

**MALPAC HOLDINGS BERHAD (197424-V)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013**

|   | <b>Unaudited</b> | <b>Audited</b>  |
|---|------------------|-----------------|
|   | <b>As At</b>     | <b>As At</b>    |
|   | <b>30.06.13</b>  | <b>31.12.12</b> |
|   | <b>RM'000</b>    | <b>RM'000</b>   |
| <b>Non-Current Assets</b>   |                  |                 |
| Property, plant and equipment   | 58,977           | 59,340          |
| Prepaid Land lease payments   | 33,798           | 34,623          |
| Financial assets at fair value through profit or loss (quoted shares) | 14,539           | 12,649          |
|   | 107,314          | 106,612         |
| <b>Current Assets</b>   |                  |                 |
| Available-for-sale financial assets (unit trusts)                     | 88,183           | 87,663          |
| Financial assets at fair value through profit or loss (quoted shares) | 7,748            | 6,956           |
| Trade and other receivables   | 89               | 106             |
| Tax recoverable   | 192              | 169             |
| Cash and cash equivalents   | 391              | 316             |
|   | 96,603           | 95,210          |
| <b>TOTAL ASSETS</b>   | <u>203,917</u>   | <u>201,822</u>  |
| <br><b>EQUITY AND LIABILITIES</b>                                     |                  |                 |
| <b>Equity attributable to equity holders<br/>of the Company</b>       |                  |                 |
| Share capital   | 75,000           | 75,000          |
| Reserves  | 121,107          | 119,830         |
| <b>TOTAL EQUITY</b>   | 196,107          | 194,830         |
| <b>LIABILITIES</b>  |                  |                 |
| <b>Current Liabilities</b>  |                  |                 |
| Trade and other payables  | 4,485            | 4,406           |
| Provisions  | 3,325            | 2,586           |
| <b>TOTAL LIABILITIES</b>  | 7,810            | 6,992           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   | <u>203,917</u>   | <u>201,822</u>  |
| Net Assets Per Share (RM)   | 2.61             | 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 30 JUNE 2013**

|  | INDIVIDUAL QUARTER                         |  | CUMULATIVE QUARTER                            |   |
|--|--|--|---|---|
|  | Current<br>Qtr Ended<br>30.06.13<br>RM'000 | Comparative<br>Qtr Ended<br>30.06.12<br>RM'000 | Current<br>Year-To-Date<br>30.06.13<br>RM'000 | Preceding<br>Year-To-Date<br>30.06.12<br>RM'000 |
| Revenue  | -  | -  | -   | -   |
| Other operating income   | 3,722                                      | 615  | 4,799   | 1,725   |
| Administration expenses  | (2,098)                                    | (1,480)  | (3,540)                                       | (3,120)   |
| Other operating expenses   | (6)  | (1,139)  | (12)  | (1,241)   |
| <b>Profit/(Loss) before tax</b>  | <b>1,618</b>                               | <b>(2,004)</b>                                 | <b>1,247</b>                                  | <b>(2,636)</b>                                  |
| Tax expense  | -  | -  | -   | -   |
| <b>Profit/(Loss) for the financial period</b>                              | <b>1,618</b>                               | <b>(2,004)</b>                                 | <b>1,247</b>                                  | <b>(2,636)</b>                                  |
| Other comprehensive income after tax:                                      |  |  |   |   |
| Changes in fair value of securities<br>available-for-sale financial assets | 32   | 41   | 30  | 45  |
| <b>Total comprehensive income for the financial period</b>                 | <b>1,650</b>                               | <b>(1,963)</b>                                 | <b>1,277</b>                                  | <b>(2,591)</b>                                  |
| Net profit/(loss) attributable to:   |  |  |   |   |
| Owners of the parent   | 1,618                                      | (2,004)  | 1,247   | (2,636)   |
| <b>Total comprehensive income attributable to:</b>                         |  |  |   |   |
| Owners of the parent   | 1,650                                      | (1,963)  | 1,277   | (2,591)   |
| Earning/(Loss) per share (sen)   |  |  |   |   |
| -Basic   | 2.16                                       | (2.67)   | 1.66  | (3.51)  |
| -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 30 JUNE 2013**

|   | Share<br>capital<br>RM'000 | Share<br>premium<br>RM'000 | Retained<br>earnings<br>RM'000 | Fair value<br>adjustment<br>reserve<br>RM'000 | Total<br>RM'000 |
|---|----------------------------|----------------------------|--------------------------------|---|-----------------|
| <b>6 months<br/>ended 30 June 2013</b>                        |                            |                            |                                |   |                 |
| As at 1 January 2013  | 75,000                     | 24,367                     | 95,300                         | 163   | 194,830         |
| <b>Comprehensive income</b>                                   |                            |                            |                                |   |                 |
| Profit for the period   | -                          | -                          | 1,247                          | -   | 1,247           |
| <b>Other comprehensive income</b>                             |                            |                            |                                |   |                 |
| Net fair value gain on available-for-sale<br>financial assets | -                          | -                          | -                              | 30  | 30              |
| <b>Total comprehensive income for the period</b>              | -                          | -                          | 1,247                          | 30  | 1,277           |
| As at 30 June 2013  | 75,000                     | 24,367                     | 96,547                         | 193   | 196,107         |

|   |        |        |         |      |         |
|---|--------|--------|---------|------|---------|
| <b>6 months<br/>ended 30 June 2012</b>                        |        |        |         |      |         |
| As at 1 January 2012  | 75,000 | 24,367 | 99,585  | (17) | 198,935 |
| <b>Comprehensive income</b>                                   |        |        |         |      |         |
| Loss for the period   | -      | -      | (2,636) | -    | (2,636) |
| <b>Other comprehensive income</b>                             |        |        |         |      |         |
| Net fair value gain on available-for-sale<br>financial assets | -      | -      | -       | 45   | 45      |
| <b>Total comprehensive income for the period</b>              | -      | -      | (2,636) | 45   | (2,591) |
| As at 30 June 2012  | 75,000 | 24,367 | 96,949  | 28   | 196,344 |

*(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 30 JUNE 2013**

|  | <b>6 months<br/>ended<br/>30.06.13<br/>RM'000</b> | <b>6 months<br/>ended<br/>30.06.12<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |   |   |
| Profit/(Loss) before tax   | 1,247   | (2,636)   |
| Adjustments for:   |   |   |
| Non-cash items   | (2,089)   | 2,139   |
| Distribution income from unit trusts                                 | (1,240)   | (1,039)   |
| Dividend income  | (7)   | (48)  |
| Interest income  | (206)   | (332)   |
| <i>Operating loss before working capital changes</i>                 | (2,295)   | (1,916)   |
| Changes in working capital   |   |   |
| Net change in current assets   | 18  | 154   |
| Net change in current liabilities                                    | 817   | (1,223)   |
| <i>Cash used in operations</i>                                       | (1,460)   | (2,985)   |
| Tax paid   | (22)  | (25)  |
| <i>Net cash used in operating activities</i>                         | (1,482)   | (3,010)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |   |   |
| Distribution income from unit trusts                                 | 1,240   | 1,039   |
| Dividend received  | 6   | 45  |
| Interest received  | 206   | 332   |
| Proceeds from disposal of:   |   |   |
| Available-for-sale financial assets                                  | 1,340   | 13,450  |
| Held-to-maturity investments(bonds)                                  | -   | 10,009  |
| Financial assets at fair value through profit or loss(quoted shares) | 1,612   | 2,796   |
| Purchase of:   |   |   |
| Available-for-sale financial assets                                  | (1,815)   | (25,752)  |
| Financial assets at fair value through profit or loss(quoted shares) | (1,025)   | (8,190)   |
| Property, plant and equipment  | (7)   | (983)   |
| <i>Net cash from/(used) investing activities</i>                     | 1,557   | (7,254)   |
| Net increase/decrease in cash and cash equivalents                   | 75  | (10,264)  |
| Cash and cash equivalents at beginning of the financial period       | 316   | 10,552  |
| Cash and cash equivalents at end of the financial period             | 391   | 288   |
| <br>   |   |   |
| Cash and cash equivalents comprise of:-                              |   |   |
| Fixed deposits/short term placement                                  | 126   | 134   |
| Cash and bank balances   | 265   | 154   |
|  | 391   | 288   |

*(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 30 June 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 5<sup>th</sup> and 6<sup>th</sup> 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 30 June 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 second quarter ended 30 June 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 reported a pre-tax profit of RM1.62 million for the quarter as compared to pre-tax loss of RM2.0 million for 2Q12. For the cumulative period, the profit before tax was RM1.25 million compared with pre-tax loss of RM2.64 million in the same period last year.

The profit was mainly from fair value gain of RM2.813 million on quoted shares held during the quarter as stock market improved significantly after the general elections whereas there was a fair value loss of RM1.07million in the same period last year.

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

The Group's second quarter result showed a big jump, i.e to pre-tax profit of RM1.62 million from pre-tax loss of RM0.37 million in the immediate preceding quarter.. The improvement was mainly due to fair value gain of RM2.813 million on quoted shares held.

**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. The fair value gain on quoted shares held for the quarter was not taxable.

**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 30 June 2013.

**B9 Material Litigation**

As at 15 August 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.

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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.

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



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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.

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 5<sup>th</sup> and 6<sup>th</sup> 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 Earning/(Loss) Per Share ("EPS/(LPS)")**

|  | INDIVIDUAL QUARTER                       |   | CUMULATIVE QUARTER                           |   |
|--|--|---|--|---|
|  | Current Quarter Ended 30/06/13<br>RM'000 | Comparative Qtr Ended 30/06/12 Restated<br>RM'000 | Current Year Year-To-Date 30/06/13<br>RM'000 | Preceding Year Year-To-Date 30/06/12 Restated<br>RM'000 |
| a) <u>Basic EPS</u><br><u>Numerator</u><br>Profit/(Loss) for the financial period attributable to equity holders of the parent | 1,618                                    | (2,004)   | 1,247  | (2,636)   |
| <u>Denominator</u><br>Weighted average number of shares in issue.  | 75,000                                   | 75,000  | 75,000                                       | 75,000  |
| Basic EPS/(LPS) (sen)  | 2.16                                     | (2.67)  | 1.66   | (3.51)  |
| b) Diluted EPS   | 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 30 June 2013***B13 Realised and Unrealised Profit Disclosure**

|   | Current financial<br>period ended<br>30 June 2013<br>(RM'000) | Immediate preceding<br>quarter ended<br>31 March 2013<br>(RM'000) | As at last financial<br>period ended<br>30 June 2012<br>(RM'000) |
|---|---|---|--|
| Total retained profits of Malpac Holdings Bhd and its subsidiaries: |   |   |  |
| - Realised  | 79,417  | 80,341  | 86,610   |
| - Unrealised  | <u>2,813</u>  | <u>271</u>  | <u>41</u>  |
|   | 82,230  | 80,612  | 86,651   |
| Add : Consolidation adjustment                                      | 14,317  | 14,317  | 10,298   |
| Total group retained profits as per consolidated accounts           | <u>96,547</u>   | <u>94,929</u>   | <u>96,949</u>  |

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<br>30/06/13<br>RM'000 | Year-to-date<br>30/06/13<br>RM'000 |
|---|---------------------------------------|------------------------------------|
| <u>After crediting</u>                                  |                                       |                                    |
| Interest income   | 77                                    | 206                                |
| Dividend income   | 5                                     | 7                                  |
| Distribution income                                     | 597                                   | 1,240                              |
| Gain on disposal of Available-For-Sale financial assets | 10                                    | 15                                 |
| Gain on disposal of quoted shares                       | 180                                   | 186                                |
| Fair value gain on quoted shares (non-current)          | 859                                   | 1,075                              |
| Fair value gain on quoted shares (current)              | 1,954                                 | 2,008                              |
| <u>After debiting</u>                                   |                                       |                                    |
| Amortisation on Prepaid Land Lease Payments             | (412)                                 | (824)                              |
| Depreciation  | (186)                                 | (371)                              |

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
- (v) Foreign exchange gain or loss

***Quarterly Report for the Period Ended 30 June 2013***

Order of the Board

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

Seremban  
Date: 21 August 2013