

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	Unaudited As At 31.03.14 RM'000	Audited As At 31.12.13 RM'000
Non-Current Assets		
Property, plant and equipment	57,245	57,411
Prepaid Land lease payments	32,562	32,974
Investment property	1,199	1,206
Financial assets at fair value through profit or loss (quoted shares)	15,312	15,302
	106,318	106,893
Current Assets		
Investment in unit trust	89,561	89,452
Financial assets at fair value through profit or loss (quoted shares)	7,388	7,451
Trade and other receivables	69	108
Tax recoverable	117	113
Cash and cash equivalents	180	439
	97,315	97,563
TOTAL ASSETS	203,633	204,456
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	75,000	75,000
Reserves	120,839	121,290
TOTAL EQUITY	195,839	196,290
LIABILITIES		
Non current liabilities		
Provisions	247	242
	247	242
Current Liabilities		
Trade and other payables	4,429	4,629
Provisions	3,118	3,295
TOTAL LIABILITIES	7,547	7,924
	7,794	8,166
TOTAL EQUITY AND LIABILITIES	203,633	204,456
Net Assets Per Share (RM)	2.61	2.62

(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 2013)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	Current Qtr Ended 31.03.14 RM'000	Comparative Qtr Ended 31.03.13 RM'000 (Restated)	Current Year-To-Date 31.03.14 RM'000	Preceding Year-To-Date 31.03.13 RM'000 (Restated)	
Revenue	-	-	-	-	
Other operating income	831	1,075	831	1,075	
Administration expenses	(1,276)	(1,442)	(1,276)	(1,442)	
Other operating expenses	(6)	(6)	(6)	(6)	
Loss before tax	(451)	(373)	(451)	(373)	
Tax expense	-	-	-	-	
Loss for the period	(451)	(373)	(451)	(373)	
Attributable to:					
Equity holders of the parent	(451)	(373)	(451)	(373)	
Loss per share (sen)	-Basic	(0.60)	(0.50)	(0.60)	(0.50)
	-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 2013)

MALPAC HOLDINGS BERHAD (197424-V)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2014**

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000
3 months ended 31 March 2014				
As at 1 January 2014	75,000	24,367	96,923	196,290
Comprehensive income Loss for the period	-	-	(451)	(451)
Total comprehensive income for the period	-	-	(451)	(451)
As at 31 March 2014	75,000	24,367	96,472	195,839

3 months ended 31 March 2013 (Restated)				
As at 1 January 2013	75,000	24,367	95,463	194,830
Comprehensive income Loss for the year	-	-	(373)	(373)
Total comprehensive income for the period	-	-	(373)	(373)
As at 31 March 2013	75,000	24,367	95,090	194,457

(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 2013)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 MARCH 2014**

	3 months ended 31.03.14 RM'000	3 months ended 31.03.13 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(451)	(373)
Adjustments for:		
Non-cash items	501	321
Distribution income from unit trusts	(672)	(643)
Dividend income	(1)	(2)
Interest income	(129)	(129)
<i>Operating loss before working capital changes</i>	<u>(752)</u>	<u>(826)</u>
Changes in working capital		
Net change in current assets	39	(90)
Net change in current liabilities	(372)	202
<i>Cash used in operations</i>	<u>(1,085)</u>	<u>(714)</u>
Tax paid	(5)	(9)
<i>Net cash used in operating activities</i>	<u>(1,090)</u>	<u>(723)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution income from unit trusts	672	643
Dividend received	1	2
Interest received	129	129
Proceeds from disposal of:		
Financial assets at fair value through profit or loss(quoted shares)	668	381
Purchase of:		
Financial assets at fair value through profit or loss(quoted shares)	(530)	(110)
Property, plant and equipment	-	(7)
<i>Net cash from investing activities</i>	<u>940</u>	<u>1,038</u>
Net (decrease)/increase in cash and cash equivalents	(150)	315
Cash and cash equivalents at beginning of the period	89,891	87,979
Cash and cash equivalents at end of the period	<u>89,741</u>	<u>88,294</u>
Cash and cash equivalents comprise of:-		
Unit trust fund	89,561	87,859
Fixed deposits/short term placement	93	257
Cash and bank balances	87	178
	<u>89,741</u>	<u>88,294</u>

(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 2013)

Quarterly Report for the Period Ended 31 March 2014

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 2013.

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 2013 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 2014.

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.

The Federal Court had on 4 March 2014 dismissed our application for a judicial review of its earlier decision.

As there has been no recognition of income since the commencement of the appeal against the High Court's decision, there will be no further immediate adverse impact to the financial position of the Company in this respect. Should the Court ruling be carried through to completion, there will be an extra ordinary gain recognized as the value of the plantation has been materially amortized in the book.

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 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**
No revenue was reported for the first quarter ended 31 March 2014. The Group recorded a pre-tax loss of RM0.45 million for the quarter as compared with pre-tax loss of RM0.37 million in the 1Q13. The differential was due to a slightly lower fair value gain on quoted shares held this quarter.
- B2 Changes in Profit in the Quarterly Results compared to the Results of the Immediate Preceding Quarter**
The Group recorded a pre-tax loss of RM0.45 million in the first quarter as compared to pre-tax profit of RM0.21 million in the immediate preceding quarter. The reduction was mainly from a drop in dividend income and fair value gain on quoted shares held.

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- B3 Prospect for the Year**
In light of the latest Federal Court decision on 4 March 2014 not to allow our application for a judicial review, the Board is in close consultation with our solicitors in regard to the compliance of the Federal Court ruling. We shall keep shareholders and the investing public apprised of further developments in a timely manner.
- In the worst case scenario, should the decision of the Courts be carried through to completion, the Company will fall under the ambit of Practice Note 17 of Bursa's Listing Requirements due to insignificant business level.
- 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 tax expense for the 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 2014.
- B9 Material Litigation**
As at 18 April 2014, 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. 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. On 4 March 2014 the Federal Court dismissed our application for a judicial review.

The Board is now in close consultation with our solicitors in regard to the compliance of the Federal Court ruling. We shall keep shareholders and the investing public apprised of further developments in a timely manner

B10 Dividend

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

B11 Loss Per Share ("LPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31/03/14 RM'000	Comparative Qtr Ended 31/03/13 RM'000 Restated	Current Year Year-To-Date 31/03/14 RM'000	Preceding Year Year-To-Date 31/03/13 RM'000 Restated
<u>a) Basic EPS</u>				
<u>Numerator</u> Loss for the financial period attributable to equity holders of the parent	(451)	(373)	(451)	(373)
<u>Denominator</u> Weighted average number of shares in issue.	75,000	75,000	75,000	75,000
Basic LPS (sen)	(0.60)	(0.50)	(0.60)	(0.50)
<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.

MALPAC HOLDINGS BERHAD (197424-V)**Quarterly Report for the Period Ended 31 March 2014****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 March 2014 (RM'000)	Immediate preceding quarter ended 31 Dec 2013 Restated (RM'000)	As at last financial period ended 31 March 2013 Restated (RM'000)
Total retained profits of Malpac Holdings Bhd and its subsidiaries:			
- Realised	96,163	96,613	80,773
Add : Consolidation adjustment	309	309	14,317
Total group retained profits as per consolidated accounts	96,472 =====	96,922 =====	95,090 =====

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 & Year-to-date 31/03/14 RM'000	Comparative Quarter & Year-to-date 31/03/13 RM'000 Restated
<u>After crediting</u>		
Interest income	129	129
Dividend income	1	2
Distribution income	672	643
Gain on disposal of quoted shares	59	6
Fair value gain on quoted shares (non-current)	10	216
Fair value gain on quoted shares (current)	16	54
<u>After debiting</u>		
Amortisation on Prepaid Land Lease Payments	(412)	(412)
Depreciation	(174)	(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
- (v) Foreign exchange gain or loss

Quarterly Report for the Period Ended 31 March 2014

Order of the Board

NG BEE LIAN (MAICSA 7041392)
Company Secretary

Seremban
Date: 23 April 2014