

**MALPAC HOLDINGS BERHAD (197424-V)**

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

	<b>Unaudited As At 31.12.14 RM'000</b>	<b>Audited As At 31.12.13 RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	56,926	57,411
Prepaid Land lease payments	31,325	32,974
Investment property	1,179	1,206
Financial assets at fair value through profit or loss (quoted shares)	14,018	15,302
	103,448	106,893
<b>Current Assets</b>		
Financial assets at fair value through profit or loss (quoted shares)	6,808	7,451
Trade and other receivables	187	108
Tax recoverable	22	113
Cash and cash equivalents	90,108	89,891
	97,125	97,563
<b>TOTAL ASSETS</b>	<b>200,573</b>	<b>204,456</b>
 <b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	75,000	75,000
Reserves	116,788	121,290
<b>TOTAL EQUITY</b>	<b>191,788</b>	<b>196,290</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Provisions	272	242
	272	242
<b>Current Liabilities</b>		
Trade and other payables	4,982	4,629
Provisions	3,531	3,295
<b>TOTAL LIABILITIES</b>	<b>8,513</b>	<b>7,924</b>
	8,785	8,166
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>200,573</b>	<b>204,456</b>
Net Assets Per Share (RM)	2.56	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 DECEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	Current Qtr Ended 31.12.14 RM'000	Comparative Qtr Ended 31.12.13 RM'000 (Restated)	Current Year-To-Date 31.12.14 RM'000	Preceding Year-To-Date 31.12.13 RM'000 (Restated)	
Revenue	-	-	-	-	
Other operating income	1,166	1,418	3,802	8,108	
Administration expenses	(1,176)	(1,377)	(6,305)	(6,474)	
Other operating expenses	(5,485)	(7)	(2,005)	(25)	
<b>(Loss)/profit before tax</b>	<b>(5,495)</b>	<b>34</b>	<b>(4,508)</b>	<b>1,609</b>	
Tax expense	-	(148)	6	(148)	
<b>(Loss)/profit for the year</b>	<b>(5,495)</b>	<b>(114)</b>	<b>(4,502)</b>	<b>1,461</b>	
<b>Attributable to:</b>					
Equity holders of the parent	(5,495)	(114)	(4,502)	1,461	
(Loss)/earning per share (sen)	-Basic	(7.33)	(0.15)	(6.00)	1.95
	-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 DECEMBER 2014**

	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>
<b>12 months ended 31 December 2014</b>				
As at 1 January 2014	75,000	24,367	96,923	196,290
<b>Comprehensive income</b>				
Loss for the year	-	-	(4,502)	(4,502)
<b>Total comprehensive income for the year</b>	-	-	(4,502)	(4,502)
As at 31 December 2014	<u>75,000</u>	<u>24,367</u>	<u>92,421</u>	<u>191,788</u>

**12 months  
ended 31 December 2013 (Restated)**

As at 1 January 2013	75,000	24,367	95,463	194,830
<b>Comprehensive income</b>				
Profit for the year	-	-	1,461	1,461
<b>Total comprehensive income for the year</b>	-	-	1,461	1,461
As at 31 December 2013	<u>75,000</u>	<u>24,367</u>	<u>96,924</u>	<u>196,291</u>

*(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 DECEMBER 2014**

	<b>12 months ended 31.12.14 RM'000</b>	<b>12 months ended 31.12.13 RM'000 (Restated)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(4,508)	1,609
Adjustments for:		
Non-cash items	4,116	(1,840)
Provision	934	1,302
Distribution income from unit trusts	(2,871)	(2,633)
Dividend income	(400)	(720)
Interest income	(287)	(285)
<i>Operating loss before working capital changes</i>	(3,016)	(2,567)
Changes in working capital		
Net change in current assets	(79)	(2)
Net change in current liabilities	353	94
<i>Cash used in operations</i>	(2,742)	(2,475)
Tax refund	109	120
Tax paid	(13)	(35)
Utilisation of provision	(668)	(222)
<i>Net cash used in operating activities</i>	(3,314)	(2,612)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Distribution income from unit trusts	2,871	2,633
Dividend received	400	543
Interest received	287	285
Proceeds from disposal of:		
Financial assets at fair value through profit or loss(quoted shares)	3,491	4,970
Property, plant and equipment	53	-
Purchase of:		
Financial assets at fair value through profit or loss(quoted shares)	(3,376)	(3,896)
Property, plant and equipment	(195)	(11)
<i>Net cash from investing activities</i>	3,531	4,524
Net increase in cash and cash equivalents	217	1,912
Cash and cash equivalents at beginning of the year	89,891	87,979
Cash and cash equivalents at end of the year	90,108	89,891
<b>Cash and cash equivalents comprise of:-</b>		
Unit trust fund	89,592	89,452
Fixed deposits/short term placement	101	92
Cash and bank balances	415	347
	90,108	89,891

*(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 December 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 refused to continue paying the monthly rental 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 (For details on subsequent developments in the legal suit, please refer to Note B9).

As there has been no recognition of income since then, there will be no further immediate adverse impact to the financial position of the Company even in the worst case scenario. Should the earlier Court ruling be carried through to completion, there will be an extraordinary gain of RM21.53 million 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.

**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.

***Quarterly Report for the Period Ended 31 December 2014***

**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 plantation revenue was reported for the current quarter and for the financial year ended 31 December 2014, details as explained in Note A3 and B9.

For the 4Q14, the Group suffered a pre-tax loss of RM5.50 million as compared to pre-tax profit of RM0.03 million in 4Q13. The loss was largely due to fair value loss of RM5.56 million in the quarter on quoted shares held due to slump in the equity market.

For the cumulative period, the pre-tax loss was RM4.51 million as compared to pre-tax profit of RM1.61 million in year 2013, the drop was mainly due to:-

- a) fair value loss of RM1.81 million for current year-to-date as compared to fair value gain of RM4.22 million in the last financial year; and
- b) lower dividend income from quoted shares.

*Quarterly Report for the Period Ended 31 December 2014*

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

The Group suffered a pre-tax loss of RM5.50 million in the fourth quarter as compared to pre-tax gain of RM0.32 million in the immediate preceding quarter. The reduction was mainly due to fair value loss of RM5.56 million on quoted shares held in this quarter as compared to fair value gain of RM0.84 million in 3Q14.

**B3 Prospects for the Next Financial Year**

In light of the latest decision by the Ipoh High Court (please refer Note B9), prospects for the Group is not expected to change significantly in the near future.

In the worst case scenario, should the earlier decision of the Courts be carried through to completion, the Company will fall eventually under the ambit of Practice Note 17 of Bursa's Listing Requirements due to insignificant business level.

Notwithstanding, the Company has been and will continue to look for good business opportunities.

**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 December 2014.

**B9 Material Litigation**

As at 18 February 2015, 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)**

***Quarterly Report for the Period Ended 31 December 2014***

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 situated in Teluk Intan, Perak, as partial settlement of loan owed to MCSB.

MCSB had novated the rights of the plantation lands 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.

MCSB had on 5 April 2002 entered into a Conditional Sale and Purchase Agreements (“2002 Agreements”) for disposal of RRSB comprising 2 shares 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 (Original Proposed Disposal of RRSB), 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 20 June 2002, the Company obtained its shareholders’ approval for the Original Proposed Disposal of RRSB.

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.

On 21 April 2007, the Purchasers (hereinafter referred to as “the Plaintiffs”) filed a writ of summons and statement of claim against MCSB and RRSB seeking for specific performance of the 2002 Agreement.

On 5 May 2011, the Ipoh High Court delivered an oral judgment in favour of the Plaintiffs and ordered specific performance of the 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.

Effective 1 July 2011, MCSB had to suspend recognition of income from the oil palm plantation and palm oil mill since the Plaintiffs refused to make the monthly rental incomes due to us following the Ipoh High Court’s decision given in their favour.

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. No plantation income had been received from the Plaintiffs despite demand from MCSB following 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.

On 4 March 2014 the Federal Court dismissed our application for a judicial review of its earlier decision.



***Quarterly Report for the Period Ended 31 December 2014***

The Board, subsequent to the Federal Court decisions and after seeking legal advice, resolved that the shareholders' approval obtained in June 2002 was inadequate for the purpose of complying with the Ipoh High Court Order, due to various events and developments that took place subsequent to the passing of the June 2002 shareholder resolution, details of which are as follows:-

- (i) on 5 August 2003, the plantation lands were transferred to RRSB pursuant to the revised terms of the Workout Proposal at the higher sale/transfer consideration of RM47.398 million which would then give rise to RRSB owing MCSB an amount equivalent to the higher sale/transfer consideration of RM47.398 million (and not RM30.6 million as earlier envisaged);
- (ii) on 28 April 2004, following a tender exercise and further direct negotiations, the palm oil mill was sold to RRSB (as a nominee of MCSB) by the liquidators of Ganda Edible Oil Sdn Bhd for a cash consideration of approximately RM2.2 million; and
- (iii) on 4 February 2005, the issued and paid-up share capital of RRSB was increased from RM2.00 comprising 2 RRSB Shares to RM100,000 comprising 100,000 RRSB shares to comply with Malaysian Palm Oil Board rule on the minimum paid-up capital requirement to apply for an oil mill license.

The Board hence resolved to convene an Extraordinary General Meeting ("EGM") to seek shareholders' approval essentially for the disposal of the palm oil mill and the 99,998 new RRSB shares which were not covered by the June 2002 shareholder resolution in order that we are in compliance with requirements under Section 132C of the Companies Act 1965 and Chapter 10 of the Listing Requirements of Bursa Malaysia Securities Bhd.

The EGM was held on 31 July 2014 and 99.96% of the shareholders who were present and who had voted, rejected the proposal to dispose of RRSB including the plantation and mill for an aggregate disposal consideration of RM53.1 million.

MCSB and RRSB on 3 July 2014 were served with a sealed copy of an Application by the Plaintiffs for Supplementary Orders from the Ipoh High Court for the completion of the sale of the plantation lands and the palm oil mill pursuant to the Ipoh High Court Order dated 5 May 2011.

The High Court on 17 February 2015 allowed the Plaintiffs' application for supplementary orders and declined and dismissed our application inter-alia to secure the plantation income held back by the Plaintiffs amounting to RM36.7 million as at June 2014 as well as the implications of Section 132C of the Companies Act, 1965). The Board will now deliberate on the outcome of High Court's decision after considering further legal advice to be obtained.

We shall keep shareholders and the investing public apprised of further developments in a timely manner.

**Quarterly Report for the Period Ended 31 December 2014****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 31/12/14 RM'000	Comparative Qtr Ended 31/12/13 RM'000 Restated	Current Year Year-To-Date 31/12/14 RM'000	Preceding Year Year-To-Date 31/12/13 RM'000 Restated
<b>a) Basic LPS/EPS</b>				
<u>Numerator</u> (Loss)/Profit for the financial period attributable to equity holders of the parent	(5,495)	(114)	(4,502)	1,461
<u>Denominator</u> Weighted average number of shares in issue.	75,000	75,000	75,000	75,000
Basic LPS/EPS (sen)	(7.33)	(0.15)	(6.00)	1.95
<b>b) Diluted EPS</b>	Nil	Nil	Nil	Nil

The Company does not have any instrument 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.

**B13 Realised and Unrealised Profit Disclosure**

	Current financial period ended 31 Dec 2014 (RM'000)	Immediate preceding quarter ended 30 Sept 2014 (RM'000)	As at last financial period ended 31 Dec 2013 Restated (RM'000)
Total retained profits of Malpac Holdings Bhd and its subsidiaries:			
- Realised	92,104	95,488	96,615
- Unrealised	-	2,119	-
Add : Consolidation adjustment	317	309	309
Total group retained profits as per consolidated accounts	92,421 =====	97,916 =====	96,924 =====

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

*Quarterly Report for the Period Ended 31 December 2014***B14 Notes to Statement of Comprehensive income**

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

	Quarter ended 31/12/14 RM'000	Quarter ended 31/12/13 RM'000 Restated	Year-to-date ended 31/12/14 RM'000	Year-to-date ended 31/12/13 RM'000 Restated
<u>After crediting</u>				
Interest income	76	77	287	285
Dividend income	358	682	400	720
Distribution income	704	777	2,871	2,633
Fair value gain on quoted shares (non-current)	-	(416)	-	2,472
Fair value (loss)/gain on quoted shares (current)	-	240	-	1,749
Gain on disposal of PPE	53	-	53	-
<u>After debiting</u>				
Amortisation on Prepaid Land Lease Payments	(412)	(412)	(1,649)	(1,649)
Depreciation	(183)	(173)	(707)	(732)
Fair value loss on quoted shares (non-current)	(3,543)	-	(1,284)	-
Fair value loss on quoted shares (current)	(2,013)	-	(529)	-

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

Order of the Board

**NG BEE LIAN** (MAICSA 7041392)

Company Secretary

Seremban

Date: 25 February 2015