

**MALPAC HOLDINGS BERHAD (197424-V)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2011**

	<b>Unaudited As At 31.03.11 RM'000</b>	<b>Audited As At 31.12.10 RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	59,739	59,836
Land use rights	37,508	37,920
Securities at fair value held through profit or loss (quoted shares)	4,982	5,183
	102,229	102,939
<b>Current Assets</b>		
Securities available-for-sale (unit trusts)	52,173	1,936
Securities held-to-maturity (bonds)	15,063	45,077
Securities at fair value held through profit or loss (quoted shares)	8,467	7,347
Trade and other receivables	1,564	2,866
Tax recoverable	36	29
Cash and cash equivalents	30,764	45,845
	108,067	103,100
<b>TOTAL ASSETS</b>	<b>210,296</b>	<b>206,039</b>
 <b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	75,000	75,000
Reserves	126,678	123,196
<b>TOTAL EQUITY</b>	<b>201,678</b>	<b>198,196</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Deferred tax liability	6	6
	6	6
<b>Current Liabilities</b>		
Trade and other payables	5,905	5,516
Provision	1,717	1,798
Income tax payable	990	523
	8,612	7,837
<b>TOTAL LIABILITIES</b>	<b>8,618</b>	<b>7,843</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>210,296</b>	<b>206,039</b>
 Net Assets Per Share (RM)	 2.69	 2.64

*(The Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to this Interim Financial Report together with Audited Financial Statement for the year ended 31 December 2010)*

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Qtr Ended 31.03.11 RM'000	Comparative Qtr Ended 31.03.10 RM'000	Current Year Ended 31.03.11 RM'000	Preceding Year Ended 31.03.10 RM'000
Revenue	4,266	2,911	4,266	2,911
Other operating income	1,927	1,703	1,927	1,703
Administration expenses	(1,620)	(1,884)	(1,620)	(1,884)
Other operating expenses	(248)	(20)	(248)	(20)
<b>Profit before tax</b>	<b>4,325</b>	<b>2,710</b>	<b>4,325</b>	<b>2,710</b>
Tax expense	(871)	(215)	(871)	(215)
<b>Profit for the financial year</b>	<b>3,454</b>	<b>2,495</b>	<b>3,454</b>	<b>2,495</b>
Other comprehensive income after tax:				
Changes in fair value of securities available-for-sale	28	-	28	-
<b>Total comprehensive income for the period</b>	<b>3,482</b>	<b>2,495</b>	<b>3,482</b>	<b>2,495</b>
Net profit attributable to:				
Owners of the parent	3,454	2,495	3,454	2,495
Minority interest	-	-	-	-
	<b>3,454</b>	<b>2,495</b>	<b>3,454</b>	<b>2,495</b>
Total comprehensive income attributable to:				
Owners of the parent	3,482	2,495	3,482	2,495
Minority interest	-	-	-	-
	<b>3,482</b>	<b>2,495</b>	<b>3,482</b>	<b>2,495</b>
Earnings per share (sen)				
-Basic	4.61	3.33	4.61	3.33
-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 Audited Financial Statement for the year ended 31 December 2010)*

**MALPAC HOLDINGS BERHAD (197424-V)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2011**

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Fair value adjustment reserve RM'000	Total RM'000
<b>3 months ended 31 March 2011</b>					
Balance as at 1 January 2011	75,000	24,367	98,824	5	198,196
Total comprehensive income for the period	-	-	3,454	28	3,482
Balance as at 31 December 2010	75,000	24,367	102,278	33	201,678
<b>3 months ended 31 March 2010</b>					
Balance as at 31 December 2009	75,000	24,367	86,678	-	186,045
Effect of adopting FRS 139	-	-	591	-	591
Balance as at 31 December 2009 (restated)	75,000	24,367	87,269	-	186,636
Total comprehensive income for the period	-	-	2,495	58	2,553
Balance as at 31 December 2009	75,000	24,367	89,764	58	189,189

*(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 Audited Financial Statement for the year ended 31 December 2010)*

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 31 MARCH 2011**

	<b>3 months ended 31.03.11 RM'000</b>	<b>3 months ended 31.03.10 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,325	2,710
Adjustments for:		
Non-cash items	(519)	(205)
Distribution income from unit trusts	(222)	(143)
Dividend income	(14)	(12)
Interest income	(578)	(766)
<i>Operating profit before working capital changes</i>	2,992	1,584
Changes in working capital:		
Net change in current assets	1,302	(976)
Net change in current liabilities	308	373
<i>Cash generated from operations</i>	4,602	981
Tax paid	(412)	(102)
<i>Net cash from operating activities</i>	4,190	879
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Distribution income from unit trusts	222	143
Dividend received	14	11
Interest received	578	766
Proceeds from financial assets	42,357	29,200
Purchase of property, plant and equipment, landed properties and others	(51)	(1)
Purchase of financial assets	(62,391)	(32,059)
<i>Net cash from investing activities</i>	(19,271)	(1,940)
Net decrease in cash and cash Equivalents	(15,081)	(1,061)
Cash and cash equivalents at beginning of the financial period	45,845	1,328
Cash and cash equivalents at end of the financial period	30,764	267
<b>Cash and cash equivalents comprise of:-</b>		
Fixed deposits/short term placement	30,467	191
Cash and bank balances	297	76
	30,764	267

*(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Notes to this Interim Financial Report together with Audited Financial Statement for the year ended 31 December 2010)*

*Quarterly Report for the Period Ended 31 March 2011*

**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 2010.

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 for the financial year ended 2010.

**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.

**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.

***Quarterly Report for the Period Ended 31 March 2011***

**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**

The Group recorded a pre-tax profit of RM4.33 million for the quarter as compared to RM2.71 million in the same quarter last year. The improvement was attributable mainly to higher plantation income due to very firm crude palm oil prices 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 RM4.33 million for the current quarter as compared with RM5.07 million in the immediate preceding quarter. The reduction in profit was mainly due to lower fair value gain on quoted shares held during the quarter.

**B3 Current Year Prospect**

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 fair value gain on quoted shares held 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 RM871,406 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.

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**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 31.03.11 <u>RM'000</u>	Cumulative Quarter Ended 31.03.11 <u>RM'000</u>
Total Purchases:		
Quoted shares	1,348	1,348
Unit trusts (cash securities)	51,057	51,057
Total Proceeds on Disposals:		
Quoted shares	1,527	1,527
Unit trusts (cash securities)	830	830
Net Gain/(Loss) on Disposals:		
Quoted shares	211	211
Unit trusts (cash securities)	3	3

b) Investment in quoted securities as at 31 March 2011:

	<u>RM'000</u>
At cost - Securities at fair value held through profit or loss	5,040
Less fair value loss	( 58)
At carrying value	<u>4,982</u>
At market value	<u>4,982</u>
At cost - Securities available-for-sale (unit trust)	52,167
Fair value loss	( 22)
Fair value reserve	<u>28</u>
At carrying value	<u>52,173</u>
At market value	<u>52,173</u>
At cost - Securities at fair value held through profit or loss	7,522
Add fair value gain	<u>945</u>
At carrying value	<u>8,467</u>
At market value	<u>8,467</u>

**B9 Status of Corporate Proposals Announced But Not Completed By 9 May 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.

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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 March 2011.

**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 9 May 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.

**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:

**Quarterly Report for the Period Ended 31 March 2011**

- (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.

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

The case was part heard by the Ipoh High Court Judge from 12<sup>th</sup> to 15<sup>th</sup> October 2009, 18<sup>th</sup> to 21<sup>st</sup> January 2010, 28<sup>th</sup> to 29<sup>th</sup> September 2010 and continued on 22<sup>nd</sup> to 26<sup>th</sup> November 2010.

On 5 May 2011, the Ipoh High Court delivered oral judgment in favor of the Plaintiffs and ordered specific performance of the April 2002 Agreements whereby MCSB and RRSB are 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 Board in consultation with our solicitors has decided to appeal against the judgment made. Our solicitors have opined that our appeal stands a strong chance of success.

**B13 Dividend**

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

**B14 Earnings Per Share ("EPS")**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31/03/11 RM'000	Comparative Qtr Ended 31/03/10 RM'000	Current Year Ended 31/03/11 RM'000	Preceding Year Ended 31/03/10 RM'000
<b>a) Basic EPS</b>				
<u>Numerator</u> Profit for the financial period attributable to equity holders of the parent	3,454	2,495	3,454	2,495
<u>Denominator</u> Weighted average number of shares in issue.	75,000	75,000	75,000	75,000
Basic EPS (sen)	4.61	3.33	4.61	3.33
<b>b) Diluted EPS</b>	Nil	Nil	Nil	Nil

**Quarterly Report for the Period Ended 31 March 2011**

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 March 2011 (RM'000)	Immediate preceding quarter ended 31 December 2011 Restated (RM'000)	As at the end of last financial year Ended 31 March 2010 (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	101,333	95,217	
- Unrealised	945	3,607	
Total group retained profits / (accumulated losses) as per consolidated accounts	102,278 =====	98,824 =====	

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: 12 May 2011