

MALPAC HOLDINGS BERHAD (197424-V)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Unaudited As At 31.12.10 RM'000	Audited As At 31.12.09 RM'000
Non-Current Assets		
Property, plant and equipment	59,836	60,521
Prepaid lease payment for land	37,920	39,568
Securities available-for-sale (quoted shares)	5,183	4,507
	102,939	104,596
Current Assets		
Securities available-for-sale (unit trust)	1,936	25,372
Securities held-to-maturity (bonds)	45,077	51,890
Securities held-for-trading (quoted shares)	7,347	5,876
Trade and other receivables	2,866	3,208
Current tax asset	29	284
Cash and cash equivalents	45,845	1,328
	103,100	87,958
TOTAL ASSETS	<u>206,039</u>	<u>192,554</u>
 EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	75,000	75,000
Reserves	123,180	111,044
TOTAL EQUITY	198,180	186,044
LIABILITIES		
Non current liabilities		
Deferred tax liability	22	22
	22	22
Current Liabilities		
Trade and other payables	5,516	5,159
Provision	1,798	1,329
Current tax liabilities	523	-
	7,837	6,488
TOTAL LIABILITIES	<u>7,859</u>	<u>6,510</u>
TOTAL EQUITY AND LIABILITIES	<u>206,039</u>	<u>192,554</u>
Net Assets Per Share (RM)	2.64	2.48

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to this Interim Financial Report together with the Audited Financial Statement for the year ended 31 December 2009)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Qtr Ended 31.12.10 RM'000	Comparative Qtr Ended 31.12.09 RM'000 <i>Restated</i>	Current Year Ended 31.12.10 RM'000	Preceding Year Ended 31.12.09 RM'000 <i>Restated</i>
Revenue	3,727	2,558	12,618	10,247
Other operating income	3,015	636	7,069	4,216
Administration expenses	(1,523)	(1,601)	(6,194)	(5,537)
Other operating expenses	(146)	(18)	(327)	(217)
Profit before tax	5,073	1,575	13,166	8,709
Tax expense	(684)	(290)	(1,970)	(504)
Profit for the financial year	4,389	1,285	11,196	8,205
Other comprehensive income after tax:				
Changes in fair value of securities available-for-sale	325	-	348	-
Total comprehensive income for the period	4,714	1,285	11,544	8,205
Net profit attributable to:				
Owners of the parent	4,389	1,285	11,196	8,205
Minority interest	-	-	-	-
	4,389	1,285	11,196	8,205
Total comprehensive income attributable to:				
Owners of the parent	4,714	1,285	11,544	8,205
Minority interest	-	-	-	-
	4,714	1,285	11,544	8,205
Earnings per share (sen)				
-Basic	5.85	1.71	14.93	10.94
-Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Notes to this Interim Financial Report together with the Audited Financial Statement for the year ended 31 December 2009)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2010**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					Total RM'000
	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Other capital reserve RM'000	Distributable Retained earnings RM'000	
12 months ended 31 December 2010						
Balance as at 1 January 2010	75,000	24,367	-	-	86,678	186,045
Effect of adopting FRS 139:						
- Fair value gain on securities available-for-sale	-	-	-	-	211	211
- Accrual interest on securities held-to-maturity	-	-	-	-	380	380
Adjusted balance at at 1 January 2010	75,000	24,367	-	-	87,269	186,636
Other comprehensive income	-	-	348	-	-	348
Profit for the financial period	-	-	-	-	11,196	11,196
Total comprehensive income for the period	-	-	348	-	11,196	11,544
Balance as at 31 December 2010	75,000	24,367	348	-	98,465	198,180
12 months ended 31 December 2009						
Balance as at 1 January 2009	75,000	24,367	-	23,000	55,472	177,839
Profit for the financial period	-	-	-	-	8,205	8,205
Balance as at 31 December 2009	75,000	24,367	-	23,000	63,677	186,044

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Notes to this interim to this Interim Financial Report together with the Audited Financial Statement for the year ended 31 December 2009)

MALPAC HOLDINGS BERHAD (197424-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 DECEMBER 2010**

	12 months ended 31.12.10 RM'000	12 months ended 31.12.09 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,166	8,709
Adjustments for:		
Non-cash items	(1,338)	20
Distribution income from unit trusts	(316)	(237)
Dividend income	(176)	(163)
Interest income	(2,632)	(1,503)
<i>Operating profit before working capital changes</i>	8,704	6,826
Changes in working capital		
Net change in current assets	722	(2,438)
Net change in current liabilities	825	282
<i>Cash generated from operations</i>	10,251	4,670
Tax refund	-	451
Tax paid	(1,158)	(379)
<i>Net cash from operating activities</i>	9,093	4,742
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution income from unit trusts	316	237
Dividend received	142	134
Interest received	2,632	1,503
Capital repayment	-	112
Proceeds from financial assets	73,648	114,322
Proceed of property, plant and equipment, landed properties and others	-	1
Purchase of property, plant and equipment, landed properties and others	(19)	(2,208)
Purchase of financial assets	(41,295)	(175,794)
<i>Net cash from investing activities</i>	35,424	(61,693)
Net decrease in cash and cash Equivalents	44,517	(56,951)
Cash and cash equivalents at beginning of the financial period	1,328	58,279
Cash and cash equivalents at end of the financial period	45,845	1,328
Cash and cash equivalents comprise of:-		
Fixed deposits/short term placement	45,611	1,206
Cash and bank balances	234	122
	45,845	1,328

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Notes to this Interim Financial Report together with the Audited Financial Statement for the year ended 31 December 2009)

Quarterly Report for the Period Ended 31 December 2010

PART A - EXPLANATORY NOTES AS REQUIRED BY FRS 134

A1 Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 - “Interim Financial Reporting” and Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad and it should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the annual financial statements except that the Group has adopted the Malaysian Financial Reporting Standards (FRSs) and other interpretations that are effective for financial statements commencing 1 January 2010. The FRSs which are effective commencing 1 January 2010 and have significant impact on the financial statements and applied by the Group are:

i) FRS 101: Presentation of Financial Statements

Changes in financial statements presentation have been adopted by the Group.

ii) FRS 139: Financial Instruments: Recognition and Measurement

Securities held-for-trading of the Group have been measured at fair value and the changes in the fair value are recognized in the income statement.

Securities available-for-sale of the Group have been measured at fair value whereby any gains in the fair value are recognized in equity and losses in fair value are recognized in the income statement.

Securities held-to-maturity of the Group have been measured at amortized cost with effective interest rate and the accrual interest are recognized in the income statement.

A2 Seasonal or Cyclical Factor

Currently the Group’s income is derived principally from the 5,000-acre oil palm plantation in Teluk Intan, Perak. As such, the Group’s income will fluctuate in accordance to the movement of crude palm oil prices. Also, as the Group hold some quoted shares as part of its investment portfolio, the Group’s performance is affected by market conditions in the local bourse.

A3 Unusual Items Affecting Financial Statements

There were no unusual items affecting the financial statements of the Group during the current financial quarter.

A4 Change in Estimates

There was no change in accounting estimates used in the preparation of the financial statements in the current financial quarter compared with the previous financial quarters or previous financial year.

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A5 Issuance, Cancellations, Repurchases, Resale and Repayment of Debt/Equity Securities

There have been no issuance and repayment of debt and equity securities, share repurchases, shares cancellations, shares held as treasury shares and resale of treasury shares for the current 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 composition of the Group during the current quarter, including business combinations or disposal of subsidiaries, long-term investments, restructurings and discontinuing operations.

A11 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets to be disclosed.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance

For the quarter under review, the Group recorded a pre-tax profit of RM5.07 million for the quarter representing a 222% jump as compared to RM1.58 million in the same quarter last year. Pre-tax profit for the financial year ended 31/12/2010 also showed a 51% increase to RM13.16 million from RM8.71 million last year. The increase was attributable to better plantation income, on the back of higher crude palm oil (CPO) prices coupled with higher reversal of allowance for diminution in value for quoted shares due to better stock market conditions during the quarter.

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 RM5.07 million for the current quarter as compared with RM3.69 million in the immediate preceding quarter. The improvement was mainly from the reversal of diminution in value for quoted shares and also higher plantation income during the quarter.

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B3 Prospect for Next Financial Year

The Board expects the Group's performance for 2011 to be lower compared to 2010 in terms of profitability level because 2010's profitability was aided to a large extent by write back of provision for diminution in value for quoted shares due to the strong performance of the local bourse which is not expected to be repeated in 2011.

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 a provision for taxation totaling RM683,508 for the current quarter under review.

B7 Sale of Unquoted Investments and/or Properties

There were no disposal of unquoted investments and/or properties during the current quarter under review and financial year to date.

B8 Purchase or Disposal of Quoted Securities

a) Total purchase and disposal of quoted securities for the current quarter and financial year to date are as follows:

	Current Quarter Ended 31.12.10 <u>RM'000</u>	Cumulative Quarter Ended 31.12.10 <u>RM'000</u>
Total Purchases:		
Quoted shares	114	712
Unit trusts (cash securities)	1,697	29,370
Total Proceeds on Disposals:		
Quoted shares	1,393	2,571
Unit trusts (cash securities)	4,830	52,871
Net Gain/(Loss) on Disposals:		
Quoted shares	151	405
Unit trusts (cash securities)	0	60

b) Investment in quoted securities as at 31 December 2010:

	<u>RM'000</u>
At cost - Securities available-for-sale (quoted shares)	6,616
Less allowance for diminution in value	(1,776)
Add fair value reserve	<u>343</u>
At carrying value	<u>5,183</u>
At market value	<u>5,183</u>

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At cost - Securities available-for-sale (unit trust)	1,931
Fair value reserve	<u>5</u>
At carrying value	<u>1,936</u>
At market value	<u>1,936</u>
At cost - Securities held-for-trading (quoted shares)	7,192
Add fair value gain	<u>155</u>
At carrying value	<u>7,347</u>
At market value	<u>7,347</u>

B9 Status of Corporate Proposals Announced But Not Completed By 18 February 2011

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.

Subsequently, MCSB had on 5 April 2002 entered into a Conditional Sale and Purchase Agreement (“Agreement”) 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 and encompassing the palm oil mill sited on part of the plantation by a lessee for a total consideration of RM53,000,002.

On 15 November 2002, the above Agreement was suspended to enable MCSB and the Purchasers to review their respective positions as not all approvals from the relevant authorities have been obtained and also negotiations to acquire the oil mill sited on the subject plantation have not been finalised.

The Securities Commission (SC) via their letter dated 4 December 2002 had requested for a fresh valuation of the plantation lands. The SA had submitted the fresh valuation to SC on 12 March 2003 and approval from SC had been obtained on 7 July 2003.

The new transfer value approved by the SC was RM47.398 million. The transfer of the Assets to RRSB was completed on 5 August 2003.

On 21 April 2007, the Purchasers have filed a writ of summons and statement of claim against MCSB and RRSB issued at the Ipoh High Court. The salient term of claims has been elaborated under Note B12 - Material Litigation.

B10 Group’s Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 December 2010.

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B11 Off Balance Sheet Financial Instruments

The Group has not entered into any contract involving off balance sheet financial instruments with off balance sheet risk for the current financial period to date.

B12 Material Litigation

As at 18 February 2011, 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.

(A)

Ganda Plantations Sdn Bhd & 7 others v. Malpac Holdings Berhad, two of its subsidiaries and 4 others

In the Ipoh High Court

Civil Suit No. 22-263-2003

The Proposed Transfer of two (2) parcels of leasehold land to Radiant Response Sdn Bhd (RRSB), a subsidiary of Malpac Capital Sdn Bhd (MCSB), as partial settlement of a loan owing to MCSB, a subsidiary of the Company, pursuant to certain workout proposals (Proposed Transfers and Set-Off) as approved by Pengurusan Danaharta Nasional Bhd, was subsequently approved by the Securities Commission and the exercise was completed in August 2003.

Subsequent to the completion of the Proposed Transfers and Set-Off, the Company, MCSB and RRSB (together with the 2 Special Administrators who effected the Proposed Transfers and Set-Off and 2 others) have been cited as defendants and was on 10 December 2003 served with a writ issued out of the High Court in Ipoh under Civil Suit No. 22-263-2003. The Plaintiffs are mainly the shareholders/directors of the holding company to the chargors/previous owners of the subject leasehold land.

The principal bases of the Plaintiffs' claim are:-

- (i) the Proposed Transfers and Set-Off and actions of the parties related thereto, were fraudulent and were calculated to deny the Plaintiffs their interests in the subject leasehold land; and
- (ii) in particular, the management of the oil palm plantations on the subject leasehold land prior to completion of the Proposed Transfers and Set-Off and the management fees paid in respect thereof, were wrongful and not properly accounted for.

The principal reliefs sought are:-

- (i) the Proposed Transfers and Set-Off shall be cancelled by Order of Court and management and ownership of the subject leasehold land surrendered to the Plaintiffs upon terms and conditions as the Court deems fit or just and equitable; and

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- (ii) that an injunction be obtained from the Court to stop MCSB as legal owner of the plantation lands (the titles of which have been duly transferred) from managing the plantation and to vest all management rights to the plaintiffs.

On the hearing on 19 November 2010, the case was withdrawn by the Plaintiffs and the Judge granted overall costs of RM5,000 to the Company.

(B)

**Yong Toi Mee & Anor v Malpac Capital Sdn Bhd, Radiant Response Sdn Bhd and Anor
In the Ipoh High Court
Civil Suit No. 22-109-2007**

On 21 April 2007, Yong Toi Mee and Cheang Kim Leong, the Purchasers referred to Note B9 above, 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 agreement 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 their counter-claim, essentially MCSB and RRSB are seeking 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.

Based on papers already filed and available information, the Group's solicitors are confident that the Group's position will ultimately prevail.

The case was part heard by the Ipoh High Court Judge from 12th to 15th October 2009, 18th to 21st January 2010, 28th to 29th September 2010 and continued on 22nd to 26th November 2010. Our solicitors informed the Board that upon completion of oral closing submissions made by the counsels on 26 November 2010, decision of the matter is now fixed on 7 March 2011.

B13 Dividend

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

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B14 Earning Per Share (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31/12/10 RM'000	Comparative Qtr Ended 31/12/09 RM'000	Current Year Ended 31/12/10 RM'000	Preceding Year Ended 31/12/09 RM'000
a) Basic EPS				
<u>Numerator</u> Profit for the financial period attributable to equity holders of the parent	4,389	1,285	11,196	8,205
<u>Denominator</u> Weighted average number of shares in issue.	75,000	75,000	75,000	75,000
Basic EPS (sen)	5.85	1.71	14.93	10.94
b) Diluted EPS	Nil	Nil	Nil	Nil

The Company does not have any instruments that would dilute the Issued Share Capital of the Company.

B15 Audit Qualification

The audit report of the Company’s preceding annual statements was not qualified.

B16 Realised and Unrealised Profit/Losses Disclosure

	Current financial period / financial year ended 31 December 2010 (RM'000)	Immediate preceding quarter ended 30 September 2010 (RM'000)	As at the end of last financial year Ended 31 December 2009 (RM'000)
Total retained profits / (accumulated losses) of Malpac Holdings Bhd and its subsidiaries:			Note: Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.
- Realised	98,098	93,865	
- Unrealised	367	211	
Total group retained profits / (accumulated losses) as per consolidated accounts	98,465 =====	94,076 =====	

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

By Order of the Board

NG BEE LIAN (MAICSA 7041392)
Company Secretary

Seremban
Date: 24 February 2011