

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	Unaudited As At 31.12.12 RM'000	Audited As At 31.12.11 RM'000
Non-Current Assets		
Property, plant and equipment	59,340	59,361
Prepaid Land lease payments	34,623	36,271
Financial assets at fair value through profit or loss (quoted shares)	12,649	8,415
	106,612	104,047
Current Assets		
Available-for-sale financial assets (unit trusts)	87,663	75,112
Held-to-maturity investments (bonds)	-	10,009
Financial assets at fair value through profit or loss (quoted shares)	6,956	6,485
Trade and other receivables	106	255
Tax recoverable	169	64
Cash and cash equivalents	316	10,552
	95,210	102,477
TOTAL ASSETS	<u>201,822</u>	<u>206,524</u>
 EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	75,000	75,000
Reserves	119,830	123,934
TOTAL EQUITY	194,830	198,934
LIABILITIES		
Current Liabilities		
Trade and other payables	4,406	5,090
Provisions	2,586	2,471
Income tax payable	-	29
TOTAL LIABILITIES	<u>6,992</u>	<u>7,590</u>
TOTAL EQUITY AND LIABILITIES	<u>201,822</u>	<u>206,524</u>
Net Assets Per Share (RM)	2.60	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 31 DECEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Qtr Ended 31.12.12 RM'000	Comparative Qtr Ended 31.12.11 RM'000	Current Year-To-Date 31.12.12 RM'000	Preceding Year-To-Date 31.12.11 RM'000
Revenue	-	-	-	8,115
Other operating income	794	2,283	3,282	3,675
Administration expenses	(1,515)	(1,601)	(6,387)	(5,947)
Other operating expenses	(38)	(8)	(1,177)	(3,038)
(Loss)/profit before tax	(759)	674	(4,282)	2,805
Tax expense	(3)	(251)	(3)	(2,044)
(Loss)/profit for the financial period	(762)	423	(4,285)	761
Other comprehensive income after tax:				
Changes in fair value of securities available-for-sale financial assets	74	(77)	181	(23)
Total comprehensive income for the financial period	(688)	346	(4,104)	738
Net (loss)/profit attributable to:				
Owners of the parent	(762)	423	(4,285)	761
Total comprehensive income attributable to:				
Owners of the parent	(688)	346	(4,104)	738
(Loss)/Earnings per share (sen)				
-Basic	(1.02)	0.56	(5.71)	1.01
-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 31 DECEMBER 2012**

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Fair value adjustment reserve RM'000	Total RM'000
12 months ended 31 December 2012					
As at 1 January 2012	75,000	24,367	99,585	(18)	198,934
Comprehensive income					
Loss for the period	-	-	(4,285)	-	(4,285)
Other comprehensive income					
Net fair value gain on available-for-sale financial assets	-	-	-	181	181
Total comprehensive income for the period	-	-	(4,285)	181	(4,104)
As at 31 December 2012	75,000	24,367	95,300	163	194,830

**12 months
ended 31 December 2011**

As at 1 January 2011	75,000	24,367	98,824	5	198,196
Comprehensive income					
Loss for the period	-	-	761	-	761
Other comprehensive income					
Net fair value gain on available-for-sale financial assets	-	-	-	(23)	(23)
Total comprehensive income for the period	-	-	761	(23)	738
As at 31 December 2011	75,000	24,367	99,585	(18)	198,934

(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 31 DECEMBER 2012**

	12 months ended 31.12.12 RM'000	12 months ended 31.12.11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(4,282)	2,805
Adjustments for:		
Non-cash items	3,234	5,768
Distribution income from unit trusts	(2,206)	(1,626)
Dividend income	(293)	(262)
Interest income	(409)	(1,487)
<i>Operating (loss)/profit before working capital changes</i>	(3,956)	5,198
Changes in working capital		
Net change in current assets	149	2,630
Net change in current liabilities	(568)	(876)
<i>Cash generated (used in)/from operations</i>	(4,375)	6,952
Tax refund	-	11
Tax paid	(118)	(2,534)
<i>Net cash (used in)/from operating activities</i>	(4,493)	4,429
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution income from unit trusts	2,206	1,626
Dividend received	273	207
Interest received	409	1,487
Proceeds from disposal of:		
Available-for-sale financial assets	15,380	18,460
Held-to-maturity investments	10,009	45,008
Financial assets at fair value through profit or loss(quoted shares)	4,083	3,163
Property, plant and equipment	544	-
Purchase of:		
Available-for-sale financial assets	(27,686)	(91,633)
Held-to-maturity investments	-	(9,940)
Financial assets at fair value through profit or loss(quoted shares)	(9,754)	(7,980)
Property, plant and equipment	(1,207)	(120)
<i>Net cash used in investing activities</i>	(5,743)	(39,722)
Net decrease in cash and cash equivalents	(10,236)	(35,293)
Cash and cash equivalents at beginning of the financial period	10,552	45,845
Cash and cash equivalents at end of the financial period	316	10,552
Cash and cash equivalents comprise of:-		
Fixed deposits/short term placement	132	10,327
Cash and bank balances	184	225
	316	10,552

(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)

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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 were 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 have been granted leave by the Federal Court to appeal against the Court of Appeal's decision and the Federal Court has fixed 5 March 2013 to hear the said appeal.

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.

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.

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- 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 current quarter, the Group suffered a pre-tax loss of RM0.76 million as compared to pre-tax profit of RM0.67 million in 4Q11. The better result in 4Q11 was aided by a fair value gain of RM1.33 million on quoted shares held as compared to a fair value loss of RM0.07 million in current quarter due to poorer stock market performance.

For the financial year ended 31 December 2012, the pre-tax loss was RM4.28 million as compared with pre-tax profit of RM2.10 million for the same period in the preceding year. The loss was mainly due to the net result of the following:-

- i) non-recognition of plantation income during the financial year (for details please refer to Note A3). The Group reported RM8.11 million in revenue from the plantation in year 2011; and
- (ii) lower fair value loss on quoted shares held in the current financial year, i.e. RM1.14 million as compared to a higher fair value loss of RM2.62 million in year 2011.

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

The loss before tax for the quarter was slightly lower as compared to previous quarter, i.e. RM0.758 million versus RM0.887 million and was due mainly to slightly lower administration expenses for the current quarter.

B3 Prospect for the Next Financial Year

The final hearing for the ongoing litigation has been fixed by the Federal Court on 5 March 2013. Hence the non-recognition of the plantation income will be carried forward to year 2013. That being the case, the Group's profitability in year 2013 will very much depend on the Federal Court's final decision.

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 a tax expense of RM3,324 for the current quarter and current financial year to-date mainly due to underprovision of taxation in prior year.

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 31 December 2012.

B9 Material Litigation

As at 19 February 2013, 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.

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

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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 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.

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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, have been granted leave by the Federal Court to appeal against the Court of Appeal's decision. The Federal Court has fixed 5 March 2013 for the hearing of the said 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.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31/12/12 RM'000	Comparative Qtr Ended 31/12/11 Restated RM'000	Current Year Year-To-Date 31/12/12 RM'000	Preceding Year Year-To-Date 31/12/11 Restated RM'000
a) Basic EPS				
<u>Numerator</u> Profit for the financial period attributable to equity holders of the parent	(762)	423	(4,285)	761
<u>Denominator</u> Weighted average number of shares in issue.	75,000	75,000	75,000	75,000
Basic (LPS)/EPS (sen)	(1.02)	0.56	(5.71)	1.01
b) Diluted EPS	Nil	Nil	Nil	Nil

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

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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 31 Dec 2012 (RM'000)	Immediate preceding quarter ended 30 Sept 2012 (RM'000)	As at last financial period ended 31 Dec 2011 Restated (RM'000)
Total retained profits of Malpac Holdings Bhd and its subsidiaries:			
- Realised	85,002	85,578	89,287
- Unrealised	-	186	-
	85,002	85,764	89,287
Add : Consolidation adjustment	10,298	10,298	10,298
Total group retained profits as per consolidated accounts	95,300 =====	96,062 =====	99,585 =====

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

B14 Notes to Statement of Comprehensive income

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

	Current Quarter 31/12/12 RM'000	Current Year-to-date 31/12/12 RM'000
<u>After crediting</u>		
Interest income	77	409
Dividend income	80	293
Distribution income	583	2,206
Gain on disposal of Available-For-Sale financial assets	10	65
(Loss)/Gain on disposal of quoted shares	(22)	169
Gain on disposal of PPE	36	36
<u>After debiting</u>		
Amortisation on Prepaid Land Lease Payments	(412)	(1,648)
Depreciation	(183)	(720)
Loss on disposal of PPE	57	-
Fair value loss on quoted shares (non-current)	(67)	(882)
Fair value loss on quoted shares (current)	(9)	(253)

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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: 22 February 2013