

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

	Unaudited As At 30.09.13 RM'000	Audited As At 31.12.12 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	58,793	59,340
Prepaid Land lease payments	33,386	34,623
Financial assets at fair value through profit or loss (quoted shares)	15,419	12,649
	107,598	106,612
Current Assets		
Available-for-sale financial assets (unit trusts)	88,748	87,663
Financial assets at fair value through profit or loss (quoted shares)	7,637	6,956
Trade and other receivables	79	106
Tax recoverable	210	169
Cash and cash equivalents	349	316
	97,023	95,210
TOTAL ASSETS	<u>204,621</u>	<u>201,822</u>
 EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	75,000	75,000
Reserves	121,405	119,830
TOTAL EQUITY	196,405	194,830
 LIABILITIES		
Current Liabilities		
Trade and other payables	4,566	4,406
Provisions	3,650	2,586
TOTAL LIABILITIES	<u>8,216</u>	<u>6,992</u>
TOTAL EQUITY AND LIABILITIES	<u>204,621</u>	<u>201,822</u>
 Net Assets Per Share (RM)	 2.62	 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 SEPTEMBER 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Qtr Ended 30.09.13 RM'000	Comparative Qtr Ended 30.09.12 RM'000	Current Year-To-Date 30.09.13 RM'000	Preceding Year-To-Date 30.09.12 RM'000
Revenue	-	-	-	-
Other operating income	1,811	949	6,610	2,488
Administration expenses	(1,557)	(1,753)	(5,097)	(4,873)
Other operating expenses	(6)	(83)	(18)	(1,138)
Profit/(Loss) before tax	248	(887)	1,495	(3,523)
Tax expense	-	-	-	-
Profit/(Loss) for the financial period	248	(887)	1,495	(3,523)
Other comprehensive income after tax:				
Changes in fair value of securities available-for-sale financial assets	50	62	80	107
Total comprehensive income for the financial period	298	(825)	1,575	(3,416)
Net profit/(loss) attributable to:				
Owners of the parent	248	(887)	1,495	(3,523)
Total comprehensive income attributable to:				
Owners of the parent	298	(825)	1,575	(3,416)
Earning/(Loss) per share (sen)				
-Basic	0.33	(1.18)	1.99	(4.70)
-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 SEPTEMBER 2013**

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Fair value adjustment reserve RM'000	Total RM'000
9 months ended 30 September 2013					
As at 1 January 2013	75,000	24,367	95,300	163	194,830
Comprehensive income					
Profit for the period	-	-	1,495	-	1,495
Other comprehensive income					
Net fair value gain on available-for-sale financial assets	-	-	-	80	80
Total comprehensive income for the period	-	-	1,495	80	1,575
As at 30 September 2013	75,000	24,367	96,795	243	196,405
9 months ended 30 September 2012					
As at 1 January 2012	75,000	24,367	99,585	(18)	198,934
Comprehensive income					
Loss for the period	-	-	(3,523)	-	(3,523)
Other comprehensive income					
Net fair value gain on available-for-sale financial assets	-	-	-	107	107
Total comprehensive income for the period	-	-	(3,523)	107	(3,416)
As at 30 September 2012	75,000	24,367	96,062	89	195,518

(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 SEPTEMBER 2013**

	9 months ended 30.09.13 RM'000	9 months ended 30.09.12 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,495	(3,523)
Adjustments for:		
Non-cash items	(2,627)	2,643
Distribution income from unit trusts	(1,856)	(1,623)
Dividend income	(38)	(213)
Interest income	(208)	(332)
<i>Operating loss before working capital changes</i>	(3,234)	(3,048)
Changes in working capital		
Net change in current assets	28	176
Net change in current liabilities	1,224	(731)
<i>Cash used in operations</i>	(1,982)	(3,603)
Tax refunded	2	-
Tax paid	(35)	(98)
<i>Net cash used in operating activities</i>	(2,015)	(3,701)
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution income from unit trusts	1,856	1,623
Dividend received	29	204
Interest received	208	332
Proceeds from disposal of:		
Available-for-sale financial assets	1,940	14,230
Held-to-maturity investments(bonds)	-	10,009
Financial assets at fair value through profit or loss(quoted shares)	3,829	3,781
Purchase of:		
Available-for-sale financial assets	(2,922)	(26,599)
Financial assets at fair value through profit or loss(quoted shares)	(2,883)	(9,158)
Property, plant and equipment	(9)	(1,039)
<i>Net cash from/(used) investing activities</i>	2,048	(6,617)
Net increase/(decrease) in cash and cash equivalents	33	(10,318)
Cash and cash equivalents at beginning of the financial period	316	10,552
Cash and cash equivalents at end of the financial period	349	234
Cash and cash equivalents comprise of:-		
Fixed deposits/short term placement	127	231
Cash and bank balances	222	3
	349	234

(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)

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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 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.

On 4 September 2013, the Federal Court allowed the Plaintiffs appeal and set aside the decision of Court of Appeal and affirmed the decision of Ipoh High Court.

Our solicitors had submitted an application on 3 October 2013 to the Federal Court for a judicial review of its earlier decision. The application was set for case management on 12 November 2013 which had since postponed to 26 November 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.

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 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**
The Group reported a pre-tax profit of RM0.25 million for the quarter as compared to pre-tax loss of RM0.89 million for 3Q12. For the cumulative period, the profit before tax was RM1.50 million compared to pre-tax loss of RM3.52 million in the same period last year.

The profit was mainly from fair value gain of RM0.86 million on quoted shares held during the quarter coupled with some gains from disposal of quoted shares whereas fair value gain for the same period last year was lower, i.e. RM0.11 million.

No revenue was reported for the quarter ended 30 September 2013.

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

The Group recorded a pre-tax profit of RM0.25 million in the third quarter compared to RM1.62 million in the immediate preceding quarter. The lower result was mainly due to lower fair value gain of RM0.86 million on quoted shares held in the quarter as compared to RM2.81 million in the immediate preceding quarter.

B3 Prospect for the Year

The Group's prospect for the year would very much depend on the outcome of our application to Federal Court to review its decision made on 4 September 2013 (Refer to Note B9).

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 30 September 2013.

B9 Material Litigation

As at 15 November 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

Quarterly Report for the Period Ended 30 September 2013

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. On 4 September 2013, the Federal Court allowed their appeal, set aside the decision of Court of Appeal and affirmed the decision of Ipoh High Court.

The Plaintiffs had again tendered full payment of the balance purchase price for the plantation which our solicitors had rejected and returned to them on the grounds that our solicitors had submitted an application on 3 October 2013 to the Federal Court for a judicial review of its earlier decision. The application was set for case management on 12 November 2013 which had since postponed to 26 November 2013.

Based on available information, the Group's solicitors are of the view that the Group has reasonable grounds to pursue the judicial review.

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 30/09/13 RM'000	Comparative Qtr Ended 30/09/12 Restated RM'000	Current Year Year-To-Date 30/09/13 RM'000	Preceding Year Year-To-Date 30/09/12 Restated RM'000
<u>a) Basic EPS</u>				
<u>Numerator</u> Profit/(Loss) for the financial period attributable to equity holders of the parent	248	(887)	1,495	(3,523)
<u>Denominator</u> Weighted average number of shares in issue.	75,000	75,000	75,000	75,000
Basic EPS/(LPS) (sen)	0.33	(1.18)	1.99	(4.70)
<u>b) Diluted EPS</u>	Nil	Nil	Nil	Nil

The Company does not have any instrument 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 30 Sept 2013 (RM'000)	Immediate preceding quarter ended 30 June 2013 (RM'000)	As at last financial period ended 30 Sept 2012 (RM'000)
Total retained profits of Malpac Holdings Bhd and its subsidiaries:			
- Realised	81,619	79,417	85,578
- Unrealised	859	2,813	186
	82,478	82,230	85,764
Add : Consolidation adjustment	14,317	14,317	10,298
Total group retained profits as per consolidated accounts	96,795 =====	96,547 =====	96,062 =====

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 30/09/13 RM'000	Year-to-date 30/09/13 RM'000
<u>After crediting</u>		
Interest income	2	208
Dividend income	31	38
Distribution income	616	1,856
Gain on disposal of Available-For-Sale financial assets	8	23
Gain on disposal of quoted shares	269	455
Fair value gain on quoted shares (non-current)	1813	2,888
Fair value (loss)/gain on quoted shares (current)	(954)	1,054
<u>After debiting</u>		
Amortisation on Prepaid Land Lease Payments	(413)	(1,237)
Depreciation	(185)	(556)

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 September 2013

Order of the Board

NG BEE LIAN (MAICSA 7041392)
Company Secretary

Seremban

Date: 20 November 2013