dated 11 March 2015 (Notice of Default With Respect of a Charge) pursuant to Section 254 of the National Land Code 1965 ("the Notice") from the financial institution for the repayment of revolving credit and bank overdraft facilities of RM68,338,247 as at 31 December 2014. The financial institution would proceed to apply an order for sale in respect of investment property charged to the financial institution if the Company fails to remedy the breach. The Company is seeking legal advice on the Notice and will take appropriate steps to address the issue.

2. BASIS OF PREPARATION (CONT'D)

(c) Going concern (Cont'd)

Furthermore, on 28 September 2012, a creditor of a subsidiary of the Group had served a Writ of Summons on the subsidiary and the Company (collectively known as the 'Defendants') for a sum of RM113,170,308 together with interest of 7.20% per annum calculated from 19 September 2012 until the date of full settlement ("Judgement Sum"). The amount owing to the creditor arose from a Put Option exercised by the creditor under a joint venture agreement dated 20 August 2008 entered into between the creditor and the subsidiary and a Deed of Undertaking between the creditor and the Defendants. On 30 January 2013, the Kuala Lumpur High Court entered a summary judgement against the subsidiary and the Company for the Judgement Sum.

Subsequently on 19 October 2013, the creditor filed a Writ of Summons ('the Writ') for an injunction against the subsidiary, the Company and three other subsidiaries of the Group, prohibiting and preventing the Group and the Company from selling, disposing or causing the disposal of certain parcels of land in Johor or entering into any transaction resulting in the disposal or transfer of ownership of these certain parcels of land in Johor. Thereafter, on 22 October 2013, the creditor had served a Statutory Notice pursuant to Section 218(1)(e) of the Companies Act, 1965 ('Statutory Notice') against the Company.

On 30 October 2013, the creditor withdrew the Statutory Notice against the Company with immediate effect. Subsequently on 31 October 2013, the Company received a Notice of Discontinuance pertaining to the Writ from the creditor's solicitors with liberty to file afresh.

Subsequently on 10 March 2014, the subsidiary, the Company and two other subsidiaries of the Group entered into a Settlement Agreement with the creditor to settle the Judgement Sum for RM120,000,000 owing to the creditor. Pursuant to the Settlement Agreement, the Company made a payment of RM5,000,000 to the creditor and a subsidiary of the Group, being the registered owner of the land in Johor had created a valid first legal charge in favour of the creditor on seven (7) parcels of land in Johor.

However, the Company defaulted in the repayment of the amount of RM115,000,000 on the date of 10 September 2014. On 10 October 2014, the creditor served a "Notice of Default With Respect to a Charge" on the subsidiary of the Group under Section 254 of the Companies Act, 1965 in Malaysia for failing to settle the outstanding amount of RM120,000,000; and the subsidiary was required to remedy the breach within the period of one (1) month from the service of the notice. On 16 October 2014, the creditor retracted the Notice of Default issued on 10 October 2014 and served the same "Notice of Default With Respect to a Charge" on the subsidiary for the outstanding amount of RM115,000,000 whereby the subsidiary was required to remedy the breach within one (1) month from the date of the service of the notice. On 27 November 2014, the subsidiary was served with an Originating Summon for an application of order for public auction of the seven (7) parcels of land in Johor which were charged to the creditor.

The creditor had on 15 May 2015 agreed to suspend the foreclosure action of the seven (7) parcels of land in Johor for four (4) months effective from 27 May 2015, in view of the ongoing disposal deal with a potential buyer. The foreclosure matter was postponed by the creditor and currently pending the finalisation of the disposal.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and of the Company to continue as going concerns. Should the going concern basis for the preparation of the financial statements be no longer appropriate, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

However, the financial statements of the Group and of the Company have been drawn up on the basis of accounting principles applicable to going concerns. 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, or to provision for further liabilities that may arise should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate. The assumption is premised on future events of which the outcome is inherently uncertain.

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by 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:

Property development costs

As at end of the reporting period, the management has assessed the status of the development activities included within property development costs. In this regard, the management has determined the carrying amounts of the parcels of land with a total carrying amount of RM15,268,000 would be completed within the normal operating cycle.

Contingent liabilities

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

Operating lease commitments - Group as lessor

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

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment (Note 4)

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Impairment of investment in subsidiaries

The Company has recognised impairment loss in respect of its investment in subsidiaries. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units to which the investment in subsidiaries belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount at the reporting date for investment in subsidiaries is disclosed in Note 6.

Property development

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

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

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of land held for property development and property development costs

The Group determines whether there is any impairment for land held for property development and property development costs as at the end of each reporting period. This requires the Directors to estimate the recoverable amount of land held for property development and property development costs.

Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the end of the reporting period for loans and receivables are disclosed in Notes 10, 11 and 12 respectively.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 27.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences 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. Details of deferred tax assets are disclosed in Note 19.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combination. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceased. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 139 Financial Instruments: Recognition and Measurement either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) on impairment of non-financial assets.

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency translation (Cont'd)

(i) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ('FCTR') in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

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

The residual values, useful lives and depreciation method are reviewed at 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 property, plant and equipment.

(d) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the reporting period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment properties (Cont'd)

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through profit or loss.

When an item of inventory or property development is transferred to investment property following a change in its use, any difference between the fair value of the property at the date of transfer and its carrying amount immediately prior to the transfer is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(f) Property development activities

(i) Land held for property development

Land held for property development consists of land held for future development activities where no development activities has been undertaken or where development activities are not expected to be completed within normal operating cycle. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses. The policy of recognition and measurement of impairment is in accordance with Note 3(k)(i).

Land held for property development is reclassified as current asset when the development activities have commenced or development activities are expected to commence within the period of twelve months after the end of financial year and where it can be demonstrated that the development activities can 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.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs shall be classified as non-current asset where no development activities have been carried out or development activities are not expected to commence within the period of twelve months after the end of financial year or where development activities are not expected to be completed within the normal operating cycle.

Property development costs shall be reclassified to current asset when the development activities have been commenced or development activities are expected to commence within the period of twelve months after the end of financial year or where the activities are expected to be completed within the normal operating cycle.

When the financial outcome of development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property development activities (Cont'd)

(ii) Property development costs (Cont'd)

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

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

(g) Inventories

Inventory of completed development properties is stated at the lower of cost and net realisable value.

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

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

(h) Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company classify their financial liabilities at initial recognition, into other financial liabilities measured at amortised cost.

The Group's and the Company's other financial liabilities comprise trade and other payables, amount due to subsidiaries and Directors and loans and borrowings.

Trade and other payables and amount due to subsidiaries and Directors are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers, deferred tax assets, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) 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. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows 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 risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiaries, associates and joint ventures, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

<u>Financial assets carried at amortised cost</u>

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Share capital

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

Interim dividends on ordinary shares are recognised as liabilities when declared. Proposed final dividends are accrued as liabilities only after approval by shareholders.

(m) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(n) Revenue

(i) Sale of completed properties

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

(ii) Rental income

Rental income is accounted for on a straight line basis over the lease terms on ongoing leases.

(iii) Property development

Revenue derived from property development activities is recognised based on the percentage of completion method. The stage of completion is determined based on the total actual costs incurred to date over the estimated total property development costs.

(iv) Revenue from provision of property management services

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

(v) Interest income

Interest income is recognised on accruals basis using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Provisions

Provisions are recognised when there is a present legal or constructive obligation 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(i) Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(ii) Provision for liquidated ascertained damages

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

(p) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income taxes (Cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(r) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(s) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Group						
2015						
Cost						
At 1 July 2014	-	9,769	5,077	2,006	4,480	21,332
Additions	-	1	10	-	-	11
At 30 June 2015	**-**	**9,770**	**5,087**	**2,006**	**4,480**	**21,343**
Accumulated depreciation						
At 1 July 2014	-	9,648	4,916	1,120	4,193	19,877
Charge for the financial year	-	89	72	390	127	678
At 30 June 2015	**-**	**9,737**	**4,988**	**1,510**	**4,320**	**20,555**
Carrying amount						
At 30 June 2015	**-**	**33**	**99**	**496**	**160**	**788**
2014						
Cost						
At 1 July 2013	442	9,769	5,068	2,026	4,480	21,785
Additions	-	-	15	307	-	322
Transferred to inventories	(442)	-	-	-	-	(442)
Disposals/Written off	-	-	(6)	(327)	-	(333)
At 30 June 2014	-	9,769	5,077	2,006	4,480	21,332
Accumulated depreciation						
At 1 July 2013	-	9,539	4,801	1,071	3,882	19,293
Charge for the financial year	-	109	120	376	311	916
Disposals/Written off	-	-	(5)	(327)	-	(332)
At 30 June 2014	-	9,648	4,916	1,120	4,193	19,877
Carrying amount						
At 30 June 2014	-	121	161	886	287	1,455

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Company					
2015					
Cost					
At 1 July 2014	8,981	4,513	1,700	3,657	18,851
Additions	1	9	-	-	10
At 30 June 2015	**8,982**	**4,522**	**1,700**	**3,657**	**18,861**
Accumulated depreciation					
At 1 July 2014	8,959	4,404	1,086	3,369	17,818
Charge for the financial year	6	45	329	127	507
At 30 June 2015	**8,965**	**4,449**	**1,415**	**3,496**	**18,325**
Carrying amount					
At 30 June 2015	**17**	**73**	**285**	**161**	**536**
2014					
Cost					
At 1 July 2013	8,981	4,503	1,700	3,657	18,841
Additions	-	10	-	-	10
At 30 June 2014	8,981	4,513	1,700	3,657	18,851
Accumulated depreciation					
At 1 July 2013	8,933	4,321	746	3,087	17,087
Charge for the financial year	26	83	340	282	731
At 30 June 2014	8,959	4,404	1,086	3,369	17,818
Carrying amount					
At 30 June 2014	22	109	614	288	1,033

(a) Assets held under finance lease

At 30 June 2015, the carrying amounts of motor vehicles of the Group and of the Company that acquired under finance lease are RM489,000 and RM285,000 (2014: RM877,000 and RM614,000) respectively.

(b) Acquisition of property, plant and equipment

The aggregate costs for the property, plant and equipment of the Group and of the Company during the financial year under finance lease financing and cash payments are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Aggregate costs	**11**	322	**10**	10
Less: Finance lease financing	**-**	(256)	**-**	-
Cash payments	**11**	66	**10**	10

5. INVESTMENT PROPERTY

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 July	**320,000**	320,000	**289,530**	286,300
Fair value adjustments	**-**	-	**-**	3,230
As at 30 June	**320,000**	320,000	**289,530**	289,530

(a) Fair value basis of investment property

The fair value of the investment property of the Group and of the Company, which comprise office buildings and shoplots have been arrived at on the basis of a valuation carried out by an independent firm of professional valuers, JB Jurunilai Bersekutu (KL) Sdn. Bhd. on 14 October 2014 who is a member of The Board of Valuers, Appraissers and Estate Agents ('LPPEH') in Malaysia. The fair values are within level 2 of the fair value hierarchy. The independent professional valuer has adopted the comparison and cost methods, making reference to relevant comparable transactions in the market as well as the present worth of the improvements and land value. In arriving at the valuation, the independent professional valuer has made adjustments for factors, which would affect the market value of the investment property including but not limited to views, size, floor levels and time factor.

The fair value of the investment property of the Group and of the Company carried in the financial statements includes fair value of the Car Parks notwithstanding that the Company's ongoing litigation with Wisma MPL JMB as disclosed in Note 31(d).

(b) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment property:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Rental income	**9,592**	10,506	**8,672**	9,642
Direct operating expenses:				
Income generating investment properties	**3,371**	3,399	**2,970**	3,024
Non-income generating investment properties	**2,624**	1,468	**2,222**	1,316

(c) Investment property pledged as security to a financial institution

The investment property of the Group and of the Company are charged to a financial institution for credit facilities granted to the Company as disclosed in Notes 16 and 18.

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	**8,551**	8,551
Less: Accumulated impairment losses	**(423)**	(370)
	8,128	8,181

Impairment losses on investment in subsidiaries amounting to RM53,000 (2014: RM59,000) have been recognised during the financial year due to declining business operations of the subsidiaries.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity interest 2015 %	Effective equity interest 2014 %	Principal activities
MPC Properties Sdn. Bhd.*	Malaysia	**100**	100	Letting of investment properties and property development
Bedford PJ Complex Sdn. Bhd.*	Malaysia	**100**	100	Dormant
Euronium Construction Sdn. Bhd.*	Malaysia	**100**	100	Dormant
Pacific Spa & Fitness Club Sdn. Bhd.*	Malaysia	**100**	100	Dormant
Premier Building Management Services Sdn. Bhd.*	Malaysia	**100**	100	Dormant
Prestige Trading Sdn. Bhd.	Malaysia	**100**	100	Dormant
The Power Club Sdn. Bhd.*	Malaysia	**100**	100	Dormant
Lakehill Homes (MM2H) Sdn. Bhd.*	Malaysia	**100**	100	Dormant
MPC Management Services Sdn. Bhd.*	Malaysia	**100**	100	Management services
MP Security Services Sdn. Bhd.*	Malaysia	**100**	100	Dormant
Real Rock Restaurant and Café Sdn. Bhd.*	Malaysia	**100**	100	Dormant
Temasek Mewatek Sdn. Bhd.*	Malaysia	**100**	100	Dormant
Subsidiaries of MPC Properties Sdn. Bhd.				
ASA Enterprises Sdn. Bhd.*	Malaysia	**100**	100	Letting of investment properies
Oriental Pearl City Properties Sdn. Bhd. ("OPCP")#	Malaysia	**100**	100	Investment holding
Creative Ascent Sdn. Bhd. ("CASB")#	Malaysia	**100**	100	Investment holding, project management and property co-development
Subsidiary of Oriental Pearl City Properties Sdn. Bhd.				
Lakehill Resort Development Sdn. Bhd. ("LHRD")#	Malaysia	**100**	100	Property management and property development

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company	Country of incorporation	Effective equity interest 2015 %	Effective equity interest 2014 %	Principal activities
Subsidiary of Creative Ascent Sdn. Bhd.				
Taman Bandar Baru Masai Sdn. Bhd. ("TBBM")*	Malaysia	**100**	100	Property development
Subsidiaries of Lakehill Resort Development Sdn. Bhd.				
Asia Pacific Trade and Expo City Sdn. Bhd.*	Malaysia	**100**	100	Trade and distribution and property development
Asia Pacific Trade & Expo City (HK) Limited ^	Hong Kong	**100**	100	Provision of corporate management services, marketing and promotion to Greater China

^ Subsidiary not audited by UHY

* Subsidiary with an emphasis of matter paragraph in the auditors' report relating to the appropriateness of the going concern assumption in the preparation of the financial statements.

The auditors' report on the financial statements contained a disclaimer of opinion.

7. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2015 RM'000	Group 2014 RM'000
At 1 July		
Freehold land, at cost	**93,677**	85,423
Development expenditure	**132,006**	117,787
	225,683	203,210
Development expenditure incurred	**140**	1,810
Transferred from property development cost	**-**	20,663
Recognised as an expense in profit or loss		
During the financial year	**(1,247)**	-
Carrying amount		
At 30 June	**224,576**	225,683
Analysed as:		
Freehold land, at cost	**93,677**	93,677
Development expenditure	**130,899**	132,006
	224,576	225,683

7. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D)

(a) A private caveat had been lodged on twelve (12) parcels of freehold land under land held for property development and two (2) parcels of freehold land under property development costs by a creditor of the Group. On 30 October 2014, the Johor Bahru High Court had allowed the Group's application to remove the private caveat lodged on the freehold land.

(b) As disclosed in Note 31(c), seven (7) undeveloped plots of land measuring approximately 188 acres in Mukim of Plentong, Daerah Johor Bahru, Johor have been charged to creditor [Note 21(a) and 31(c)] of the Group in previous financial year. Based on the independent valuer's report dated 25 November 2014, the market value for the seven (7) undeveloped plots of land is approximately RM139,000,000.

On 16 October 2014, the creditor had served a Notice of Default with Respect to a Charge ("Notice") to TBBM, pursuant to the charge of seven (7) undeveloped plots of land in Mukim of Plentong, Dearah Johor Bahru, Johor. The creditor can apply for an order for sale on the seven (7) undeveloped plots of land if the Group is unable to settle the balance outstanding of RM115,000,000 within one (1) month from the date of the service of the Notice dated 16 October 2014.

On 27 November 2014, TBBM was served with an Originating Summon for an application of order for public auction of the seven (7) parcels of land in Mukim Plentong, Johor which were charged to the Plaintiff under the provision of the National Land Code.

(c) In financial year 2013, a valuation had been performed by an independent professional valuer on three (3) parcels of agricultural land with an approximate aggregate land area of 2.35 million square foot based on 'as is' basis by using comparison method, making reference to relevant comparable transactions in the market. Based on the independent valuer's report dated 27 March 2013, the market value for these parcels of land ranged between RM17.50 per square foot and RM20.00 per square foot.

As at 30 June 2013, the carrying amounts of land held for property development net of impairment losses amounted to RM186,308,000, which approximated RM9.17 per square foot.

On that basis, the management is of the view that no impairment is required for land held for property development as at 30 June 2013.

Accordingly, accumulated impairment losses brought forward of the land held for property development, which amounted to RM16,902,000 have been reversed and recognised as income in profit or loss in financial year 2013. The carrying amount of land held for property development after the reversal of impairment losses as at 30 June 2013 amounted to RM203,210,000 which approximated RM10.00 per square foot.

(d) Based on the certificate of update valuation issued by an independent professional valuers dated 15 July 2015, the market value of 36 parcels of freehold agricultural and commercial lands with an approximate aggregate land area of 16.63 million square foot amounted to RM313.13 million, based on 'as is' basis by using comparison method, making reference to relevant comparable transactions in the market. As such, the management is in view that no impairment is required for land held for property development and property development costs [Note 8(d)].

8. PROPERTY DEVELOPMENT COSTS

	Group	
	2015 RM'000	**2014 RM'000**
At 1 July		
Freehold land, at cost	**7,728**	15,982
Development expenditure	**7,630**	125,150
	15,358	141,132
Development expenditure incurred	**13**	212
Transferred to land held for property development	**-**	(20,663)

8. PROPERTY DEVELOPMENT COSTS (CONT'D)

	Group	
	2015 RM'000	2014 RM'000
Recognised as an expense in profit or loss		
In previous financial years	**-**	(102,937)
During the financial year	**(103)**	(2,386)
Carrying amount		
At 30 June	**15,268**	15,358
Analysed as:		
Freehold land, at cost	**7,728**	7,728
Development expenditure	**7,540**	7,630
	15,268	15,358

(a) In previous financial year, a private caveat had been lodged on twelve (12) parcels of freehold land under land held for property development and two (2) parcels of freehold land under property development costs by a creditor of the Group. On 30 October 2014, the Johor Bahru High Court has allowed the Group's application to remove the private caveat lodged on the freehold land.

(b) As at the end of the reporting period, the management has re-assessed the status of the development activities included within property development costs. In this regard, the management has determined the carrying amounts of the parcels of land with a total carrying amount of RM15,268,000 as at 30 June 2015 would be completed within the normal operating cycle.

(c) In financial year 2013, valuation had been performed by an independent professional valuer on three (3) parcels of agricultural land with an approximate aggregate land area of 2.35 million square foot based on 'as is' basis by using comparison method, making reference to relevant comparable transactions in the market. Based on the independent valuer's report dated 27 March 2013, the market value for these parcels of land ranged between RM17.50 per square foot and RM20.00 per square foot.

As at 30 June 2013, the carrying amounts of property development costs net of impairment losses amounted to RM14,171,000, which approximated RM9.17 per square foot. On that basis, the management is of the view that no impairment is required for property development costs as at 30 June 2013.

Accordingly, accumulated impairment losses brought forward of the property development costs, which amounted to RM24,024,000 have been reversed and recognised as income in profit or loss in financial year 2013. The carrying amount of property development costs after the reversal of impairment losses as at 30 June 2013 amounted to RM38,195,000 which approximated RM10.00 per square foot.

(d) Based on the certificate of update valuation issued by an independent professional valuers dated 15 July 2015, the market value of 36 parcels of freehold agricultural and commercial lands with an approximate aggregate land area of 16.63 million square foot amounted to RM313.13 million, based on 'as is' basis by using comparison method, making reference to relevant comparable transactions in the market. As such, the management is in view that no impairment is required for land held for property development [Note 7(d)] and property development costs.

(e) In financial year 2011, the Group entered into a sale and purchase agreement of dispose 46 plots of vacant bungalow land within LakeHill Resort City, Iskandar Malaysia, Pasir Gudang, Johor Darul Ta'zim, of approximately 375,351 square foot of freehold land in Mukim Plentong, District of Johor Bahru, State of Johor to related party, Optima Mewah Sdn. Bhd. ('Optima Mewah') for a sales consideration of RM16,890,815.

8. PROPERTY DEVELOPMENT COSTS (CONT'D)

(e) As stated in the sale and purchase agreement dated 28 June 2011, the sales consideration of RM16,890,815 comprised the purchase price of land of RM5,067,244 and construction costs on the land of RM11,823,571. The Group had announced this related party transaction on 28 June 2011 to Bursa Malaysia.

In financial year 2014, the Group had further recognised property development revenue of RM4,075,000 [Note 24 and 32(b)] based on progress billings and costs of sale of RM2,386,000 in relation to certain infrastructure, earthworks and sewerage works carried out based on an independent engineer's certification. In addition, the Group had also recognised the sale of land in property development costs to a third party as property development revenue in financial year 2014 on the basis that the full amount of the purchase consideration of RM877,000 had been received by the Group's solicitor as the stakeholders' sum on 27 June 2014 as disclosed in Note 24.

9. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
Completed property held for sale	-	274
Recognised in profit or loss:		
Inventories recognised as cost of sales	**274**	168

In the previous financial year, freehold land of RM442,000 was transferred from property, plant and equipment as disclosed in Note 4.

10. TRADE RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables	**3,127**	3,001	**14**	14
Less: Accumulated impairment losses	**(2,698)**	(2,474)	**(14)**	(14)
	429	527	**-**	-

Trade receivables are non-interest bearing and the normal credit term is 7 days (2014: 14 to 30 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Analysis of the trade receivables ageing at the end of the reporting period is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Neither past due nor impaired	**127**	153	**-**	-
Past due but not impaired:				
Less than 30 days	**143**	-	**-**	-
31 to 60 days	**13**	42	**-**	-
61 to 90 days	**3**	28	**-**	-
More than 90 days	**143**	304	**-**	-
	302	374	**-**	-
Impaired	**2,698**	2,474	**14**	14
	3,127	3,001	**14**	14

10. TRADE RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 July	**2,474**	2,112	**14**	14
Impairment losses recognised	**224**	368	**-**	-
Impairment losses reversed	**-**	(6)	**-**	-
At 30 June	**2,698**	2,474	**14**	14

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

As at 30 June 2015, trade receivables of RM302,000 (2014: RM374,000) were past due but not impaired. These trade receivables are not impaired as the Directors are confident that these amounts are fully recoverable.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM2,698,000 and RM14,000 (2014: RM2,474,000 and RM14,000) respectively, related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

11. OTHER RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables	**272**	966	**85**	46
Less: Accumulated impairment losses	**(37)**	(37)	**(20)**	(20)
	235	929	**65**	26
Deposits	**482**	478	**347**	347
Prepayments	**33**	10	**33**	6
	750	1,417	**445**	379

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payments.

12. AMOUNT DUE FROM/(TO) SUBSIDIARIES

(a) Amount due from subsidiaries

	Company	
	2015 RM'000	2014 RM'000
Amount due from subsidiaries	**247,961**	245,743
Less: Accumulated impairment losses	**(166,736)**	(167,969)
	81,225	77,774

Amount due from subsidiaries represents advances and payments made on behalf, which are unsecured and repayable on demand. The comparative figures of amount due from subsidiaries amounted to RM163,034,000 borne interest ranging from 4.45% to 18.00% per annum.

12. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

(a) Amount due from subsidiaries (Cont'd)

Movements in the allowance for impairment losses of amount due from subsidiaries are as follows:

	Company	
	2015 RM'000	2014 RM'000
At 1 July	**167,969**	8,339
Impairment losses recognised	**1,797**	159,630
Impairment losses reversed	**(3,030)**	-
At 30 June	**166,736**	167,969

(b) Amount due to subsidiaries

	Company	
	2015 RM'000	2014 RM'000
Amount due to subsidiaries	**21,408**	21,430

Amount due to subsidiaries represents non-trade transactions, advances and payments made on behalf, which are unsecured, interest-free and repayable on demand.

13. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2015 Units ('000)	2014 Units ('000)	2015 RM'000	2014 RM'000
Ordinary shares of RM1.00 each				
Authorised				
At 1 July/30 June	**500,000**	500,000	**500,000**	500,000
Issued and fully paid				
At 1 July/30 June	**287,660**	287,660	**287,660**	287,660

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. RESERVES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Accumulated losses	**(53,812)**	(47,839)	**(99,405)**	(102,466)
Non-distributable				
Exchange translation reserve	**(656)**	135	**-**	-
Warrants reserve	**-**	10,011	**-**	10,011
	(656)	10,146	**-**	10,011
	(54,468)	(37,693)	**(99,405)**	(92,455)

14. RESERVES (CONT'D)

(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. At maturity date on 21 April 2015, 115,062,987 warrants which remained unexercised have lapsed and cancelled. Warrants reserve of RM10,011,000 has been transferred to accumulated losses in the current financial year.

15. BANK BORROWINGS

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current liabilities					
Finance lease liabilities		**655**	925	**437**	658
Current liabilities					
Revolving credit		**25,704**	25,704	**25,704**	25,704
Finance lease liabilities		**274**	262	**226**	215
Bank overdrafts		**65,878**	63,320	**65,878**	63,320
		91,856	89,286	**91,808**	89,239
Total bank borrowings					
Revolving credit	16	**25,704**	25,704	**25,704**	25,704
Finance lease liabilities	17	**929**	1,187	**663**	873
Bank overdrafts	18	**65,878**	63,320	**65,878**	63,320
		92,511	90,211	**92,245**	89,897

On 8 March 2013, the Company was served with a Declaration of Default by a financial institution on the default in the repayments of principal sums and interest in respect of the revolving credit and bank overdraft facilities pursuant to Practice Note 1 ('PN 1') of the Main Market Listing Requirements. The revolving credit and bank overdraft facilities of the Company amounted to RM108,957,000 as at 30 June 2015. The outstanding interest in respect of the revolving credit has been accounted for under other payables and accruals.

On 27 October 2014, the Company has accepted the offer from the financial institution to restructure the revolving credit and bank overdraft facilities into term loans. The new term loans will be secured by a fixed deposit pledged of RM5,000,000 and a fresh specific deed of debenture on the investment property of the Company. On 16 January 2015, the Company received a letter from the advocates and solicitors acting on behalf of the financial institution informing that restructuring offer for the above banking facilities has lapsed as the necessary agreements were not finalised within the stipulated time frame.

On 12 March 2015, the Company has been served with a Form 16D dated 11 March 2015 (Notice of Default With Respect of a Charge) pursuant to Section 254 of the National Land Code 1965 ("the Notice") from the financial institution for the repayment of revolving credit and bank overdraft facilities of RM68,338,247 as at 31 December 2014. The financial institution would proceed to apply an order for sale in respect of investment property charged to the financial institution if the Company fails to remedy the breach. The Company is seeking legal advice on the Notice and will take appropriate steps to address the issue.

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

16. REVOLVING CREDIT

	Group and Company 2015 RM'000	Group and Company 2014 RM'000
Secured		
Revolving credit	**25,704**	25,704

The revolving credit is secured by a fixed charge over the investment property of the Group and of the Company as disclosed in Note 5(c).

17. FINANCE LEASE LIABILITIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum lease payments				
Within one year	**311**	312	**252**	252
Between one and five years	**605**	882	**442**	694
After five years	**98**	132	**14**	14
	1,014	1,326	**708**	960
Less: Future finance charges	**(85)**	(139)	**(45)**	(87)
Present value of minimum lease payments	**929**	1,187	**663**	873
Present value of minimum lease payments				
Within one year	**274**	262	**226**	215
Between one and five years	**557**	801	**418**	644
After five years	**98**	124	**19**	14
	929	1,187	**663**	873
Analysed as:	**274**	262	**226**	215
Repayable within twelve months	**655**	925	**437**	658
Repayable after twelve months	**929**	1,187	**663**	873

18. BANK OVERDRAFTS

	Group and Company 2015 RM'000	Group and Company 2014 RM'000
Secured		
Bank overdrafts	**65,878**	63,320

The bank overdrafts are secured by a charge over the investment property of the Group and of the Company as disclosed in Note 5(c).

19. DEFERRED TAX LIABILITIES

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At 1 July	**33,275**	19,618	**13,310**	-
Recognised in profit or loss	**-**	13,657	**-**	13,310
At 30 June	**33,275**	33,275	**13,310**	13,310

The components and movements of deferred tax liabilities of the Group and of the Company are as follows:

	Revaluation surplus arising from subsidiary's development properties RM'000	**Temporary differences arising from interest capitalised into development properties RM'000**	**Revaluation surplus arising from investment properties RM'000**	**Total RM'000**
Group				
At 1 July 2014 / 30 June 2015	**11,634**	**7,200**	**14,441**	**33,275**
At 1 July 2013	12,118	7,500	-	19,618
Recognised in profit or loss	(484)	(300)	14,441	13,657
At 30 June 2014	11,634	7,200	14,441	33,275

	Revaluation surplus arising from investment properties RM'000	**Total RM'000**
Company		
At 1 July 2014 / 30 June 2015	**13,310**	**13,310**
At 1 July 2013	-	-
Recognised in profit or loss	13,310	13,310
At 30 June 2014	13,310	13,310

Deferred tax assets have not been recognised in respect of the following temporary differences due to uncertainty of its recoverability:

	Group	
	2015 RM'000	**2014 RM'000**
Unutilised tax losses	**83,223**	81,585
Unabsorbed capital allowances	**375**	1,603
Other deductible temporary differences	**8,471**	8,471
	92,069	91,659

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

20. TRADE PAYABLES

Credit terms of trade payables of the Group and of the Company ranged from 30 to 90 days (2014: 30 to 90 days).

21. OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other payables	**162,712**	156,200	**38,674**	33,009
Accruals	**33,979**	29,331	**24,251**	22,799
	196,691	185,531	**62,925**	55,808

Included in other payables and accruals are the following:

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount due to Amanah Raya Development Sdn. Bhd. ("ADSB")	21(a)	**115,000**	115,000	**-**	-
Amount due to companies in which certain Directors have substantial financial interests	21(b)	**28,600**	25,835	**25,084**	22,838
Amount due to Wisma MPL JMB		**6,233**	3,811	**6,149**	3,727
Interest accrued on bank borrowings		**17,375**	17,128	**17,375**	17,128

(a) As disclosed in the Note 31(c), on 10 March 2014, the Company, OPCP, TBBM and a Group's wholly owned subsidiary, LHRD had entered into a Settlement Agreement with ADSB to settle the Judgement Sum for RM120,000,000.

In financial year, 2014, the Company had made a payment of RM5,000,000 to ADSB through advances from the Company's shareholder, Top Lander Offshore Inc. and this payment has been duly accounted for in the financial statements of the Company and of the Group for the financial year ended 30 June 2014. However, the due date for the full settlement had lapsed and no payments had been made to ADSB for the remaining amount of RM115,000,000.

On 10 October 2014, ADSB has served TBBM a Notice of Default With Respect to a Charge ("Notice") pursuant to Section 254 of the National Land Code 1965 for a breach of the provisions of the Charge for failing to settle the outstanding amount to ADSB of RM120,000,000; and TBBM was required to remedy the breach within the period of one (1) month from the date of the service of the Notice.

On 16 October 2014, ADSB retracted the Notice issued on 10 October 2014 and served the same "Notice of Default With Respect to Charge" on TBBM for the outstanding amount of RM115,000,000 whereby TBBM is required to remedy the breach within one (1) month from the date of the service of the Notice dated 16 October 2014. The Company had applied to ADSB for extension of time to pay the outstanding amount and is also seeking legal opinion on the Notice.

On 27 November 2014, TBBM was served with an Originating Summon for an application of order for public auction of the seven (7) parcels of land in Mukim Plentong, Johor which were charged to the Plaintiff under the provision of the National Land Code.

ADSB had on 15 May 2015 agreed to suspend the foreclosure action of the seven (7) parcels of land in Johor for four (4) months effective from 27 May 2015, in view of the ongoing disposal deal with a potential buyer. The foreclosure matter was postponed by the creditor and currently pending the finalisation of the disposal.

(b) The amount due to companies in which certain Directors of the Company have financial interests are unsecured, repayable on demand and bear interest at rate of Nil (2014: 13% to 15%) per annum.

22. AMOUNT DUE TO DIRECTORS

The amount due to Directors is unsecured, interest free and repayable on demand.

23. PROVISION FOR LIQUIDATED AND ASCERTAINED DAMAGES

	Group	
	2015 RM'000	2014 RM'000
At 1 July/30 June	**257**	257

24. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Rental income from investment properties and property management services	**11,022**	12,154	**8,672**	9,642
Property development revenue	**1,558**	4,953	**-**	-
	12,580	17,107	**8,672**	9,642

Included in comparative figure of property development revenue was property development revenue of RM4,075,000 recognised based on progress billings in relation to certain infrastructure, earthworks and sewerage works carried out based on an independent engineer's certification as disclosed in Note 8. In addition, in previous financial year, the Group had also recognised the sale of land in property development costs to a third party as property development revenue in previous financial year on the basis that the full amount of the purchase consideration of RM877,000 had been received by the Group's solicitor as the stakeholders' sum on 27 June 2014 as disclosed in Note 8.

Included in rental income from investment property and property management services is revenue recognised of RM1,429,000 in relation to rental income from the Car Parks during the current financial year ended 30 June 2015. The amount of RM1,429,000 was also provided by the Group and included in the amount of provision of RM7,566,000 as mentioned in Note 31(d).

25. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expenses on:				
Bank overdrafts	**4,497**	5,027	**4,497**	5,027
Finance lease liabilities	**49**	58	**36**	47
Revolving credit	**599**	3,674	**599**	3,674
Amounts due to related parties	**-**	3,104	**-**	2,248
Third parties creditors	**-**	949	**-**	346
	5,145	12,812	**5,132**	11,342

26. LOSS BEFORE TAX

Loss before tax is determined after charging/(crediting):

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Auditors' remuneration:				
Auditors of the Company				
- statutory	**120**	120	**70**	70
- non-statutory	**355**	9	**355**	7
Other auditors				
- statutory	**50**	-	**42**	-
Bad debts written off	**197**	-	**-**	-
Depreciation of property, plant and equipment	**678**	916	**507**	731
Impairment losses on:				
- trade receivables	**224**	368	**-**	-
- amount due from subsidiaries	**-**	-	**1,797**	159,630
Impairment losses on investment in subsidiaries	**-**	-	**53**	59
Directors' remuneration:				
- Fee	**431**	340	**431**	-
- Other emoluments	**1,863**	1,051	**74**	-
Property, plant and equipment written off	**-**	1	**-**	-
Provision for litigation claim	**1,429**	6,137	**-**	2,587
Rental of premises	**519**	423	**-**	-
Reversal of impairment losses on:				
- trade receivables	**-**	(6)	**-**	-
- amount due from subsidiaries	**-**	-	**(3,030)**	-
Gain on disposal of property, plant and equipment	**-**	(85)	**-**	-
Interest income from:				
- subsidiaries	**-**	-	**-**	(4,436)
- others	**(73)**	(5)	**-**	(5)
Unrealised gain on foreign exchange	**(809)**	-	**(807)**	(80)
Waiver of interest to a subsidiary	**-**	-	**-**	(155)
Fair value adjustments on investment properties	**-**	-	**-**	(3,230)
Waiver of interest by a company in which certain Directors have substantial financial interests	**-**	(8,147)	**-**	(5,509)
Rental income from subsidiaries	**-**	-	**(8,672)**	(9,642)

27. TAXATION

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Tax expense recognised in profit or loss				
Current income tax	**201**	1,959	**200**	1,417
(Over)/Under provision in prior years	**(266)**	934	**(276)**	(150)
	(65)	2,893	**(76)**	1,267
Deferred tax				
- Origination of temporary differences	**-**	13,657	**-**	13,310
	(65)	16,550	**(76)**	14,577

Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to loss before tax at the statutory tax rate to income tax expense at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Loss before tax	**(16,049)**	(14,587)	**(7,026)**	(161,949)
At Malaysian statutory tax rate of 25% (2014: 25%)	**(4,012)**	(3,647)	**(1,757)**	(40,487)
Tax effects in respect of:				
Expenses not deductible for tax purposes	**4,332**	4,667	**2,917**	43,195
Non-taxable income	**(199)**	(1,290)	**(960)**	(1,291)
Utilisation of previously unrecognised deferred tax assets	**(602)**	-	**-**	-
Deferred tax assets not recognised	**682**	2,229	**-**	-
Deferred tax on fair value gainof investment property	**-**	13,657	**-**	13,310
(Over)/Under provision of taxation in prior years	**(266)**	934	**(276)**	(150)
	(65)	16,550	**(76)**	14,577

Subject to the agreement of the Inland Revenue Board, the Group has unutilised tax losses of approximately RM83,223,000 (2014: RM81,585,000) and unabsorbed capital allowances of approximately RM375,000 (2014: RM1,603,000) available to offset 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	
	2015 RM'000	**2014 RM'000**
Loss attributable to Owners of the Parent	**(15,984)**	(31,137)
Weighted average number of ordinary shares in issue ('000)	**287,660**	287,660
Basic loss per ordinary share (sen)	**(5.56)**	(10.82)

(b) Diluted

The Group has no dilution in their loss per ordinary share as the exercise price of the outstanding warrants has exceeded the average market price of ordinary shares during the financial year, the options do not have any dilutive effect on the weighted average number of ordinary shares.

29. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash and bank balances	**357**	718	**86**	568

Included in the Group's cash and bank balances is an amount of RM34,000 (2014: RM35,000) held under the Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

For the purpose of the statements of cash flows, cash and cash equivalents comprises the following at the end of the reporting period:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash and bank balances	**357**	718	**86**	568
Bank overdrafts included in bank borrowings	**(65,878)**	(63,320)	**(65,878)**	(63,320)
	(65,521)	(62,602)	**(65,792)**	(62,752)

30. EMPLOYEE BENEFITS

The total staff costs recognised in statements of profit or loss and other comprehensive income are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Wages and salaries	**2,551**	3,593
Other employee benefits	**444**	895
Defined contribution plan	**267**	308
	3,262	4,796

31. MATERIAL LITIGATIONS

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

The Company and its subsidiary, TBBM (collectively known as 'the Plaintiffs') first commenced a civil action on 14 October 2005 vide Johor Bahru High Court Suit No. 22-702-2005 against the former Group General Manager of the Company and TBBM, En. Zulhaimi bin Nordin as well as the former Group Managing Director and Group Chief Executive Officer of the Company and TBBM, En. Chut Nyak Isham Bin Nyak Ariff, including Inta Development Sdn. Bhd. ('Inta') and Inta directors and others (collectively known as 'the Defendants') for alleged non-disclosed of 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 Plaintiffs' 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 Plaintiffs.

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

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

The Plaintiffs had filed the Notice of Discontinuance of the said Appeal on 25 September 2012 on the basis that there will be no order as to costs, both at the Appeal stage and the High Court stage and in view of the global settlement ("Settlement") entered into between the Plaintiffs and the solicitors of the Defendants.

On 7 February 2013, the Defendants filed a bill of costs for taxation against the Plaintiffs purporting to claim the sum of RM599,448.50 ("Bill of Costs") subsequent to the withdrawal of said Appeal by the Plaintiffs. The Plaintiffs applied to strike out the Bill of Cost on 29 April 2013 ("Striking Out Application") on the grounds that it was an abuse of the process of Court. On 4 June 2013, the Court allowed the Striking Out Application. The Defendants had further on 18 June 2013 appealed to the Judge in Chambers who dismissed the appeal on 26 July 2013. The Defendants then filed their appeal to the Court of Appeal on 15 August 2013 ("Striking Out Appeal").

The hearing of the Striking Out Appeal was heard on 13 August 2014 whereby the Court of Appeal ordered that the Bill of Cost be remitted to the High Court to be assessed in accordance with the terms of the Settlement ("Order"). Presently, parties are waiting for a case management to be fixed before the High Court.

The Kuala Lumpur High Court has fixed a case management date of the Originating Summon on 31 July 2015.

The matter is fixed for further case management on 28 August 2015 as the Deputy Registrar was on medical leave on 31 July 2015.

On 28 August 2015, the court has fixed this matter for hearing of the preliminary point of law raised whether the terms of the global settlement entered into between MPCB and the solicitors for the Defendants in the Appeal proceedings included an agreement that there be no order as to costs on 4 September 2015.

On 4 September 2015, the court ruled that the Defendants' bill of costs for taxation against the Respondents purporting to claim the sum of RM599,448.50 was misconceived and an abuse of the court process. The Defendants are now prevented from presenting any bill of costs on this matter.

(b) Wong Seng Huat & Safe Deposit Box Sdn. Bhd. ('Plaintiffs' or 'Appellant') vs. Malaysia Pacific Corporation Berhad & MPC Properties Sdn. Bhd. ('Defendants' or 'Respondents')
Kuala Lumpur High Court Civil Suit No. S-22-347-2010

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

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

31. MATERIAL LITIGATIONS (CONT'D)

(b) Wong Seng Huat & Safe Deposit Box Sdn. Bhd. ('Plaintiffs' or 'Appellant') vs. Malaysia Pacific Corporation Berhad & MPC Properties Sdn. Bhd. ('Defendants' or 'Respondents')
Kuala Lumpur High Court Civil Suit No. S-22-347-2010 (Cont'd)

The full hearing of the suit was completed on 16 August 2013 and the decision from the High Court is fixed on 31 October 2013. On 31 October 2013, the High Court has vacated the said decision date and a new decision date will be given.

On 4 December 2013, the High Court granted a judgement in favour of the Defendants and awarded the Defendants the following:

(i) The sum of RM73,024.83 pursuant to the outstanding sum of rental and service charge to be paid by the Plaintiffs to the Defendants from the period between 7 May 2009 to 11 December 2009 plus interest to be calculated at the rate of 5% per annum with effect from 4 December 2013 until the date of settlement;
(ii) The cost of restoration and reinstatement of the premises rented by the Plaintiff to the Defendants amounting to RM103,222; and
(iii) The legal cost by the Plaintiff to the Defendants amounting to RM40,000.

In addition, the High Court had on 16 January 2014 granted a judgement in favour of the Defendants and awarded the Defendants the double rental for the period from 12 December 2009 to 4 September 2012 to be paid by the Plaintiffs to the Defendants amounting to RM630,806.40.

The Plaintiffs subsequently filed a Notice of Appeal dated 7 February 2014 for appeals to the Court of Appeal against the above judgements vide Court of Appeal Civil No.: W-02-275-02/2014. The Plaintiffs had further on 19 February 2014 filed a Notice of Application for a stay of execution of the above judgements.

On 10 March 2014, the High Court had dismissed the Plaintiffs' application for stay of execution of the above judgements and awarded additional costs of RM5,000 to the Defendants.

In addition, the Defendants had on 6 March 2014 filed a Bankruptcy Notice against Wong Seng Huat and a winding-up petition pursuant to Section 218(1)(e) of the Companies Act, 1965 against Safe Deposit Box Sdn. Bhd. respectively.

Pursuant to a consent judgement dated 2 April 2014, the Plaintiffs had paid the judgement sum of RM857,145.17 to the Defendants' solicitors as stakeholders pending the disposal of the Plaintiffs' appeal to the Court of Appeal. As a result, the Defendants had withdrawn the winding-up petition on 2 May 2014 and bankruptcy petition on 6 May 2014 with no order as to costs.

In relation to the Plaintiffs' appeal to the Court of Appeal against the judgements, the Court of Appeal in a case management on 12 August 2014 had fixed the next case management on 4 November 2014 as the Plaintiffs' solicitors informed the Judge that the grounds of judgement was not out yet. Subsequently, on 4 November 2014, the parties updated the Court of Appeal that the grounds of judgement were out and the Court of Appeal set the hearing for 18 March 2015.

On 18 March 2015, the Company had updated the Court that pursuant to the Restraining Order dated 1 March 2015, the proceeding has to be stayed until the Order is lapsed.

The Court of Appeal had fixed the matter for further hearing on 15 July 2015.

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

31. MATERIAL LITIGATIONS (CONT'D)

(b) Wong Seng Huat & Safe Deposit Box Sdn. Bhd. ('Plaintiffs' or 'Appellant') vs. Malaysia Pacific Corporation Berhad & MPC Properties Sdn. Bhd. ('Defendants' or 'Respondents')
Kuala Lumpur High Court Civil Suit No. S-22-347-2010 (Cont'd)

The Court of Appeal's decision of the award to the Respondents are as follows:

1.	The rental arrears from 7.5.2009 to 11.12.2009	RM	73,024.83
2.	Cost of hiring contractors	RM	103,222.00
3.	Cost at high court	RM	40,000.00
4.	Cost at Court of Appeal	RM	15,000.00
5.	Double Rental & Service Charge	RM	284,060.09
	Total	**RM**	**513,306.92**

On the award of double rental amount, the Appellant and the Respondents are in the midst of filing a draft order.

(c) AmanahRaya Development Sdn. Bhd. ('the Plaintiff') vs. Oriental Pearl City Properties Sdn. Bhd. ('OPCP') and Malaysia Pacific Corporation Berhad ('collectively known as the Defendants')
Kuala Lumpur High Court Civil Suit No.: 22NCC-1453-09/2012

On 28 September 2012, the Plaintiff had served a Writ of Summons for the sum of RM113,170,308 together with interest at the rate of 7.20% per annum calculated from 19 September 2012 until the date of full settlement ('Judgement Sum'). The Judgement Sum was allegedly in relation to amount owing to the Plaintiff as a result of a Put Option exercised by the Plaintiff as per a Joint Venture Agreement between the Plaintiff and OPCP and a Deed of Undertaking between the Plaintiff and the Company.

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

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

On 30 January 2013, the Kuala Lumpur High Court entered a summary judgment against the Defendants for the Judgement Sum.

On 19 October 2013, the Plaintiff had filed a Writ of Summons for an injunction against the Company, OPCP and the Group's wholly owned subsidiaries, namely, TBBM, CASB and MPC Properties Sdn. Bhd., prohibiting and preventing the companies from selling, disposing or causing the disposal of certain parcels of land in Johor or entering into any transaction resulting in the disposal or transfer of ownership of the certain parcels of land in Johor.

On 22 October 2013, the Defendants were served with a Statutory Notice pursuant to Section 218(1)(e) of the Companies Act, 1965 ('Statutory Notice') from the Plaintiff whereby the Plaintiff demanded for the amount owing together with interest within twenty one (21) days from the date of the delivery of the Statutory Notice.

On 30 October 2013, the solicitors of the Plaintiff have by way of a letter dated 30 October 2013 notified that the Plaintiff has withdrawn its Statutory Notice against the Defendants with immediate effect. Subsequently on 31 October 2013, the Company received a Notice of Discontinuance pertaining to the Writ from the Defendant's solicitors with liberty to file afresh.

On 18 November 2013, the High Court had allowed the Plaintiff to withdraw the Writ of Summon dated 19 October 2013 against the Group with liberty to file afresh and with costs of RM5,000 to be paid to the Group.

The Defendants had further filed an Originating Summons dated 15 November 2013 against the Plaintiff vide Kuala Lumpur High Court Civil Suit No.: 24NCC-365-11/2013 seeking for and injunction to restrain the Plaintiff from filing, presenting and/or proceeding with any statutory notice and winding-up petition pursuant to Section 218 of the Companies Act, 1965 against the Defendants ("Originating Summons").

31. MATERIAL LITIGATIONS (CONT'D)

(c) AmanahRaya Development Sdn. Bhd. ('the Plaintiff') vs. Oriental Pearl City Properties Sdn. Bhd. ('OPCP') and Malaysia Pacific Corporation Berhad ('collectively known as the Defendants')
Kuala Lumpur High Court Civil Suit No.: 22NCC-1453-09/2012 (Cont'd)

On 19 November 2013, the Defendants obtained an interim injunction pending disposal of the Originating Summons. The Plaintiff had on 26 November 2013 filed a Notice of Application to strike out the Originating Summons and to set aside the interim injunction respectively.

On 10 March 2014, the Company, OPCP, TBBM and a Group's wholly owned subsidiary, LHRD had entered into a Settlement Agreement with the Plaintiff to settle the Judgement Sum.

Pursuant to the Settlement Agreement, the Group and ARDSB have agreed that the above judgement sum shall be settled for RM120,000,000 in accordance to the terms as follows:

(i) The Company to pay the Plaintiff cash payment of RM5,000,000 upon execution of the Settlement Agreement;
(ii) The Company to pay the Plaintiff cash payment of RM115,000,000 within six (6) months from the date of the Settlement Agreement; which is due on 10 September 2014;
(iii) TBBM to create a valid first legal charge in favour of the Plaintiff on the Group's seven (7) parcels of land in Mukim of Plentong, Johor as security of the abovementioned payments ("the Charge");
(iv) The Plaintiff shall withdraw the caveats or any other encumbrances lodged or created by the Plaintiff against the above seven (7) parcels of land;
(v) The Company and OPCP shall discontinue and withdraw the Injunction Suit in the Kuala Lumpur High Court Suit No. 24NCC-365-11/2013 against the Plaintiff; and

(vi) In the event of default of the Settlement Agreement by the Company, OPCP, TBBM, LRDSB, the Plaintiff is entitled to terminate the Settlement Agreement and seek legal remedies available in law. Additionally, the Plaintiff shall always be at liberty, in lieu of claiming for termination of the Settlement Agreement and damages, to claim the remedy of specific performance of the Settlement Agreement against the Company, OPCP, TBBM and LRDSB, with all costs and expenses relating thereto to be borne by the defaulting parties.

In previous financial year, the Company had made a payment of RM5,000,000 to the Plaintiff through advances from the Company's shareholder, Top Lander Offshore Inc. and this payment has been duly accounted for in the financial statements of the Company and of the Group for the financial year ended 30 June 2014. However, the due date for the full settlement had lapsed and no payments had been made to the Plaintiff for the remaining amount of RM115,000,000.

On 10 October 2014, the Plaintiff has served TBBM a Notice of Default With Respect to a Charge ("Notice") pursuant to Section 254 of the National Land Code 1965 for a breach of the provisions of the Charge for failing to settle the outstanding amount to the Plaintiff of RM120,000,000; and TBBM was required to remedy the breach within the period of one (1) month from the date of the service of the Notice.

On 16 October 2014, the Plaintiff retracted the Notice issued on 10 October 2014 and served the same "Notice of Default With Respect to a Charge" on TBBM for the outstanding amount of RM115,000,000 whereby TBBM is required to remedy the breach within one (1) month from the date of the service of the Notice dated 16 October 2014.

On 27 November 2014, TBBM was served with an Originating Summon for an application of order for public auction of the seven (7) parcels of land in Mukim Plentong, Johor which were charged to the Plaintiff under the provision of the National Land Code.

On 22 January 2015, the Johor Bahru High Court has fixed the case management of the Originating Summon on 9 March 2015.

On 9 March 2015, the Johor Bahru High Court has fixed the case management of the Originating Summon on 2 April 2015.

On 2 April 2015, the High Court had dismissed Application to cross examine & application to transfer with cost of RM1,000 respectively. For Originating Summon, the court had fixed 19.5.2015 as hearing date. On 19 May 2015, the Court had fixed a new hearing date for Originating summon on 26 July 2015.

31. MATERIAL LITIGATIONS (CONT'D)

(c) AmanahRaya Development Sdn. Bhd. ('the Plaintiff') vs. Oriental Pearl City Properties Sdn. Bhd. ('OPCP') and Malaysia Pacific Corporation Berhad ('collectively known as the Defendants')
Kuala Lumpur High Court Civil Suit No.: 22NCC-1453-09/2012 (Cont'd)

On 26 July 2015, the High Court allowed the request to adjourn the matter pending settlement between the parties and set 3 September 2015 for case management. Due to the impending settlement between the parties, the High Court on 3 September 2015 had set a new mention date on 13 October 2015.

On 13 October 2015, the Johor Bahru High Court fixed a new Mention date for the Originating Summons on 16 November 2015 pending the settlement between the parties.

(d) Wisma MPL JMB ('Plaintiffs' or 'JMB') vs. Malaysia Pacific Corporation Berhad ('Defendant')
Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013

On 16 August 2013, the Plaintiff, a Management and Maintenance Body of Wisma MPL established under the Building and Common Property (Maintenance and Management) Act, 2007 concerning the maintenance and management of common property of Wisma MPL had served an Originating Summons dated 14 August 2013 on the Defendant seeking for all monies and income derived from the operation of the car parks of the investment property of the Defendant.

The Defendant subsequently filed a striking out application on 22 October 2013 to strike out the Originating Summons served by the Plaintiff ("Notice of Application").

Following the above, the Kuala Lumpur High Court had on 10 January 2014 dismissed the Notice of Application and allowed the Plaintiff's claim against the Defendant whereby:

(i) It is declared that the ground level car park and the 2 levels basement car park of Wisma MPL (collectively "the Car Parks") form part of the common property of Wisma MPL;
(ii) The Defendant shall cease to operate the Car Parks within seven (7) days from being served the sealed Order herein ("the Handover date") and thereafter, the Plaintiff shall be entitled to operate the Car Parks, vide its agents and/or servants;
(iii) All monies and income received from the operation of the Car Parks since the formation of the Plaintiff on 5 April 2008 until the Handover date shall be paid by the Defendant into the Building Maintenance Fund of the Plaintiff within fourteen (14) days from the Handover Date;
(iv) The Defendant shall submit to the Plaintiff, a full audited accounts of all monies and income derived from the Car Parks since 5 April 2008 until the Handover Date within thirty (30) days of the date of the Order herein; and
(v) The Court dismissed the Defendant's Application to strike out the Originating Summons with costs of RM5,000.

(vi) The monies and income received from the operation of the Car Parks of the Group and of the Company since the formation of the Plaintiff on 5 April 2008 was estimated by the Directors to be approximately RM6,137,000 and RM2,587,000 respectively based on the assumption of income derived from the operation of the Car Parks net of the related operation expenses since 5 April 2008 until 30 June 2014.

On 15 January 2014, the Defendant filed Notices of Appeal dated 13 January 2014 to the Court of Appeal to appeal against the Kuala Lumpur High Court's Decision in allowing the Plaintiff's Originating Summons ("OS Appeal") and dismissing the Notice of Application ("Striking Out Appeal").

The Defendant had also on 22 January 2014 filed an Application for Stay of Execution of the High Court Order dated 10 January 2014.

On 16 April 2014, the High Court allowed the Defendant's Application for Stay of Execution against the Court Order dated 10 January 2014 until disposal of the Appeals in Court of Appeal.

On 19 May 2014, the Court of Appeal dismissed both the Appeals of the Defendant with costs of RM10,000 each of the Appeal.

On 17 June 2014, the Defendant had filed an Application for Leave to Appeal to the Federal Court. The Federal Court had fixed the Hearing Date on 26 January 2015.

31. MATERIAL LITIGATIONS (CONT'D)

(d) Wisma MPL JMB ('Plaintiffs' or 'JMB') vs. Malaysia Pacific Corporation Berhad ('Defendant')
Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013 (Cont'd)

On 15 August 2014, the Plaintiff had served the Defendant an Application for Extension of Time for Compliance with Order dated 10 January 2014. ("Extension of Time Application").

On 11 September 2014, the Defendant had filed an Application for Stay of Execution in respect of the Court of Appeal Order dated 19 May 2014. The hearing was fixed on 9 October 2014 by the Court of Appeal and adjourned to 4 November 2014. Subsequently, the Court of Appeal fixed the case management on 1 December 2014 for hearing.

Additionally, on 11 September 2014, the Defendant had filed an Application for Stay of Proceeding in respect to the Extension of Time Application.

On 12 September 2014, the High Court had fixed 27 November 2014 as the Hearing Date for both the Plaintiff's Extension of Time Application and the Defendant's Stay of Proceeding Application.

On 27 November 2014, the Kuala Lumpur High Court directed that the Defendant's written submission to be filed on or before 11 December 2014 and the Plaintiff's written submission to be filed on or before 26 December 2014. The decision for both applications is fixed on 7 January 2015.

The gross amount of the income derived from the operation of the Car Parks of the Group and of the Company amounted to approximately RM11,569,000 and RM2,587,000 respectively for the period commencing from the date of the formation of the investment property's joint management body on 5 April 2008 up till 30 June 2015. The Group and the Company had made a provision of RM7,566,000 and RM2,587,000 respectively for the litigation claims. For Car Parks income derived for period 5 April 2008 to 30 June 2014, the Group had made a provision of RM6,137,000 after net of the operating costs of the Car Parks of RM4,003,000; while the Group had made provision of RM1,429,000 based on gross amount of Car Parks income derived for financial year ended 30 June 2015.

CASB, a subsidiary of the Group had continued to recognise revenue of RM1,429,000 in relation to the rental income from the Car Parks during the financial year ended 30 June 2015. The amount of RM1,429,000 was also provided for by the Group and included in the amount of provision of RM7,566,000 as mentioned above.

On 30 December 2014, the Court of Appeal has fixed the hearing of the Application for Stay of Execution on 12 January 2015.

(i) On 12 January 2015, the Court of Appeal has allowed the Company's Application for Stay of Execution until the hearing of the Application for Leave to Appeal to the Federal Court.

(ii) On 7 January 2015, Kuala Lumpur High Court had adjourned in delivering the decisions in respect of the two applications below to another date which the Kuala Lumpur High Court has yet to fix:

   (a) JMB's Application for Extension of Time for compliance with the Order dated 10 January 2014 ("Extension of Time Application") against the Company; and

   (b) the Company's Application for Stay of Proceeding on the Extension of Time Application.

However on 26 January 2015, the Federal Court had dismissed the Company's Application for Leave to Appeal.

On 11 March 2015, the Company had received the sealed Orders of Kuala Lumpur High Court dated 10 January 2014 and 28 January 2015 (collectively "Orders") from the Plaintiff's solicitors on the following:

(i) cease to operate the ground level car park and the 2 level basement car park in Wisma MPL (collectively "Car Parks") within seven (7) days from being served with a copy each of the Orders ("Extended Handover Date");

(ii) pay into the Plaintiff's Building Maintenance Fund, all monies and income derived from the operation of the Car Parks since 5 April 2008 until the Extended Handover Date;

(iii) submit to Plaintiff within fourteen (14) days from the Extended Handover Date, a full audited account of all monies and income derived from the Car Parks since 5 April 2008 until the Extended Handover Date; and

(iv) pay the costs of RM10,000 to Plaintiff directly or to Plaintiff's solicitors within seven (7) days from the date hereof.

31. MATERIAL LITIGATIONS (CONT'D)

(d) Wisma MPL JMB ('Plaintiffs' or 'JMB') vs. Malaysia Pacific Corporation Berhad ('Defendant')
Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013 (Cont'd)

The Orders were also served by way of service on the Company's Directors and Company Secretaries wherein the Plaintiff's solicitors have instructions from the Plaintiff to commence execution proceedings against the Company and its Directors, Manager and Companies Secretaries to enforce the Orders if the Company does not comply with the Orders.

On 12 March 2015, the Company had obtained a Restraining Order pursuant to Section 176(10) of the Companies Act, 1965 (the "Act") in Shah Alam High Court on 3 March 2015 ("Restraining Order").

Pursuant to the Restraining Order, all further proceedings or actions against the Company by any party including the Scheme Creditors as stated in the Proposed Scheme but not limited to any winding-up proceeding or taking of any action or proceeding or foreclosure proceedings, and so on, or in any way under any form of guarantee or indemnity granted to or conferred by the Company, any enforcement, detention, or any other form of execution of any judgment or order against the Company, any execution of the rights or remedies or powers of appointment of any receiver and manager over the Company (including but not limited to the taking of any actions or proceedings or continuing with the exercise of the rights or remedies under any Debenture), the sale of any asset that is the subject of any security interest created by the Company and/or its subsidiary company, repossession of any plant, equipment or machinery under lease or hire purchase and any arbitration proceedings, be restrained for a period of 90 days from the date of the Restraining Order, subject to terms as may be determined by the Shah Alam High Court pursuant to Section 176 (10) of the Act.

On 1 September 2015, the Kuala Lumpur High Court directed JMB to file the Application to strike out by 1 September 2015 and the Company to file the Affidavit in Reply by 2 September 2015 (for the Originating Summons and the Application for security for costs). The Kuala Lumpur High Court had also fixed the case management date of the Originating Summon on 15 September 2015.

On 15 September 2015, the Kuala Lumpur High Court fixed a new case management date on 12 October 2015.

The matter has now been fixed for Hearing of the Defendant's application for security for costs and the Defendant's application to strike out the Plaintiff's claims on 26 November 2015. The Originating Summons is also fixed for Case Management on 26 November 2015.

(e) Malaysia Pacific Corporation Berhad ('MPCORP' or 'the Company' or 'the Plantiff') vs Wisma MPL JMB ('JMB' or 'the defendant')
Kuala Lumpur High Court Originating Summons No. 24NCVC-1055-07/2015

On 10 July 2015, MPCORP had filed an Originating Summons at the Kuala Lumpur High Court against JMB for Orders among others a declaration that the High Court Order dated 10 January 2014 (Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013) is a nullity and therefore not binding on the Company. The Defendant then filed an application for Security for costs against the Plaintiff and subsequently an application to strike out the Plaintiff's claim.

The matter has now been fixed for Hearing of the Defendant's application for security for costs and the Defendant's application to strike out the Plaintiff's claims on 26 November 2015. The Originating Summons is also fixed for Case Management on 26 November 2015.

(f) Hiway Matra Consult ('the Plaintiff') vs. Lakehill Resort Development Sdn. Bhd. ('LRDSB') wholly owned subsidiary of Malaysia Pacific Corporation Berhad ("The Company") ('the Defendants')
Johor Bahru Magistrate Court Civil Suit No.: A72C-2-03/2015

On 6 April 2015, the Plaintiff had served a Writ of Summons for the sum of RM74,717.02 . The Sum was allegedly in relation to amount owing to the Plaintiff as a result of appointing Plaintiff as "Jurutera Perundng Trafik" in which the Plaintif exercised impact assessment for the project titled "Proposed mixed development on Lots PTD 148708, 149702, 149729 and part of lot PTD 149714 and 149708 Mukim Plentong, Iskandar Malaysia Johor Bahru, Johor Darul Takzim.

31. MATERIAL LITIGATIONS (CONT'D)

(f) Hiway Matra Consult ('the Plaintiff') vs. Lakehill Resort Development Sdn. Bhd. ('LRDSB') wholly owned subsidiary of Malaysia Pacific Corporation Berhad ("The Company") ('the Defendants')
Johor Bahru Magistrate Court Civil Suit No.: A72C-2-03/2015 (Cont'd)

On 12 March 2015, the Company had announced that the Company and its wholly-owned subsidiaries namely MPC Properties Sdn. Bhd., ASA Enterprises Sdn. Bhd., Oriental Pearl City Properties Sdn. Bhd., Creative Ascent Sdn. Bhd., Taman Bandar Baru Masai Sdn. Bhd. and LRDSB (collectively referred to as "Companies") were granted by the Shah Alam High Court on 3 March 2015 the order for the liberty of the Companies to hold meetings with the Creditors and the Members pursuant to Section 176(1) of the Companies Act, 1965 (the "Act") within 180 days from the grant of the order. The order from the Shah Alam High Court is also for a Restraining Order to restrain all further proceedings or actions against any of the Companies by any party.

The Johor Bahru Magistrate Court had fixed the Hiway Matra Case for Case Management on 23 April 2015. Consequent to the Shah Alam High Court order, the Johor Bahru Magistrate Court had fixed another Case Management on 24 June 2015 pending status of the creditors' meeting pursuant to Section 176(1) of the Act.

On 24 June 2015, the Johor Bahru Magistrate Court directed LRDSB to file Statement of Defence on or before 8 July 2015 and the matter has now been fixed for Case Management on 8 July 2015. On 8 July 2015, the Johor Bahru Magistrate Court had fixed the Case Management on 15 July 2015. On 15 July 2015, the Court directed the Plaintiff to file the bundle of documents on or before 12 August 2015 and also fixed the Case Management on 12 August 2015.

The Johor Bahru Magistrate Court had on 12 August 2015 fixed the Case Management on 26 August 2015 pending settlement between the Plaintiff and the Defendant. A settlement was reached between LRDSB and the Plaintiff and therefore, on 26 August 2015, the Plaintiff withdrew the Writ of Summons with liberty to file a fresh with no order as to costs.

(g) Malaysia Pacific Corporation Berhad ("MPCORP" or "the Company") - Restraining Order under Section 176 of the Companies Act, 1965 (Shah Alam High Court No. 24NCC-13-02/2015)
Shah Alam High Court Suit No.: 24NCC-13-02/2015

On 3 March 2015, the Court had granted a restraining order pursuant to Section 176 of the Companies Act, 1965 ("The RO") for the Company and its wholly-owned subsidiaries, namely MPC Properties Sdn. Bhd., ASA Enterprises Sdn. Bhd., Oriental Pearl City Properties Sdn. Bhd., Creative Ascent Sdn. Bhd., Taman Bandar Baru Masai Sdn. Bhd. ("TBBM") and Lakehill Resort Development Sdn. Bhd. (collectively referred to as Companies") (a copy of the sealed order was received by the Company on 12 March 2015) The order grants the Companies liberty to hold meetings with the Creditors and the Members pursuant to Section 176(1) of the Companies Act, 1965 ("the Act") within 180 days from the grant of the order.

The RO also restrain all further proceedings or actions against any of the Companies by any party including the Scheme Creditors as stated in the Proposed Scheme but not limited to any winding-up proceeding or taking of any action or proceeding or foreclosure proceedings, or in any way under any form of guarantee or indemnity granted to or conferred by any of the Companies, any enforcement, detention, or any other form of execution of any judgment or order against any of the Companies, any execution of the rights or remedies or powers of appointment of any receiver and manager over any of the Companies (including but not limited to the taking of any actions or proceedings or continuing with the exercise of the rights or remedies under any Debenture), the sale of any asset that is the subject of any security interest created by any of the Companies and/or its subsidiary company, repossession of any plant, equipment or machinery under lease or hire purchase and any arbitration proceedings for a period of 90 days from the date of this Order, subject to terms as may be determined by the Shah Alam High Court pursuant to Section 176 (10) of the Act. This Order does not restrain the present foreclosure proceeding by AmanahRaya Development Sdn Bhd ("ADSB") (Johor Bahru High Court Originating Summon No.: 24FC-1845-11/2014) against one of the Company's subsidiaries, namely TBBM which is opposing the said foreclosure proceeding.

On 28 November 2014, the Company had announced that pursuant to Paragraph 8.04 and Paragraph 2.1(d) of the Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), MPCORP was considered a PN17 company. The PN17 criteria was triggered as the Company's former External Auditors have expressed a disclaimer opinion in the Company's audited financial statements for the financial year ended 30 June 2014.

31. MATERIAL LITIGATIONS (CONT'D)

(g) Malaysia Pacific Corporation Berhad ("MPCORP" or "the Company") - Restraining Order under Section 176 of the Companies Act, 1965 (Shah Alam High Court No. 24NCC-13-02/2015)
Shah Alam High Court Suit No.: 24NCC-13-02/2015 (Cont'd)

As a PN17 company and pursuant to Paragraph 8.04(3) of the MMLR, the Company is currently in the midst of formulating its regularisation plan with its advisors (Proposed Scheme of Arrangement and Compromise).

The debts owing by the Company and its subsidiaries to the creditors will be restructured under the Proposed Scheme of Arrangement and Compromise, which is pending the finalisation of the proposed scheme of arrangement for the scheme creditors.

Pursuant thereto, the Board was advised by its advisors and solicitors that it is necessary for the Company to obtain a restraining order pursuant to Section 176 (10) of the Companies Act 1965 to ensure that the creditors of the Company and its subsidiaries ("MPCORP Group") are treated equally and efficiently, as well as to restrain all potential litigations or proceedings which may affect the formulation of the Proposed Scheme of Arrangement and Compromise.

The Restraining Order is not expected to have any material impact on the financial and operational matters of MPCORP Group as it is only to facilitate the finalisation of the Proposed Regularisation Plan, which will be announced in due course.

The Restraining Order pursuant to Section 176 of the Companies Act, 1965 had expired on 31 May 2015. The Shah Alam High Court ("the Court") had fixed the case management on 6 July 2015 for the Companies to update the Court on whether there is an application for extension of Restraining Order ("the Application").

On 6 July 2015, RHB Bank Berhad ("RHB") and Wisma MPL JMB ("JMB") proposed to be the interveners of the Application. Thus, the matter was fixed for another Case Management on 14 July 2015. The Court directed RHB and JMB to file written submission.

On 14 July 2015, RHB and JMB had filed an application as interveners and the Court had fixed the hearing date on 22 July 2015 which was postponed to 12 August 2015. The Court had ordered RHB and JMB to file all cause papers before the hearing date.

On 12 August 2015, the Court had fixed the hearing date on 30 September 2015 for the proposed interveners' application.

On 30 September 2015, the Court had directed the following:-

(i) The Court makes no order for Application by RHB to Intervener and set aside the Restraining Order as they are now academic since the Restraining Order has lapsed;
(ii) The Court makes no order for Application by JMB to Intervener and be excluded from the Restraining Order as they are now academic since the Restraining Order has lapsed;
(iii) Cost of RM5,000.00 to each proposed intervener; and
(iv) All future applications to be served to all creditors.

32. RELATED PARTY DISCLOSURES

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its subsidiaries and companies in which certain Directors have substantial financial interest.

32. RELATED PARTY DISCLOSURES (CONT'D)

(a) Identifying related parties (Cont'd)

Related parties of the Group include:

Related parties	**Relationships**
Top Lander Offshore Inc.	A substantial corporate shareholder of the Company
Ocean Power Enterprises Limited and Power View Holdings Limited (Incorporated in Hong Kong)	A company in which 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 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.
Jacmolli Design & Jewellers (M) Sdn. Bhd.	A company in which Datin Kong Yuk Chu, an Executive Director of the Company, who are also substantial shareholders of the Company have substantial shareholding interests.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to the related party balances disclosed in notes to the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		**Company**	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Interest payable to Top Lander Offshore Inc.	**-**	2,693	**-**	2,248
Waiver of interest payable to Top Lander Offshore Inc.	**-**	8,147	**-**	5,509
Interest payable to Ocean Power Enterprise Limited	**-**	411	**-**	-
Ocean Power Enterprise Limited				
- rental of office premises	**520**	423	**-**	-
Subsidiaries:				
- interest income	**-**	-	**-**	4,436
- rental income	**-**	-	**8,672**	9,642
- commission payable	**-**	-	**120**	120
- management fee payable	**-**	-	**515**	1,008
- waiver of interest payable	**-**	-	**-**	155
Rental income from Jacmolli Design & Jewellers (M) Sdn. Bhd.	**-**	123	**-**	-
Advances from Top Lander Offshore Inc. (net)	**2,766**	9,881	**2,246**	8,231
Property development revenue from Optima Mewah Sdn. Bhd.	**-**	4,075	**-**	-

32. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Remuneration of Directors and key management personnel are as follows:

	Group 2015 RM'000	Group 2014 RM'000
Short term employee benefits	**1,901**	2,363
Contributions to defined contribution plan	**139**	166
	2,040	2,529

33. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in the business of property development, investment property and construction. The Group's property development activity is mainly undertaken by LHRD, 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 properties
(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. 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 2015	Property development RM'000	Investment property RM'000	Construction RM'000	Total RM'000
Revenue				
Total revenue	**1,558**	**20,768**	**-**	**22,326**
Inter-segment revenue	**-**	**(9,746)**	**-**	**(9,746)**
Revenue from external customers	**1,558**	**11,022**	**-**	**12,580**
Interest income	**-**	**73**	**-**	**73**
Finance costs	**-**	**(5,145)**	**-**	**(5,145)**
Net finance expense	**-**	**(5,072)**	**-**	**(5,072)**
Depreciation of property, plant and equipment	**24**	**654**	**-**	**678**
Segment loss before tax	**(4,991)**	**(9,863)**	**(5)**	**(14,859)**

33. OPERATING SEGMENTS (CONT'D)

Group 2015	Property development RM'000	Investment property RM'000	Construction RM'000	Total RM'000
Other material non-cash items:				
Impairment loss on trade receivables	-	224	-	224
Provision for litigation claims	-	1,429	-	1,429
Bad debts written off	-	197	-	197
Segment assets	**163,344**	**538,423**	**10**	**701,777**
Segment liabilities	**92,368**	**506,274**	**1,874**	**600,516**

Group 2014	Property development RM'000	Investment property RM'000	Construction RM'000	Total RM'000
Revenue				
Total revenue	4,953	23,903	-	28,856
Inter-segment revenue	-	(11,749)	-	(11,749)
Revenue from external customers	4,953	12,154	-	17,107
Interest income	1	4	-	5
Finance costs	(4,639)	(8,173)	-	(12,812)
Net finance expense	(4,638)	(8,169)	-	(12,807)
Depreciation of property, plant and equipment	63	853	-	916
Segment loss before tax	(4,901)	(163,765)	(52)	(168,718)
Other material non-cash items:				
Impairment loss on trade receivables	-	368	-	368
Gain on disposal of property, plant and equipment	8	77	-	85
Waiver of interest by a company in which certain Directors have substantial interests	2,638	5,509	-	8,147
Provision for litigation claims	-	6,137	-	6,137
Segment assets	165,329	533,920	10	699,259
Segment liabilities	87,416	492,975	1,869	582,260

Major customers

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

	Revenue 2015 RM'000	Revenue 2014 RM'000	Segment
Customer A	-	4,075	Property development
Customer B	-	2,149	Investment property

33. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenue, profit/(loss) for the financial year, assets and liabilities to the Group's corresponding amounts are as follows:

Revenue	2015 RM'000	2014 RM'000
Total revenue for reportable segments	**22,326**	28,856
Elimination of inter-segment revenue	**(9,746)**	(11,749)
Group's revenue per consolidated statement of profit or loss and other comprehensive income	**12,580**	17,107
Loss for the financial year		
Total loss for reportable segments	**(14,859)**	(168,718)
Elimination of inter-segment profit or loss	**(1,190)**	154,131
Loss before tax	**(16,049)**	(14,587)
Taxation	**65**	(16,550)
Loss for the financial year	**(15,984)**	(31,137)
Assets		
Total assets for reportable segments	**701,777**	699,259
Elimination of inter-segment assets	**(139,609)**	(133,827)
Current tax asses	**-**	30
Group's assets	**562,168**	565,462
Liabilities		
Total liabilities for reportable segments	**600,516**	582,260
Elimination of inter-segment liabilities	**(307,507)**	(302,915)
Current tax liabilities	**2,692**	2,875
Deferred tax liabilities	**33,275**	33,275
Group's liabilities	**328,976**	315,495

34. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Group			
2015			
Financial Assets			
Trade receivables	**429**	**-**	**429**
Other receivables	**717**	**-**	**717**
Cash and bank balances	**357**	**-**	**357**
	1,503	**-**	**1,503**
Financial Liabilities			
Trade payables	**-**	**2,849**	**2,849**
Other payables	**-**	**196,691**	**196,691**
Amount due to Directors	**-**	**701**	**701**
Bank borrowings	**-**	**92,511**	**92,511**
	-	**292,752**	**292,752**
2014			
Financial Assets			
Trade receivables	527	-	527
Other receivables	1,407	-	1,407
Cash and bank balances	718	-	718
	2,652	-	2,652
Financial Liabilities			
Trade payables	-	2,831	2,831
Other payables	-	185,531	185,531
Amount due to Directors	-	515	515
Bank borrowings	-	90,211	90,211
	-	279,088	279,088

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Company			
2015			
Financial Assets			
Other receivables	**412**	**-**	**412**
Amount due from subsidiaries	**81,225**	**-**	**81,225**
Cash and bank balances	**86**	**-**	**86**
	81,723	**-**	**81,723**
Financial Liabilities			
Other payables	**-**	**62,925**	**62,925**
Amount due to Directors	**-**	**701**	**701**
Amount due to subsidiaries	**-**	**21,408**	**21,408**
Bank borrowings	**-**	**92,245**	**92,245**
	-	**177,279**	**177,279**
2014			
Financial Assets			
Other receivables	373	-	373
Amount due from subsidiaries	77,774	-	77,774
Cash and bank balances	568	-	568
	78,715	-	78,715
Financial Liabilities			
Other payables	-	55,808	55,808
Amount due to Directors	-	515	515
Amount due to subsidiaries	-	21,430	21,430
Bank borrowings	-	89,897	89,897
	-	167,650	167,650

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with licensed banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. There was no indication that any subsidiary would default on repayment as at the end of the reporting period.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's maximum exposure to credit risk. The Company has no significant concentration of credit risk except for advances to its subsidiaries where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

As disclosed in Note 15, the Group had defaulted in the repayment of principal sums and interest in respect of banking facilities, which amounted to RM108,957,000.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Repayable on demand or within 1 year RM'000	1 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group					
2015					
Non-derivative financial liabilities					
Trade payables	2,849	-	-	2,849	2,849
Other payables	196,691	-	-	196,691	196,691
Amount due to Directors	701	-	-	701	701
Revolving credit	25,704	-	-	25,704	25,704
Finance lease liabilities	311	605	98	1,014	929
Bank overdrafts	65,878	-	-	65,878	65,878
	292,134	605	98	292,837	292,752

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	Repayable on demand or within 1 year RM'000	1 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group					
2014					
Non-derivative financial liabilities					
Trade payables	2,831	-	-	2,831	2,831
Other payables	185,531	-	-	185,531	185,531
Amount due to Directors	515	-	-	515	515
Revolving credit	25,704	-	-	25,704	25,704
Finance lease liabilities	312	882	132	1,326	1,187
Bank overdrafts	63,320	-	-	63,320	63,320
	278,213	882	132	279,227	279,088
Company					
2015					
Non-derivative financial liabilities					
Other payables	**62,925**	**-**	**-**	**62,925**	**62,925**
Amount due to Directors	**701**	**-**	**-**	**701**	**701**
Amount due to subsidiaries	**21,408**	**-**	**-**	**21,408**	**21,408**
Revolving credit	**25,704**	**-**	**-**	**25,704**	**25,704**
Finance lease liabilities	**252**	**442**	**14**	**708**	**663**
Bank overdrafts	**65,878**	**-**	**-**	**65,878**	**65,878**
	176,868	**442**	**14**	**177,324**	**177,279**
2014					
Non-derivative financial liabilities					
Other payables	55,808	-	-	55,808	55,808
Amount due to Directors	515	-	-	515	515
Amount due to subsidiaries	21,430	-	-	21,430	21,430
Revolving credit	25,704	-	-	25,704	25,704
Finance lease liabilities	252	694	14	960	873
Bank overdrafts	63,320	-	-	63,320	63,320
	167,029	694	14	167,737	167,650

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in foreign currency. The currency giving rise to this risk is primarily Hong Kong Dollar (HKD).

The Group has not entered into any derivative instruments for hedging or trading purposes. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in HKD RM'000	Total RM'000
Group		
2015		
Cash and bank balances	**24**	**24**
Other payables	**(607)**	**(607)**
	(583)	**(583)**
2014		
Other receivables	24	24
Cash and bank balances	29	29
Other payables	(607)	(607)
	(554)	(554)

Foreign currency sensitivity analysis

The exposure of currency risk of an entity in the Group which does not have RM as its functional currency is not material and hence, sensitivity analysis is not presented.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

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 creditors 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.

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk is as follows:

	2015 RM'000	2014 RM'000
Group		
Fixed rate instruments		
Financial assets	**34**	35
Financial liabilities	**929**	1,187
	963	1,222
Floating rate instruments		
Financial liabilities	**91,582**	89,024
Company		
Fixed rate instruments		
Financial liabilities	**663**	873
Floating rate instruments		
Financial liabilities	**91,582**	89,024

Interest rate sensitivity analysis

A change in 0.25% interest rate at the end of the reporting period would have increased/decreased the Group's and the Company's loss before tax by RM229,000 and RM229,000 (2014: RM223,000 and RM223,000) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair values of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowing approximate their fair values due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of financial instruments (Cont'd)

	Fair value of financial instruments not carried at fair value				Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000
Group					
2015					
Financial liabilities					
Finance lease liabilities	**-**	**841**	**-**	**841**	**655**
2014					
Financial liabilities					
Finance lease liabilities	-	1,171	-	1,171	925
Company					
2015					
Financial liabilities					
Finance lease liabilities	**-**	**656**	**-**	**656**	**437**
2014					
Financial liabilities					
Finance lease liabilities	-	866	-	866	658

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. There were no changes in the Group's approach to capital management during the financial year.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement for the financial year ended 30 June 2015.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 18 July 2014, the Company has announced to undertake the following proposals:

(i) proposed reduction of the issued and paid-up share capital of the Company pursuant to Section 64 of the Companies Act, 1965 ("Act"), involving the cancellation of RM0.50 of the par value of each existing ordinary share of RM1.00 each in MPCB ("Existing MPCB Shares") ("Proposed Par Value Reduction");

(ii) proposed renounceable rights issue of up to 322,178,213 new ordinary shares of RM0.50 each in MPCB ("MPCB Shares")("Rights Shares") together with up to 161,089,107 free detachable warrants ("Free Warrants") at an issue price of RM0.50 per Rights Share on the basis of four (4) Rights Shares together with two (2) Free Warrants for every five (5) ordinary shares of RM0.50 each in MPCB ("MPCB Shares" or "Shares") held after the Proposed Par Value Reduction on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Rights Issue of Shares with Free Warrants");

(iii) proposed renounceable rights issue of up to RM80,544,553 5-year 2% irredeemable convertible unsecured loan stock ("ICULS") ("ICULS A") at 100% of its nominal value of RM0.10 each on the basis of two (2) ICULS A for every one (1) MPCB Share held after the Proposed Par Value Reduction on the Entitlement Date ("Proposed Rights Issue of ICULS A");

(iv) proposed renounceable rights issue of up to RM80,544,553 10-year 1% ICULS ("ICULS B") at 100% of its nominal value of RM0.10 each on the basis of two (2) ICULS B for every one (1) MPCB Share held after the Proposed Par Value Reduction on the Entitlement Date ("Proposed Rights Issue of ICULS B");

(v) proposed increase in the authorised share capital of MPCORP from RM250,000,000 comprising 500,000,000 MPCB Shares (after the Proposed Par Value Reduction) to RM750,000,000 comprising 1,500,000,000 MPCB Shares ("Proposed Increase in Authorised Share Capital"); and

(vi) proposed amendment to the memorandum of association of the Company ("Proposed Memorandum Amendment")

On 26 January 2015, the Company announced that the Board of Directors has decided to abort the proposals following the admission of the Company into PN17.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) On 1 December 2014, the Company announced that the Company is a Practice Note 17 ("PN17") company it has triggered the prescribed criteria under PN17 pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The PN17 criteria was triggered as the previous Company's External Auditors have expressed a disclaimer opinion in the Company's audited financial statements for the financial year ended 30 June 2014.

Pursuant to PN17, the Company is required to comply with the following:

(i) within twelve (12) months from the date of this First Announcement;

(a) submit a regularisation plan to the Securities Commission ("SC") if the plan will result in a significant change in the business direction or policy of the Company; or

(b) submit a regularisation plan to Bursa Securities if the plan will not result in a significant change in the business direction or policy of the Company, and obtain Bursa Securities' approval to implement the plan;

(ii) implement the regularisation plan within the time frame stipulated by the SC or Bursa Securities, as the case may be;

(iii) announce within three (3) months from this First Announcement, on whether the regularisation plan will result in a significant change in the business direction or policy of the Company;

(iv) announce the status of its regularisation plan and the number of months to the end of the relevant time frames referred to in Paragraphs 5.1 and 5.2 of PN17, as may be applicable, on a monthly basis until further notice from Bursa Securities;

(v) announce its compliance or non-compliance with a particular obligation imposed pursuant to PN17, on an immediate basis;

(vi) announce the details of the regularisation plan ("Requisite Announcement") and sufficient information to demonstrate that the Company is able to comply with all the requirements set out in Paragraph 3.1 of PN17 after implementation of the regularisation plan, which shall include a timetable for the complete implementation of the regularisation plan. The Requisite Announcement must be made by the Company's Principal Adviser; and

(vii) where the Company fails to regularise its condition, it will announce the dates of suspension and de-listing of its listed securities immediately upon notification of suspension and de-listing by Bursa Securities.

In the event the Company fails to comply with the obligations to regularise its condition, all its listed securities will be suspended from trading on the next market day after five (5) market days from the date of notification of suspension by Bursa Securities and de-listing procedures shall be taken against the Company, subject to the Company's right to appeal against the de-listing.

The Company is looking into formulating a regularisation plan to address its PN17 status and will make the necessary announcement on the regularisation plan in due course.

(c) On 27 October 2014, LHRD, a wholly-owned subsidiary of the Company had entered into a Sales & Purchase Agreement with Temokin Development Sdn. Bhd. on the sales of 163 parcels of freehold land held under HSD 310454, PTD 149708 situated in Mukim Plentong, Daerah Johor Bahru, Negeri Johor with a total area of 260,938.46 for a sales consideration of RM9,350,676. As at 30 June 2015, the disposal has yet to be completed.

(d) On 26 May 2015, LHRD, a wholly-owned subsidiary of the Company had entered into a Joint Development Agreement ('JDA') with Bina Puri Properties Sdn. Bhd.. LHRD, as a land owner will grant to who acts as developer, the sole and exclusive rights to carry out a housing development project on the land with total area of 1,063,299.55 square feet. As a return, LHRD is entitled to RM21,265,991 as consideration together with an agreed proportion of profit sharing. As at 30 June 2015, the condition precedent of the JDA has yet to be fulfilled.

37. COMPARATIVE INFORMATION

(a) The financial statements of the Group and of the Company as at 30 June 2014 were audited by another firm of chartered accountants.

(b) The following comparative figures have been reclassified to conform with current year's presentation:

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Group			
Statements of financial position			
Trade and other receivables	1,944	(1,944)	-
Trade receivables	-	527	527
Other receivables	-	1,417	1,417
Trade and other payables	188,877	(188,877)	-
Trade payables	-	2,831	2,831
Other payables	-	185,531	185,531
Amount due to Directors	-	515	515
Company			
Statements of financial position			
Trade and other receivables	78,153	(78,153)	-
Other receivables	-	379	379
Amount due from subsidiaries	-	77,774	77,774
Trade and other payables	77,753	(77,753)	-
Other payables	-	55,808	55,808
Amount due to Directors	-	515	515
Amount due to subsidiaries	-	21,430	21,430
Group			
Statements of cash flows			
Cash Flows From Operating Activities			
Changes in working capital			
Property development costs	2,174	(1,810)	364
Trade and other receivables	(1,305)	1,305	-
Trade receivables	-	(580)	(580)
Other receivables	-	(725)	(725)
Trade and other payables	4,828	(4,828)	-
Trade payables	-	346	346
Other payables	-	13,474	13,474
Directors	-	2	2
Cash used in operation			
Interest paid	(5,027)	(58)	(5,085)
Cash Flows From Investing Activities			
Advances from related parties	8,994	(8,994)	-
Increase in land held for property development	(1,810)	1,810	-
Cash Flows From Financing Activities			
Interest paid	(58)	58	-

37. COMPARATIVE INFORMATION (CONT'D)

(b) The following comparative figures have been reclassified to conform with current year's presentation: (Cont'd)

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Company			
Statements of cash flows			
Cash Flows From Operating Activities			
Changes in working capital			
Other payables	2,811	8,229	11,040
Directors	-	2	2
Subsidiaries	-	(3,940)	(3,940)
Net cash used in operation			
Interest paid	(5,027)	(47)	(5,074)
Cash Flows From Investing Activities			
Advances from related parties	8,231	(8,231)	-
Advances to subsidiaries	(3,940)	3,940	-
Cash Flows From Financing Activities			
Interest paid	(47)	47	-

38. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 29 October 2015.

Supplementary Information on The Disclosure of Realised and Unrealised Profits or Losses

39. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised accumulated losses of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and 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.

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Total accumulated losses of the Company and its subsidiaries				
- realised	**(490,859)**	(484,076)	**(353,103)**	(355,436)
- unrealised	**256,361**	255,551	**253,698**	252,970
	(234,498)	(228,525)	**(99,405)**	(102,466)
Less: Consolidation adjustments	**180,686**	180,686	**-**	-
	(53,812)	(47,839)	**(99,405)**	(102,466)

The disclosure of realised and unrealised profit or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

Properties Held by the Group

	Tenure		Location	Approximately Net Lettable Area/ Land Area		Approximate Age of Building (years)	Net Carrying Amount @ 30 June 2015 (RM'000)	Date of Revaluation
1	Freehold	i	19 Level office tower	257,805 sq ft	}	41	320,000	14/10/2014
					}			
		ii	Majority of the floor area of 4 level retail podium at Jalan Raja Chulan 50200 Kuala Lumpur	76,864 sq ft	}			
2	Freehold		Remaining land & Development in the Mukim Plentong, District of Johore Bahru, Johor Darul Takzim	488 acres	}	-	239,844	24/7/2008

Analysis of Shareholdings

As at 2 November 2015

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	188	5.61	6,619	0.00
100 to 1,000	997	29.73	899,660	0.31
1,001 to 10,000	1,184	35.30	5,936,942	2.06
10,001 to 100,000	806	24.03	28,180,590	9.80
100,001 to less than 5% of issued shares	177	5.28	75,502,408	26.25
5% and above of issued shares	2	0.06	177,133,561	61.58
TOTAL	**3,354**	**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.	162,133,561	56.36	-	-
Dato' Ch'ng Poh @ Ch'ng Chong Poh	-	-	162,133,561	56.36[1]
Datin Kong Yuk Chu	-	-	162,133,561	56.36[1]
Seacrest Land Limited	-	-	162,133,561	56.36[1]
Tey Por Yee	15,000,000	5.21	-	-

[1] Deemed interested by virtue his/her substantial interest in Seacrest Land Limited, which has in 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

Name	Direct Interest		Indirect Interest	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Datin Kong Yuk Chu	-	-	162,133,561	56.36[1]
Ch'ng Soon Sen	469,000[2]	0.16[2]	-	-
Dato' Muralee A/L Y.S.Menon*	-	-	-	-
Lim Yit Kiong	-	-	-	-
Ng Kok Wah#	-	-	-	-
Tang Boon Hiap	-	-	-	-
Leong Kah Mun*	-	-	-	-
Yee Wei Meng*	-	-	-	-

[1] Deemed interested by virtue his/her substantial interest in Seacrest Land Limited, which has in 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 (STA 1).

* Appointed on 9 November 2015.

Resigned on 9 November 2015.

TOP THIRTY SECURITIES SHAREHOLDERS AS AT 2 NOVEMBER 2015

	Name of Shareholders	Holdings No. of Shares	Holdings % of Issued Capital
1	Top Lander Offshore Inc.	162,133,561	56.36
2	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tey Por Yee (Margin)	15,000,000	5.21
3	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Faizatul Ikmi Binti Abd Razak (E-SLY)	3,074,300	1.07
4	Yap Lian Far	2,495,700	0.87
5	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Ah Lou	2,321,000	0.81
6	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Lian Far	2,145,200	0.75
7	Teo Kwee Hock	1,815,100	0.63
8	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Poh Choo (Penang-CL)	1,678,000	0.58
9	Lee Sim Hee	1,576,600	0.55
10	Chong Hung Lai	1,560,600	0.54
11	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Heng Loong	1,450,000	0.50
12	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd (EPF)	1,337,000	0.46
13	Oon Phaik Siew	1,332,700	0.46
14	Ng Faai @ Ng Yoke Pei	1,291,900	0.45
15	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hooi Hing Lee	1,202,100	0.42
16	Chin Sin Lin	1,036,100	0.36
17	Cheng Ken Seong	999,700	0.35
18	Maybank Nominees (Tempatan) Sdn Bhd Wong Kun Tzu @ Wong King Tzu	950,000	0.33
19	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	946,000	0.33
20	Lim Chen Tong	933,300	0.32
21	Sin Bee Lean	920,000	0.32
22	Lee Ee Me	882,200	0.31
23	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chong Pak Kin (Penang-CL)	880,000	0.31
24	Ong Kek Poh	879,000	0.31
25	Affin Hwang Nominees (Tempatan) Sdn Bhd Taiping Recovery Sdn Bhd – In Liquidation for Ho Ngan Yin	871,000	0.30
26	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock (STA 1)	812,700	0.28
27	Wong Choon Shein	800,000	0.28
28	Koh Kwee Hooi	784,300	0.27
29	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ta Kin Yan (472435)	751,851	0.26
30	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Chin Hock	736,700	0.26
	TOTAL	**213,596,612**	**74.25**

MALAYSIA
PACIFIC
CORPORATION
BERHAD
(12200-M)

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 Forty-Third Annual General Meeting of the Company or at any adjournment thereof to be held at at Crystal Room, Level 1, Crystal Crown Hotel Harbour View, 217, Persiaran Raja Muda Musa, 42000 Port Klang, Selangor Darul Ehsan, Malaysia on Wednesday, 16 December 2015 at 8.00 a.m..

No.	Resolution	For	Against
Ordinary Resolution 1	To approve the payment of Directors' Fees for the financial year ended 30 June 2015.		
Ordinary Resolution 2	To re-elect Mr Ch'ng Soon Sen as a Director retiring pursuant to Article 85 of the Articles of Association of the Company.		
Ordinary Resolution 3	To re-elect Mr Tang Boon Hiap as a Director retiring pursuant to Article 92 of the Articles of Association of the Company.		
Ordinary Resolution 4	To re-elect Mr Lim Yit Kiong as a Director retiring pursuant to Article 92 of the Articles of Association of the Company.		
Ordinary Resolution 5	To re-elect Dato' Muralee A/L Y.S.Menon as a Director retiring pursuant to Article 92 of the Articles of Association of the Company.		
Ordinary Resolution 6	To re-elect Mr Leong Kah Mun as a Director retiring pursuant to Article 92 of the Articles of Association of the Company.		
Ordinary Resolution 7	To re-elect Mr Yee Wei Meng as a Director retiring pursuant to Article 92 of the Articles of Association of the Company.		
Ordinary Resolution 8	To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	To give authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares.		

* 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.]

Dated this ______________ day of ______________ 2015

____
Signature or Common Seal of Member/(s)

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 7 December 2015 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)

Lot 6.05, Level 6, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

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