

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

| | Unaudited As At 30.06.23 RM'000 | Audited As At 30.06.22 RM'000 |
|---|--|--|
| Non-current assets | | |
| Property, plant and equipment | 102 | 32 |
| Investment properties | 59,905 | 61,019 |
| Financial assets at fair value through profit or loss (quoted shares) | 10,759 | 13,055 |
| Goodwill on consolidation | 9 | 9 |
| | 70,775 | 74,115 |
| Current assets | | |
| Short term cash investments (unit trust) | 2,072 | 57,048 |
| Financial assets at fair value through profit or loss (quoted shares) | 2,568 | 4,315 |
| Trade and non-trade receivables | 15,761 | 15,719 |
| Tax recoverable | 18 | 12 |
| Cash and cash equivalents | 90,810 | 28,130 |
| | 111,229 | 105,224 |
| Non-current assets held for sale | 927 | - |
| TOTAL ASSETS | <u>182,931</u> | <u>179,339</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 99,367 | 99,367 |
| Retained earnings | 73,327 | 70,619 |
| TOTAL EQUITY | 172,694 | 169,986 |
| LIABILITIES | | |
| Non current liabilities | | |
| Provisions | 222 | 200 |
| | 222 | 200 |
| Current Liabilities | | |
| Trade and non-trade payables | 2,181 | 515 |
| Revolving credit | 4,885 | 4,901 |
| Provisions | 2,865 | 3,713 |
| Tax payable | 84 | 24 |
| | 10,015 | 9,153 |
| TOTAL LIABILITIES | <u>10,237</u> | <u>9,353</u> |
| TOTAL EQUITY AND LIABILITIES | <u>182,931</u> | <u>179,339</u> |
| Net Assets Per Share (RM) based on 75,000,000 Ordinary Shares | 2.30 | 2.27 |

(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 30 June 2022)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2023**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | | |
|--|--|--|---|---|--------|
| | Current Qtr Ended 30.06.23 RM'000 | Comparative Qtr Ended 30.06.22 RM'000 | Current Year-To-Date 30.06.23 RM'000 | Preceding Year-To-Date 30.06.22 RM'000 | |
| Revenue | 1,010 | 335 | 6,325 | 2,781 | |
| Other income | 741 | 265 | 972 | 785 | |
| Fair value gain/(loss) on other investment | (1,425) | (720) | (957) | (2,291) | |
| Administrative expenses | (1,251) | (1,088) | (3,218) | (2,812) | |
| Other operating expenses | - | 18 | - | (544) | |
| Profit/(loss) from operation | (925) | (1,190) | 3,122 | (2,081) | |
| Finance costs | (11) | (11) | (44) | (45) | |
| Profit/(loss) before tax | (936) | (1,201) | 3,078 | (2,126) | |
| Tax expense | (370) | (122) | (370) | (190) | |
| Profit/loss for the year | (1,306) | (1,323) | 2,708 | (2,316) | |
| Attributable to: | | | | | |
| Equity holders of the parent | (1,306) | (1,323) | 2,708 | (2,316) | |
| | | | | | |
| Profit/(loss) per share (sen) | -Basic | (1.74) | (1.76) | 3.61 | (3.09) |
| | -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 30 June 2022)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2023**

| | Share capital* RM'000 | Retained earnings RM'000 | Total RM'000 |
|--|-----------------------------|--------------------------------|-----------------|
| 12 months ended 30 June 2023 | | | |
| As at 1 July 2022 | 99,367 | 70,619 | 169,986 |
| Comprehensive income | | | |
| Profit for the year | - | 2,708 | 2,708 |
| Total comprehensive income for the year | - | 2,708 | 2,708 |
| As at 30 June 2023 | 99,367 | 73,327 | 172,694 |

| | | | |
|--|--------|---------|---------|
| 12 months ended 30 June 2022 | | | |
| As at 1 July 2021 | 99,367 | 72,935 | 172,302 |
| Comprehensive income | | | |
| Loss for the year | - | (2,316) | (2,316) |
| Total comprehensive income for the year | - | (2,316) | (2,316) |
| As at 30 June 2022 | 99,367 | 70,619 | 169,986 |

** The new Companies Act 2016("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM24,366,592.62 for purpose as at out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.*

(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 30 June 2022)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 JUNE 2023**

| | 12 months ended 30.06.23 RM'000 | 12 months ended 30.06.22 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before tax | 3,078 | (2,126) |
| Adjustments for: | | |
| Non-cash items | (3,372) | 2,317 |
| Distribution income from short term cash investments | (39) | (1,070) |
| Dividend income | (249) | (507) |
| Interest income | (2,137) | (830) |
| Interest expense | 44 | 45 |
| <i>Operating loss before working capital changes</i> | (2,675) | (2,171) |
| Changes in working capital | | |
| Net change in current assets | (42) | 2 |
| Net change in current liabilities | 1,666 | (56) |
| <i>Cash used in operations</i> | (1,051) | (2,225) |
| Utilisation of provision | 90 | (66) |
| Tax paid | (306) | (165) |
| Tax refund | - | 23 |
| <i>Net cash used in operating activities</i> | (1,267) | (2,433) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividend received | 249 | 146 |
| Interest received | 2,137 | 830 |
| Proceeds from disposal of: | | |
| Financial assets at fair value through profit or loss (quoted shares) | 5,991 | 680 |
| Short term cash investments (unit trust) | 55,696 | 21,497 |
| Property, plant and equipment | 38 | - |
| Purchase of: | | |
| Financial assets at fair value through profit or loss (quoted shares) | - | (1) |
| Short term cash investments (unit trust) | - | (19,757) |
| Investment Property | - | (56) |
| Property, plant and equipment | (120) | - |
| <i>Net cash from investing activities</i> | 63,991 | 3,339 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (44) | (47) |
| | (44) | (47) |
| Net increase in cash and cash equivalents | 62,680 | 859 |
| Cash and cash equivalents at beginning of the year | 28,130 | 27,271 |
| Cash and cash equivalents at end of the year | 90,810 | 28,130 |
| Cash and cash equivalents comprise of:- | | |
| Fixed deposits/short term placement | 90,206 | 27,586 |
| Cash and bank balances | 604 | 544 |
| | 90,810 | 28,130 |

(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 30 June 2022)

Quarterly Report for the Period Ended 30 June 2023

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 30 June 2022.

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 30 June 2022 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 July 2022.

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

The Company has been designated by Bursa as having triggered the provisions under Paragraph 8.03A of the Main Market Listing Requirements and announcements have been made accordingly to that effect on 17 February 2020, and on a monthly basis thereafter.

A4 Change in Estimates

There was no change in estimates of the amount reported in the 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 proposed or paid during the current financial quarter.

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.

Quarterly Report for the Period Ended 30 June 2023

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 the 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 and for financial year-to-date.

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 quarter ended 30 June 2023, the Group recorded a pre-tax loss of RM0.94 million compared to a pre-tax loss of RM1.20 million in the corresponding quarter of preceding year. The loss for the current quarter was due mainly to a fair value loss of RM1.42 million on quoted shares but compensated by higher fixed deposit interest income of RM0.7 million compared to a fair value loss of RM0.72 million in the same quarter of preceding year.

For the financial year ended 30 June 2023, the pre-tax gain was RM3.08 million compared with pre-tax loss of RM2.13 million in the same period of preceding year. The profit for the current year was due mainly to the higher interest income from fixed deposits coupled with a one off gain on disposal of unit trusts and quoted shares of RM3.59 million and fair value loss of RM0.96 million on quoted shares and unit trusts held during the year compared with fair value loss of RM2.29 million in the preceding year.

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 RM0.94 million in the current quarter compared with pre-tax gain of RM0.19 million in the immediate preceding quarter. The difference was due mainly to the fair value loss of RM1.42 million on quoted shares and unit trusts compared with lower fair value loss of RM0.26 million on quoted shares and unit trusts for the immediate preceding quarter.

Quarterly Report for the Period Ended 30 June 2023

B3 Prospects for the Year

As required by Bursa, the Company has been making the necessary monthly announcements in view of the Company having triggered the provisions under Paragraph 8.03A of Bursa's Listing Requirements due to insignificant business level.

The Company has and will continue to look for good business opportunities to regularise its financial position.

At the same time, the Board is working on the potential to develop one of the Company's properties in Johor Bahru as a new core business. We have now finalised the proposals for first phase of the said development and have submitted the plans for rezoning approval for the development land.

Bursa had on 3 March 2022 granted the Company an Extension of Time (EOT) up to 16 August 2022 to submit a regularisation plan to the regulatory authorities. Two further extension were subsequently granted by Bursa up to 16 August 2023. The Company has recently applied for further extension of another 6 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 tax expense for the current quarter under review.

B7 Status of Corporate Proposals

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

B8 Borrowings

| | Foreign currency JPY'000 |
|--|-----------------------------|
| Revolving Credit | |
| Secured by local fixed deposit: Foreign currency drawdown in yen | 151,458 |

B9 Material Litigation

As at 23 August 2023, save 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.

Quarterly Report for the Period Ended 30 June 2023

Malpac Capital Sdn. Bhd. (MCSB), a wholly owned subsidiary of the Company had on 17 May 2021 received a Notice of Directions (Assessment of Damages) from Mr. Yong Toi Mee and Mr. Cheang Kim Leong (“the Purchasers”) pursuant to the Ipoh High Court Judgement dated 5 May 2011 under Ipoh High Court Civil Suit No. 22-109-2007. On 31 March 2023, our solicitors received an Affidavit in Support (Assessment of Damages) from the Purchasers dated 27 March 2023 to claim the following against MCSB:-

- i. Refund of the sums paid by MCSB for the management of the Mill (Management fees) in the sum of RM73,642,441.09, and
- ii. Legal Costs incurred pertaining to the Composite Agreement legal suits in the sum of RM4,914,791.38.

This matter was forwarded to our solicitors who are of the opinion that the claims are without merits. At the case management in Ipoh High Court on 9 May 2023, the Company’s solicitors had filed a Notice of Application (Point of Law) for the following question to be determined by the Court:-

“Whether the High Court has jurisdiction to entertain, at the instance of the abovenamed Plaintiffs, an assessment of damages under Order 37 of the Rules of Court 2012 or otherwise, when the Judgement of the High Court dated 5 May 2011 does not expressly provide for damages to be assessed.”

The Court has fixed the matter for hearing on 15 September 2023.

B10 Dividend

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

B11 Earning Per Share(“EPS”)/Loss Per Share (“LPS”)

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------------------|---|------------------------------------|------------------------------------|
| | Current Quarter ended 30/06/23 RM'000 | Comparative Quarter ended 30/06/22 RM'000 | Year-To-Date ended 30/06/23 RM'000 | Year-To-Date ended 30/06/22 RM'000 |
| a) Basic EPS/(LPS) | | | | |
| <u>Numerator</u> Profit/(Loss) for the financial period attributable to equity holders of the parent | (1,306) | (1,323) | 2,708 | (2,316) |
| <u>Denominator</u> Weighted average number of shares in issue. | 75,000 | 75,000 | 75,000 | 75,000 |
| Basic:EPS/(LPS) (sen) | (1.74) | (1.76) | 3.61 | (3.09) |
| b) Diluted EPS | Nil | Nil | Nil | Nil |

MALPAC HOLDINGS BERHAD (197424-V)**Quarterly Report for the Period Ended 30 June 2023**

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 Profits and Losses Disclosure

| | Current quarter ended 30 Jun 2023 RM'000 | Immediate preceding quarter ended 31 Mar 2023 RM'000 | As at last financial period ended 30 Jun 2022 RM'000 |
|---|--|--|--|
| Total retained profits of Malpac Holdings Bhd and its subsidiaries: | | | |
| - Realised | 72,408 | 73,585 | 68,258 |
| - Unrealised profits | 770 | 918 | 2,231 |
| - Add : Consolidation adjustment | 149 | 130 | 130 |
| Total group retained profits as per consolidated accounts | <u>73,327</u> | <u>74,633</u> | <u>70,619</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 ended 30/06/23 RM'000 | Comparative Quarter ended 30/06/22 RM'000 | Year-to-date ended 30/06/23 RM'000 | Year-to-date ended 30/06/22 RM'000 |
|--|---|---|--|--|
| <u>After crediting</u> | | | | |
| Interest income | 877 | 247 | 2,137 | 830 |
| Dividend income | 17 | 9 | 249 | 507 |
| Distribution income | 13 | 15 | 39 | 1,070 |
| Gain/(loss) on disposal of unit trust | 41 | 23 | 1,576 | (541) |
| Gain on disposal of quoted shares | - | - | 2,019 | 30 |
| Unrealised gain on foreign exchange | 15 | 264 | 16 | 744 |
| <u>After debiting</u> | | | | |
| Depreciation | (59) | (52) | (187) | (208) |
| Interest expense on revolving credit | (11) | (11) | (44) | (45) |
| Fair value loss on unit trust | (21) | 232 | (886) | 518 |
| Fair value loss on quoted shares (non-current) | (1,055) | (600) | (26) | (1,653) |
| Fair value loss on quoted shares (current) | (350) | (353) | (45) | (1,156) |

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