

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

	Unaudited As At 31.03.13 RM'000	Audited As At 31.12.12 RM'000
Non-Current Assets		
Property, plant and equipment	59,162	59,340
Prepaid Land lease payments	34,211	34,623
Financial assets at fair value through profit or loss(quoted shares)	12,748	12,649
	106,121	106,612
Current Assets		
Available-for-sale financial assets(unit trusts)	87,859	87,663
Financial assets at fair value through profit or loss(quoted shares)	6,862	6,956
Trade and other receivables	196	106
Tax recoverable	178	169
Cash and cash equivalents	435	316
	95,530	95,210
TOTAL ASSETS	<u>201,651</u>	<u>201,822</u>
 EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	75,000	75,000
Reserves	119,457	119,830
TOTAL EQUITY	194,457	194,830
LIABILITIES		
Current Liabilities		
Trade and other payables	4,383	4,406
Provisions	2,811	2,586
Income tax payable	-	-
TOTAL LIABILITIES	<u>7,194</u>	<u>6,992</u>
TOTAL EQUITY AND LIABILITIES	<u>201,651</u>	<u>201,822</u>
Net Assets Per Share (RM)	2.59	2.60

(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 2012)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Qtr Ended 31.03.13 RM'000	Comparative Qtr Ended 31.03.12 RM'000	Current Year-To-Date 31.03.13 RM'000	Preceding Year-To-Date 31.03.12 RM'000
Revenue	-	-	-	-
Other operating income	1,077	1,145	1,077	1,145
Administration expenses	(1,442)	(1,640)	(1,442)	(1,640)
Other operating expenses	(6)	(138)	(6)	(138)
Loss before tax	(371)	(633)	(371)	(633)
Tax expense	-	-	-	-
Loss for the financial period	(371)	(633)	(371)	(633)
Other comprehensive income after tax:				
Changes in fair value of securities available-for-sale financial assets	(2)	4	(2)	4
Total comprehensive income for the financial period	(373)	(629)	(373)	(629)
Net loss attributable to:				
Owners of the parent	(371)	(633)	(371)	(633)
Total comprehensive income attributable to:				
Owners of the parent	(373)	(629)	(373)	(629)
Loss per share (sen)				
-Basic	(0.49)	(0.84)	(0.49)	(0.84)
-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 2012)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2013**

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Fair value adjustment reserve RM'000	Total RM'000
3 months ended 31 March 2013					
As at 1 January 2013	75,000	24,367	95,300	163	194,830
Comprehensive income					
Loss for the period	-	-	(371)	-	(371)
Other comprehensive income					
Net fair value gain on available-for-sale financial assets	-	-	-	(2)	(2)
Total comprehensive income for the period	-	-	(371)	(2)	(373)
As at 31 March 2013	75,000	24,367	94,929	161	194,457

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Fair value adjustment reserve RM'000	Total RM'000
3 months ended 31 March 2012					
As at 1 January 2012	75,000	24,367	99,585	(17)	198,935
Comprehensive income					
Loss for the period	-	-	(633)	-	(633)
Other comprehensive income					
Net fair value gain on available-for-sale financial assets	-	-	-	4	4
Total comprehensive income for the period	-	-	(633)	4	(629)
As at 31 March 2012	75,000	24,367	98,952	(13)	198,306

(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 2012)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 MARCH 2013**

	3 months ended 31.03.13 RM'000	3 months ended 31.03.12 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(371)	(633)
Adjustments for:		
Non-cash items	316	368
Distribution income from unit trusts	(643)	(491)
Dividend income	(2)	(40)
Interest income	(129)	(257)
<i>Operating loss before working capital changes</i>	(829)	(1,053)
Changes in working capital		
Net change in current assets	(90)	(3,036)
Net change in current liabilities	202	(1,179)
<i>Cash generated used in operations</i>	(717)	(5,268)
Tax paid	(9)	(10)
<i>Net cash used in operating activities</i>	(726)	(5,278)
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution income from unit trusts	643	491
Dividend received	2	38
Interest received	129	257
Proceeds from disposal of:		
Available-for-sale financial assets	450	12,015
Financial assets at fair value through profit or loss(quoted shares)	381	2,283
Purchase of:		
Available-for-sale financial assets	(643)	(4,602)
Financial assets at fair value through profit or loss(quoted shares)	(110)	(4,615)
Property, plant and equipment	(7)	(490)
<i>Net cash from investing activities</i>	845	5,377
Net increase in cash and cash equivalents	119	99
Cash and cash equivalents at beginning of the financial period	316	10,552
Cash and cash equivalents at end of the financial period	435	10,651
Cash and cash equivalents comprise of:-		
Fixed deposits/short term placement	257	10,574
Cash and bank balances	178	77
	435	10,651

(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 2012)

Quarterly Report for the Period Ended 31 March 2013

PART A - EXPLANATORY NOTES AS REQUIRED BY MFRS 134

A1 Basis of Preparation

The consolidated 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 2012.

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 2012 except for the changes arising from the adoption of the new MFRS, Amendments to MFRS and IC Interpretations that are effective on or after 1 January 2013.

The Directors expect that the adoption of the new MFRS, Amendments to MFRS and IC Interpretations above will have no material impact on the financial statements in the period of initial application.

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 were granted leave by the Federal Court to appeal against the Court of Appeal's decision. The Federal Court then heard the appeal on 5th and 6th of March 2013 and on 29 April 2013 and has reserved decision to a date to be notified to the parties in due course.

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.

Quarterly Report for the Period Ended 31 March 2013

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 for the current quarter under review.

A13 Significant Related Party Transactions

There were no significant related party transactions for the current quarter under review.

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

B1 Performance Analysis

For the first quarter ended 31 March 2013, no revenue has been reported as the Federal Court has yet to deliver a decision on the litigation as mentioned in Note A3. The Group suffered a pre-tax loss of RM0.37 million for the quarter as compared to pre-tax loss of RM0.63 million for 1Q12. The differential was mainly due to some fair value gain on quoted shares held and lower administration expenses for the quarter.

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

Loss before tax for the quarter was lower as compared to immediate preceding quarter, i.e. RM0.37 million versus RM0.76 million and was mainly due to fair value gain of RM0.27 million on quoted shares held and lower administration expenses for the current quarter.

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B3 Prospect for the Year

The Group's prospect for the year would very much depend on the outcome of the ongoing litigation as stated in Notes A3 and B9. A decision is expected from the Federal Court within the next few months.

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 of taxation for the current quarter under review.

B7 Status of Corporate Proposals

There were no corporate proposals announced for the current quarter under review.

B8 Group's Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 March 2013.

B9 Material Litigation

As at 8 May 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 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 encompassing a palm oil mill (owned by a third party then) sited on part of the plantation for a total consideration of RM53,000,002.

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On 15 November 2002, a Subsequent Letter Agreement was executed by both parties recognizing the Agreements had lapsed as not all approvals from the relevant authorities had been obtained and also negotiations to acquire the palm oil mill sited on the subject plantation had not been successful. However the said Subsequent Letter Agreement 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 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 favour 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.

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The Plaintiffs were granted leave by the Federal Court to appeal against the Court of Appeal's decision. The Federal Court then heard the appeal on 5th and 6th of March 2013 and on 29 April 2013 and has reserved decision to a date to be notified to the parties in due course.

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 31/03/13 RM'000	Comparative Qtr Ended 31/03/12 Restated RM'000	Current Year Year-To-Date 31/03/13 RM'000	Preceding Year Year-To-Date 31/03/12 Restated RM'000
<u>a) Basic EPS</u>				
<u>Numerator</u> Loss for the financial period attributable to equity holders of the parent	(371)	(633)	(371)	(633)
<u>Denominator</u> Weighted average number of shares in issue.	75,000	75,000	75,000	75,000
Basic LPS (sen)	(0.49)	(0.84)	(0.49)	(0.84)
<u>b) Diluted EPS</u>	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.

*Quarterly Report for the Period Ended 31 March 2013***B13 Realised and Unrealised Profit Disclosure**

	Current financial period ended 31 Mar 2013 (RM'000)	Immediate preceding quarter ended 31 Dec 2012 Restated (RM'000)	As at last financial period ended 31 Mar 2012 (RM'000)
Total retained profits of Malpac Holdings Bhd and its subsidiaries:			
- Realised	80,341	80,983	88,620
- Unrealised	271	-	34
	80,612	80,983	88,654
Add : Consolidation adjustment	14,317	14,317	10,298
Total group retained profits as per consolidated accounts	94,929 =====	95,300 =====	98,952 =====

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 and Year-to-date 31/03/13 RM'000
<u>After crediting</u>	
Interest income	129
Dividend income	2
Distribution income	643
Gain on disposal of Available-For-Sale financial assets	5
Gain on disposal of quoted shares	6
Fair value gain on quoted shares (non-current)	216
Fair value gain on quoted shares (current)	54
<u>After debiting</u>	
Amortisation on Prepaid Land Lease Payments	(412)
Depreciation	(185)

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

Quarterly Report for the Period Ended 31 March 2013

By Order of the Board

NG BEE LIAN (MAICSA 7041392)
Company Secretary

Seremban
Date: 10 May 2013