MALAYSIA
PACIFIC
CORPORATION
BERHAD
(12200-M)

Forming New STRATEGIC COLLABORATION

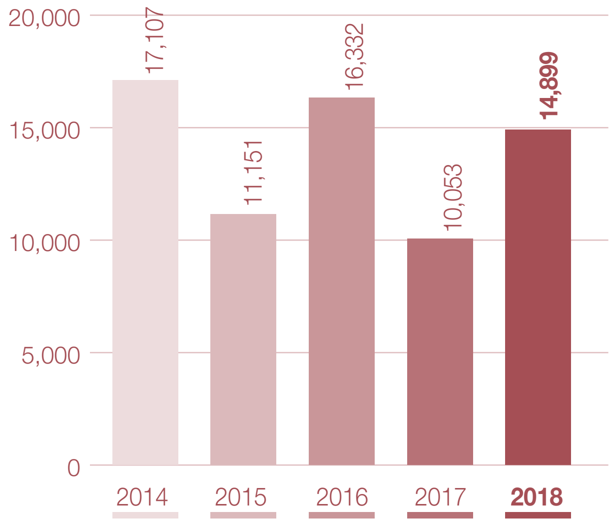
annual report 2018

CONTENTS

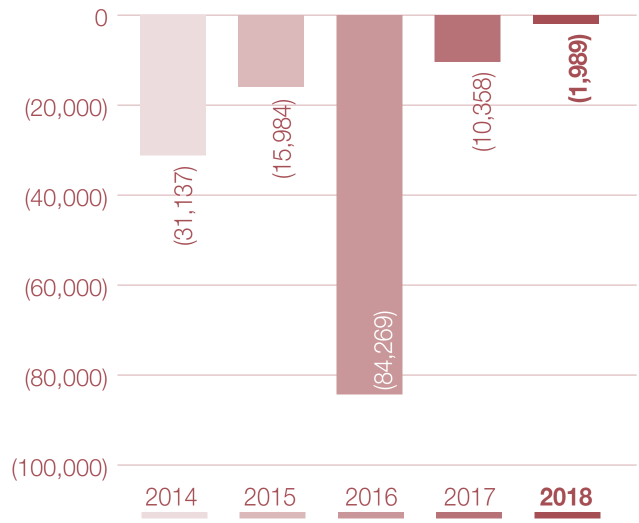
FIVE YEAR FINANCIAL HIGHLIGHTS

		Year Ended 30 June				
		2018	**2017**	**2016**	**2015**	**2014**
Revenue	(RM'000)	**14,899**	10,053	16,332	11,151	17,107
Loss Before Tax	(RM'000)	**(1,928)**	(10,103)	(88,426)	(16,049)	(14,587)
Loss After Tax	(RM'000)	**(1,989)**	(10,358)	(84,269)	(15,984)	(31,137)
Paid-Up Capital	(RM'000)	**287,660**	287,660	287,660	287,660	287,660
Equity Attributable To Owners Of The Parent	(RM'000)	**136,538**	138,521	148,835	233,192	249,967
Total Assets	(RM'000)	**497,557**	505,953	489,496	562,168	565,462
Basic Loss Per Share	(Sen)	**(0.69)**	(3.60)	(29.29)	(5.56)	(10.82)
Net Assets per Share	(RM)	**0.47**	0.48	0.52	0.81	0.87

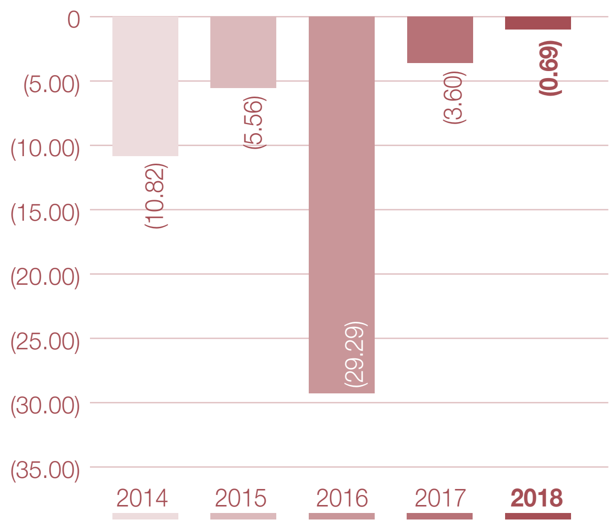
REVENUE
(RM'000/Year)



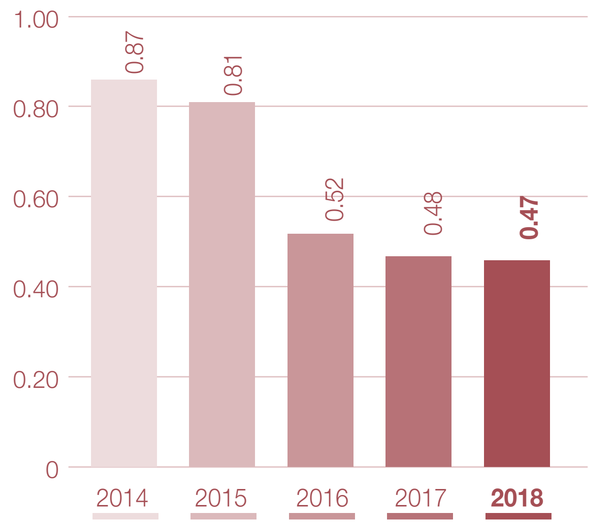
LOSS AFTER TAX
(RM'000/Year)



BASIC LOSS PER SHARE
(RM'000/Year)



NET ASSETS PER SHARE
(RM'000/Year)



MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

On behalf of the Board of Directors and Management of Malaysia Pacific Corporation Berhad ("MPCorp or the Company"), it is a pleasure to present the annual report for the financial year ended 30 June 2018.

FINANCIAL REVIEW

Summary of Financial Comparison

For the financial year end 30 June (RM'000)	2018	2017
Revenue	**14,899**	10,053
Loss Before Tax	**(1,928)**	(10,103)
Loss After Tax	**(1,989)**	(10,358)
Equity Attributable To Owners Of The Parent	**136,538**	138,521
Total Assets	**497,557**	505,953
Returns on Equity	**(1.46%)**	(7.48%)
Returns on Asset	**(0.40%)**	(2.05%)
Basic Loss Per Share (Sen)	**(0.69)**	(3.60)
Net Assets per Share (RM)	**0.47**	0.48

The Group main activities are investment property and property development. For the financial year ended 30 June 2018, the Group registered revenue of RM14.90 million and loss before tax of RM1.93 million. As compare to the previous year, the revenue for the current financial year has increased by RM4.85 million from RM10.05 million and loss before tax decreased by RM8.18 million from RM10.10 million.

The increased in revenue for the current financial year were mainly contributed by revenue recognition from the disposal of land. The decreased in loss before tax of RM8.18 million was mainly contributed by profit generated from disposal of land, fair value adjustment on the financial instrument item and reversal of over provision expenses in prior year.

The Group's net asset per share for the financial year ended 30 June 2018 reduced RM0.01 to RM0.47.

OPERATION REVIEW

The revenue from investment property and property development was RM6.19 million and RM8.71 million which represented 41.51% and 58.49% contribution to the group respectively. In term of segmentation result for the financial year ended 30 June 2018, investment property has made loss before tax of RM7.99 million whilst property development registered profit before tax of RM6.01 million.

On 21 September 2018, MPCorp via its wholly-owned subsidiary companies Taman Bandar Baru Masai Sdn Bhd and Lakehill Resort Development Sdn Bhd signed Amended and Restated Joint Venture Agreement and Shareholders Agreement with Chun Fu Development Sdn Bhd ("Chun Fu") for a joint development for approximate 42.77 acres land with projection gross development value of RM247 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Meanwhile, the Group has been actively dealing with Amanahraya Development Sdn Bhd to seek a total solution to resolve the amount due to them. After numerous round of negotiation with Amanahraya, the Group received positive responsive from Amanahraya and expected to finalise the terms and conditions of the settlement agreement soon.

RHB had on 13 June 2018 obtained court order allowing RHB's winding-up petition and dismissed MPCorp application to stay the Winding-Up Petition and application for Notice of motion to strike-out the Winding-up order. The Court of Appeal had on 10 July 2018 allowed the Group application for the stay of execution of the Winding-Up order and the Federal Court had on 15 September 2018 granted the Group leave application to appeal to Federal Court against Court of Appeal order. The Group is actively looking for potential investor to buy over the Wisma MPL. At the meantime, the Group has received few proposals from local and foreign investor who interested in investment in Wisma MPL. The Group will table the settlement arrangement with RHB Bank while the proposed terms and conditions are finalised with the investor.

REGULARISATION AND RESTRUCTURING PLANS

On 1 December 2014, MPCorp announced that it is a practice Note 17 ("PN17") company pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Security Berhad as the company auditors had expressed a disclaimer opinion in the Company's audited financial statement for the financial year ended 30 June 2014.

On 13 July 2018, MPCorp obtained approval from Bursa Malaysia Securities Berhad for an extension of time up to 31 December 2018 to make the requisite announcement and submit its regularisation plan.

In view of the momentum of disposal of Wisma MPL to settle outstanding loan with RHB, settlement arrangement with Amanahraya and joint venture development to revive activities in property development. The Group is moving on the path of regularising business activities. Although the property industry is facing stern challenging environment in year 2018 and 2019, the Group is optimistic on the prospect for the next financial year.

APPRECIATION

On behalf of the Board of Directors, we would like to convey our sincere appreciation to our shareholders, bankers, business associates, local authorities and government agencies for their continued support.

Charles Ch'ng Soon Sen
Chief Executive Officer and Executive Director

This statement was made in accordance with the resolution of the Board of Directors passed on 16 October 2018.

CORPORATE STRUCTURE

MALAYSIA PACIFIC COPRORATION 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%** Prestige Trading Sdn Bhd 717414-D
- **100%** MPC Properties Sdn Bhd 708892-A
    - **100%** ASA Enterprises Sdn Bhd 17316-M
    - **100%** Creative Ascent Sdn Bhd 305029-H
        - **100%** Taman Bandar Baru Masai Sdn Bhd 321412-T
    - **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%** Temasek Mewatek Sdn Bhd 858743-D
- **100%** Bedford PJ Complex Sdn Bhd 202353-M
- **100%** Euronium Construction Sdn Bhd 626922-A
- **100%** Premier Building Management Services Sdn Bhd 595741-M
- **100%** Real Rock Restaurant and Cafe Sdn Bhd 809255-M

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Ir. Hj. Md. Nasir Bin Ibrahim
Chairman and Independent Non-Executive Director

Datin Kong Yuk Chu
Vice Chairman and Executive Director

Ch'ng Soon Sen
Chief Executive Officer and Executive Director

Ch'ng Se Hua
Executive Director

Lim Yit Kiong
Independent Non-Executive Director

Ho Pui Hold
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Committee Chairman
Ho Pui Hold

Committee Members
Lim Yit Kiong
Dato' Ir. Hi. Md. Nasir Bin Ibrahim

SECRETARIES

Pang Kah Man (MIA 18831)

REGISTERED OFFICE

No. 3-2 3rd Mile Square
No. 151 Jalan Kelang Lama
Batu 3½ 58100 Kuala Lumpur
Tel : +603-7987 5300
Fax : +603-7987 5200
Email : lsca-kl@lsca.com.my

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

NOMINATING AND REMUNERATION COMMITTEE

Committee Chairman
Ho Pui Hold

Committee Members
Lim Yit Kiong
Dato' Ir. Hi. Md. Nasir Bin Ibrahim

PRINCIPAL PLACE OF BUSINESS

14th Floor, 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' PROFILE

DATO' IR. HJ. MD. NASIR BIN IBRAHIM
Chairman and Independent Non-Executive Director

Dato' Ir. Hj. Md.Nasir bin Ibrahim ("Dato' Nasir"), aged 55, a Malaysian, was appointed to the Board on 12 October 2016. He is an Independent Non-Executive Director of the Company.

Dato' Nasir was graduated from University of Texas, Arlington in 1986 with an Honours Bachelor Degree of Civil Engineering. He continued study in Master of Business Administration in 2000 at Universiti Kebangsaan Malaysia (UKM). He also held a "Professional and Competence Engineer" from Board of Engineers Malaysia and he has been recognized as a Professional Engineer (AR 12283).

Dato' Nasir is a Group Managing Director of Teamcoat Group of Companies, a bumiputera civil engineering group of companies and registered with the Contractor Service Centre (PKK) under Class A and Construction Industry Development Board (CIDB) in Grades G7. The company had undertaken both Government and Semi-Government project more than RM 1 Billion worth of contract. The company had also involved in Joint-Venture Agreement with both State of Selangor and Malacca State Economic Development Corporation (SEDC). The company is also categorized under TERAJU which is under Ministry of Finance Malaysia.

He was the Deputy Chairman of the Advisory Board of Trustees Guild of Bumiputra Contractors (GBC) in 2010 to present, Deputy Chairman of the Community College at Selayang in 2013, the Secretary of Board of Trustees (GBC) in 2002 to 2010, a member of Entrepreneurs Club (KUAT), a member of Malay Chamber (DPMM), Malay Contractors Association (PKMM) and UMNO Deputy Head Division member at Selayang from 2014 until present. Currently he is the Chairman of College Community Selayang and also a Coordinator of Implementation of Coordination Unit under Prime Minister Office for Taman Templer Division.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted for any offences within the past five (5) years other than traffic offence, if any.

DATIN KONG YUK CHU
Vice Chairman and Executive Director

Datin Kong Yuk Chu, aged 70, 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).

She 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 both Ch'ng Soon Sen and Ch'ng Se Hua. She has not been convicted for any offences within the past five (5) years other than traffic offence, if any.

BOARD OF DIRECTORS' PROFILE

CH'NG SOON SEN
Chief Executive Officer and Executive Director

Mr Ch'ng Soon Sen, aged 36, 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 Advanced 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 and the brother of Ch'ng Se Hua. He has not been convicted for any offences within the past five (5) years other than traffic offence, if any.

CH'NG SE HUA
Executive Director

Ms. Ch'ng Se Hua, aged 31, a Malaysian, was appointed to the Board on 15 August 2016 as Executive Director of the Company.

Ms. Ch'ng graduated from Hong Kong Polytechnic University in 2009 with BA Hons (Fashion Design & Marketing). She is multilingual in Cantonese, Mandarin, English language and literature.

She is a director of Top Lender Offshore Inc, a company incorporated in British Virgin Islands which is a substantial shareholder of Malaysia Pacific Corporation Berhad.

She is the daughter of Datin Kong Yuk Chu, Vice-Chairman and Executive Director of the Company and sister of Mr. Ch'ng Soon Sen, the Chief Executive Officer and Executive Director of the Company.

She has not been convicted for any offences within the past five (5) years other than traffic offence, if any.

BOARD OF DIRECTORS' PROFILE

LIM YIT KIONG
Independent Non-Executive Director

Mr Lim Yit Kiong, aged 42, 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 for any offences within the past five (5) years other than traffic offence, if any.

HO PUI HOLD
Independent Non-Executive Director

Mr. Ho Pui Hold, aged 36, a Malaysian, was appointed to the Board on 12 October 2016 as an Independent Non-Executive Director of the Company.

He is an Accountant by profession, a fellow member of the Association of Chartered Certified Accountants (FCCA), United Kingdom, a member of Malaysian Institute of Accountants (MIA) and a member of Asean Chartered Professional Accountant.

Mr Ho has years of professional experience in auditing, banking and corporate finance. He started his career in 2004 by joining a Singapore advisory firm as IPO consultant where he participated in a few successful listing of companies in SGX. He then joined Ernst & Young as Senior Audit Associate until 2009 before he left to join AmBank (M) Berhad – Corporate & Institutional Banking. In the bank, he was responsible in client credit evaluation and marketing of the Bank's products mainly in debt capital market, offshore loan syndication, corporate finance advisory & treasury products. To further advance his career, he took up the Chief Financial Officer position in a Bursa Malaysia listed foreign company until 2013. He now sits on the board of HB Global Limited, Aturmaju Resources Berhad and Milux Corporation Berhad, companies listed on Main Market of Bursa Malaysia.

Mr Ho 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 for any offences within the past five (5) years other than traffic offence, if any.

PROFILE OF KEY SENIOR MANAGEMENT

MOHD FARIDZ BIN MOHD NOOR

Head of Project,
Lakehill Resort Development Sdn Bhd
Age 42, Male, Malaysian

En. Mohd Faridz was appointed as the Managing Architect on 2 September 2013. He subsequently re-designated to Head of Project in February 2014. He holds a Diploma/Bachelor Degree of Architecture, majoring in Architecture Technology in Lim Kok Wing University of Creative Technology & Curtin University.

En. Mohd Faridz had few overseas experiences in U.A.E and Libya for the township development and luxury projects on the local front, he has work with Tropicana Corporation Berhad, Selangor State Development Corporation and BEP Architect. He also involved with the companies and projects which have been awarded by FIABCI, BCI, Top Property Developer Awards and International Property Awards.

He does not hold directorship in any public companies and has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five years.

TAN MENG HUI

Head of Legal and Business Development,
Malaysia Pacific Corporation Berhad
Age 42, Male, Malaysian

Mr. Tan Meng Hui was appointed as the Head of Legal and Business Development of Malaysia Pacific Corporation Berhad on 18 October 2016. He graduated with Bachelor of Laws with honours from University of Glamorgan, UK.

Mr. Tan started his career in commercial sector as Legal Assistant since September 1999 and appointed as Legal Manager of LBS Bina Group Berhad from June 2002 to 2005. Then he was appointed as Director of Komeichi Corporation (M) Sdn Bhd for the period 2005 to 2008, Director of CS Global (M) Sdn Bhd and Reco Metal (M) Sdn Bhd for the period 2008 to 2010 Director of UPJ Galian Sdn Bhd for the period 2010 to 2013 and independent director of Malaysia Pacific Corporation Berhad for the period 1 March 2016 to 17 October 2016.

He does not hold directorship in any public companies and has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five years.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The ARMC of Malaysia Pacific Corporation Berhad ("the Company" or "MPCB") comprises three (3) members, all of whom are all Independent Non-Executive Directors. This meets the requirements of Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Audit Committee currently comprises the following members:

Chairman	
Mr Ho Pui Hold	Independent Non-Executive Director
Members	
Dato' Ir. Hj. Md. Nasir Bin Ibrahim (appointed as ARMC member on 14 November 2017)	Independent Non-Executive Director
Mr Lim Yit Kiong	Independent Non-Executive Director

The Board, through the NRC will review annually the terms of office of the ARMC members and assesses the performance of the ARMC through an annual ARMC effectiveness evaluation. The Board is satisfied that during the financial year ended 30 June 2018 ("FY2018"), the ARMC and its members have been able to discharge their functions, duties and responsibilities in accordance with the Terms of Reference ("ToR") as set out at the Company's corporate website at www.mpcb.com.my, thereby supporting the Board in ensuring appropriate CG standards within the Company and the subsidiaries ("Group" or "MPCB Group").

MEETINGS

The ARMC held four (4) meetings in FY2018 without the presence of other Directors, members of Senior Management and employees, except when their attendance were requested by the ARMC. The Group's Chief Executive Officer ("CEO") was invited to all ARMC meetings to facilitate direct communication as well as to provide clarification on audit issues and the operational risks of the Group. The details of attendance of the Audit Committee members are as follows:

Name	Attendance
Ho Pui Hold (Chairman)	4/4
Mr Lim Yit Kiong	4/4
Dato' Ir. Hj. Md. Nasir Bin Ibrahim (appointed on 14 November 2017)	3/4

In addition, the ARMC members also gave unrestricted access to the external auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Deliberations during the ARMC meetings, including the issues tabled and rationale adopted for decisions, were recorded. Minutes of the ARMC meetings were tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for notation.

During the financial year under review, the Chairman of the ARMC presented to the Board with recommendations for approval of the annual and quarterly financial statements and also conveyed to the Board matters of significant concern as and when raised by the external auditors or internal auditors. The internal auditors attended one (1) ARMC meeting to table the internal audit ("IA") report. The relevant Head of the Departments and/or the Senior Management of the audit subjects were also invited to brief the ARMC on specific issues arising from such IA report.

Summary Activities of the Audit and Risk Management Committee During the Year

The activities undertaken by the ARMC during FY2018 included the following:

Activities with regards to external audit:

- reviewing the Audit Planning Memorandum from the external auditors, Messrs UHY on the audit independence, consideration of fraud in an audit of financial statements, areas of audit emphasis, reporting and deliverables, possible key audit matters and fair and transparent fees;
- review of external audit scope and audit plans based on the external auditors' presentation of audit strategy and plan;
- review of external audit results, audit reports, management letter and the response from the Management as well as internal control areas that required improvement;
- discussions with the external auditors without the attendance of other Directors and employees of the Group;
- review and evaluation of factors relating to the independence of the external auditors. The ARMC worked closely with the external auditors in establishing procedures in assessing the suitability and independence of the external auditors, in confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEETINGS (CONT'D)

Summary Activities of the Audit and Risk Management Committee During the Year (Cont'd)

The activities undertaken by the ARMC during FY2018 included the following (Cont'd):

Activities with regards to external audit (Cont'd):

- consideration and recommendation to the Board for approval of the audit fees and non-audit fees payable to the external auditors; and
- review of the performance and effectiveness of the external auditors in the provision of statutory audit services and recommendation to the Board for approval on the re-appointment of external auditors.

Activities with regards to internal audit and risk management:

- review of internal audit's resource requirements, scope, adequacy and function;
- review of internal audit's plan and programs;
- review of IA reports, recommendations and Management's responses. Improvement actions in the areas of internal control, systems and efficiency enhancements suggested by the internal auditors were discussed together with the Management team in a separate forum;
- review of implementation of these recommendations through follow-up audit reports;
- suggestion on additional improvement opportunities in the areas of internal control, systems and efficiency improvement;
- review of the internal control processes and risk management policies and strategies from time to time and recommendation on any significant proposed changes for adoption by the Board;
- monitoring and reporting of the risk assessment results to the Board; and
- assessment on the actual and potential impact of any failure or weakness of the internal controls in place.

Activities with regards to financial statements:

- review of annual report and the annual audited financial statements of the Company prior to submission to the Directors for approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 ("the Act") and the applicable approved accounting standards as per the Financial Reporting Standards ("FRSs") and Malaysian Accounting Standards Board ("MASB") and ;
- review of the Group's compliance with the Listing Requirements, FRSs, MASB and other relevant legal and regulatory requirements with regards to the quarterly financial statements and annual audited financial statements; and
- review of the unaudited quarterly results announcements before recommending them for Board's approval, focusing particularly on:
  - any change in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption as well as the concerns and uncertainties highlighted by the external auditors that may cast doubt about the Group's ability to continue as a going concern; and
  - compliance with applicable FRSs and other legal requirements.

Other activities:

- review of its ToR periodically and recommendation to the Board on revision, if necessary;
- review of related party transactions; and
- review of application of CG principles and the extent of the Group's compliance with the best practices set out under with the Malaysian Code for Corporate Governance 2017;
- review of the Statement on CG, this Report and the Statement on Risk Management and Internal Control for adoption by the Board;
- review of the progress on implementation of action plans and rectification measures for the key findings noted through the special audit conducted previously; and
- review and formulation of the Group's PN17 regularisation plan for submission to Bursa Securities as well as the applications for extension of time to submit regularisation plan.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Internal Audit Function

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

Its role is to provide independent and reasonable assurance that the systems of internal controls and procedures in the operating business entities within the Group are adequate and effective to mitigate the risks identified. The internal audit covers the review of the adequacy of risk management, operational controls, management efficiency and compliance with established procedures and guidelines, amongst others.

The Group has appointed an established external professional Internal Audit firm namely, Messr. CHL Chartered Accountants, headed by CHL, who is competent to conduct the internal audit according to the standards and code of ethics set by the body. The ARMC, on behalf of the Board, assumes the responsibility to review and monitor the effectiveness as well as the adequacy of the Group's internal control system. The Internal Auditors report directly to the ARMC and provide the ARMC with independent and objective evaluation on the state of risk management and internal controls of the Group, and the extent of compliance of the divisions with the Group's established policies and procedures as well as relevant statutory requirements, so that remedial actions can be taken in relation to any weaknesses noted in the systems and controls of the respective divisions.

The internal audit activities were carried out based on a risk-based audit plan presented by the internal auditors to the ARMC for approval. The establishment of the IA plan took into consideration the corporate risk profile and input from Senior Management and the ARMC. The results of the audits provided in the IA reports were reviewed by the ARMC. The internal audit conducted did not reveal any weaknesses which would result in material losses, contingencies and uncertainties that would require a separate disclosure in this Annual Report. In this respect, the IA has added value by improving the control processes within the Group.

All internal audit activities carried out in FY2018 were outsourced to an independent professional firm and the total costs incurred were amounted to RM18,000.

The following IA activities were those carried out by the internal auditors during the financial year under review:

- Formulation of agreement with the ARMC on the risk-based IA plan that was consistent with the Company's objectives and goals;
- Conduct of internal audit engagements in accordance with the IA plan;
- Following up on IA recommendations to ensure adequate implementation; and
- Reporting to the ARMC on the competency (i.e. qualification and experience) of its human resources on a yearly basis.

This ARMC report was made in accordance with the resolution of the ARMC dated 16 October 2018.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("the Board") of Malaysia Pacific Corporation Berhad ("MPCB" or the "Company") believes that good corporate governance is essential to ensure long term sustainability and good business performance of the organisation. Therefore, the Board is committed to ensuring the highest standards of corporate governance are practiced throughout MPCB and its subsidiary companies (the "Group"), as a fundamental part of discharging the Board's responsibilities to create and enhance economic value for shareholders as well as other stakeholders.

The Board is pleased to report on an overview of the application of the recommended practices of the Malaysian Code on Corporate Governance ("MCCG") as required under the MCCG and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") during the financial year under review.

The application of each Practice set out in the MCCG during the financial year under review is disclosed in the Company's Corporate Governance Report which is available on the Company's website at www.mpcb.com.my as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Leadership

Board's Roles and Responsibilities

The Board retains effective control of the Group and is responsible for the overall corporate affairs, strategic direction, formulation of policies and the overall performance of the Group. The Chief Executive Officer and Executive Director, take on primary responsibility for managing the Group's business and resources.

The Board has formalised and adopted a Board Charter which serves as a source of reference and primary induction literature, providing insights to existing and prospective Board members to assist the Board in the performance of their fiduciary duties as Directors of the Company. The Board Charter is available on www.mpcb.com.my.

The Board delegates certain responsibilities to Board Committees namely the Audit and Risk Management Committee **("ARMC")** and Nominating and Remuneration Committee **("NRC")** in order to enhance business and operational efficiency and effectiveness. The Terms of Reference for the Board Committees can be found at www.mpcb.com.my.

Chairman and Chief Executive Officer and Executive Director

The Board recognises the importance of a clear division of roles and responsibilities at the head of the Group to ensure a balance of power and authority. The Non-Executive Chairman is primarily responsible for orderly conduct and effective running of the Board, whilst the Chief Executive Officer and Executive Director is responsible for the business direction and development of the operating units, organisational effectiveness and implementation of the Board's policies and decisions with the management team oversees the Group's day-to-day operations.

Company Secretaries

The Company Secretaries play an advisory role to the Board and is responsible to ensure all Board procedures and Board management matters are in line as well as in compliance with Listing Requirements, relevant laws and regulations. The Company Secretaries ensure that discussions at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant Management for appropriate action.

Board Delegation

a) Audit and Risk Management Committee

The ARMC reviews and evaluate the audit plan and system of internal controls of external auditors, adequacy of internal audit functions. The Committee also reviews, comments and present the quarterly financial results and year end results for approval of the Board.

b) Nominating and Remuneration Committee

The NRC is responsible to review and recommend remuneration packages and employment policies applicable to the Chairman, Managing Director, Directors and Senior Executives, including the following:-

- Recommend to the Board, candidates nominated by shareholders or the Board for directorships to be filled;
- Recommend to the Board, directors to fill seats on board committees;
- Review annually the required skills and experience and other qualities and core competencies Non-Executive Directors should bring to the Board; and
- Assess annually the effectiveness of the Board as a whole and the contribution of each individual director.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition and their attendances

The Company is led by an experienced Board comprising six (6) members comprising an Independent Non-Executive Chairman, a Vice Chairman and Executive Director, a Chief Executive Officer, an Executive Director and two (2) Independent Non-Executive Directors.

No individual or group of individuals dominates the Board's decision making. Independent Directors constitute more than one third of the Board and the interest of significant shareholder are fairly represented on the Board. The present Directors bring a wide range of experience and skills relevant to the business of the Group. Brief descriptions on the background of each Director are set out on pages 6 to 8.

The current size and composition of the Board are considered adequate to provide the optimum skills and experience required to manage affairs. Furthermore, the Board is of the view that the current Board size is balanced in skills and composition.

The Board meets at least four (4) times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During the financial period ended 30 June 2018, Six (6) meetings were held in which the Board deliberated upon and considered various issues including the Groups' financial results, annual budgets, performance of the Group's business, major investment, business plan and policies and strategic issues affecting the Group's business.

Details of attendance of the Directors at Board meetings held during the financial year are as follows:

Name of Directors		Attendance
(a)	Dato' Ir. Hj. Md. Nasir Bin Ibrahim	6/6
(b)	Datin Kong Yuk Chu	5/6
(c)	Ch'ng Soon Sen	6/6
(d)	Ch'ng Se Hua	4/6
(e)	Lim Yit Kiong	6/6
(f)	Ho Pui Hold	6/6

Code of Conduct and Ethics

The Code of Conduct, serves as a road map to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. The Group has also in place the Code of Conduct for its employees which comprised all aspects of its day to day business operations.

Directors and employees of the Group are expected to perceive high standards of integrity and fair dealings in relation to clients, staff, management and regulators which the Group operates and ensure compliance with all applicable laws, rules and regulations.

Board Independence

The Board recognises the importance of independence and objectivity in its decision making process which is in line with the MCCG. The assessment of Independence for the Independent Non-Executive Directors for the Group is conducted annually and incorporated in the questionnaires tailored for Independent Non-Executive Directors.

The independence of the three Independent Non-Executive Directors remains valid as the Directors are not involved in any business, transactions or other relationships with the Group that jeopardizes the exercise of independent judgement and opinion.

Tenure of Independent Directors

One of the recommendations of the MCCG states that the tenure of an independent director should not exceed a cumulative term of 9 years. MCCG also requires that retention of an independent director having served in excess of 12 years be justified by the Board and obtains shareholders' approval on an annual basis through a two-tier voting process. Currently, none of the independent directors have served the Company for a cumulative term of nine (9) years or more.

Gender Diversity

The Board supports the gender boardroom diversity as recommended under the MCCG. Currently, there are two (2) females sit on the Board.

Appointments to the Board

The decision on new appointment of directors' rests with the Board after considering the recommendation of the NRC. In evaluating the suitability of candidates to the Board, the NRC will consider certain criteria such as skills, knowledge, expertise, experience, integrity, commitment, background, boardroom diversity and the ability of the candidate to discharge his/her duties as expected.

PRINCIPLE A: BOARD LEADERSHIP AND

STATEMENT ON CORPORATE GOVERNANCE

EFFECTIVENESS (CONT'D)

Nomination of Board Members

The NRC is comprised of the following Independent Non-Executive Directors:-

- Ho Pui Hold (Chairman)
- Lim Yit Kiong (Member)
- Dato' Ir. Hj. Md. Nasir Bin Ibrahim
  (appointed as ARMC member on 14 November 2017)

During the financial year under review, the NRC conducted the annual review on the Directors' core competencies, contribution, effectiveness and conducted a review on the independence of the independent directors.

Supply and Access of Information

The Board has unrestricted access to timely and accurate information necessary in the furtherance of their duties. At each Board meeting, the Chief Executive Officer and Executive Director, brief the Board on the Group's activities and operations. Directors have access to the advice and services of the Company Secretaries and where necessary, obtain independent professional advice at the Group's expense.

Board Assessment

(a) On an annual basis, the performance of the Board and its members are evaluated on effectiveness in the following areas:

    i. Board composition
    ii. Board remuneration
    iii. Board Committees: evaluation and self-evaluation

(b) A set of questionnaires is given to Directors to complete. The questionnaire covers the following sections in respect of the financial year under review:

    i. Independent Directors' Self-Assessment Form
    ii. Directors' Evaluation Form
    iii. Board & Board Committee Evaluation Form

(c) The findings are as follows:

    i. Subsequent to the performance assessment for 2018, the Board has concluded that the Board as a whole and its Committees functioned effectively. The Board is satisfied that each Director continues to contribute to the Board effectively, is well prepared and with knowledge of matters considered by the Board, has good insight of the Group's operations and financial matters.

       They remain committed to their responsibilities as Board members.

    ii. The Directors are of opinion that Board meetings are convened with open and constructive communication, questioning, free expression of ideas and opinions to propagate meaningful discussions and decision making.

Re-election of Directors

In accordance with the Company's Articles, one-third of the Directors are required to submit themselves for re-election by rotation at least once every three years at each Annual General Meeting ("AGM"). Retiring Directors may offer themselves for re-election.

Directors who are appointed during the financial year are, in accordance with the Company's Constitution, required to retire at the AGM following their appointment but are eligible for re-election by the shareholders.

Directors' Trainings

All Directors appointed to the Board have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

The Board has undertaken an assessment of the training needs of each of each Director and ensured that all the Directors undergo the necessary training programme to enable them to effectively discharge their duties.

PRINCIPLE A: BOARD LEADERSHIP AND

STATEMENT ON CORPORATE GOVERNANCE

EFFECTIVENESS (CONT'D)

Directors' Trainings (Cont'd)

The following Board members have attended the relevant seminars/conferences/training programmes during the financial year as detailed below:-

Name of Director	Seminars/Conferences/Training Programmes Attended
Dato' Ir. Hj. Md. Nasir Bin Ibrahim	1. Seminar On Challenges Delivering The Klang Valley Mass Rapid Transit 2. Seminar "Smart Maintenance For Smart Profit" 3. Industrialised Building System (IBS) and Bim Solution Seminar "Delivering Higher Quality At Shorter Timeline And Increased Profitability" 4. Seminar : Practical, Designable And Constructible Bim For Structural Engineers 5. Rekabentuk Konkrit Pratuang Secara "Hands-On" 6. ISO9001 : 2015 Internal Audit Training 7. Kursus "Claim & Dispute" Dan Taklimat Pembiayaan Projek – Guild Of Bumiputra Wibawa Contractor
Datin Kong Yuk Chu	1. Briefing on Overview of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Ch'ng Soon Sen	1. Briefing on Overview of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Ch'ng Se Hua	1. Briefing on Overview of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Lim Yit Kiong	1. Briefing on Overview of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad 2. GST: Case Studies in GST Applications & GST Audit Approach 3. Know the Process, Know your Rights: Tax Does Not Have to be Taxing 4. GST Audits & Investigations 5. Corporate Tax Issues For 2017
Ho Pui Hold	1. Briefing on Overview of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad 2. Effects of Companies Act 2016 on Accountants and Auditors 3. Bursa CG Breakfast Series – "Board Excellence : How to Engage and enthuse Beyond Compliance with Sustainability" 4. Advocacy Session on Corporate Disclosure for Directors and Principal Officers of Listed Issuers - Corporate Disclosure Framework 5. Director Disclosure Obligations Under The Listing Requirements 6. Bursa Risk Management Programme - "I Am Ready To Manage Risks" 7. MIA Technical Updates 2018 MIA Technical Updates 2018

STATEMENT ON CORPORATE GOVERNANCE

Directors' Remuneration

The Company's remuneration policy for Director is formulated to attract and retain individuals of the necessary calibre relevant to the achievement of the Company's strategic achievements. The remuneration is structured to link experience, expertise and level of responsibility undertakings by the Directors.

The NRC is entrusted with the responsibilities to make recommendations to the Board, the remuneration package for the Executive Directors. However, it is the ultimate responsibility of the entire Board to approve the remuneration of these Directors. Non-Executive Directors' remuneration will be decided by the Board as a whole with the Director concerned abstaining from deliberation and voting on decisions in respect of his individual remuneration.

The details of Directors' remuneration or the financial year under review is as follows:

	Fees	Salaries & EPF	Other emoluments
Executive Director			
Datin Kong Yuk Chu	-	766,800	60,641
Ch'ng Soon Sen	-	966,064	456,059
Ch'ng Se Hua	-	406,800	30,829
		2,139,664	**547,529**
Non- Executive Director			
Dato' Ir. Hj. Md. Nasir Bin Ibrahim	79,200	-	3,750
Ho Pui Hold	47,000	-	4,750
Lim Yit Kiong	48,000	-	4,750
	174,200		**13,250**

Directors' Responsibility Statement in respect of the Audited Financial Statements

The Directors are responsible for the preparation of financial statements prepared for each financial year to give a true and accurate view of the state of the Group and the Company of the results and cash flows of the Group and the Company for the financial year then ended.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

i) Overseeing the overall conduct of the Company's business and that of the Group;
ii) Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
iii) Reviewing the adequacy and integrity of Internal Controls System and Management Information System in the Company and within the Group;
iv) Adopting suitable accounting policies and apply them consistently;
v) Making judgments and estimates that are reasonable and prudent; and
vi) Ensuring compliance with application Approved Accounting Standards in Malaysia.

The Directors are responsible for ensuring that proper accounting and other records which are closed with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements comply with the Listing Requirements, the provisions of the Companies Act, 2016 and applicable Approved Accounting Standards in Malaysia. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial period ended 30 June 2018, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The ARMC comprise three Independent Non-Executive Directors whose Chairman is Ho Pui Hold, a member of the Malaysian Institute of Accountants. The ARMC carries the responsibilities as listed in ARMC Report on pages 10 to 12 of the Annual Report.

Relationship with the External Auditors

The Company has established a transparent arrangement with the auditors to meet their professional requirements. The auditors have, from time to time, highlighted to the Audit and Risk Management Committee and the Board matters requiring the Board's attention.

Internal Control and Risk Management

The Directors are responsible for the Group's system of internal controls and its effectiveness. The principal aim of the system of internal controls is the management of financial and business risks that are significant to the fulfilment of the Group's business objectives, which is to enhance the value of shareholders' investment and safeguarding the Group's assets.

The ARMC summarises and communicates the key business risks to the Board for consideration and resolution. Internal audit activities are conducted in-house and based on an annual internal audit plan tabled and approved by the ARMC. The internal audit functions are carried out impartially, proficiently and with due professional care. Reports issued by the internal audit for the financial year under review were tabled at ARMC meetings. Management was present at such meetings to provide pertinent clarification or additional information to address questions raised by ARMC members. The Group operates a comprehensive budgeting and financial reporting system, which compares actual performance to budget on a quarterly basis which allows management to monitor financial and operational performance on a continuing basis.

The Statement of Risk Management and Internal Control of the Group are set out on pages 22 to 23 of the Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Financial Reporting

The Board aims to provide and present a balanced and clear assessment of the Groups' financial performance and prospect primarily through the annual financial statements and quarterly report as well as announcements to the Bursa Malaysia. The ARMC assists the Board in scrutinizing information for disclosure to ensure compliance with accounting standard, accuracy, adequacy and completeness.

Corporate Disclosure Policies and Procedures

The Company ensure all information such as corporate announcements, circulars to shareholders and financial results are disseminated to the general public in a timely and accurate manner.

The Company's quarterly interim financial results are released within two months from the end of each quarter. The Annual Report, which is the key communication channel between the Company and its shareholders, is published within four months after the financial year end. The Annual Report provides an insightful analysis of the Group's performance, operations and prospect affecting shareholders' interest.

Relationship between the Company and shareholders

The Board of Directors recognizes the importance of communication and timely dissemination of information to shareholders. The Board believes in clear and regular communication with its shareholders and institutional investors. The Annual Report, announcements through Bursa LINK on financial results on a quarterly and other disclosures provide an avenue to disseminate information to the shareholders with an overview of the Group's performance and its business activities.

General Meetings serve as the principal forum for communicating with the shareholders of the Company. The Board encourages participation of shareholders at the General Meeting to ensure a high level of accountability and identification with the Group's strategy and goals. In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions are voted by poll at General Meetings.

The Board intentionally allocates time for question and answer sessions during General Meetings.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Relationship between the Company and shareholders (Cont'd)

The Company follows a continuous disclosure policy, making announcements to the Bursa Malaysia when it becomes aware of information which might materially affect the price of its shares.

Shareholders and/or stakeholders are welcomed to raise queries by contacting the Executive Directors throughout the year. It is the intention of the Board to resume actively engaging the investing public with briefings and press releases, as and when appropriate and in line with Bursa Malaysia regulations, so as to ensure that the public is aware of significant developments.

Leverage on Information Technology for Effective Dissemination of Information

The Group maintains a corporate website at www.mpcb.com.my which serves as a forum for the general public to access information on the corporate information, annual reports, corporate announcements and subsidiary developments on the Group's website.

Compliance Statement

The Board has deliberated, reviewed and approved this Statement, and considers that the Statement provides the information necessary to enables shareholders to evaluate how the MCCG has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG, the MMLR and all applicable laws and regulations throughout the financial period ended 30 June 2018.

This Statement is made in accordance with a resolution of the Board of Directors dated 16 October 2018.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

UTILISATION OF PROCEEDS

There were no issuance of new shares, rights issue or issuance of bonds during the financial year.

SHARE BUYBACKS

The Company did not acquire any of its own shares via share buy backs during the financial year.

OPTION, WARRANTS OR CONVERTIBLE SECURITIES

There was no exercise of option, warrants or convertible securities during the financial year.

NON-AUDIT FEES

There were RM5,000 paid to the external auditors for the financial year.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period.

RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of transactions with related parties undertaken by the Group during the financial year under review are disclosed in Note 31 to the financial statements.

CONTRACTS RELATING TO LOANS

There was no contract relating to loans by the Company.

CORPORATE SUSTAINABILITY STATEMENT

OUR COMMITMENT

We perceived corporate sustainability as our commitment to create long term value for our shareholders, environment and society through innovation and overall operational excellence. We understand our choices today have an impact on our customers and suppliers and the success of their businesses in the future. Our business imperative is to carry out our activities responsibly and with integrity. Our people are expected to behave in an honest and ethical manner in accordance with our policies, business rules and guidelines.

OUR CORPORATE SUSTAINABILITY COMMITMENT

Within this context, we have defined our commitment to Corporate Sustainability across three (3) impact areas:

i) Work Environment

As employees are viewed as internal customers, Malaysian Pacific Corporation Berhad ("MPCB") ensures that the workplace remains conducive, which helps to balance the needs and desires of each employee with the needs and capacity of the business. We continue to place high emphasis on health and safety issues at our work sites. Necessary tools and protective gears are provided to our employees to ensure that they are adequately protected. We also enforce stringent compliance requirements so that health and safety issues are not compromise.

ii) Training and Development

MPCB also ensures that all staff are well trained and that is a continuously learning organisation. The Group strives to bring out the best of its employees by providing growth and progression opportunities for employees through comprehensive trainings, health and safety programmes.

iii) Marketplace

MPCB is committed to maintain a proper framework to ensure that the business is run in an efficient and transparent manner in the interest of all its stakeholders. Ensuring that the business is conducted in a fair, transparent, sustainable and professional manner, MPCB is focused on delivering products of quality and being customer focused.

MOVING FORWARD

We are committed to promote good corporate governance standards and building sustainability.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements) specified that the Board of Directors is to provide a Statement on Risk Management and Internal Control for the Group. The Malaysian Code of Corporate Governance requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board is pleased to include a statement on the state of the Group's risk management and internal control during the period under review. The statement is prepared in accordance with the Listing Requirements and as guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

BOARD RESPONSIBILITY

The Board is committed to ensuring the existence of an appropriate risk management framework and sound, efficient and effective system of internal control that cover the financial reporting, compliance and operations of the Group to safeguard shareholders' investment and the Group's assets. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's risk management and internal control framework is an ongoing process, and has been in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group. The process is regularly reviewed by the Board.

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control of risks, are operated with the assistance of the management throughout the period. The Board has received assurance from the Managing Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the Group's risk management and internal control framework and systems is in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group. The key features of the internal control systems which are operated with the assistance of the management are described under the following headings:-

RISK MANAGEMENT FRAMEWORK

The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and reviewing of the major strategic, business and operation risks within the Group, covering both wholly and partially owned subsidiaries. Both the Audit and Risk Management Committee ("ARMC") and Board of Directors review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis.

For the period under review, the ARMC is assisted by the internal control division and the operation staff from various divisions to effectively embed risk management and control into the corporate culture, processes and structures within the Group. The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels.

INTERNAL CONTROL STRUCTURE

The Group has an established internal control structure and is committed to evaluating, enhancing and maintaining the structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets. There is a clearly defined operating structure with lines of responsibilities and delegated authority in place to assist the Board to maintain a proper control environment. The key elements of the Group's internal control system include:

(a) A clear and defined organisation structure that is aligned to the business and operational requirements of the core businesses of the Group which limits the respective levels of authority, accountability and responsibility of their job functions and specifications;

(b) Documentation of standard operating procedures and ensuring that internal policies, processes and procedures are drawn-up, reviewed and revised as and when required and necessary;

(c) Regular operational and financial reporting to the senior management and/or the Board, highlighting their progress and variances from budgets. The ARMC and the Board review quarterly operational as well as financial results and reports;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL STRUCTURE (CONT'D)

(d) Regular group management meetings are held as and when necessary to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performances against the business plans, the targets and the budgets, if any, for each operating unit and regular visits by the senior personnel or management team to each operating unit as and when necessary;

(e) Board and ARMC meetings are scheduled regularly, that is at least four (4) times in a year and the respective meeting papers are distributed on a timely basis to enable members to have access to all relevant information for reviews and queries to be raised;

(f) ARMC reviews the quarterly financial results and yearly Audited Financial Statements prior to the approval of the Board;

(g) Management ensures that safety working regulations within the Group are being considered, implemented and adhered to accordingly;

(h) As and when necessary, staff training and development programs may be provided to equip staff with the appropriate knowledge and skills to enable staff to carry out their job functions productively and effectively; and

(i) Adequate insurance of major assets to ensure that assets of the Group are sufficiently covered against mishap that may results material losses to the Group.

MANAGEMENT RESPONSIBILITY

The management is responsible for implementing the Group's strategies and day-to-day businesses. The organisation structure sets out clear segregation of roles and responsibilities, lines of accountability and levels of authority to ensure effective and independent stewardship. The management assists the Board in implementing the policies approved by the Board, implementing risk control procedures and developing, operating and monitoring internal controls to mitigate and control identified risks.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the financial period ended 30 June 2018 and reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

CONCLUSION

For the financial year under review, there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the Annual report. The Board is of the view that the existing system of the risk management and internal control is adequate. Nevertheless, the Board recognises that the system of risk management and internal control must continuously improve in line with the Group's business environment. Therefore, the Board would put in place adequate plans, where necessary, to continuously improve the Group's system of risk management and internal control.

DIRECTORS' RESPONSIBILITY STATEMENT ON FINANCIAL STATEMENT

The Board of Directors ("Board" or "Directors") of Malaysia Pacific Corporation Berhad ("Company") are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs), and the requirements of the Act in Malaysia and the Main Market Listing Requirements.

The Directors are responsible to ensure that the annual audited financial statements of the Company and the Group are prepared with reasonable accuracy from the accounting records of the Company and the Group so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the annual audited financial statements, the Directors have:

(a) applied the appropriate and relevant accounting policies on a consistent basis;

(b) made judgments and estimates that are reasonable and prudent;

(c) ensured that proper accounting records are kept in accordance with the requirements of the Act so as to enable the preparation of the financial statements with reasonable accuracy; and

(d) reviewed all significant matters that may affect the Group's ability to continue as a going concern.

The Directors have also made reasonable steps to prevent and detect fraud as well as other irregularities in safeguarding the assets of the Group.

This statement was made in accordance with a Board of Directors' resolution dated 16 October 2018.

Annual Report 2018
MALAYSIA PACIFIC CORPORATION BERHAD

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 2018.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

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

On 1 December 2014, the Company announced that it is a Practice Note 17 ("PN17") company pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as the Company's auditors had expressed a disclaimer opinion in the Company's audited financial statements for the financial year ended 30 June 2014. The Company has submitted application for further extension of time to make requisite announcement and to submit the regularisation plan as disclosed in Note 35(a) to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss for the financial year, attributable to owners of the parent	(1,989)	(15,854)

DIVIDENDS

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' REPORT

DIRECTORS

The Directors in office since the beginning of the current financial year to the date of this report are:

YBhg. Datin Kong Yuk Chu*
Ch'ng Soon Sen*
Lim Yit Kiong
Dato' Ir Hj. Md. Nasir Bin Ibrahim
Ho Pui Hold
Ch'ng Se Hua*

** Director of the Company and its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year to the date of this report are:

Mohd Faridz Bin Mohd Noor
Dato' Sri Syed Hussien Bin Abd. Kadir

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS

The interests and deemed interests in the shares 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			
	At 1.7.2017	**Addition**	**Disposal**	**At 30.6.2018**
Interests in the Company				
Direct interests				
Ch'ng Soon Sen	469,000	-	-	469,000
Indirect interests				
YBhg. Datin Kong Yuk Chu #	147,750,572	-	-	147,750,572

\# 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 company, Top Lander Offshore Inc. pursuant to Section 8 of the Companies Act, 2016.

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 subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016.

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' REPORT

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 Note 28 to 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 31(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.

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, 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 be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company been written down to an amount which the current assets 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 the amounts written 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 or 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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

(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 30 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 30 to the financial statements.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events are disclosed in Note 35 to the financial statements.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 5 to the financial statements.

AUDITORS' REMUNERATION

The details of auditors' remuneration are disclosed in Note 24 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 16 October 2018.

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

Kuala Lumpur

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

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 34 to 108 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 October 2018.

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

Kuala Lumpur

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act, 2016

I, CH'NG SOON SEN, being the Director 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 34 to 108 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 16 October 2018)

CH'NG SOON SEN

Before me,

No. W710
MOHAN A.S. MANIAM
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Malaysia Pacific Corporation Berhad
(Company No: 12200-M) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the financial statements of Malaysia Pacific Corporation Berhad, which comprise the statements of financial position as at 30 June 2018 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 34 to 108.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(1) We draw attention to Note 2(c) to the financial statements, which state the followings:

(i) The Group has reported net losses of RM1,989,000 during the financial year ended 30 June 2018 and, as of that date, the Group's current liabilities exceeded its current assets by RM44,412,000.

(ii) As disclosed in Note 15(a) 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. The Company has continued defaulted in the repayment of revolving credit and bank overdrafts facilities as at 30 June 2018 amounting to RM149,622,000.

(iii) As disclosed in Note 14(a) and 30(a) to the financial statements, on 28 September 2012, a creditor of a subsidiary company of the Group had served a Writ of Summons on the subsidiary company and the Company (collectively known as the "Defendants") for a sum of RM113,170,308 together with interest of 7.20% per annum calculated from 19 September 2012 until the date of full settlement. The amount due to the creditor arose from a Put Option exercised by the creditor under a joint venture agreement dated 20 August 2008 entered into between the creditor and the subsidiary company and a Deed of Undertaking between the creditor and the Defendants.

As at 30 June 2018, the Company has continued defaulted in the repayment of amount due to the creditor amounted to RM115,000,000 within the agreed date stated in the settlement agreement signed on 10 March 2014.

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

As disclosed in Note 2(c) to the financial statements, the financial statements of the Group and of the Company are prepared on a going concern basis. The appropriateness of preparing the financial statements of the Group and of the Company on going concern basis is dependent upon the successful and timely formulation and implementation of the regularisation plan. The Company has been granted extension of time up to 31 December 2018 to make the requisite announcement and submit the Company's regularisation plan to the regulatory authorities.

Should the going concern basis of preparing the financial statements be no longer appropriate, adjustments would have to be made to reduce the value of all assets to their estimated realisable values, and to provide further estimated liabilities that may arise, and to reclassify property, plant and equipment and other non-current assets and non-current liabilities as current assets and current liabilities respectively.

The financial statements of the Group and of the Company do not include any adjustment and classification relating to the recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concern.

INDEPENDENT AUDITORS' REPORT

To the Members of Malaysia Pacific Corporation Berhad
(Company No: 12200-M) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Basis for Disclaimer of Opinion (Cont'd)

(2) As at the date of this report, replies relating to certain creditors confirmation requests of certain subsidiary companies are outstanding. We are unable to confirm or verify by alternative means as to whether the carrying amounts of the creditors balances for the financial year ended 30 June 2018 were appropriate.

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.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's and the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing and to issue an auditors' report. However, because of the matters described in the *Basis of Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Requirements

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 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, 2016 in Malaysia to be kept by the Company and certain of its subsidiary companies of which we have acted as auditors have not been properly kept in accordance with the provisions of the Act.

    In our opinion, however, the registers required by the Companies Act, 2016 in Malaysia to be kept by the Company and by its subsidiary companies 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 company of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Malaysia Pacific Corporation Berhad
(Company No: 12200-M) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Report on Other Legal and Regulatory Requirements (Cont'd)

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report the followings: (Cont'd)

(c) We are satisfied that the financial statements of the subsidiary companies 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 except as stated above.

(d) The auditors' reports on the financial statements of the subsidiary companies did not contain any qualifications or any adverse comment made under Section 266 of the Act, except as disclosed in Note 5 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 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: 1817/12/2018 (J)
Chartered Accountant

Kuala Lumpur
16 October 2018

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**1,037**	567	**472**	179
Investment in subsidiary companies	5	**-**	-	**8,100**	8,100
Land held for property development	6	**218,790**	213,055	**-**	-
		219,827	213,622	**8,572**	8,279
Current Assets					
Property development costs	7	**12,853**	21,282	**-**	-
Trade receivables	8	**2,236**	3,951	**100**	1,952
Other receivables	9	**8,511**	8,614	**8,246**	8,435
Amount due from subsidiary companies	10	**-**	-	**56,000**	57,343
Tax recoverable		**275**	1,674	**473**	1,204
Cash and bank balances		**1,855**	810	**1,189**	437
		25,730	36,331	**66,008**	69,371
Asset held for sale	11	**252,000**	256,000	**236,689**	241,988
		277,730	292,331	**302,697**	311,359
Total Assets		**497,557**	505,953	**311,269**	319,638
EQUITY AND LIABILITIES					
Equity					
Share capital	12	**287,660**	287,660	**287,660**	287,660
Exchange translation reserve	13	**(694)**	(700)	**-**	-
Accumulated losses	13	**(150,428)**	(148,439)	**(215,265)**	(199,411)
Total Equity		**136,538**	138,521	**72,395**	88,249
Non-Current Liabilities					
Other payables	14	**9,831**	-	**9,831**	-
Bank borrowings	15	**385**	244	**-**	38
Deferred tax liabilities	19	**28,662**	29,561	**10,668**	10,933
		38,878	29,805	**20,499**	10,971
Current Liabilities					
Trade payables	20	**2,456**	2,814	**-**	-
Other payables	14	**169,702**	197,193	**43,161**	56,820
Amount due to subsidiary companies	10	**-**	-	**25,554**	26,263
Bank borrowings	15	**149,726**	137,363	**149,660**	137,335
Provision for liquidated and ascertained damages	21	**257**	257	**-**	-
		322,141	337,627	**218,375**	220,418
Total Liabilities		**361,019**	367,432	**238,874**	231,389
Total Equity and Liabilities		**497,557**	505,953	**311,269**	319,638

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 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	22	**14,899**	10,053	**5,543**	6,222
Cost of sales		**(8,174)**	(6,953)	**(4,697)**	(4,635)
Gross profit		**6,725**	3,100	**846**	1,587
Other income		**18,348**	18,373	**9,780**	19,523
Administrative expenses		**(8,821)**	(9,403)	**(2,933)**	(2,964)
Other expenses		**(6,144)**	(11,502)	**(11,052)**	(1,376)
Profit/(Loss) from operations		**10,108**	568	**(3,359)**	16,770
Finance costs	23	**(12,036)**	(10,671)	**(12,020)**	(10,654)
(Loss)/Profit before tax	24	**(1,928)**	(10,103)	**(15,379)**	6,116
Taxation	25	**(61)**	(255)	**(475)**	(867)
(Loss)/Profit for the financial year		**(1,989)**	(10,358)	**(15,854)**	5,249
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation difference for foreign operation		**6**	44	**-**	-
Total comprehensive (loss)/income for the financial year		**(1,983)**	(10,314)	**(15,854)**	5,249
(Loss)/Profit for the financial year attributable to:					
Owners of the parent		**(1,989)**	(10,358)	**(15,854)**	5,249
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the parent		**(1,983)**	(10,314)	**(15,854)**	5,249
Loss per share attributable to equity holders of the Company (sen):					
- Basic and diluted	26	**(0.69)**	(3.60)		

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2018

	← Attributable to Owners of the Parent →			
	← Non-distributable →			
	Share Capital RM'000	Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Group				
At 1 July 2016	287,660	(744)	(138,081)	148,835
Loss for the financial year	-	-	(10,358)	(10,358)
Other comprehensive income for the financial year	-	44	-	44
Total comprehensive income/(loss) for the financial year	-	44	(10,358)	(10,314)
At 30 June 2017	287,660	(700)	(148,439)	138,521
At 1 July 2017	287,660	(700)	(148,439)	138,521
Loss for the financial year	-	-	(1,989)	(1,989)
Other comprehensive income for the financial year	-	6	-	6
Total comprehensive income/(loss) for the financial year	-	6	(1,989)	(1,983)
At 30 June 2018	**287,660**	**(694)**	**(150,428)**	**136,538**

	← Attributable to Owners of the Parent →		
	Non-distributable		
	Share Capital RM'000	Accumulated Losses RM'000	Total Equity RM'000
Company			
At 1 July 2016	287,660	(204,660)	83,000
Profit for the financial year, representing total comprehensive income for the financial year	-	5,249	5,249
At 30 June 2017	287,660	(199,411)	88,249
At 1 July 2017	287,660	(199,411)	88,249
Loss for the financial year, representing total comprehensive loss for the financial year	-	(15,854)	(15,854)
At 30 June 2018	**287,660**	**(215,265)**	**72,395**

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

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Cash Flows From Operating Activities					
(Loss)/Profit before tax		**(1,928)**	(10,103)	**(15,379)**	6,116
Adjustments for:					
Bad debts written off					
- trade receivables		**35**	2	**35**	-
- other receivables		**-**	5	**-**	-
Deposits written off		**-**	10	**-**	-
Depreciation of property, plant and equipment		**218**	262	**80**	159
Fair value adjustments on other payables		**(2,399)**	-	**(2,399)**	-
Impairment losses on:					
- amount due from subsidiary companies		**-**	-	**5,093**	1,348
- asset held for sale		**5,299**	11,337	**5,299**	-
- trade receivables		**838**	228	**74**	-
- other receivables		**4**	25	**-**	25
- investment in subsidiary companies		**-**	-	**-**	28
Prepayments written off		**-**	3	**-**	-
Reversal of impairment losses on:					
- amount due from subsidiary companies		**-**	-	**(129)**	(1,542)
- trade receivables		**(153)**	(761)	**-**	-
- asset held for sale		**(1,299)**	(17,337)	**-**	(17,337)
Reversal of payables arised from proof of debts		**(7,168)**	-	**(5,089)**	-
Reversal of accruals no longer required		**(5,599)**	-	**(782)**	-
Gain on disposal of property, plant and equipment		**(74)**	(164)	**(74)**	(145)
Unrealised loss/(gain) on foreign exchange		**-**	1	**547**	(438)
Finance costs		**12,036**	10,671	**12,020**	10,654
Interest income		**(47)**	(26)	**(47)**	(26)
Waiver of debts income		**-**	-	**-**	(21)
Operating loss before working capital changes carried down		**(237)**	(5,847)	**(751)**	(1,179)

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Cash Flows From Operating Activities (Cont'd)					
Operating loss before working capital changes bought down		**(237)**	(5,847)	**(751)**	(1,179)
Change in working capital:					
Land and property development costs		**2,694**	(259)	**-**	-
Trade receivables		**995**	(2,925)	**1,743**	(1,952)
Other receivables		**99**	(7,845)	**189**	(7,884)
Trade payables		**(358)**	(25)	**-**	-
Other payables		**(12,210)**	16	**(5,281)**	(2,452)
		(8,780)	(11,038)	**(3,349)**	(12,288)
Cash used in operations		**(9,017)**	(16,885)	**(4,100)**	(13,467)
Interest received		**47**	26	**47**	26
Interest paid		**(17)**	(25)	**(1)**	(8)
Tax refund		**610**	-	**163**	-
Tax paid		**(171)**	(1,092)	**(171)**	(937)
		468	(1,091)	**38**	(919)
Net cash used in operating activities		**(8,548)**	(17,976)	**(4,062)**	(14,386)
Cash Flows From Investing Activities					
Net movement of amount due from/to subsidiary companies		**-**	-	**(4,877)**	(2,616)
Proceeds from disposal of property, plant and equipment		**74**	322	**74**	189
Purchase of property, plant and equipment	4(b)	**(432)**	(287)	**(373)**	(71)
Net cash (used in)/from investing activities		**(358)**	35	**(5,176)**	(2,498)
Cash Flows From Financing Activity					
Repayment of finance lease liabilities, representing net cash used in financing activity		**(121)**	(330)	**(82)**	(120)
Net decrease in cash and cash equivalents		**(9,027)**	(18,271)	**(9,320)**	(17,004)
Cash and cash equivalents at the beginning of the financial year		**(90,372)**	(72,101)	**(90,745)**	(73,741)
Cash and cash equivalents at the end of the financial year	27	**(99,399)**	(90,372)	**(100,065)**	(90,745)

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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 a Practice Note 17 ("PN17") company which 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.

The Company is principally engaged in the business of letting of investment properties and investment holding. The principal activities of the subsidiary companies are disclosed in Note 5. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at 3-2, 3rd Mile Square, No. 151, Jalan Kelang Lama Batu 3 ½, 58100 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at 14th 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, 2016 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 amended standards

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

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to FRSs 2014 - 2016 Cycle	Amendments to FRS 12

The adoption of above amendments to FRSs did not have any significant impact on the financial statements of the Group and of the Company, except for the adoption of the Amendments to FRS 107 required additional disclosure of changes in liabilities arising from financing activities as disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

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

		Effective dates for financial periods beginning on or after
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4	Applying FRS 9 *Financial Instruments* with FRS 4 *Insurance Contracts*	1 January 2018*
Annual Improvements to FRSs 2014 - 2016 Cycle:		
• Amendments to FRS 1		1 January 2018
• Amendments to FRS 128		1 January 2018
IC Interpretation 23	Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group's and the Company's financial statements for annual period beginning 1 July 2019 will be prepared in accordance with the Malaysian Financial Reporting Standards issued by the MASB. As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments.

New Malaysian Financial Reporting Standards ("MFRS Framework") issued and effective for annual period beginning on or after 1 January 2018

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 consider that they are achieving their schedule milestone and expect to be in the position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

New Malaysian Financial Reporting Standards ("MFRS Framework") issued and effective for annual period beginning on or after 1 January 2018 (Cont'd)

The Directors expect the adoption of MFRS Framework will have no material impacts on the financial statements of the Group and of the Company except as mentioned below:

<u>MFRS 9 *Financial Instruments* (effective for annual period beginning on or after 1 January 2018) will replace MFRS 139 *Financial Instruments: Recognition and Measurement*</u>

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

Investment in equity instruments are required to be measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI not subsequently recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 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. MFRS 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 uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

Based on the analysis of the Group's and of the Company's financial assets and liabilities as at 30 June 2018 and the facts and circumstances that existed at that date, the Directors of the Company have assessed the impact of MFRS 9 to the Group's and to the Company's financial statements as follows:

(1) Classification and measurement

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics.

MFRS 9 contains three (3) principal classification categories for financial assets:

(i) Amortised Cost ("AC");
(ii) Fair Value through Other Comprehensive Income ("FVOCI"); and
(iii) Fair Value through Profit or Loss ("FVTPL").

The standard eliminates the existing MFRS 139 categories of Held-to-Maturity ("HTM"), Loans and Receivables ("L&R") and Available-for-Sale ("AFS").

Based on the assessments undertaken to date, the Group and the Company do not expect the above new requirements to affect the classification and measurements of their financial assets and financial liabilities.

(2) Impairment

MFRS 9 replaces the "incurred loss" model in MFRS 139 with a forward-looking "expected credit loss" ("ECL") model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at AC or FVOCI, except for investment securities.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 9 *Financial Instruments* (effective for annual period beginning on or after 1 January 2018) will replace MFRS 139 *Financial Instruments: Recognition and Measurement* (Cont'd)

(2) Impairment (Cont'd)

Under MFRS 9, loss allowances will be measured on either of the following bases:

(i) 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; or

(ii) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not increased significantly. A financial asset's credit risk deemed not increased significantly if the asset has low credit risk at the reporting date. However, the Group and the Company have adopted lifetime ECL measurements for loans and receivables due to the expected lifetime period of loans and receivables are generally less than 12 months.

On the ECL impact, the Group and the Company expect an increase in the Group's and the Company's allowance for impairment by less than 1% of trade receivables.

The Group and the Company will apply the new rules retrospectively from 1 July 2018, with the practical expedients permitted under the standard. Comparative for 2017 will not be restated.

(3) Hedge accounting

The Group and the Company do not adopt hedge accounting in the financial statements. Hence, hedging requirements of MFRS 9 will not have any impact on the Group's and the Company's financial statements.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in financial year ending 30 June 2019 when the Group and the Company adopt MFRS 9.

MFRS 15 *Revenue from Contracts with Customers* (effective for annual period beginning on or after 1 January 2018)

MFRS 15 *Revenue from Contracts with Customers* replaces MFRS 118 Revenue and MFRS 111 *Construction Contract* and related IC interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 15 *Revenue from Contracts with Customers* (effective for annual period beginning on or after 1 January 2018) (Cont'd)

An entity recognises revenue in accordance with the core principle by applying the following steps:

(1) Identify the contracts with a customer;
(2) Identify the performance obligation in the contract;
(3) Determine the transaction price;
(4) Allocate the transaction price to the performance obligations in the contract;
(5) Recognise revenue when the entity satisfies a performance obligation.

The Group and the Company have assessed the effect of applying the new standard on the Group's and the Company's financial statements and has identified the following areas that will be affected:

Presentation of contract assets and contract liabilities in the statements of financial position - MFRS 15 requires separate presentation of contract assets and contract liabilities in the Statements of Financial Position. This will result in some reclassifications as of 1 July 2018 in relation to contract assets and contract liabilities.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and to the Company in financial year ending 30 June 2019 when the Group and the Company adopt MFRS 15.

The Group and the Company intend to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.

MFRS 16 *Leases* (effective for annual period beginning on or after 1 January 2019)

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis.

The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

(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.

2. BASIS OF PREPARATION (CONT'D)

(c) Going concern

On 1 December 2014, the Company announced that the Company is a Practice Note 17 ("PN17") company as 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 Company's 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 followings:

(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.

TA Securities Holdings Berhad had on 4 July 2018 submitted to Bursa Securities an application for further extension of time up to 31 December 2018 for the Company to make the requisite announcement and submit the regularisation plan. On 13 July 2018, Bursa Securities had approved the application for an extension of time up to 31 December 2018 for the Company to make the requisite announcement and submit its regularisation plan to the regulatory authorities.

The Group has reported net losses of RM1,989,000 the financial year ended 30 June 2018 and, as of that date, the Group's current liabilities exceeded its current assets by RM44,412,000.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

2. BASIS OF PREPARATION (CONT'D)

(c) Going concern (Cont'd)

As disclosed in Note 15(a), 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 overdrafts facilities. The outstanding amount of revolving credit and bank overdrafts facilities of the Company as at 30 June 2018 amounting to RM149,622,000.

The details of litigation with the financial institution are disclosed in Note 30(f), (g), (h), (i), (j), (l) and (o).

On 28 September 2012, a creditor of a subsidiary company of the Group had served a Writ of Summons on the subsidiary company and the Company (collectively known as the "Defendants") for a sum of RM113,170,308 together with interest of 7.20% per annum calculated from 19 September 2012 until the date of full settlement. The amount due to the creditor arose from a Put Option exercised by the creditor under a joint venture agreement dated 20 August 2008 entered into between the creditor and the subsidiary company and a Deed of Undertaking between the creditor and the Defendants. The outstanding amount due to the creditor, Amanahraya Development Sdn. Bhd. as at 30 June 2018 amounting to RM115,000,000 as disclosed in Note 14(a).

The details of litigation with the financial institution are disclosed in Note 30(a) and (b).

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

The financial statements of the Group and of the Company are prepared on a going concern basis. The appropriateness of preparing the financial statements of the Group and of the Company on going concern basis is dependent upon the successful and timely formulation and implementation of the regularisation plan. The Company has been granted extension of time up to 31 December 2018 to make the requisite announcement and submit the Company's regularisation plan to the regulatory authorities.

Should the going concern basis of preparing the financial statements be no longer appropriate, adjustments would have to be made to reduce the value of all assets to their estimated realisable values, and to provide further estimated liabilities that may arise, and to reclassify property, plant and equipment and other non-current assets and non-current liabilities as current assets and current liabilities respectively.

The financial statements of the Group and of the Company do not include any adjustment and classification relating to the recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

(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:

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.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

2. BASIS OF PREPARATION (CONT'D)

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

Judgements (Cont'd)

Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its asset held for sale. 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

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. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4.

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. The carrying amount of the Group's property development costs is disclosed in Notes 6 and 7 respectively.

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 8, 9 and 10 respectively.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

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 tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 30 June 2018, the Group and the Company has tax recoverable of RM275,000 and RM473,000 (2017: RM1,674,000 and RM1,204,000) respectively.

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.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 33(c). 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.

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

(i) Subsidiary companies

Subsidiary companies 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. Subsidiary companies 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. The consideration transferred for the acquisition of a subsidiary company 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.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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

If the business combination is achieved in stages, the acquirer's 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 subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies 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(j)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(j)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off 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.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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.

(ii) Subsequent costs

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.

(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 the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

<u>As lessee</u>

(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 statements 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.

<u>As lessor</u>

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Land and property development costs

(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. Land held for property development 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(j)(i).

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

Land held for property development is transferred to property development costs under current assets when the development activities have commenced are expected to completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Land and property development costs (Cont'd)

(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.

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 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.

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 properties 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.

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

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

(f) Inventories

Properties held for sale are stated at the lower of cost and net realisable value. Cost 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.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (Cont'd)

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 have 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.

(h) 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 financial liabilities measured at amortised cost.

The Group's financial liabilities comprise trade and other payables and loans and borrowings. The Company's financial liabilities comprise trade and other payables, amount due to subsidiary companies and loans and borrowings.

Trade and other payables and amount due to subsidiary companies 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.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax assets 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.

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 and investments in subsidiary companies 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Financial assets carried at amortised cost

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.

(k) Share capital

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

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue

(i) Rental income

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

(ii) Property development

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

(iii) Interest income

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

(n) 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 the end of each 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 company is recognised based on the estimated claim in reference to the applicable sale and purchase agreements.

(o) 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 financial year, 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.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income taxes (Cont'd)

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements 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.

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.

(p) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of GST except:

(i) where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables are recognised inclusive of GST.

The net amount of GST being the difference between output and input of GST, payable to or receivable from the authority at the reporting date, is included in other payables or other receivables in the statements of financial position.

(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 their 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(t) Non-current assets held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

4. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Group					
2018					
Cost					
At 1 July 2017	**9,445**	**5,083**	**1,937**	**4,519**	**20,984**
Additions	**-**	**16**	**310**	**362**	**688**
Disposals	**-**	**-**	**(646)**	**-**	**(646)**
At 30 June 2018	**9,445**	**5,099**	**1,601**	**4,881**	**21,026**
Accumulated depreciation					
At 1 July 2017	**9,435**	**4,989**	**1,537**	**4,456**	**20,417**
Charge for the financial year	**2**	**39**	**122**	**55**	**218**
Disposals	**-**	**-**	**(646)**	**-**	**(646)**
At 30 June 2018	**9,437**	**5,028**	**1,013**	**4,511**	**19,989**
Carrying amount					
At 30 June 2018	**8**	**71**	**588**	**370**	**1,037**
2017					
Cost					
At 1 July 2016	9,445	5,003	1,998	4,519	20,965
Additions	-	80	457	-	537
Disposals	-	-	(518)	-	(518)
At 30 June 2017	9,445	5,083	1,937	4,519	20,984
Accumulated depreciation					
At 1 July 2016	9,431	4,954	1,734	4,396	20,515
Charge for the financial year	4	35	163	60	262
Disposals	-	-	(360)	-	(360)
At 30 June 2017	9,435	4,989	1,537	4,456	20,417
Carrying amount					
At 30 June 2017	10	94	400	63	567

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

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					
2018					
Cost					
At 1 July 2017	**8,982**	**4,596**	**1,480**	**3,696**	**18,754**
Additions	**-**	**11**	**-**	**362**	**373**
Disposals	**-**	**-**	**(646)**	**-**	**(646)**
At 30 June 2018	**8,982**	**4,607**	**834**	**4,058**	**18,481**
Accumulated depreciation					
At 1 July 2017	**8,973**	**4,490**	**1,480**	**3,632**	**18,575**
Charge for the financial year	**2**	**23**	**-**	**55**	**80**
Disposals	**-**	**-**	**(646)**	**-**	**(646)**
At 30 June 2018	**8,975**	**4,513**	**834**	**3,687**	**18,009**
Carrying amount					
At 30 June 2018	**7**	**94**	**-**	**371**	**472**
2017					
Cost					
At 1 July 2016	8,982	4,525	1,700	3,696	18,903
Additions	-	71	-	-	71
Disposals	-	-	(220)	-	(220)
At 30 June 2017	8,982	4,596	1,480	3,696	18,754
Accumulated depreciation					
At 1 July 2016	8,969	4,470	1,581	3,572	18,592
Charge for the financial year	4	20	75	60	159
Disposals	-	-	(176)	-	(176)
At 30 June 2017	8,973	4,490	1,480	3,632	18,575
Carrying amount					
At 30 June 2017	9	106	-	64	179

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

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

(a) Assets held under finance leases

At 30 June 2018, the net carrying amounts of leased motor vehicles of the Group are RM495,000 (2017: RM278,000).

Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 17.

(b) The aggregate additional cost for the property, plant and equipment of the Group and of the Company under finance lease financing and cash payments are as follows:

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Aggregate costs	**688**	537	**373**	71
Less: Finance lease financing	**(256)**	(250)	**-**	-
Cash payments	**432**	287	**373**	71

5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2018 RM'000	**2017 RM'000**
In Malaysia		
Unquoted shares, at cost	**8,551**	8,551
Less: Accumulated impairment losses	**(451)**	(451)
	8,100	8,100

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective equity interest 2018 %	Effective equity interest 2017 %	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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

Name of company	Country of incorporation	Effective equity interest 2018 %	Effective equity interest 2017 %	Principal activities
MPC Management Services Sdn. Bhd. *	Malaysia	**100**	100	Management services
MP Security Services Sdn. Bhd. *	Malaysia	**100**	100	Dormant
Real Rock Restaurant and Cafe Sdn. Bhd. *	Malaysia	**100**	100	Dormant
Temasek Mewatek Sdn. Bhd. *	Malaysia	**100**	100	Dormant
Subsidiary companies 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 company of Oriental Pearl City Properties Sdn. Bhd.				
Lakehill Resort Development Sdn. Bhd. ("LHRD") #	Malaysia	**100**	100	Property management and property development
Subsidiary company of Creative Ascent Sdn. Bhd				
Taman Bandar Baru Masai Sdn. Bhd. ("TBBM") # *	Malaysia	**100**	100	Property development
Subsidiary companies 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 company not audited by UHY

* The auditors' report on the financial statements contained a paragraph 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2018 RM'000	Group 2017 RM'000
At 1 July		
Freehold land, at cost	**102,627**	101,952
Development expenditure	**110,428**	110,428
	213,055	212,380
Development expenditure incurred	**518**	1,174
Reversal of land held for property development due to cancellation of transaction	**6,290**	-
Transfer to property development costs due to reallocation of land area (Note 7)	**(1,073)**	-
Recognised in profit or loss	**-**	(499)
Carrying amount		
At 30 June	**218,790**	213,055
Analysed as:		
Freehold land, at cost	**108,159**	102,627
Development expenditure	**110,631**	110,428
	218,790	213,055

(a) As disclosed in Note 30(a), seven (7) undeveloped plots of land measuring approximately 188 acres in Mukim of Plentong, Daerah Johor Bahru, Johor have been charged to a creditor [Note 14(a)] 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 creditor under the provision of the National Land Code.

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. However, the disposal deal did not materialised and the Company continue to default in the repayment of the outstanding amount of RM115,000,000.

On 12 April 2016, the creditor had filed a Notice of Application to the High Court to fixed an auction price at RM139,500,000 for the sale of the seven (7) parcels of land in Johor which were pledged to the creditor. On 29 September 2016, the Defendants have obtained the stay of execution of the Order for Sale. The court has fixed the hearing of the Plaintiff's application to fix the auction date on 3 November 2016.

On 31 October 2016, the Court of Appeal has allowed the Company's appeal and the Order for Sales dated 29 February 2016 has been set aside and the Originating Summons for Order for Sale be remitted back to Johor Bahru Court for rehearing.

On 12 September 2017, the case management was vacated pending disposal of the creditor's motion for leave to appeal to the Federal Court on 14 November 2017.

On 14 November 2017, the Court allows creditor's motion for leave to appeal and set aside the Order of Court of Appeal with no order as to costs and deposit is refunded. The case be heard de novo before the Court of Appeal.

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

(b) A valuation had been performed by an independent firm of professional valuer, DTZ Nawawi Tie Leung Property Consultants Sdn. Bhd. ("DTZ") on the development land based on 'as is' basis by using comparison method, making reference to relevant comparable transactions in the market. Based on the valuation report dated 19 December 2014, the market value for these parcels of land approximately RM18.82 per square foot.

Based on the certificate of update valuation issued by Raine & Horne International Zaki + Partners Sdn. Bhd. dated 30 June 2018 (2017: issued by Raine & Horne International Zaki + Partners Sdn. Bhd. dated 11 September 2017), the market value of 34 (2017: 36) parcels of freehold agricultural and commercial lands with an approximate aggregate land area of 17.72 million (2017: 16.63 million) square foot amounting to RM434.79 million (2017: RM409.62 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 as disclosed in Note 7.

7. PROPERTY DEVELOPMENT COSTS

	Group	
	2018 RM'000	**2017 RM'000**
At 1 July		
Freehold land, at cost	**10,141**	10,211
Development expenditure	**11,141**	11,487
	21,282	21,698
Development expenditure incurred	**1,220**	239
Transfer from land held for property development due to reallocation of land area (Note 6)	**1,073**	-
Recognised in profit or loss	**(10,722)**	(655)
Carrying amount		
At 30 June	**12,853**	21,282
Analysed as:		
Freehold land, at cost	**6,060**	10,141
Development expenditure	**6,793**	11,141
	12,853	21,282

(a) A valuation had been performed by an independent firm of professional valuer, DTZ Nawawi Tie Leung Property Consultants Sdn. Bhd. ("DTZ") on the development land based on 'as is' basis by using comparison method, making reference to relevant comparable transactions in the market. Based on the valuation report dated 19 December 2014, the market value for these parcels of land approximately RM18.82 per square foot.

Based on the certificate of update valuation issued by Raine & Horne International Zaki + Partners Sdn. Bhd. dated 30 June 2018 (2017: issued by Raine & Horne International Zaki + Partners Sdn. Bhd. dated 11 September 2017), the market value of 34 (2017: 36) parcels of freehold agricultural and commercial lands with an approximate aggregate land area of 17.72 million (2017: 16.63 million) square foot amounting to RM434.79 million (2017: RM409.62 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 as disclosed in Note 6 and property development costs.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

7. PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) In financial year 2011, a subsidiary company, LHRD entered into a sale and purchase agreement ("SPA") to 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 a related party, Optima Mewah Sdn. Bhd. ("Optima Mewah") for a sale consideration of RM16.89 million.

In financial year 2016, LHRD had received a letter from Optima Mewah to mutually terminate the SPA ("Proposed Mutual Termination") and the Board of Directors of Company has subsequently approved the Proposed Mutual Termination. The total revenue and cost recognised in previous financial years amounted to RM10.74 million and RM6.29 million respectively.

In current financial year, LHRD had made reversal of revenue and cost of sales of RM10.74 million and RM6.29 million respectively upon obtaining solicitors' confirmation that no legal consequences will arise on the mutual termination.

8. TRADE RECEIVABLES

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Trade receivables	**5,080**	6,130	**174**	1,966
Less: Accumulated impairment losses	**(2,844)**	(2,179)	**(74)**	(14)
	2,236	3,951	**100**	1,952

Trade receivables are non-interest bearing and the normal credit term is 7 days (2017: 7 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group's and the Company's credit exposures are concentrated mainly on 1 debtor and Nil (2017: 3 debtors and 1 debtor) respectively, which accounted for 95% and Nil (2017: 90% and 75%) of the total trade receivables at the end of the reporting period.

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

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Neither past due nor impaired	**2**	8	**-**	-
Past due but not impaired:				
Less than 30 days	**78**	505	**78**	505
31 to 60 days	**2,152**	12	**22**	12
61 to 90 days	**4**	1,409	**-**	14
More than 90 days	**-**	2,017	**-**	1,421
	2,234	3,943	**100**	1,952
	2,236	3,951	**100**	1,952
Impaired	**2,844**	2,179	**74**	14
	5,080	6,130	**174**	1,966

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8. TRADE RECEIVABLES (CONT'D)

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 July	**2,179**	2,712	**14**	14
Written off	**(20)**	-	**(14)**	-
Impairment losses recognised	**838**	228	**74**	-
Impairment losses reversed	**(153)**	(761)	**-**	-
At 30 June	**2,844**	2,179	**74**	14

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

As at 30 June 2018, trade receivables of the Group and the Company amounting to RM2,234,000 and RM100,000 (2017: RM3,943,000 and RM1,952,000) respectively 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 RM2,844,000 and RM74,000 (2017: RM2,179,000 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.

9. OTHER RECEIVABLES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Other receivables	**33**	151	**-**	48
Less: Accumulated impairment losses	**(21)**	(88)	**-**	(45)
	12	63	**-**	3
Deposits	**8,252**	8,198	**8,101**	8,080
Prepayments	**3**	12	**2**	11
GST receivables	**244**	341	**143**	341
	8,511	8,614	**8,246**	8,435

Included in the deposits of the Group and the Company is an amount of RM7,650,000 and RM7,650,000 (2017: RM7,650,000 and RM7,650,000) respectively, which charged by a financial institution for the 3% deposit required for the auction proceedings pursuant to the Court's direction. Any surplus of the deposit shall be refunded to the Company after the payment of the Court's commission for successful auction.

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9. OTHER RECEIVABLES (CONT'D)

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 July	**88**	63	**45**	20
Written off	**(71)**	-	**(45)**	-
Impairment losses recognised	**4**	25	**-**	25
At 30 June	**21**	88	**-**	45

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.

10. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

(a) Amount due from subsidiary companies

	Company	
	2018 RM'000	2017 RM'000
Amount due from subsidiary companies	**256,837**	253,216
Less: Accumulated impairment losses	**(200,837)**	(195,873)
	56,000	57,343

Amount due from subsidiary companies represents advances and payments made on behalf, which are unsecured, non-interest bearing and repayable on demand.

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

	Company	
	2018 RM'000	2017 RM'000
At 1 July	**195,873**	196,226
Impairment losses recognised	**5,093**	1,348
Reversal of impairment losses	**(129)**	(1,542)
Written off	**-**	(159)
At 30 June	**200,837**	195,873

Subsidiary companies that are individually determined to be impaired at the end of the reporting period relate to subsidiary companies that are in significant financial difficulties and have defaulted on payments.

(b) Amount due to subsidiary companies

	Company	
	2018 RM'000	2017 RM'000
Amount due to subsidiary companies	**25,554**	26,263

Amount due to subsidiary companies represents advances and payments made on behalf, which are unsecured, non-interest bearing and repayable on demand.

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11. ASSET HELD FOR SALE

(a) In previous financial year, the office buildings and shoplots have been classified from investment property to asset held for sale as the management has actively in identifying prospective investors for the disposal of the investment property. The asset held for sale is as follow:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Office buildings and shoplots				
At 1 July	**256,000**	250,000	**241,988**	224,651
Impairment losses recognised	**(5,299)**	(11,337)	**(5,299)**	-
Reversal of impairment losses	**1,299**	17,337	**-**	17,337
At 30 June	**252,000**	256,000	**236,689**	241,988

(b) On 28 July 2016, the Company had entered into a memorandum of understanding ("MOU") with Terra Pontus Pte Ltd, ("Purchaser"), in relation to the proposed disposal of part of the investment property, namely Wisma MPL, owned by the Company and its subsidiary companies for a total consideration of RM250,000,000. However, the MOU has been terminated on 9 September 2016 as the Company has not received any earnest deposit from the Purchaser.

On 17 August 2016, the Company received a letter of intent from Zitron (M) Sdn. Bhd. ("ZMSB") for its intention to purchase Wisma MPL. The Company has received refundable deposit of RM5,000,000 from ZMSB on 15 September 2016.

On 2 November 2016, the Company has received a letter ZMSB's solicitor that ZMSB will not proceed with the transaction to purchase Wisma MPL. The refundable earnest deposit of RM5,000,000 has been refunded to ZMSB on 3 November 2016.

The Company is still actively looking for buyer to purchase Wisma MPL.

(c) The asset held for sale of the Group and the Company are charged to a financial institution for credit facilities granted to the Company as disclosed in Notes 16 and 18.

(d) The income and expenses recognised in profit or loss in respect of asset held for sale are as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Rental income	**6,185**	6,962	**5,543**	6,222
Direct operating expenses:				
Income generating investment properties	**2,501**	939	**2,292**	857
Non-income generating investment properties	**2,257**	4,129	**2,269**	3,778

NOTES TO THE FINANCIAL STATEMENTS
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12. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2018 Units ('000)	2017 Units ('000)	2018 RM'000	2017 RM'000
Issued and fully paid ordinary shares				
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.

13. RESERVES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Exchange translation reserve (Non-distributable)	**(694)**	(700)	**-**	-
Accumulated losses	**(150,428)**	(148,439)	**(215,265)**	(199,411)
	(151,122)	(149,139)	**(215,265)**	(199,411)

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.

14. OTHER PAYABLES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-current				
Other payables	**9,831**	-	**9,831**	-
Current				
Other payables	**156,390**	170,230	**38,058**	48,442
GST payable	**3**	50	**-**	1
Accruals	**4,769**	18,136	**3,704**	8,127
Deposits	**8,540**	8,777	**1,399**	250
	169,702	197,193	**43,161**	56,820

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14. OTHER PAYABLES (CONT'D)

Included in other payables and accruals are the following:

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Amount due to AmanahRaya Development Sdn. Bhd. ("AmanahRaya")	14(a)	**115,000**	115,000	**-**	-
Amount due to companies in which certain Directors have substantial financial interests	14(b)	**35,131**	33,250	**30,996**	29,115
Amount due to Wisma MPL JMB		**16,957**	12,673	**15,727**	11,830
Provision for litigation claims	14(c)	**-**	8,561	**-**	2,587
Amount due to Directors	14(d)	**-**	500	**-**	-

(a) As disclosed in the Note 30(a), on 10 March 2014, the Company and its subsidiary companies, OPCP, TBBM and LHRD had entered into a Settlement Agreement with AmanahRaya to settle the Judgement Sum for RM120,000,000.

In financial year 2014, the Company had made a payment of RM5,000,000 to AmanahRaya 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 Group and the Company 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 AmanahRaya for the remaining amount of RM115,000,000.

On 10 October 2014, AmanahRaya 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 due to AmanahRaya 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, AmanahRaya 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 AmanahRaya 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.

AmanahRaya 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. However, the disposal deal did not materialised and the Company continue to default in the repayment of the outstanding amount of RM115,000,000. On 12 April 2016, the creditor had filed a Notice of Application to the High Court to fixed an auction price at RM139,500,000 for the sale of the seven (7) parcels of land in Johor which were pledged to the creditor. On 29 September 2016, the Defendants have obtained the stay of execution of the Order for Sale. On 5 October 2016, the court has fixed the hearing of the Plaintiff's application to fix the auction date on 3 November 2016.

On 31 October 2016, the Court of Appeal has allowed the Company's appeal and the Order for Sales dated 29 February 2016 has been set aside. The Court set the matter for further case management on 12 September 2017.

On 12 September 2017, the case management was vacated pending disposal of the Applicant's motion for leave to appeal to the Federal Court on 14 November 2017.

On 14 November 2017, the Court allows creditor's motion for leave to appeal and set aside the Order of Court of Appeal with no order as to costs and deposit is refunded. The case be heard de novo before the Court of Appeal.

14. OTHER PAYABLES (CONT'D)

Included in other payables and accruals are the following (Cont'd):

(b) The amount due to companies in which certain Directors of the Company have substantial financial interests are unsecured, non-interest bearing and repayable on demand.

(c) In previous financial year, the Group and the Company have recognised total gross amount of the income derived from the operation of the car parks of the investment property 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. As at 30 June 2018, the Group and the Company had made a provision of RMNil and RMNil (2017: RM8,561,000 and RM2,587,000) respectively for the litigation claim with Wisma MPL JMB.

As disclosed in Note 30(c), (d) and (e), on 18 January 2016, JMB has proceeded with the Writ of Possession and taken possession of the management of car parks at Wisma MPL.

On 8 March 2018, pursuant to the settlement agreement between JMB and the Company dated 28 February 2018, JMB has withdrawn the Committal Proceedings against the Company and its officers. The payment schedule is disclosed in Note 30(k).

(d) The amount due to Directors is unsecured, non-interest bearing and repayable on demand.

15. BANK BORROWINGS

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-current liability					
Secured					
Finance lease liabilities	17	**385**	244	**-**	38
Current liabilities					
Secured					
Revolving credit	16	**48,368**	46,071	**48,368**	46,071
Finance lease liabilities	17	**104**	110	**38**	82
Bank overdrafts	18	**101,254**	91,182	**101,254**	91,182
		149,726	137,363	**149,660**	137,335
Total bank borrowings					
Secured					
Revolving credit	16	**48,368**	46,071	**48,368**	46,071
Finance lease liabilities	17	**489**	354	**38**	120
Bank overdrafts	18	**101,254**	91,182	**101,254**	91,182
		150,111	137,607	**149,660**	137,373

(a) 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 overdrafts facilities pursuant to Practice Note 1 ("PN 1") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As at 30 June 2018, the revolving credit and bank overdrafts facilities of the Company amounted to RM149,622,000 (2017: RM137,253,000).

The details of litigation with the financial institution are disclosed in Note 30(f), (g), (h), (i), (j), (l) and (o).

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

NOTES TO THE FINANCIAL STATEMENTS
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16. REVOLVING CREDIT

	Group and Company	
	2018 RM'000	2017 RM'000
Secured		
Revolving credit	**48,368**	46,071

The revolving credit is secured by a fixed charge over the asset held for sale of the Group and of the Company as disclosed in Note 11(c).

The interest rate of revolving credit for the Group and the Company is 9.04% (2017: 8.87%) per annum.

17. FINANCE LEASE LIABILITIES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Minimum lease payments				
Within one year	**125**	123	**39**	85
Between one and five years	**339**	208	**-**	39
After five years	**92**	66	**-**	-
	556	397	**39**	124
Less: Future finance charges	**(67)**	(43)	**(1)**	(4)
Present value of minimum lease payments	**489**	354	**38**	120
Present value of minimum lease payments				
Within one year	**104**	110	**38**	82
Between one and five years	**295**	181	**-**	38
After five years	**90**	63	**-**	-
	489	354	**38**	120
Analysed as:				
Repayable within twelve months	**104**	110	**38**	82
Repayable after twelve months	**385**	244	**-**	38
	489	354	**38**	120

The interest rates of finance lease payables for the Group and the Company are ranged from 2.4% to 2.6% and 2.4% (2017: 2.4% to 2.6% and 2.4% to 2.6%) per annum respectively.

18. BANK OVERDRAFTS

	Group and Company	
	2018 RM'000	2017 RM'000
Secured		
Bank overdrafts	**101,254**	91,182

The bank overdrafts are secured by a charge over the asset held for sale of the Group and of the Company as disclosed in Note 11(c).

The interest rate of bank overdrafts for the Group and for the Company is 10.35% (2017: 10.10%) per annum.

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19. DEFERRED TAX LIABILITIES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 July	**29,561**	29,311	**10,933**	10,066
Recognised in profit or loss (Note 25)	**(899)**	250	**(265)**	867
At 30 June	**28,662**	29,561	**10,668**	10,933

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

	Revaluation surplus arising from subsidiary companies's development properties RM'000	Temporary differences arising from interest capitalised into development properties RM'000	Revaluation surplus arising from investment property/ asset held for sale RM'000	Total RM'000
Group				
At 1 July 2017	11,316	7,004	11,241	29,561
Recognised in profit or loss	(432)	(267)	(200)	(899)
At 30 June 2018	**10,884**	**6,737**	**11,041**	**28,662**
At 1 July 2016	11,347	7,023	10,941	29,311
Recognised in profit or loss	(31)	(19)	300	250
At 30 June 2017	11,316	7,004	11,241	29,561

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Accelerated capital allowances	**(108)**	(69)	**(90)**	(99)
Unutilised capital allowances	**158**	177	**115**	108
Unused tax losses	**97,721**	87,060	**20,443**	3,363
	97,771	87,168	**20,468**	3,372

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 subsidiary companies that have a recent history of losses.

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20. TRADE PAYABLES

Credit terms of trade payables of the Group and of the Company ranged from 30 to 90 days (2017: 30 to 90 days) depending on the terms of the contracts.

21. PROVISION FOR LIQUIDATED AND ASCERTAINED DAMAGES

	Group	
	2018 RM'000	2017 RM'000
At 1 July/30 June	**257**	257

22. REVENUE

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Rental income from asset held for sale	**6,185**	6,962	**5,543**	6,222
Property development revenue	**8,714**	3,091	**-**	-
	14,899	10,053	**5,543**	6,222

23. FINANCE COSTS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest expenses on:				
Bank overdrafts	**9,721**	8,362	**9,721**	8,362
Finance lease liabilities	**17**	25	**1**	8
Revolving credit	**2,298**	2,284	**2,298**	2,284
	12,036	10,671	**12,020**	10,654

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24. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Auditors' remuneration				
- statutory				
- current year	**148**	142	**85**	80
- under provision in prior years	**-**	(4)	**-**	-
- non-statutory	**5**	5	**5**	5
Bad debts written off				
- trade receivables	**35**	2	**35**	-
- other receivables	**-**	5	**-**	-
Deposits written off	**-**	10	**-**	-
Depreciation of property, plant and equipment	**218**	262	**80**	159
Impairment losses on:				
- amount due from subsidiary companies	**-**	-	**5,093**	1,348
- asset held for sale	**5,299**	11,337	**5,299**	-
- trade receivables	**838**	228	**74**	-
- other receivables	**4**	25	**-**	25
- investment in subsidiary companies	**-**	-	**-**	28
Non-executive Directors' remuneration				
- Fee	**174**	50	**174**	50
- Other emoluments	**13**	-	**13**	-
Prepayments written off	**-**	3	**-**	-
Rental of office equipment	**32**	31	**25**	24
Rental of premises	**53**	43	**-**	-
Reversal of impairment losses on:				
- trade receivables	**(153)**	(761)	**-**	-
- amount due from subsidiary companies	**-**	-	**(129)**	(1,542)
- asset held for sale	**(1,299)**	(17,337)	**-**	(17,337)
Fair value adjustments on other payables	**(2,399)**	-	**(2,399)**	-
Gain on disposal of property, plant and equipment	**(74)**	(164)	**(74)**	(145)
Interest income	**(47)**	(26)	**(47)**	(26)
Realised gain on foreign exchange	**-**	(2)	**-**	-
Reversal of payables arised from proof of debts	**(7,168)**	-	**(5,089)**	-
Reversal of accruals no longer required	**(5,599)**	-	**(782)**	-
Unrealised loss/(gain) on foreign exchange	**-**	1	**547**	(438)
Loss on petty cash	**-**	7	**-**	7
Waiver of debts income	**-**	-	**-**	(21)

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25. TAXATION

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Tax expenses recognised in profit or loss				
Current income tax	**955**	2	**740**	-
Under provision of taxation in prior years	**5**	3	**-**	-
	960	5	**740**	-
Deferred tax				
- Origination and reversal of temporary differences	**(699)**	(50)	**-**	-
- Deferred tax on fair value (loss)/gain on asset held for sale	**(200)**	300	**(265)**	867
	(899)	250	**(265)**	867
	61	255	**475**	867

Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expense applicable to (loss)/profit 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	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Loss/(Profit) before tax	**(1,928)**	(10,103)	**(15,379)**	6,116
At Malaysian statutory tax rate of 24% (2017: 24%)	**(463)**	(2,425)	**(3,691)**	1,468
Tax effects in respect of:				
Expenses not deductible for tax purposes	**1,474**	6,364	**1,809**	3,121
Non-taxable income	**(3,300)**	(4,375)	**(1,481)**	(4,671)
Deferred tax assets not recognised	**2,545**	388	**4,103**	82
Deferred tax on fair value loss on asset held for sale	**(265)**	(567)	**(265)**	-
Deferred tax on fair value gain on asset held for sale	**65**	867	**-**	867
Under provision of taxation in prior years	**5**	3	**-**	-
Tax expenses for the financial year	**61**	255	**475**	867

Subject to the agreement of the Inland Revenue Board, the Group and the Company have unutilised capital allowances and unused tax losses available to offset against future taxable income as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unutilised capital allowances	**158**	177	**115**	108
Unused tax losses	**97,721**	87,060	**20,443**	3,363
	97,879	87,237	**20,558**	3,471

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26. LOSS PER SHARE

(a) Basic loss per share

Basic loss per 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	
	2018 RM'000	2017 RM'000
Loss attributable to owners of the parent	**(1,989)**	(10,358)
Weighted average number of ordinary shares in issue ('000)	**287,660**	287,660
Basic loss per ordinary share (sen)	**(0.69)**	(3.60)

(b) Diluted loss per share

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

27. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Cash and bank balances	**1,855**	810	**1,189**	437

Included in the Group's cash and bank balances is an amount of RM35,000 (2017: RM34,000) 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	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Cash and bank balances	**1,855**	810	**1,189**	437
Bank overdrafts included in bank borrowings (Note 15)	**(101,254)**	(91,182)	**(101,254)**	(91,182)
	(99,399)	(90,372)	**(100,065)**	(90,745)

NOTES TO THE FINANCIAL STATEMENTS
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28. STAFF COSTS

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Fee	**-**	5	**-**	5
Salaries and other emoluments	**3,357**	4,107	**344**	637
Defined contribution plans	**446**	445	**48**	75
Other employee benefits	**664**	878	**127**	44
	4,467	5,435	**519**	761

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and of the Company during the financial year as below:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Executive Directors of the Company				
Fee	**-**	5	**-**	5
Salaries and other emoluments	**1,898**	1,913	**180**	100
Defined contribution plans	**242**	231	**14**	13
Other employee benefits	**547**	429	**-**	7
	2,687	2,578	**194**	125
Executive Directors of the subsidiary companies				
Salaries and other emoluments	**185**	183	**-**	-
Defined contribution plans	**24**	21	**-**	-
Other employee benefits	**28**	-	**-**	-
	237	204	**-**	-
	2,924	2,782	**194**	125

NOTES TO THE FINANCIAL STATEMENTS
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29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 April 2017 RM	Financing cash flows (i) RM	New finance lease [Note 4(b)] RM	At 30 June 2018 RM
Group					
Financial liability					
Finance lease liabilities	17	354	(121)	256	489
Company					
Financial liability					
Finance lease liabilities	17	120	(82)	-	38

(i) The financing cash flows include the net amount of repayments of finance lease liabilities in the statements of cash flows.

30. MATERIAL LITIGATIONS

(a) AmanahRaya Development Sdn Bhd ("Plaintiff" or "AmanahRaya") vs. Taman Bandar Baru Masai Sdn Bhd ("Defendant" or "TBBM")
Johor Bahru High Court Originating Summons No.: 24FC-1845-11/2014
Johor Bahru High Court A/E No.: JA-38-353-04/2016

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 Oriental Pearl City Properties Sdn. Bhd. ("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 subsidiary companies, namely, TBBM, Creative Ascent Sdn. Bhd. 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 due together with interest within twenty one (21) days from the date of the delivery of the Statutory Notice.

30. MATERIAL LITIGATIONS (CONT'D)

(a) AmanahRaya Development Sdn Bhd ("Plaintiff" or "AmanahRaya") vs. Taman Bandar Baru Masai Sdn Bhd ("Defendant" or "TBBM")
Johor Bahru High Court Originating Summons No.: 24FC-1845-11/2014
Johor Bahru High Court A/E No.: JA-38-353-04/2016 (Cont'd)

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 an 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").

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 company, Lakehill Resort Development Sdn. Bhd. ("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, LHRD, 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 LHRD, with all costs and expenses relating thereto to be borne by the defaulting parties.

In financial year 2014, 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.

NOTES TO THE FINANCIAL STATEMENTS

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30. MATERIAL LITIGATIONS (CONT'D)

(a) AmanahRaya Development Sdn Bhd ("Plaintiff" or "AmanahRaya") vs. Taman Bandar Baru Masai Sdn Bhd ("Defendant" or "TBBM")
Johor Bahru High Court Originating Summons No.: 24FC-1845-11/2014
Johor Bahru High Court A/E No.: JA-38-353-04/2016 (Cont'd)

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 May 2015 as hearing date. On 19 May 2015, the Court had fixed a new hearing date for Originating summon on 26 July 2015.

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.

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

On 31 January 2016, the Johor Bahru High Court has fixed on 29 February 2016 for Decision.

The Johor Bahru High Court has on 29 February 2016 allowed the Plaintiff's Originating Summons with costs of RM10,000. The Johor Bahru High Court has further fixed 29 May 2016 for auction.

On 12 April 2016, the Plaintiff had filed a Notice of Application (Application No. JA-38-353-04/2016) to the High Court to fixed an auction price at RM139,500,000.00 for the sale of the seven (7) pieces of land located at Mukim Plentong, Daerah Johor Bahru, Negeri Darul Takzim.

The Defendant's Solicitors has proceeded to file the Application for Stay of Execution on the 23 May 2016.

On 29 September 2016, the Defendant has obtained the stay of execution of the Order for Sale pending the appeal with costs of RM500 payable to the Plaintiff.

On 5 October 2016, the Company's solicitors informed that the Court has fixed the hearing of the Plaintiff's application to fix the auction date on 3 November 2016.

O 31 October 2016, the Court of Appeal has allowed the Company's appeal and the Order for Sales dated 29 February 2016 has been set aside and the Originating Summons for Order for Sale be remitted back to Johor Bahru Court for rehearing.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(a) AmanahRaya Development Sdn Bhd ("Plaintiff" or "AmanahRaya") vs. Taman Bandar Baru Masai Sdn Bhd ("Defendant" or "TBBM")
Johor Bahru High Court Originating Summons No.: 24FC-1845-11/2014
Johor Bahru High Court A/E No.: JA-38-353-04/2016 (Cont'd)

On 3 November 2016, the Plaintiff's application for directions in respect of the auction has been withdrawn.

On 25 January 2017, the hearing date for the AmanahRaya's Originating Summons and Application for Stay of Proceedings has been adjourned to 5 April 2017 for case management.

On 5 April 2017, the matter was further set for case management on 22 May 2017.

On 22 May 2017, the Court has set the matter for case management on 31 July 2017.

On 31 July 2017, the Court had set the matter for further case management on 12 September 2017.

On 12 September 2017, the case management was vacated pending disposal of the Applicant's motion for leave to appeal to the Federal Court on 14 November 2017.

On 14 November 2017, the Court allows AmanahRaya's motion for leave to appeal and set aside the Order of Court of Appeal with no order as to costs and deposit is refunded. The case be heard de novo before the Court of Appeal.

(b) Taman Bandar Baru Masai Sdn Bhd ("Appellant" or "Company") vs. AmanahRaya Development Sdn Bhd ("Respondent" or "AmanahRaya")
Johor Bahru Court of Appeal No.: J-02(A)-619-04/2016

This is an appeal against the Johor Bahru High Court Originating Summons No.: 24FC-1845-11/2014.

The Respondent's solicitors had on 27 November 2014 served an Originating Summons dated 20 November 2014 to the Appellant claiming for an Order for Sale of the seven (7) pieces of land located at Mukim Plentong, Daerah Johor Bahru, Negeri Darul Takzim by way of a Public auction to settle the outstanding amount due from the Appellant to the Respondent.

On the 29 February 2016, the High Court has allowed the Respondent's Originating Summons with costs of RM10,000.00. The High Court has also fixed the date of 29 May 2016 for the auction.

The Appellant has filed a Notice of Appeal on the 28 March 2016 to appeal against the High Court's decision in allowing the Respondent's Originating Summons application.

The matter has been fixed for hearing on 31 October 2016.

On 31 October 2016, the Court has allowed the Company appeal and the Order for Sale dated 29 February 2016 be set aside and the Originating Summons for Order for Sale be remitted back to Johor Bahru High Court for rehearing. The case management at the Johor Bahru High Court has been fixed on 3 November 2016.

On 3 November 2016, the court has fixed the new hearing date for the Originating Summons on 25 January 2017 and directed the Parties to file and serve the Supplementary Written submission by 11 January 2017.

AmanahRaya has appealed for the Leave to Appeal against the Court of Appeal's decision in this case to the Federal Court. The next case management date has been fixed on 22 February 2017 pending the receipt of the Ground Judgment of the Sealed Order dated 31 October 2016 from the Court.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(b) Taman Bandar Baru Masai Sdn Bhd ("Appellant" or "Company") vs. AmanahRaya Development Sdn Bhd ("Respondent" or "AmanahRaya")
Johor Bahru Court of Appeal No.: J-02(A)-619-04/2016 (Cont'd)

On the 22 February 2017, the Court has fixed the case for further case management on 29 March 2017.

On 29 March 2017, the Court has fixed the matter for further case management on 18 May 2017.

On 18 May 2017, the Appellant's solicitor informed the Court that the Grounds of Judgement is pending from the Court of Appeal and as such the matter was further fixed for case management on 27 July 2017.

On 27 July 2017, the Court had set the matter for case management on 6 September 2017.

The case management on 6 September 2017 was vacated and TBBM's Notice of Motion for Leave to Appeal is fixed for hearing on 14 November 2017.

(c) Wisma MPL JMB ("Plaintiffs" or "JMB") vs. Malaysia Pacific Corporation Berhad ("Defendant")
Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013
Federal Court Civil Application No.: 08(f)-312-06/2014

This is an appeal against the Kuala Lumpur High Court Originating Summons No.: 24 NCVC-1341-08/2013 and Court of Appeal Civil Appeal No.: W-02(NCVC)(A)-133-01/2014.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
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30. MATERIAL LITIGATIONS (CONT'D)

(c) Wisma MPL JMB ("Plaintiffs" or "JMB") vs. Malaysia Pacific Corporation Berhad ("Defendant")
Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013
Federal Court Civil Application No.: 08(f)-312-06/2014 (Cont'd)

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.

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 company 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.

NOTES TO THE FINANCIAL STATEMENTS
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30. MATERIAL LITIGATIONS (CONT'D)

(c) Wisma MPL JMB ("Plaintiffs" or "JMB") vs. Malaysia Pacific Corporation Berhad ("Defendant")
Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013
Federal Court Civil Application No.: 08(f)-312-06/2014 (Cont'd)

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.

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).

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(c) Wisma MPL JMB ("Plaintiffs" or "JMB") vs. Malaysia Pacific Corporation Berhad ("Defendant")
Kuala Lumpur High Court Originating Summons No. 24 NCVC-1341-08/2013
Federal Court Civil Application No.: 08(f)-312-06/2014 (Cont'd)

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

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

On 18 December 2015, the High Court dismissed the Company's application for stay pending the full and final disposal of the High Court's proceedings.

On 6 January 2016, the High Court has allowed the plaintiffs to strike out the Company's Originating Summons with cost of RM3,000.00.

On 18 January 2016, JMB has proceeded with the Writ of Possession and taken possession of the management of the carpark at Wisma MPL.

On 10 April 2017, the Plaintiff filed a Notice of Application against the officers of the Company for not complying to the Court order dated 10 January 2014 and 28 January 2015. The court has fixed the application for case management on 1 June 2017.

On 1 June 2017, the court set the matter for further case management on 26 June 2017. Affidavits were filed on 13 July 2017.

On 14 July 2017, the court has set the matter for case management on 18 August 2017.

On 18 August 2017, the court has set the matter for case management on 15 September 2017.

On 15 September 2017, the Court fixed for further case management on 30 October 2017 pending discussions between parties for amicable settlement.

On 30 October 2017, the Court fixed for further case management on 29 November 2017 to update Court on the status of settlement between JMB and the Company.

On 29 November 2017, the Court fixed for cases management on 5 January 2018 as JMB and the Company required another meeting to discuss for settlement.

(d) Malaysia Pacific Corporation Berhad ("Appellant" or "the Company") vs Wisma MPL JMB ("JMB" or "Respondent)
Kuala Lumpur High Court Originating Summons No. 24NCVC-1055-07/2015
Court of Appeal No. W-02(IM)(NCVC)-179-01/2016

This is an appeal against the Kuala Lumpur High Court Originating Summons No. 24NCVC-1055-07/2015.

On 10 July 2015, the Appellant had filed an Originating Summons No.: 24NCVC-1055-07/2015 ("Originating Summons") at the Kuala Lumpur High Court against the Respondent that the Kuala Lumpur High Court Order dated 10 January 2014 ("High Court Order") is a nullity and is not binding on the Appellant as:

(i) The High Court Order allows Respondent to exercise ownership rights over the car parks which is allegedly contrary to the Building and Common Property (Maintenance and Management) Act 2007 ("Act 663") and the Company's alleged ownership rights over the car parks derive from the Sale and Purchase agreements between the Company and the purchasers of the parcels in Wisma MPL that were executed before the Act 663 and Strata Titles Act 1985 came into force; and
(ii) The High court Judge lacked the jurisdiction to make the High Court Order as Act 663 cannot be applied retrospectively.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(d) Malaysia Pacific Corporation Berhad ("Appellant" or "the Company") vs Wisma MPL JMB ("JMB" or "Respondent)
Kuala Lumpur High Court Originating Summons No. 24NCVC-1055-07/2015
Court of Appeal No. W-02(IM)(NCVC)-179-01/2016 (Cont'd)

On 4 September 2015, Respondent had filed an application to strike out the Appellant's Originating Summons.

On 16 November 2015, an application for stay was filed by the Appellant for stay of the execution of the Writ of Possession (the "application for stay") pending the full and final disposal of the court proceedings.

On 18 December 2015, the High Court dismissed the Appellant's application for stay of execution of the Writ of Possession pending the full and final disposal of the court proceedings filed in the High Court of Malaya at Kuala Lumpur vide Originating Summons No.: 24NCVC-1055-07/2015.

The Kuala Lumpur High Court had on 6 January 2016, has allowed the Respondent's application to strike out the Appellant's Originating Summons with cost of RM3,000.00 ("High Court's Decision").

On 12 January 2016, the Appellant had filed an appeal to the Court of Appeal against the said High Court's Decision on the striking out of the Appellant's Originating Summons.

On 18 January 2016, Respondent has proceeded with the Writ of Possession and taken possession of the management of the car parks at Wisma MPL.

The Court of Appeal had on 26 August 2016, dismissed the Appellant's appeal.

(e) Malaysia Pacific Corporation Berhad ("Appellant" or "Company") vs. Wisma MPL JMB ("Respondent" or "JMB")
Court of Appeal No.: W-02(IM)(NCVC)-898/05/2016

This is an appeal against the Kuala Lumpur High Court Civil Suit No. 22NCVC-691-12/2015.

The Respondent had served the Appellant a Writ of Summons dated 18 December 2015 claiming against the Appellant on the following:

(i) The sum of RM8,200,519.66 due as at 30 June 2015;
(ii) Late payment interest at the rate of 10% per annum on the sum of RM7,396,611.80 from 1 July 2015 until the date of full settlement;
(iii) Costs; and
(iv) Such further and/or other relief as this Honourable Court deems fit.

On 15 April 2016, the High Court has allowed the Respondent's Summary Judgment Application with costs on the following:

(i) RM7,863,758.26 as at 31 December 2015
(ii) Interest of 10% per annum on the sum of RM7,059,850.40 calculated from 1 January 2016 until the date of settlement; and
(iii) Costs of RM5,000.00 subject to allocator fee.

The Appellant has since filed a Notice of Appeal to the Court of Appeal on 11 May 2016 to appeal against the High Court's decision.

On, 12 July 2016, the Appellant has filed a Supplementary Record of Appeal inclusive of the Grounds of Judgment, Sealed Order and Sealed Judgment and further filed the Notice of Motion to amend the Memorandum of Appeal on 20 July 2016.

The Notice to amend the Memorandum of Appeal has been fixed for hearing on 17 October 2016.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(e) Malaysia Pacific Corporation Berhad ("Appellant" or "Company") vs. Wisma MPL JMB ("Respondent" or "JMB")
Court of Appeal No.: W-02(IM)(NCVC)-898/05/2016 (Cont'd)

On 17 October 2016, the Court has directed the Parties to file the common chronology and written submission on or before 13 January 2017 and the Next case management to ensure compliance of the directions is fixed on 18 January 2017. The hearing of the appeal is fixed on 6 February 2017.

On 6 February 2017, the Court of Appeal has allowed our appeal and set aside the summary judgment dated 15 April 2016 for the sum of RM7,863,758.26 and awarded the costs of RM10,000.00. The matter is now fixed for case management on 21 February 2017 before the High Court.

On 21 February 2017, the application is fixed for another case management on 13 March 2017.

On 13 March 2017, the Court directed the parties on the filing of Affidavits and Written Submissions in respect to the Plaintiffs application for amendment of the Writ and Re-amendment of the Statement of Claim. The Hearing of the Application and the Case Management was fixed on 21 April 2017.

On 21 April 2017, the Plaintiffs Notice of Application for amendment was allowed with costs in the cause. The Court has fixed the next case management on 2 June 2017.

On 13 July 2017, the Federal High Court has set case management on 13 October 2017.

For Court of Appeal has set final case management on 18 September 2017 and hearing on 5 October 2017.

On 5 October 2017, the appeal is dismissed by the Court of Appeal with costs in the cause.

The Trial for set off amounting to RM15,240,589.14 at Kuala Lumpur High Court has been fixed on 6 November 2017 until 10 November 2017.

On 13 October 2017, the High Court has fixed 3 November 2017 for final case management before the trial on 6 November 2017 until 10 November 2017.

On 3 November 2017, the Court proceeded to confirm the documents filed, list of witnesses to be called and marked the documents for the upcoming Trial on 6 November 2017 until 10 November 2017.

The Trial on 6 November 2017 to 10 November 2017 will continue on 27 November 2017. Meanwhile, the Court further fixed Case Management on 17 November 2017 to update on the service of subpoena of the witnesses to be called for the continued Trial.

On 17 November 2017, the Company has informed the Court that we are unable to serve the subpoena to the witnesses to be called for the Continued Trial on 27 November 2017. However, the Court does not take cognizance of the Company's Affidavit of Non-Service and the Supplementary Affidavit. As such, Continued Trial on 27 November 2017 is maintained and the Company main witness must be present to give further evidence on the subpoenaed witnesses regards on the non-availability of the subpoenaed witnesses.

On 27 November 2017, the Court directed the parties to file Written Submissions on 11 December 2017. The Court further fixed the Decision on 16 January 2018.

On 16 January 2018, in respect of JMB's claim, the Court allowed with cost of RM10,000 and the Company's counter claim is dismissed. The Court hereby order the Company to pay RM10,000 to JMB.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(f) Malaysia Pacific Corporation Berhad ("Appellant" or "the Company") vs RHB Bank Berhad ("Respondent" or "RHB")
Court of Appeal No.: W-02(IM)(NCC)-925-05/2016

This is an appeal against the Kuala Lumpur High Court Suit No.: 22NCC-397-11/2015.

The Appellant had on 11 December 2015 received a Writ of Summons and Statement of Claims both dated 30 November 2015 from the Respondent on the claim for the outstanding amount from the bank overdraft, interest charge on the outstanding bank overdraft, interest charge on principal amount, cost of legal fees, cost and any relief the court may order owing from the Appellant to the Respondent.

On 11 April 2016, the High Court has allowed the Respondent's application to strike out the Appellant's defence with costs of RM5,000.00 and the High Court then proceeded to enter Judgment against the Appellant ("said decision").

On 4 May 2016, the Appellant has filed an appeal to the Court of Appeal against the said decision.

The matter has been fixed for hearing on 4 October 2016.

On 4 October 2016, the Court of Appeal has dismissed the Company's appeal with cost of RM10,000.

(g) RHB Bank Berhad ("Plaintiff" or "RHB") vs. Malaysia Pacific Corporation Berhad ("Defendant" or "Company")
Kuala Lumpur High Court Originating Summons No.: 24FC-30-01/2016

On 15 February 2016, the Company has received from the Plaintiff's solicitor the sealed Originating Summons dated 8 January 2016 on the Claim for Order for Sale of Wisma MPL which is charged to the Plaintiff vide Presentation No.: 17565/1996, 14858/1998 and 11693/2001 ("Property") by Public Auction.

On 10 August 2016, the High Court has made an Order for Sale of the Property and the auction to be held on 21 November 2016. The Company has since filed the Notice of Application for Stay of Execution on 6 September 2016.

The High Court has directed the Plaintiff to file the Affidavit in Reply on 30 September 2016 and the Defendant to file the Reply to the Plaintiff's Affidavit in Reply on 14 October 2016.

The court has fixed the case management on 26 October 2016.

On 26 October 2016, the Court has fixed the hearing on 8 December 2016.

On 8 December 2016, the court has allowed the Company's Application to stay the Order for Sale dated 10 August 2016 pending the disposal of the Appeal to the Court of Appeal.

Further, the Court fixed 12 October 2017 for the Decision for Hearing of Stay of Application and Notice of Appeal to the Judge in Chambers for direction of auction which the matter was heard on 21 August 2017.

On 12 October 2017, the Court dismissed the Company's application to appeal to the Judge in Chambers for direction of auction with costs of RM 3,000.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(h) Malaysia Pacific Corporation Berhad ("Appellant" or "Company") vs. RHB Bank Berhad ("Respondent" or "RHB")
Court of Appeal No.: W-02(A)-1716-09/2016

This is an appeal against the Kuala Lumpur High Court Originating Summons No.: 24FC-30-01/2016.

On 26 August 2016, the Company has filed an appeal to the Court of Appeal to appeal against the High Court's decision in the Originating Summons No.:24FC-30-01/2016.

The court has fixed the case management on 25 November 2016 but has been rescheduled to 28 October 2016. On 28 October 2016, the Court has fixed the case management on 2 December 2016 pending filing of the Supplementary Record of Appeal.

On 2 December 2016, the Court has fixed the matter for further case management on 20 January 2017.

On 20 January 2017, the Court has fixed the matter for hearing on 27 April 2017.

The Court of Appeal on 27 April 2017 had dismissed the Appellant's claim with costs of RM10,000, establishing that the Order for Sale was rightly granted to the Respondent.

(i) Malaysia Pacific Corporation Berhad ("Plaintiff" or "Company") vs. RHB Bank Berhad ("Defendant" or "RHB")
Court of Appeal No. W-02(IM)(BCC)-1811-10/2016 and W-02(IM)(NCC)-1812-10/2016

This is an appeal against the Kuala Lumpur High Court Originating Summons No.: 24NCC-292-07/2016.

On 14 June 2016, the Company had received a notice of statutory demand pursuant to Section 218 of the Companies Act 1965 dated 8 June 2016 from the Defendant's solicitors.

On 4 July 2016, the Company has successfully obtained the injunction on an ex-parte basis and on 18 July 2016, the High Court has granted an ad interim injunction to the Company.

On 8 September 2016, the High Court has allowed the Company's application for Fortuna Injunction and the Company's application in the Originating Summons. The High Court has held that it was an abuse of process for the Defendant to serve the Company the Notice under Section 218 of the Companies Act 1965. In addition, the Company has also been rewarded with the cost of RM2,500 for the inter-parte application for the Fortuna Injunction and RM2,500 for the Amended Originating Summons.

On 29 September 2016, the Company's solicitors informed that RHB has filed an appeal to the Court of Appeal against the High Court's decision.

Subsequently, on 4 October 2016, the Company has instructed their solicitors to resist the appeal.

On 11 January 2017, the Court has fixed the RHB's Notice of Motion to adduce fresh evidence for hearing on 28 February 2017.

On 28 February 2017, the Court had fixed the matter for case management is on 13 March 2017. Further, on 13 March 2017, the matter was fixed for case management on 17 May 2017.

On 17 May 2017, the Court had fixed the matter for case management on 9 June 2017.

On 9 June 2017, the matter was fixed for hearing on 15 September 2017.

On 15 September 2017, the Court of Appeal allowed the appeal of the Bank and reversed the decision of the High Court and ordered cost of RM10,000 against the Company. This means that notice under Section 218 of the Companies Act 1965 dated 8 June 2016 is valid and the Bank entitled to file the Winding Up petition against the Company.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(i) Malaysia Pacific Corporation Berhad ("Plaintiff" or "Company") vs. RHB Bank Berhad ("Defendant" or "RHB")
Court of Appeal No. W-02(IM)(BCC)-1811-10/2016 and W-02(IM)(NCC)-1812-10/2016 (Cont'd)

The Company has filed leave application to appeal to the Federal Court and the case management is fixed on 23 October 2017.

On 23 October 2017, the Federal Court has fixed 13 February 2018 for the Hearing date for appeal to the decision of the Court of Appeal on 15 September 2017. Meanwhile, the Court also has fixed the Hearing date for the application of Stay of Execution at the Court of Appeal on 6 November 2017.

On 6 November 2017, the Court of Appeal dismissed the application of Stay Execution. Meanwhile, the Hearing date of Leave Application to Appeal to Federal Court remains on 13 February 2018.

On 13 February 2018, the Court has fixed the date as the case management and further fixed a Hearing date on 19 June 2018 for leave application to appeal to the Federal Court.

On 19 July 2018, Federal Court has vacated the Hearing on 10 August 2018 and further fixed 26 July 2018 for Case Management to fix a new Hearing date.

On 20 July 2018, the Federal Court has re-fixed the Case Management to 27 July 2018 to fix a new Hearing date.

On 27 July 2018, the Federal Court has fixed a new Hearing date on 18 September 2018.

The Board of Directors of the Company has announced that on 18 September 2018 the Federal Court has granted the Company's leave application to appeal to the Federal Court against Court of Appeal Order dated 15 September 2017.

Pursuant to Federal Court has granted the Company's leave application to appeal against Court of Appeal Order dated 15 September 2017 on 18 September 2018, the Company has filed Notice of Appeal to Federal Court on 21 September 2018.

The Federal Court vides its letter dated 25 September 2018 informed that the case management for the Appeal to Federal Court has fixed on 26 October 2018.

(j) RHB Bank Berhad ("Plaintiff" or "RHB") vs. Malaysia Pacific Corporation Berhad ("Defendant" or "Company")
Kuala Lumpur High Court A/E No.: WA-38-550-09/2016

On 25 October 2016, the Company has received the sealed copy of the Notice of Application to proceed with the Order for Sale dated 26 September 2016 from the Plaintiff's solicitors.

The hearing of the Application has been fixed on 17 November 2016.

On 17 November 2016, the Court has further fixed the case management on the 1 December 2016.

The Court has further fixed the case management on 19 December 2016 for both parties to exhaust the Affidavits.

On 19 December 2016, the Court has fixed the matter for mention on 28 February 2017.

On 28 April 2017, the Court was informed on the outcome of the appeal against the Order for Sale and the matter is now fixed for Case Management on 19 May 2017.

On 19 May 2017, the Court had fixed the decision date on 23 May 2017. However, the Deputy Registrar was on emergency leave on that date and the decision was postponed to 24 May 2017.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(j) RHB Bank Berhad ("Plaintiff" or "RHB") vs. Malaysia Pacific Corporation Berhad ("Defendant" or "Company")
Kuala Lumpur High Court A/E No.: WA-38-550-09/2016 (Cont'd)

On 24 May 2017, the Court had allowed the Plaintiff's Notice of Application for Court's direction pertaining to the conduct of the auction was allowed with costs of RM1,000 and the Court further fixed the auction date of Wisma MPL on 10 July 2017.

On 23 June 2017 we were informed that the Notice of Appeal was fixed for case management on 4 July 2017.

On 5 July 2017 the Hearing of the Stay Application was fixed on 21 August 2017.

On 10 July 2017, the auction was called off as there was no bidder.

Further, the Court fixed 12 October 2017 for the Decision for Hearing of Stay of Application and Notice of Appeal to the Judge in Chambers for direction of auction which the matter was heard on 21 August 2017.

On 12 October 2017, the Court dismissed the Company's application to appeal to the Judge in Chambers for direction of auction with costs of RM3,000.

On 2 November 2017, RHB has filed a fresh application for auction. The Company has reply to their affidavit on 30 November 2017. The Court is now fix for case management for the application of auction on 6 December 2017.

On 6 December 2017, the Court fixed next case management on 20 December 2017 pending filling of the affidavit in Reply by RHB to the Company's affidavit dated 30 November 2017.

On 20 December 2017, the Court further fixed the case management on 5 January 2018 pending filling of the Affidavit in Reply by the Company to RHB's Affidavit.

On 5 January 2018, the Court fixed the case management on 19 January 2018 for RHB to reply to the Company's Affidavit in Reply.

On 19 January 2018, the Court fixed the Hearing for RHB's application for auction on 19 March 2018.

On 19 March 2018, the Court has adjourned the Hearing for the auction to 5 April 2018.

On 5 April 2018, the Court fixed the Decision for Hearing on 6 April 2018.

On 6 April 2018, the Court had allowed the RHB's Notice of Application for Court's direction pertaining to the conduct of the auction with costs of RM2,000 and the Court further fixed the auction date of Wisma MPL on 30 May 2018.

On 30 May 2018, the auction was aborted as there were no bidders.

On 26 July, RHB has filed a fresh application for auction at Kuala Lumpur High Court. The Court has fixed the Hearing for the application of auction on 27 August 2018.

On 27 August 2018, the Court further fixed the Hearing for the application of auction on 21 September 2018.

On 21 September 2018, the Court has fixed the auction date of Wisma MPL on 29 November 2018.

The Company has filed the Notice of Appeal to Judge in Chambers against part of the decision of the Registrar given on 21 September 2018 and the Court has fixed 8 October 2018 for the hearing of the Notice of Appeal.

Pursuant to the Company's Notice of Appeal to Judge in Chambers, the Company has filed the Notice of Application for Stay of Execution of the Order dated 21 September 2018 pending appeal to the Judge in Chambers and the Court has fixed 31 October 2018 for hearing.

For the Appeal to Judge in Chambers on 8 October 2018, the Court has fixed case management on 25 October 2018.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(k) Wisma MPL JMB ("Plaintiff" or "JMB") vs. Malaysia Pacific Corporation Berhad ("Defendant" or "Company")
Kuala Lumpur High Court Originating Summons No.: 24NCVC-1341-08/2013

On 10 April 2017, the Plaintiff filed a Notice of Application against the officers of the Company for not complying to the Court order dated 10 January 2014 and 28 January 2015.

The court has fixed the application for case management on 1 June 2017.

On 18 August 2017, the Court has set the matter for case management on 15 September 2017.

On 15 September, the Court fixed for further case management on 30 October 2017 to update Court on the status of amicable settlement.

On 30 October 2017, the Court fixed for further case management on 29 November 2017 to update Court on the status of settlement between JMB and the Company.

On 29 November 2017, the Court fixed for cases management on 5 January 2018 as JMB and the Company required another meeting to discuss for settlement.

On 5 January 2018, the Court fixed further case management on 25 January 2018 pending status settlement between JMB and the Company.

On 25 January 2018, the Court fixed 22 February 2018 as the final date for Case Management pending terms of settlement JMB and the Company.

On 22 February 2018, the Court fixed another case management on 27 February 2018 pending finalising settlement agreement between JMB and the Company.

On 27 February 2018, the case management was adjourned to 8 March 2018 as the Court had an emergency meeting.

On 8 March 2018, pursuant to the Settlement Agreement between JMB and the Company dated 28 February 2018, JMB has withdrawn the Committal Proceedings against the Company and its officers. The payment schedule is as follows:

	RM'000
Upon Signing Settlement Agreement	100
April 2018 - January 2019	500
February 2019 - January 2020	960
February 2020 - July 2022	4,500
August 2022	115
	6,175

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(l) Malaysia Pacific Corporation Berhad ("Company" or "Plaintiff") vs RHB Bank Berhad ("RHB" or "Defendant")
Court or Appeal No. W-02(NCC)(A)1312-06/2018 and W-02(NCC)-1311-06/2018
Kuala Lumpur High Court No. WA-28NCC-131-02/2018
Kuala Lumpur High Court Originating Summons No. 24NCC-292-07/2016

The Company previously on 14 June 2016 received a notice of statutory demand pursuant to Section 218 of the Companies Act 1965 (Act 125) dated 8 June 2016 from Gibb & Co.

On 20 February 2018, the Company received a Winding-Up Petition pursuant to Sect 465 of the Companies Act 2016 (Act 777) dated 6 February 2018 from Messrs Gibbs & Co. and the case management is fixed on 21 February 2018.

On 21 February 2018, the Court fixed the next case management on 27 March 2018.

On 27 March 2018, the Court fixed further case management on 5 April 2018.

On 5 April 2018, the Court fixed the Hearing for Winding-Up Petition on 12 April 2018.

The Company had on 6 April 2018 filed a Notice of Motion to Strike Out the Winding-Up Petition. The Court thereafter fixed the matter for Hearing on 12 April 2018 together with the Hearing for Winding-Up Petition.

On 12 April 2018, the Hearing for Winding-Up Petition and Notice of Motion to Strike Out the Winding-Up Petition was adjourned to 30 May 2018.

On 30 May 2018, pursuant to the Hearing for the applications of Winding-Up Petition, Stay of Winding-Up Proceedings and Notice of Motion to Strike Out the Winding-Up Petition, the Court has fixed the Decision for the applications on 13 June 2018.

On 13 June 2018, the Court allowed RHB'S Winding-Up Petition and dismissed the Company application to Stay the Winding-Up Petition and application for Notice of Motion to Strike Out the Winding-Up Petition. The Company is appealing against the decision.

On 14 June 2018, the Company filed an appeal to the Court of Appeal against the Winding-Up Order and also application for a stay of Winding-Up Order pending the appeal.

On 17 June 2018, the Court of Appeal has acknowledged receipt of the Company's appeal and has registered the appeal under Civil Appeal No. W-02(NCC)(A)1312-06/2018.

The Court of Appeal has fixed 10 July 2018 for the Hearing of the Stay of Winding-Up Proceedings.

On 10 July 2018, the Court of Appeal had allowed the Company's application for the Stay of Execution of the Winding-Up Order dated 13 June 2018 with no order as to costs. The Court has further fixed the appeal against the Winding-Up Order for Case Management on 1 August 2018.

On 1 August 2018 the Court of Appeal fixed the next Case Management on 13 September 2018.

On 13 September 2018, the Court of Appeal further fixed the next Case Management on 7 November 2018.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

30. MATERIAL LITIGATIONS (CONT'D)

(m) Malaysia Pacific Corporation Berhad ("Company" or "Plaintiff") vs Wisma MPL JMB ("JMB" or "Defendant")
Court of Appeal No. W-02(NCVC)(W)-361-02-2018
Kuala Lumpur High Court Suit No. 22NCVC-691-12/2015

On 22 March 2018, the Court of Appeal further fixed the Case Management on 18 April 2018 pending filling of the Record of Appeal, extraction of the sealed Judgment, Grounds of Judgment from the High Court and filling of the Respondent's Notice of Motion.

On 18 April 2018, the Court of Appeal has fixed the Hearing for Respondent's Notice of Motion for Security for Costs on 16 July 2018. The Court of Appeal also fixed the case Management for the Company's appeal on 16 July 2018.

On 4 July 2018, pursuant to the Settlement Agreement between the Respondent and the Company dated 18 June 2018, the Company has filed a Notice of Withdrawal of the Appeal to the Court of Appeal without liberty to file afresh and no order as to costs and the deposit to be refunded to the Company.

31. 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.

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 is 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 is also substantial shareholders of the Company have substantial shareholding interests.

NOTES TO THE FINANCIAL STATEMENTS

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31. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions

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

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Advances from/ Repayment to Top Lander Offshore Inc.(net)	**1,400**	663	**1,400**	663

(c) Compensation of key management personnel

Remuneration of Directors and key management personnel are as follows:

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Short term employee benefits	**2,845**	2,581	**367**	162
Defined contribution plans	**266**	251	**14**	13
	3,111	2,832	**381**	175

32. SEGMENT INFORMATION

The Company and its subsidiary companies 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 wholly-owned subsidiary company 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).

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

32. SEGMENT INFORMATION (CONT'D)

	Property development RM'000	Investment property RM'000	Construction RM'000	Total RM'000
Group				
2018				
Revenue				
Revenue from external customers	8,714	6,185	-	14,899
Interest income	-	47	-	47
Finance costs	(16)	(12,020)	-	(12,036)
Net finance expense	(16)	(11,973)	-	(11,989)
Depreciation of property, plant and equipment	136	82	-	218
Segment profit/(loss) before tax	6,005	(7,986)	53	(1,928)
Other material non-cash items				
Bad debts written off	-	35	-	35
Impairment losses on:				
- asset held for sale	-	5,299	-	5,299
- trade receivables	-	838	-	838
- other receivables	-	4	-	4
Fair value adjustments on other payables	-	(2,399)	-	(2,399)
Reversal of impairment losses on:				
- trade receivables	-	(153)	-	(153)
- asset held for sale	-	(1,299)	-	(1,299)
Reversal of payables arised from proof of debts	(2,018)	(5,150)	-	(7,168)
Reversal of accruals no longer required	-	(5,599)	-	(5,599)
Segment assets	262,172	356,652	10	618,834
Segment liabilities	94,550	580,055	1,834	676,439

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

32. SEGMENT INFORMATION (CONT'D)

	Property development RM'000	Investment property RM'000	Construction RM'000	Total RM'000
Group				
2017				
Revenue				
Revenue from external customers	3,091	6,962	-	10,053
Interest income	-	26	-	26
Finance costs	(5)	(10,666)	-	(10,671)
Net finance expense	(5)	(10,640)	-	(10,645)
Depreciation of property, plant and equipment	71	191	-	262
Segment loss before tax	(4,474)	(5,623)	(6)	(10,103)
Other material non-cash items				
Bad debts written off				
- trade receivables	-	2	-	2
- other receivables	-	5	-	5
Deposits written off	-	10	-	10
Impairment losses on:				
- asset held for sale	-	11,337	-	11,337
- trade receivables	-	228	-	228
- other receivables	-	25	-	25
Prepayments written off	-	3	-	3
Reversal of impairment losses on:				
- investment property	-	(17,337)	-	(17,337)
- trade receivables	-	(761)	-	(761)
Segment assets	265,741	352,232	10	617,983
Segment liabilities	100,969	566,231	1,886	669,086

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

32. SEGMENT INFORMATION (CONT'D)

Major customers

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

	Revenue 2018 RM'000	Revenue 2017 RM'000	Segment
Customer A	**-**	2,317	Property development
Customer B	**19,101**	-	Property development
Customer C	**(10,743)**	-	Property development

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

	2018 RM'000	2017 RM'000
Revenue		
Group's revenue per statements of profit or loss and other comprehensive income	**14,899**	10,053
Loss for the financial year		
Segment loss before tax	**(1,928)**	(10,103)
Taxation	**(61)**	(255)
Loss for the financial year	**(1,989)**	(10,358)
Assets		
Total assets for reportable segments	**618,834**	617,983
Elimination of inter-segment assets	**(121,552)**	(113,704)
Current tax assets	**275**	1,674
Group's assets	**497,557**	505,953
Liabilities		
Total liabilities for reportable segments	**676,439**	669,086
Elimination of inter-segment liabilities	**(344,081)**	(331,215)
Deferred tax liabilities	**28,662**	29,561
Group's liabilities	**361,020**	367,432

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

33. 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	Financial liabilities measured at amortised cost RM'000	Total RM'000
Group			
2018			
Financial Assets			
Trade receivables	**2,236**	**-**	**2,236**
Other receivables	**8,264**	**-**	**8,264**
Cash and bank balances	**1,855**	**-**	**1,855**
	12,355	**-**	**12,355**
Financial Liabilities			
Trade payables	**-**	**2,456**	**2,456**
Other payables	**-**	**179,530**	**179,531**
Bank borrowings	**-**	**150,111**	**150,111**
	-	**332,097**	**332,098**
2017			
Financial Assets			
Trade receivables	3,951	-	3,951
Other receivables	8,261	-	8,261
Cash and bank balances	810	-	810
	13,022	-	13,022
Financial Liabilities			
Trade payables	-	2,814	2,814
Other payables	-	197,143	197,143
Bank borrowings	-	137,607	137,607
	-	337,564	337,564

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

33. FINANCIAL INSTRUMENTS (CONT'D)

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

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 (Cont'd):

	Loans and receivables RM'000	Financial liabilities measured at amortised cost RM'000	Total RM'000
Company			
2018			
Financial Assets			
Trade receivables	**100**	**-**	**100**
Other receivables	**8,101**	**-**	**8,101**
Amount due from subsidiary companies	**56,000**	**-**	**56,000**
Cash and bank balances	**1,189**	**-**	**1,189**
	65,390	**-**	**65,390**
Financial Liabilities			
Other payables	**-**	**52,992**	**52,992**
Amount due to subsidiary companies	**-**	**25,554**	**25,554**
Bank borrowings	**-**	**149,660**	**149,660**
	-	**228,206**	**228,206**
2017			
Financial Assets			
Trade receivables	1,952	-	1,952
Other receivables	8,083	-	8,083
Amount due from subsidiary companies	57,343	-	57,343
Cash and bank balances	437	-	437
	67,815	-	67,815
Financial Liabilities			
Other payables	-	56,819	56,819
Amount due to subsidiary companies	-	26,263	26,263
Bank borrowings	-	137,373	137,373
	-	220,455	220,455

33. FINANCIAL INSTRUMENTS (CONT'D)

(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.

(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 and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from receivables from customers, deposits with banks and financial institutions and advances to subsidiary companies.

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 subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

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 and the Company's maximum exposure to credit risk. The Group has no significant concentration of credit risk except as disclosed in Note 8. The Company has no significant concentration of credit risks except for advances to its subsidiary companies 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, amounting to RM149,622,000 (2017: RM137,253,000).

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.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

33. 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					
2018					
Non-derivative financial liabilities					
Trade payables	**2,456**	**-**	**-**	**2,456**	**2,456**
Other payables	**169,699**	**9,831**	**-**	**179,530**	**179,530**
Revolving credit	**48,368**	**-**	**-**	**48,368**	**48,368**
Finance lease liabilities	**125**	**339**	**92**	**556**	**489**
Bank overdrafts	**101,254**	**-**	**-**	**101,254**	**101,254**
	321,902	**10,170**	**92**	**332,164**	**332,097**
2017					
Non-derivative financial liabilities					
Trade payables	2,839	-	-	2,814	2,814
Other payables	197,143	-	-	197,193	197,193
Revolving credit	46,071	-	-	46,071	46,071
Finance lease liabilities	123	208	66	397	354
Bank overdrafts	91,182	-	-	91,182	91,182
	337,358	208	66	337,657	337,614

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

33. 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	Total contractual cash flows RM'000	Total carrying amount RM'000
Company				
2018				
Non-derivative financial liabilities				
Other payables	**43,161**	**9,831**	**52,992**	**52,992**
Amount due to subsidiary companies	**25,554**	**-**	**25,554**	**25,554**
Revolving credit	**48,368**	**-**	**48,368**	**48,368**
Finance lease liabilities	**39**	**-**	**39**	**38**
Bank overdrafts	**101,254**	**-**	**101,254**	**101,254**
	218,376	**9,831**	**228,207**	**228,206**
2017				
Non-derivative financial liabilities				
Other payables	56,819	-	56,819	56,819
Amount due to subsidiary companies	26,263	-	26,263	26,263
Revolving credit	46,071	-	46,071	46,071
Finance lease liabilities	85	39	124	120
Bank overdrafts	91,182	-	91,182	91,182
	220,420	39	220,459	220,455

(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		
2018		
Cash and bank balances	12	12
2017		
Cash and bank balances	24	24

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

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.

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

	2018 RM'000	2017 RM'000
Group		
Fixed rate instruments		
Financial liabilities	**489**	354
Floating rate instruments		
Financial liabilities	**149,622**	137,253
Company		
Fixed rate instruments		
Financial liabilities	**38**	120
Floating rate instruments		
Financial liabilities	**149,622**	137,253

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 RM374,000 and RM343,000 (2017: RM374,000 and RM343,000) respectively, arising mainly as a result of higher/lower 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of financial instruments

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

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.

	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000
Group				
2018				
Financial liabilities				
Finance lease liabilities (non-current liabilities)	-	323	-	385
2017				
Financial liabilities				
Finance lease liabilities (non-current liabilities)	-	243	-	244
Company				
2017				
Financial liabilities				
Finance lease liabilities (non-current liabilities)	-	37	-	38

(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.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2018

34. 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.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Total loans and borrowings	**150,111**	137,607	**149,660**	137,373
Less: Cash and bank balances	**(1,855)**	(810)	**(1,189)**	(437)
Net debt	**148,256**	136,797	**148,471**	136,936
Total equity	**136,538**	138,521	**72,395**	88,249
Gearing ratio (time)	**1.09**	0.99	**2.05**	1.55

There were no changes in the Group's approach to capital management during the financial year.

As disclosed in 2(c), on 13 July 2018, the Company has obtained approval from Bursa Securities for extension of time up to 31 December 2018 for the Company to make the requisite announcement and submit its regularisation plan to the regulatory authorities.

35. SIGNIFICANT AND SUBSEQUENT EVENTS

The following significant and subsequent events took place for the Company and its subsidiary company:

(a) Malaysia Pacific Corporation Berhad ("the Company")

TA Securities Holdings Berhad had on 4 July 2018 submitted to Bursa Securities an application for further extension of time up to 31 December 2018 for the Company to make the requisite announcement and submit the regularisation plan. On 13 July 2018, Bursa Securities had approved the application for an extension of time up to 31 December 2018 for the Company to make the requisite announcement and submit its regularisation plan to the regulatory authorities.

35. SIGNIFICANT AND SUBSEQUENT EVENTS

The following significant and subsequent events took place for the Company and its subsidiary company (Cont'd):

(b) Lakehill Resort Development Sdn. Bhd. ("LHRD")

(i) On 26 May 2015, LHRD entered into a Joint Development Agreement ("JDA") with Bina Puri Properties Sdn. Bhd. ("BPPSB"). LHRD, as a land owner will grant BPPSB, 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. The condition precedents of the JDA have been fulfilled during the financial year.

(ii) On 23 May 2016, Taman Bandar Baru Masai Sdn. Bhd. ("TBBM") entered into a Master En-Bloc Purchase Agreement ("MEBPA") with Pr1ma Corporation Malaysia ("PR1MA") and Bina Puri Holdings Berhad ("BPHB"). TBBM, as a land owner will grant PR1MA, the sole and exclusive rights to carry out a housing development project on the land with total area of 865,744 square feet. As a return, TBBM is entitled to RM19,100,692 as consideration. The disposal has completed during the financial year.

(iii) On 12 July 2017, TBBM and LHRD have entered into a Joint Venture Agreement ("JVA") with Chun Fu for the joint development over 13 pieces of lands in Mukim Plentong, Johor Bahru.

On 26 March 2018, TBBM and LHRD have entered into a Supplemental Joint Venture Agreement ("Supplemental JVA") with Chun Fu, where the Supplemental JVA consist only 6 pieces of lands whereby the JVA dated 12 July 2017 consist of 13 pieces of lands.

On 21 September 2018,
(a) TBBM, LHRD and Chun Fu have executed the Amended and Restated Joint Venture Agreement;
(b) LHRD and Chun Fu have executed the Shareholders Agreement;

And agreeing on the form of the Sale and Purchase Agreement ("SPA") to be entered into by the NewCo and the Landowners (ie: TBBM and LHRD).

The completion of the subscription of Shares by the LHRD and Chun Fu shall take place within fourteen (14) days from the execution of the Shareholders Agreement, whereby LHRD and Chun Fu will held 35% and 65% respectively of the issued and paid up share capital in the Newco and all distributions of dividends and other entitlements to be declared by the NewCo to the Shareholders, in accordance with the provisions of the Act and the constitution of the NewCo, shall be based on the agreed proportion.

36. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2018 were authorised for issue in accordance with a resolution of the Directors on 16 October 2018.

PROPERTIES HELD BY THE GROUP

	Tenure		Location	Approximately Net Lettable Area/ Land Area (Acres)	Approximate Age of Building (years)	Net Carrying Amount @ 30 June 2018 (RM'000)	Date of Revaluation
1	Freehold	i	19 Level office tower	257,805 sq ft	44	252,000	6/30/2018
		ii	Majority of the floor area of 4 level retail podium at Jalan Raja Chulan 50200 Kuala Lumpur	76,864 sq ft			
2	Freehold		Remaing Land & Development in the Mukim Plentong, District of Johore Bahru, State of Johor;				6/30/2018
			HS (D) 310469 GRN 293428, HS (D) 310468 GRN 293635, HS (D) 310467 GRN 293424, HS (D) 310464 GRN 293306, HS (D) 310463 GRN 293304, HS (D) 310465 GRN 293308, HS (D) 310466 GRN 293309, HS (D) 310461 GRN 293418, HS (D) 310462 HSD 310462, HS (D) 310460 GRN 293632, HS (D) 310459 GRN 293593, HS (D) 310458 GRN 293414, HS (D) 310448 GRN 293586, HS (D) 310450 GRN 293599, HS (D) 310443 GRN 293552, HS (D) 309602 HSD 309602, HS (D) 310442 GRN 293582	432 Acres		231,643	

ANALYSIS OF SHAREHOLDINGS

As at 28 September 2018

Issued and Paid Up Share Capital	:	RM287,659,780
Class of Shares	:	Ordinary Share
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of issued Capital
less than 100	199	6.52	7,003	0.00
100 to 1,000 shares	970	31.77	848,941	0.30
1,001 to 10,000 shares	1,018	33.34	4,984,674	1.73
10,001 to 100,000 shares	676	22.14	25,201,993	8.76
100,001 to less than 5% of issued shares	189	6.19	108,866,597	37.85
5% and above of issued shares	1	0.03	147,750,572	51.36
Grand Total	**3,053**	**100.00**	**287,659,780**	**100.00**

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Top Lander Offshore Inc.	147,750,572	51.36		
Dato' Ch'ng Poh @ Ch'ng Chong Poh	-	-	147,750,572	51.36 [1]
Datin Kong Yuk Chu	-	-	147,750,572	51.36 [1]
Seacrest Land Limited	-	-	147,750,572	51.36 [1]

Notes:-

1 Deemed interested by virtue of his/her substantial interest in Top Lander Offshore Inc and Seacrest Land Limited, which has in indirect interest in the Company via its wholly-owned subsidiary, Top Lender Offshore Inc. puruant to Section 8(4) of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS

As at 28 September 2018

DIRECTORS' INTERESTS IN SHARES

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital	No. of shares	% of Issued Capital
Dato' Ir. Hj. Md. Nasir Bin Ibrahim	-	-	-	-
Datin Kong Yuk Chu	-	-	147,750,572	51.36 [1]
Ch'ng Soon Sen	469,000	0.16 [2]	-	-
Ch'ng Se Hua	-	-	-	-
Lim Yit Kiong	-	-	-	-
Ho Pui Hold	-	-	-	-

Notes:-

1 Deemed interested by virtue of his/her substantial interest in Top Lander Offshore Inc and Seacrest Land Limited, which has in indirect interest in the Company via its wholly-owned subsidiary, Top Lender Offshore Inc. puruant to Section 8(4) of the Companies Act 2016

2 Registered in the name of JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ch'ng Soon Sen (STA 1)

LIST OF TOP 30 SHAREHOLDERS

No	Name	Holdings	%
1	TOP LANDER OFFSHORE INC.	147,750,572	51.36
2	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD. MAYBANK KIM ENG SECURITIES PTE LTD FOR TEY POR CHEN	14,300,000	4.97
3	FONTERN HOLDINGS (M) SDN. BHD.	5,200,000	1.81
4	TRANSGROW CORPORATION SDN. BHD.	5,090,050	1.77
5	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	4,682,989	1.63
6	NG FAAI @ NG YOKE PEI	3,100,000	1.08
7	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TOH AH LOU	2,850,000	0.99
8	YAP LIAN FAR	2,495,700	0.87
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP LIAN FAR (8039110)	2,145,200	0.75
10	OON PHAIK SIEW	1,800,000	0.63
11	SIN BEE LEAN	1,700,000	0.59
12	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN POH CHOO (PENANG-CL)	1,595,000	0.55
13	LEE SIM HEE	1,576,600	0.55
14	CHONG HUNG LAI	1,570,600	0.55
15	TEO KWEE HOCK	1,443,800	0.50

ANALYSIS OF SHAREHOLDINGS

As at 28 September 2018

LIST OF TOP 30 SHAREHOLDERS (CONT'D)

No	Name	Holdings	%
16	KLUANG BARU PHARMACY SDN.BHD.	1,430,000	0.50
17	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR YONG HENG LOONG (MY2008)	1,290,000	0.45
18	CIMSEC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	1,216,500	0.42
19	LIM PHEE LIN	1,083,000	0.38
20	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAY SIN (SECT 52-CL)	1,022,400	0.36
21	KOH KWEE HOOI	1,009,400	0.35
22	LEE EE ME	930,200	0.32
23	NG KAI YUAN	920,000	0.32
24	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. WONG KUN TZU @ WONG KING TZU	900,000	0.31
25	CHEW SWEE SENG	895,000	0.31
26	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. TAIPING RECOVERY SDN BHD - IN LIQUIDATION FOR HO NGAN YIN	871,000	0.30
27	LIM CHEN TONG	863,300	0.30
28	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WANG CHOON KENG (PENANG)	800,000	0.28
29	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (472435)	751,851	0.26
30	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	725,000	0.25
		212,008,162	**73.70**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Sixth Annual General Meeting of MALAYSIA PACIFIC CORPORATION BERHAD ("MPCORP" or "the Company") will be held at 7th Floor, Multipurpose Hall, The Maple Suite, Menara MapleLee, No. 1, Changkat Raja Chulan, 50200 Kuala Lumpur on Thursday, 29 November 2018 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2018 together with the Reports of Directors and Auditors thereon.

2. To approve the payment of Directors' fees for the financial year ended 30 June 2018. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' fees up to RM151,000 for the financial year ending 30 June 2019 payable monthly in arrears after each month of completed service of the Directors during the subject financial year. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who retire in accordance with Article 85 of the Constitution of the Company:-

   (1) Ms Ch'ng Se Hua **(Ordinary Resolution 3)**
   (2) Dato' Ir Hj. MD. Nasir Bin Ibrahim **(Ordinary Resolution 4)**

5. To approve the re-appointment of retiring Auditors, Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions with or without any modifications:-

6. **Authority for Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016 ("the Act")** **(Ordinary Resolution 6)**

   "THAT, subject always to the Act, the Constitution of the Company and the approvals and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors of the Company be hereby empowered pursuant to Section 75 of the Act, to allot and issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Board of Directors be hereby also empowered to obtain approval for the listing of and quotation for the additional ordinary shares so issued in Bursa Malaysia Securities Berhad."

7. To transact any other ordinary business of which due notice shall have been given.

By order of the Board

PANG KAH MAN (MIA 18831)
Company Secretary

Kuala Lumpur
31 October 2018

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 22 November 2018 shall be regarded as members and be entitled to attend, participate, speak and vote at the Forty-Sixth Annual General Meeting ("AGM").

2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.

3. 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.

4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Registered Office of the Company at 3-2, 3rd Mile Square, No. 151 Jalan Kelang Lama, Batu 3½, 58100 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Forty-Sixth AGM to vote by poll.

EXPLANATORY NOTES TO THE AGENDA

7. **Item 1 of the Agenda**

   This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require a formal approval of the shareholders and hence, is not put forward for voting.

8. **Item 3 of the Agenda - Ordinary Resolution no. 2**
   Approval of Directors' fees for the financial year ending 30 June 2019

   Directors' fees approved for the financial year ended 30 June 2018 was RM187,450. The Directors' fees proposed for the financial year ending 30 June 2019 are calculated based on the number of scheduled Board and Committee Meetings for 2019 and assuming that all Non-Executive Directors will hold office until the conclusion of the next annual general meeting.

   This resolution is to facilitate payment of Directors' fees on monthly basis and/or when required. In the event the Directors' fees proposed is insufficient (e.g. due to more meetings), approval will be sought at the next annual general meeting for additional fees to meet the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO THE AGENDA (CONT'D)

9. **Item 6 of the Agenda - Ordinary Resolution no. 6**
   Authority to Allot and Issue Shares pursuant to Section 75 of the Act

   (a) The proposed resolution, if passed, will grant a mandate ("General Mandate") empowering the Directors of the Company, from the date of the Forty-Sixth Annual General Meeting to allot and issue shares in the Company up to an amount not exceeding in total of ten percent (10%) of the issued and paid-up capital of the Company (excluding treasury shares, if any) for the time being for such purposes as they may think fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in full force until the conclusion of the next annual general meeting of the Company.

   (b) The General Mandate is a renewal from the previous mandate obtained at the last annual general meeting held on 24 November 2017 which will expire at the conclusion of the Forty-Sixth Annual General Meeting of the Company.

   (c) As at the date of this Notice, the Company did not issue any new shares based on the previous mandate obtained at the last annual general meeting.

   (d) The General Mandate, if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purpose of funding current and/or future investment project(s), working capital and/or payment of bank borrowings and acquisition.

10. **ANNUAL REPORT**

    The Annual Report for the financial year ended 30 June 2018 is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholders upon request soonest possible from the date of receipt of the written request. The Annual Report can also be downloaded at the Company's corporate website, www.mpcb.com.my.

    Shareholders who wish to receive the printed Annual Report and/or require assistance in viewing the CD-ROM, kindly fax to the Company at fax no. 03-2070 4489 or email your request to enquiry@mpcb.com.my

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUAL WHO IS STANDING FOR ELECTION AS DIRECTOR

No individual is seeking for election as a Director at the Forty-Sixth Annual General Meeting of the Company.

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PROXY FORM

MALAYSIA PACIFIC CORPORATION BERHAD
(12200-M)

I/We*, ______________________________ NRIC No./Passport No./Company No* ______________

of ____
(FULL ADDRESS)

being (a) member(s) of Malaysia Pacific Corporation Berhad hereby appoint(s) ______________

of ____

and/or failing him / her*, ______________________________ of ______________

____

or failing him/her*, the CHAIRMAN OF THIS MEETING as my/our* proxy to vote for me/us* and on my/our* behalf at the Forty-Sixth Annual General Meeting of the Company to be held at 7th Floor, Multipurpose Hall, The Maple Suite, Menara MapleLee, No. 1, Changkat Raja Chulan, 50200 Kuala Lumpur on Thursday, 29 November 2018 at 10.00 a.m. and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1	Approval of Directors' fees for the financial year ended 30 June 2018		
2	Approval of Directors' fees for the financial year ending 30 June 2019		
3	Re-election of Ms Ch'ng Se Hua as Director		
4	Re-election of Dato' Ir Hj. MD. Nasir Bin Ibrahim as Director		
5	Re-appointment of Messrs UHY as Auditors		
6	Authority for Directors to issue Shares pursuant to Companies Act 2016		

Please indicate with an "X" in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy(ies) to vote at his/her discretion.

For appointment of two (2) proxies, percentage of shareholdings to be represented by each proxy is as follow :

	NRIC No./ Passport No.	No. of Ordinary Shares	Percentage
Proxy 1			
Proxy 2			
Total			**100%**

CDS Account No.	
Number of Ordinary Shares held	

Dated this ______________ day of ______________ 2018

____
Signature of Shareholder(s) or Common Seal

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 22 November 2018 shall be regarded as members and be entitled to attend, participate, speak and vote at the Forty-Sixth Annual General Meeting ("AGM").
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
3. 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.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Registered Office of the Company at 3-2, 3rd Mile Square, No. 151 Jalan Kelang Lama, Batu 3½, 58100 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Forty-Sixth AGM to vote by poll.

Personal Data Privacy

By submitting the proxy form, the member or proxy accepts and agrees to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for the purpose of preparation and compilation of documents relating to the Forty-Sixth AGM (including any adjournment thereof).

Fold Here

Affix
Stamp

Company Secretary

MALAYSIA PACIFIC CORPORATION BERHAD (12200-M)

No. 3-2, 3rd Mile Square
No. 151 Jalan Kelang Lama
Batu 3½, 58100 Kuala Lumpur

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MALAYSIA PACIFIC CORPORATION BERHAD
(12200-M)

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