

**MALPAC HOLDINGS BERHAD (197424-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2012**

	<b>Unaudited As At 30.09.12 RM'000</b>	<b>Audited As At 31.12.11 RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	59,388	59,361
Prepaid Land lease payments	35,035	36,271
Financial assets at fair value through profit or loss(quoted shares)	12,715	8,415
	107,138	104,047
<b>Current Assets</b>		
Available-for-sale financial assets(unit trusts)	87,645	75,112
Held-to-maturity investments(bonds)	-	10,009
Financial assets at fair value through profit or loss(quoted shares)	6,693	6,485
Trade and other receivables	79	255
Tax recoverable	141	64
Cash and cash equivalents	234	10,552
	94,792	102,477
<b>Assets of disposal group classified as held for sale</b>	418	-
<b>TOTAL ASSETS</b>	<u>202,348</u>	<u>206,524</u>
 <b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	75,000	75,000
Reserves	120,518	123,934
<b>TOTAL EQUITY</b>	195,518	198,934
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	4,397	5,090
Provisions	2,433	2,471
Income tax payable	-	29
<b>TOTAL LIABILITIES</b>	<u>6,830</u>	<u>7,590</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>202,348</u>	<u>206,524</u>
 Net Assets Per Share (RM)	 2.61	 2.65

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to this Interim Financial Report together with Audited Financial Statements for the year ended 31 December 2011)*

**MALPAC HOLDINGS BERHAD (197424-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Qtr Ended 30.09.12 RM'000	Comparative Qtr Ended 30.09.11 RM'000	Current Year-To-Date 30.09.12 RM'000	Preceding Year-To-Date 30.09.11 RM'000
Revenue	-	-	-	8,115
Other operating income	949	844	2,488	2,726
Administration expenses	(1,753)	(1,348)	(4,873)	(4,346)
Other operating expenses	(83)	(3,771)	(1,138)	(4,364)
<b>(Loss)/profit before tax</b>	<b>(887)</b>	<b>(4,275)</b>	<b>(3,523)</b>	<b>2,131</b>
Tax expense	-	(80)	-	(1,793)
<b>(Loss)/profit for the financial period</b>	<b>(887)</b>	<b>(4,355)</b>	<b>(3,523)</b>	<b>338</b>
Other comprehensive income after tax:				
Changes in fair value of securities available-for-sale financial assets	62	(10)	107	54
<b>Total comprehensive income for the financial period</b>	<b>(825)</b>	<b>(4,365)</b>	<b>(3,416)</b>	<b>392</b>
Net (loss)/profit attributable to:				
Owners of the parent	(887)	(4,355)	(3,523)	338
Total comprehensive income attributable to:				
Owners of the parent	(825)	(4,365)	(3,416)	392
(Loss)/Earnings per share (sen)				
-Basic	(1.18)	(5.81)	(4.70)	0.45
-Diluted	N/A	N/A	N/A	N/A

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to this Interim Financial Report together with Audited Financial Statements for the year ended 31 December 2011)*

**MALPAC HOLDINGS BERHAD (197424-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Fair value adjustment reserve RM'000	Total RM'000
<b>9 months ended 30 September 2012</b>					
As at 1 January 2012	75,000	24,367	99,585	(18)	198,934
<b>Comprehensive income</b>					
Loss for the period	-	-	(3,523)	-	(3,523)
<b>Other comprehensive income</b>					
Net fair value gain on available-for-sale financial assets	-	-	-	107	107
<b>Total comprehensive income for the period</b>	-	-	(3,523)	107	(3,416)
As at 30 September 2012	75,000	24,367	96,062	89	195,518

**9 months  
ended 30 September 2011**

As at 1 January 2011	75,000	24,367	98,824	5	198,196
<b>Comprehensive income</b>					
Loss for the period	-	-	338	-	338
<b>Other comprehensive income</b>					
Net fair value gain on available-for-sale financial assets	-	-	-	54	54
<b>Total comprehensive income for the period</b>	-	-	338	54	392
As at 30 September 2011	75,000	24,367	99,162	59	198,588

*(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Notes to this Interim Financial Report together with Audited Financial Statements for the year ended 31 December 2011)*

**MALPAC HOLDINGS BERHAD (197424-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	9 months ended 30.09.12 RM'000	9 months ended 30.09.11 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(3,523)	2,131
Adjustments for:		
Non-cash items	2,643	5,298
Distribution income from unit trusts	(1,623)	(1,014)
Dividend income	(213)	(48)
Interest income	(332)	(1,261)
<i>Operating (loss)/profit before working capital changes</i>	(3,048)	5,106
Changes in working capital		
Net change in current assets	176	2,587
Net change in current liabilities	(731)	272
<i>Cash generated (used in)/from operations</i>	(3,603)	7,965
Tax paid	(98)	(2,533)
<i>Net cash (used in)/from operating activities</i>	(3,701)	5,432
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Distribution income from unit trusts	1,623	1,014
Dividend received	204	42
Interest received	332	1,261
Proceeds from disposal of:		
Available-for-sale financial assets	14,230	17,590
Held-to-maturity investments	10,009	45,000
Financial assets at fair value through profit or loss(quoted shares)	3,781	2,797
Purchase of:		
Available-for-sale financial assets	(26,599)	(84,262)
Held-to-maturity investments	-	(9,941)
Financial assets at fair value through profit or loss(quoted shares)	(5,118)	(7,698)
Property, plant and equipment	(5,079)	(57)
<i>Net cash used in investing activities</i>	(6,617)	(34,254)
Net decrease in cash and cash equivalents	(10,318)	(28,822)
Cash and cash equivalents at beginning of the financial period	10,552	45,845
Cash and cash equivalents at end of the financial period	234	17,023
<b>Cash and cash equivalents comprise of:-</b>		
Fixed deposits/short term placement	231	16,765
Cash and bank balances	3	258
	234	17,023

*(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Notes to this Interim Financial Report together with Audited Financial Statements for the year ended 31 December 2011)*

***Quarterly Report for the Period Ended 30 September 2012***

**PART A - EXPLANATORY NOTES AS REQUIRED BY MFRS 134**

**A1 Basis of Preparation**

The interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* in Malaysia and Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad. It should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2011.

In compliance with MFRS, "MFRS 1 – First time Adoption of Malaysia Financial Reporting Standards" has been applied in this interim report. The transition from FRS to MFRS does not have any significant impact to the financial report of the Group.

The audited financial statements of the Group for the financial year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies and method of computation adopted in these quarterly interim financial reports are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2011.

**A2 Seasonal or Cyclical Factor**

The Group holds some quoted shares as part of its investment portfolio, as such the Group's performance is also affected by market conditions in the local bourse.

**A3 Unusual Items Affecting Financial Statements**

After the Ipoh High Court's judgment given in favour of the Plaintiffs on the Civil Suit as mentioned in Note B9, the Plaintiffs had tendered full payment of the balance purchase price for the plantation which our solicitors had rejected and subsequently returned to the Plaintiffs on the grounds that our appeal to the Court of Appeal and our application for a stay of execution on the Ipoh High Court judgment are pending. Since then the Plaintiffs have ceased making the monthly payments due to us. The Board then decided to suspend the recognition of the plantation income in our books effective 1 July 2011 and arising thereof, no plantation income has been reported in our financial results since then.

The Court of Appeal had on 17 January 2012 made a unanimous decision in our favour with costs awarded to us.

The Plaintiffs, having been granted leave by the Federal Court to appeal against the Court of Appeal's decision, have filed in their Notice of Appeal to the Federal Court on 5 October 2012. The Plaintiffs have also filed in an application for stay of execution of the order of Court of Appeal pending the disposal of their appeal to the Federal Court. The Federal Court has now fixed to hear the appeal on 5 March 2013.

**A4 Change in Estimates**

There was no change in estimates of amount reported in prior financial period, which may have a material effect in the current quarter or financial period to-date.

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- A5 Issuance, Repurchase and Repayment of Debt and Equity Securities**  
There have been no issuance, repurchase and repayment of debt and equity securities during the current quarter and financial period to-date.
- A6 Dividend Paid**  
There was no dividend paid during the current financial period to-date.
- A7 Segmental Information**  
Segmental information was not applicable to the Group's current operations.
- A8 Valuations of Property, Plant and Equipment**  
The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.
- A9 Subsequent Material Events**  
There were no other material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- A10 Changes in the Composition of the Group**  
There was no change in the business combinations or disposal of subsidiaries, long-term investments, restructurings and discontinuing operations during current quarter and financial year to-date.
- A11 Changes in Contingent Liabilities or Contingent Assets**  
There were no contingent liabilities or contingent assets to be disclosed.
- A12 Capital Commitments**  
There were no capital commitments in the current quarter and financial period to-date.
- A13 Significant Related Party Transactions**  
There were no significant related party transactions for the current quarter and financial period to-date.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

- B1 Performance Analysis**  
For the third quarter ended 30 September 2012(3Q12), the Group recorded a pre-tax loss of RM0.89 million as compared with pre-tax loss of RM4.28 million in 3Q11. The loss differential was mainly due to a fair value gain of RM0.11 million on quoted shares held for the current quarter as compared to a fair value loss of RM3.78 million in 3Q11.

For the nine months ended 30 September 2012, the pre-tax loss was RM3.52 million as compared with pre-tax profit of RM2.13 million for the same period in the preceding year. The loss was mainly due to:

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(i) Non-recognition of plantation income during the period (For details please refer to Note A3); and

(ii) Fair value loss on quoted shares held for the current year-to-date period was RM1.06 million as compared to a loss of RM3.95 million for period ended 30 September 2011. The improvement was mainly due to poor stock market performance during the corresponding period in the previous year.

**B2 Changes in Profit in the Quarterly Results compared to the Results of the Immediate Preceding Quarter**

For the 3Q ended 30 September 2012, the Group recorded a pre-tax loss of RM0.89 million as compared with pre-tax loss of RM2.00 million in the immediate preceding quarter. The improved result was mainly due to share prices being higher as at the end of 3Q12 resulting in a fair value gain of RM0.11 million for the quarter on quoted shares held as compared to fair value loss of RM1.07 million in the preceding quarter.

**B3 Prospect for the year**

The full hearing for the ongoing litigation has now been fixed by the Federal Court on 5 March 2013. Hence the non-recognition of the plantation income will be carried forward to next year. That being the case, the Board expects to report a loss for the year 2012, the quantum of which would largely depend on the performance of the local stock market in the final quarter of the year.

**B4 Board's Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document**

This note is not applicable as no revenue or profit estimate, forecast, projection or internal targets were announced previously.

**B5 Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee**

This note is not applicable as no profit forecast or profit guarantee was issued for the financial period.

**B6 Taxation**

There was no provision for taxation for the current quarter under review.

**B7 Status of Corporate Proposals**

There were no corporate proposals announced for the financial period under review.

**B8 Group's Borrowings and Debt Securities**

There were no group borrowings and debt securities as at 30 September 2012.

**B9 Material Litigation**

As at 21 November 2012, saved as disclosed below, the Group was not engaged in any material litigation either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

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**Yong Toi Mee & Anor v Malpac Capital Sdn Bhd and Radiant Response Sdn Bhd  
In the Ipoh High Court Civil Suit No. 22-109-2007  
In the Court of Appeal Civil Appeal No. A-02-1449-2011  
In the Federal Court Civil Appeal No. 02(f)-69-10/2012(A)**

Malpac Capital Sdn Bhd (MCSB), a wholly owned subsidiary of the Company, had on 2 January 2002 accepted an offer by the Special Administrators of Ganda Plantations (Perak) Sdn Bhd and Cempaka Sepakat Sdn Bhd (SA), to take a transfer of two (2) parcels of leasehold oil palm plantation land ("Assets") situated in Teluk Intan, Perak, as partial settlement of loan owed to MCSB. MCSB had novated the rights of the Assets to its wholly owned subsidiary, Radiant Response Sdn Bhd ("RRSB") for a consideration of RM30,600,000 to be satisfied via a shareholder's loan of equivalent amount.

Subsequently, MCSB had on 5 April 2002 entered into a Conditional Sale and Purchase Agreements ("Agreements") for disposal of RRSB for a consideration of RM2.00 to Yong Toi Mee and Cheang Kim Leong ("Purchasers") and the repayment by the Purchasers of the shareholder's loan of RRSB of RM30,600,000, as part of a composite transaction and encompassing the palm oil mill sited on part of the plantation by a lessee for a total consideration of RM53,000,002.

On 15 November 2002, a Letter of Suspension was agreed by both parties whereby the above Agreements were considered lapsed as not all approvals from the relevant authorities have been obtained and also negotiations to acquire the oil mill sited on the subject plantation had not been successful. However the said Letter of Suspension also allows both parties to review their respective positions in respect of the overall arrangement, i.e. including the management of the plantation and mill, on the understanding that moving forward the sale of the plantation and mill shall be subject to fresh negotiations.

On 21 April 2007, the Purchasers had commenced legal proceedings against Malpac Capital Sdn Bhd (MCSB), its wholly owned subsidiary Radiant Response Sdn Bhd (RRSB) and one other, basically seeking to enforce the conditional sale and purchase agreements dated 5 April 2002 and the proposed sale and purchase of the oil mill and related assets sited on part of the plantation, as a composite arrangement.

MCSB and RRSB were served with the writ of summons and statement of claim on 29 May 2007, the principal relief sought are as follows:

- (i) specific performance of the subject composite arrangement;
- (ii) an order for MCSB to deliver up the shares of RRSB to the plaintiffs or their nominees;
- (iii) an injunction to restrain MCSB from dealing with the shares of RRSB and the assets of RRSB;
- (iv) damages in addition to specific performance; and
- (v) interest and costs.

On 30 July 2007, MCSB and RRSB filed and served their defence and counter-claim on the plaintiffs' solicitors. By way of counter-claim, essentially MCSB and RRSB sought the court declarations that the subject composite arrangement has become null and void and of no further



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legal effect, and that instead the plaintiffs (including their nominees) are obliged to re-deliver possession of the plantation and the mill to MCSB and RRSB upon formal notice being issued.

The case was heard by the Ipoh High Court Judge intermittently from October 2009 through to November 2010.

On 5 May 2011, the Ipoh High Court delivered oral judgment in favor of the Plaintiffs and ordered specific performance of the April 2002 Agreements whereby MCSB and RRSB were required to complete the sale within three (3) months from the date of receipt of the balance purchase price. Costs were ordered against the defendants.

The Plaintiffs had tendered full payment of the balance purchase price for the plantation which our solicitors had rejected and was subsequently returned to the Plaintiffs on the grounds that our appeal to Court of Appeal and our application for a stay of execution on the Ipoh High Court judgment were pending.

On 17 January 2012, the Court of Appeal made a unanimous decision in our favour, i.e. the Ipoh High Court's decision allowing for specific performance of the 2002 Agreement was overturned with costs awarded to us. In view of the Court of Appeal's decision, MCSB and RRSB had withdrawn its stay application filed in the Ipoh High Court.

The Plaintiffs, having been granted leave by the Federal Court to appeal against the Court of Appeal's decision, have filed in their Notice of Appeal to the Federal Court on 5 October 2012. The Plaintiffs have also filed in to the Federal Court an application for stay of execution of the order of the Court of Appeal pending the disposal of their appeal to the Federal Court. The Federal Court has fixed 5 March 2013 for hearing of the appeal.

Based on available information, the Group's solicitors are of the view that the Group has a strong case.

**B10 Dividend**

The Board of Directors does not recommend any interim dividend for the current quarter and current financial year to-date.

## Quarterly Report for the Period Ended 30 September 2012

## B11 (Loss)/Earning Per Share (“(LPS)/EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30/09/12 RM'000	Comparative Qtr Ended 30/09/11 RM'000	Current Year Year-To-Date 30/09/12 RM'000	Preceding Year Year-To-Date 30/09/11 RM'000
<b>a) Basic EPS</b>				
<u>Numerator</u> Profit for the financial period attributable to equity holders of the parent	(887)	(4,355)	(3,523)	338
<u>Denominator</u> Weighted average number of shares in issue.	75,000	75,000	75,000	75,000
Basic (LPS)/EPS (sen)	(1.18)	(5.81)	(4.70)	0.45
<b>b) Diluted EPS</b>	Nil	Nil	Nil	Nil

The Company does not have any instruments that would dilute the Issued Share Capital of the Company.

## B12 Audit Qualification

The audit report of the Company's preceding annual financial statements was not qualified.

## B13 Realised and Unrealised Profit Disclosure

	Current financial period ended 30 Sept 2012 (RM'000)	Immediate preceding quarter ended 30 June 2012 (RM'000)	As at last financial period ended 30 Sept 2011 (RM'000)
Total retained profits of Malpac Holdings Bhd and its subsidiaries:			
- Realised	85,578	86,610	87,352
- Unrealised	186	41	-
	85,764	86,651	87,352
Add : Consolidation adjustment	10,298	10,298	11,810
Total group retained profits as per consolidated accounts	96,062	96,949	99,162

Total share of retained profits/(accumulated losses) from associated companies and jointly controlled entities are not applicable.

*Quarterly Report for the Period Ended 30 September 2012***B14 Notes to Statement of Comprehensive income**

The following items have been included in the Statement of Comprehensive Income:-

	Current Quarter 30/09/12 RM'000	Current Year-to-date 30/09/12 RM'000
<b><u>After crediting</u></b>		
Interest income	-	332
Dividend income	165	213
Distribution income	584	1,623
Fair value gain on quoted shares (current)	186	-
Gain on Disposal of Available-For-Sale financial assets	3	55
(Loss)/Gain on disposal of quoted shares	(19)	191
<b><u>After charging</u></b>		
Amortisation on Prepare Land Lease Payments	(412)	(1,236)
Depreciation	(185)	(537)
Loss on disposal of PPE	(57)	(57)
Fair value loss on quoted shares (non-current)	(77)	(815)
Fair value loss on quoted shares (current)	-	(244)

There are no income/expenses in relation to the below items:-

- (i) Provision for and write off of receivables
- (ii) Provision for and write off of inventories
- (iii) Impairment of assets
- (iv) Exceptional items

By Order of the Board

**NG BEE LIAN** (MAICSA 7041392)  
Company Secretary

Seremban  
Date: 21 November 2012