

Subject : **ACCEPTANCE OF UNCONDITIONAL MANDATORY OFFER BY AMMERCHANT BANK BERHAD (“AMMB”) ON BEHALF OF GLL (MALAYSIA) PTE. LTD. (“GLLM”) TO ACQUIRE ALL THE REMAINING ORDINARY SHARES IN GUOCOLAND (MALAYSIA) BERHAD (“GLM”) NOT ALREADY OWNED BY GLLM [“OFFER”]**

Contents :

Malaysian Pacific Industries Berhad (“MPI” or the “Company”) writes to inform that its wholly-owned subsidiary, MPI (BVI) Limited [“MPI (BVI)”], had accepted the Offer made by AMMB on behalf of GLLM in respect of its 2,772,100 ordinary shares of RM0.50 each representing 0.40% of the issued and paid-up share capital of GLM (“Offer Shares”), for a total cash consideration of RM2,162,238.00 or RM0.78 per Offer Share (“Acceptance”). After the Acceptance, MPI (BVI) does not have any shares in GLM.

GLLM is a wholly-owned subsidiary of GuocoLand Limited (“GLL”), a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited.

The proceeds from the Acceptance will be utilised for working capital purposes.

The Offer Shares were distributed to MPI (BVI) on 18 July 2003 arising from the capital distribution of GLM shares by Hong Leong Credit Berhad (“HLC”) to its shareholders on the basis of three (3) GLM shares for every ten (10) ordinary shares held in HLC. As a result, the Offer Shares have no carrying value.

The Acceptance had resulted in a gain of RM2,162,238.00 at the MPI Group level. The Acceptance will not have any material impact on the MPI Group’s net assets and earnings per share for the financial year ending 30 June 2006.

Hong Leong Company (Malaysia) Berhad is a major shareholder of MPI and GLL. YBhg Tan Sri Quek Leng Chan is a Director of GLL and a major shareholder of MPI and GLL. Mr Kwek Leng San, a Director of MPI, is a brother of YBhg Tan Sri Quek Leng Chan. Save as disclosed, the Company is not aware of any of its other Directors, major shareholders and/or persons connected with them, has any interest, direct or indirect, in the Acceptance. The Acceptance is not subject to the approval of the shareholders of MPI or any governmental authority.

The Board of Directors of the Company is of the opinion that the Acceptance is in the best interest of the MPI Group.

This announcement is dated 7 June 2006.