



MALAYSIA
PACIFIC
CORPORATION
BERHAD
(Company No. 12200-M)

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25th November 2019

MINORITY SHAREHOLDER WATCHDOG GROUP

Tingkat 11, Bangunan KWSP,
No. 3, Changkat Raja Chulan,
Off Jalan Raja Chulan
50200 Kuala Lumpur

Attention: Mr. Devanesan Evanson

Dear Sir/ Madam,

**47th Annual General Meeting (AGM) of Malaysia Pacific Corporation Berhad
("The Company/ Group") to be held on 28 November 2019**

Referring to your letter dated 13 November 2019 pertaining to the issues raised at the Annual General Meeting.

The board of directors of MPCorp would like to reply as follows:

- 1. The Group's Property Development segment recorded a slightly higher revenue in FY2019 (RM8.77 million) as compared to FY2018 (RM8.71million). However, the loss before tax was RM6.41 million in FY2019 as compared to profit before tax of RM6.0 million in FY2018. (pages 121 and 122 of the Annual Report)*

(a) What were the reasons for the loss in FY2019?

Reply:

It was due to impairment of intercompany borrowing of RM9.8 million between segment of investment property and property development.

(b) What is the outlook of the Property Development segment in FY2020?

Reply:

The Malaysian property market which has been lacklustre for the past few years, there were more than 30 thousands of unsold units recorded as at 1st half 2019. The supply and demand of property remain uneven among each states of Malaysia. The property development segment needed more government incentive to stimulate and revitalise. The prospect of FY2020 remaining challenging and effective strategy must be in place to confront the uncertainty.

2. *The Group's joint venture properly project with Bina Puri Properties Sdn Bhd in Nusa Damai has secured 247 Sales & Purchase Agreements ("S&P") with house buyers. (Page 134 of Annual Report)*

(a) What percentage does 247 S&P Agreement constitute compared to the total units available for sales?

Reply:

There were 247 units secured with S&P Agreement out of total of 384 available units which equivalent of 64.32% took up ratio as at end 30 June 2019.

(b) What is the latest take-up rate of this project?

Reply:

There were total 270 units secured with S&P Agreement which represented 70.3 % took up ratio as at end of October 2019.

(c) What is the remaining Gross Development Value of this project that has yet to be developed?

Reply:

As at end of FY2019, MPCorp recognised 30.6% of the Gross Development Value of RM28.7 million and there is balance of RM19.5 million Gross Development Value has yet to be recognised.

(d) What is the revenue and profit that this project has contributed to the Group's revenue and profit for FY2019?

Reply:

Contributed revenue for FY2019 = RM8.77 million
Contributed profit for FY2019 = RM5.09 million

(e) When is the project expected to be completed?

Reply:

This project is expected to be completed by December 2020.

3. *When is the disposal of Wisma MPL to Asia New Venture Capital expected to be completed?*

It there any possibility that the disposal will be aborted? If yes, under what circumstances.

Reply:

The disposal of Wisma MPL is expected to be completed by 29 November 2019.

Thank you.

Yours faithfully,
For and on behalf of
Malaysia Pacific Corporation Berhad

A handwritten signature in black ink, appearing to read 'Ch'ng Soon Sen', is written above a horizontal line.

Ch'ng Soon Sen
Chief Executive Officer

