

UNITED MALACCA BERHAD (1319 - V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED		6 MONTHS ENDED	
	31 OCTOBER		31 OCTOBER	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	44,342	54,073	86,433	124,700
Cost of sales	(18,049)	(24,725)	(40,270)	(57,625)
Gross profit	26,293	29,348	46,163	67,075
Other income	530	88	620	242
Selling and distribution expenses	(728)	(933)	(1,375)	(1,739)
Administrative expenses	(1,755)	(1,563)	(3,081)	(3,143)
Other expenses	(171)	(1,542)	(209)	(2,133)
Replanting expenses	(988)	(1,839)	(2,182)	(3,207)
Operating profit	23,181	23,559	39,936	57,095
Share of profit of associates	1,410	1,738	2,612	4,059
Profit before taxation	24,591	25,297	42,548	61,154
Taxation	(5,245)	(6,257)	(9,150)	(14,619)
Profit for the period	19,346	19,040	33,398	46,535
Basic earnings per stock unit (sen)	14.44	14.21	24.92	34.73
Diluted earnings per stock unit (sen)	14.44	14.21	24.92	34.73

UNITED MALACCA BERHAD (1319 - V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS**AS AT 31 OCTOBER 2009**

	AS AT END OF CURRENT QUARTER 31 OCTOBER 2009	AS AT PRECEDING FINANCIAL YEAR END 30 APRIL 2009
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	167,039	165,446
Biological assets	275,756	274,831
Prepaid land lease payments	87,669	88,438
Development expenditure	1,295	1,295
Interest in associates	22,261	20,376
Other investments	15,782	15,962
Goodwill on consolidation	18,628	18,628
	588,430	584,976
Current Assets		
Inventories	14,255	9,436
Trade receivables	7,641	6,344
Other receivables	36,136	7,780
Marketable securities	10,175	8,926
Cash and bank balances	319,799	349,795
	388,006	382,281
TOTAL ASSETS	976,436	967,257
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	134,005	134,005
Share premium	6,346	6,346
Revaluation reserve	237,395	237,544
Retained earnings	504,989	501,593
Shareholders' equity	882,735	879,488
Non-Current Liability		
Deferred tax liabilities	71,143	69,896
Current Liabilities		
Trade payables	7,210	3,754
Other payables	8,344	9,150
Current tax payable	7,004	4,969
	22,558	17,873
Total liabilities	93,701	87,769
TOTAL EQUITY AND LIABILITIES	976,436	967,257
Net assets per stock unit (RM)	6.59	6.56

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

	Share Capital	Non-distributable Share Premium	Revaluation Reserve	Distributable Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current 6 months ended</u>					
<u>31 October 2009</u>					
Balance at 1 May 2009	134,005	6,346	237,544	501,593	879,488
Realisation of revaluation reserve upon depreciation	-	-	(149)	149	-
Profit for the period	-	-	-	33,398	33,398
Dividends	-	-	-	(30,151)	(30,151)
Balance at 31 October 2009	134,005	6,346	237,395	504,989	882,735
<u>6 months ended 31 October 2008</u>					
Balance at 1 May 2008	134,005	6,346	237,866	485,208	863,425
Realisation of revaluation reserve upon depreciation	-	-	(157)	157	-
Realisation of revaluation reserve upon property, plant and equipment written off	-	-	(1)	1	-
Profit for the period	-	-	-	46,535	46,535
Dividends	-	-	-	(45,227)	(45,227)
Balance at 31 October 2008	134,005	6,346	237,708	486,674	864,733

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

	2009/2010	2008/2009
	6 MONTHS	6 MONTHS
	ENDED	ENDED
	31 OCT. 2009	31 OCT. 2008
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	42,548	61,154
Adjustments for:		
Amortisation of prepaid land lease payments	751	734
Depreciation of property, plant and equipment	2,752	2,612
Gain on disposal of property, plant and equipment	(17)	(13)
(Gain)/Loss on disposal of marketable securities	(352)	326
Loss on disposal of other investment	160	-
Property, plant and equipment written off	13	38
Provision for diminution in value of marketable securities	-	1,758
Dividend income	(629)	(671)
Interest income	(5,261)	(5,048)
Share of profit of associates	(2,612)	(4,059)
Operating profit before working capital changes	37,353	56,831
(Increase)/Decrease in inventories	(4,819)	5,508
Increase in receivables	(29,163)	(232)
Increase in payables	2,650	940
Cash generated from operations	6,021	63,047
Dividend received from associates	727	451
Dividend received from other investments	574	607
Interest received	4,826	5,235
Taxes paid	(5,795)	(6,864)
Net cash generated from operating activities	6,353	62,476
Cash Flows From Investing Activities		
Additions of biological assets	(783)	(828)
Additions of prepaid land lease payments	-	(12)
Proceeds from disposal of marketable securities	5,065	724
Proceeds from disposal of other investment	20	-
Proceeds from disposal of property, plant and equipment	19	20
Purchase of marketable securities	(5,962)	(6,586)
Purchase of property, plant and equipment	(4,557)	(9,995)
Net cash used in investing activities	(6,198)	(16,677)
Cash Flow From Financing Activity		
Dividends paid	(30,151)	(45,227)
Net cash used in financing activity	(30,151)	(45,227)
Net change in Cash and Cash Equivalents	(29,996)	572
Cash and Cash Equivalents at beginning of period	349,795	340,577
Cash and Cash Equivalents at end of period	319,799	341,149
Cash and cash equivalents comprise:		
Cash on hand and at banks	645	896
Deposits with licensed financial institutions	220,822	179,289
Money market funds placed with fund managers	98,332	160,964
	319,799	341,149

UNITED MALACCA BERHAD (1319 - V)

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Unaudited Results for the Second Financial Quarter Ended 31 October 2009

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The quarterly financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial statements are consistent with those applied in the latest audited annual financial statements ended 30 April 2009.

2. AUDITORS' REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no qualifications in the auditors' report of the Group's latest annual financial statements ended 30 April 2009.

3. ITEMS OF UNUSUAL NATURE

There were no items of unusual nature which affected assets, liabilities, equity, net income, or cash flows during the six months ended 31 October 2009.

4. CHANGES IN ACCOUNTING ESTIMATES

There were no changes in estimates that have a material effect against results in the current quarter and current financial year-to-date ended 31 October 2009.

5. DIVIDENDS PAID

The amount of dividends paid during the six months ended 31 October 2009 was as follows:

	RM'000
In respect of the financial year ended 30 April 2009:	
Final dividend of 30% less 25% taxation, paid on 28 September 2009	<u>30,151</u>

6. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the six months ended 31 October 2009.

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Unaudited Results for the Second Financial Quarter Ended 31 October 2009

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the six months ended 31 October 2009.

8. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the date of this report, no contingent liabilities or contingent assets had arisen since the last balance sheet date as at 30 April 2009.

9. SEGMENTAL INFORMATION

	Current Quarter Ended 31 October 2009 RM'000	Cumulative Six Months Ended 31 October 2009 RM'000
Segment Revenue		
Plantation	52,990	103,341
Investment holding	2,874	5,890
Total revenue including inter-segment sales	55,864	109,231
Elimination of inter-segment sales	(11,522)	(22,798)
Total revenue	<u>44,342</u>	<u>86,433</u>
Segment Results		
Plantation	20,125	33,890
Investment holding	3,056	6,046
Share of profit of associates	1,410	2,612
Profit before taxation	24,591	42,548
Taxation	(5,245)	(9,150)
Profit for the period	<u>19,346</u>	<u>33,398</u>

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

10. SEASONALITY OR CYCLICALITY OF OPERATIONS

The production of oil palm fresh fruits bunches ("FFB") is seasonal in nature and subject to variation in weather conditions.

The excessive rainfall in Sabah during the monsoon period from December 2008 to March 2009 has adversely affected FFB fruit formation, thereby resulting in production of high proportion of parthenocarpic fruits (i.e. not fully formed fruits) which have low bunch weight with low OER and KER. As a result, the Group's FFB production for the current six months ended 31 October 2009 fell by 8% as compared with that of the corresponding period in the preceding financial year.

11. SUBSEQUENT EVENTS

There were no material events from the current quarter ended 31 October 2009 to the date of this announcement that had not been reflected in this quarterly financial statements.

12. PURCHASE AND SALE OF QUOTED SECURITIES

- (a) Particulars of purchase and sale of quoted securities and gain arising therefrom for the current quarter and current financial year-to-date ended 31 October 2009 were as follows:

	Current Quarter Ended 31 October 2009 RM'000	Cumulative Six Months Ended 31 October 2009 RM'000
Total purchases		
- marketable securities	<u>3,741</u>	<u>5,962</u>
Total sales		
- marketable securities	<u>3,340</u>	<u>4,713</u>
Gain on disposal of		
- marketable securities	<u>348</u>	<u>352</u>

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

12. PURCHASE AND SALE OF QUOTED SECURITIES - CONT'D

(b) Investment in quoted shares, excluding associates, as at 31 October 2009 was as follows:

	As At 31 October 2009	
	Marketable Securities	Other Investments
	RM'000	RM'000
At cost	10,175	15,782
At carrying amount	10,175	15,782
At market value	<u>13,057</u>	<u>38,469</u>

13. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties during the six months ended 31 October 2009 except for the redemption of the remaining preference shares of an unquoted investment which resulted in a loss of RM160,000.

14. TAXATION

	Current Quarter Ended 31 October 2009	Cumulative Six Months Ended 31 October 2009
	RM'000	RM'000
Current tax expense	4,794	7,903
Deferred tax expense	451	1,247
	<u>5,245</u>	<u>9,150</u>

The effective tax rate for the current quarter and current financial year-to-date was lower than the statutory tax rate due to certain income which is not taxable.

15. GROUP BORROWINGS AND DEBT SECURITIES

There was no borrowing and debt security as at 31 October 2009.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

16. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no financial instrument with off balance sheet risk as at 31 October 2009 and as at the date of issue of the quarterly financial statements.

17. STATUS OF CORPORATE PROPOSALS

Proposed acquisitions of two parcels of land in Sabah

On 10 November 2009, the Company announced that the conditional Sale and Purchase Agreement dated 14 July 2009 signed between the Company and Borneo Glow Sdn. Bhd. on the proposed acquisition of 10,102 hectares of agriculture leasehold land located in Sungai Millian - Labau, District of Kinabatangan, Sabah has become unconditional.

The sale and purchase transaction is expected to be completed by third quarter of the current financial year.

18. MATERIAL LITIGATION

(a) At the date of this report, the Directors are not aware of any material litigation against the Group which might materially affect the position or business of the Group save as disclosed below:

(i) Compulsory acquisition of 337.52 hectares of the Company's land in Daerah Alor Gajah, Melaka by the Melaka State Government in 1996

The Company had received full payment of all additional compensations and interests in respect of the above compulsory acquisition as per Court of Appeal Order dated 26 November 2008.

The application to the Court of Appeal to determine the quantum of costs has been submitted and is now fixed for hearing on 15 January 2010.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

18. MATERIAL LITIGATION - CONT'D

(ii) Compulsory acquisition of 64.89 hectares of the Company's land in Daerah Alor Gajah, Melaka by the Melaka State Government in 1995

The Company had received full compensation as per Court of Appeal Order dated 23 October 2007 with regards to the compulsory acquisition of the Company's abovementioned lands except for the outstanding interest sum to be paid by the Land Administrator. The Company has since entered into ongoing negotiations with the acquiring authority in respect of payment of the outstanding interest sums.

- (b)** On 16 January 2004, the Company was served with a writ of summons by Brilliant Team Management Sdn. Bhd., for finder's fees amounting to RM1.76 million in respect of acquisition of companies. The Company has filed a Defence and Counterclaim against the Plaintiff. The Company has also filed an application to strike out the claim. On 13 March 2009, the High Court struck out the Plaintiff's claim. The Company's Counterclaim is now fixed for trial on 26 May 2010.

19. MATERIAL CHANGES IN QUARTERLY RESULTS

The Group's profit before taxation of RM24.59 million for the current quarter ended 31 October 2009 was 37% higher than that of the preceding quarter of RM17.96 million mainly due to higher FFB production by 32%, especially from Sabah estates which have recovered from the parthenocarpic effect.

20. PERFORMANCE REVIEW

For the current quarter and six months ended 31 October 2009, the Group's plantation profit declined by 9% and 37% to RM20.12 million and RM33.89 million respectively as compared with that of the corresponding periods in the preceding year. Lower CPO and PK prices as well as lower FFB production have adversely affected the Group's results. The lower plantation profit was however partially cushioned by higher investment income. Overall the Group's pretax profit for the current quarter and six months ended 31 October 2009 fell by 3% and 30% to RM24.59 million and RM42.55 million respectively.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

21. CURRENT YEAR PROSPECTS

The Group's FFB production for the financial year ending 30 April 2010 is expected to continue to increase arising from additional areas coming into harvesting and increasing yield trend from the young matured oil palms in Group's estates.

Should the current level of CPO price be sustained, the Group can expect another year of good performance.

22. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

No profit forecast or profit guarantee was issued during the six months ended 31 October 2009.

23. EARNINGS PER STOCK UNIT

Both of the basic earnings per stock unit and diluted earnings per stock unit of the Group were the same for the current quarter and current financial year-to-date ended 31 October 2009 as there was no dilutive effect in the period under review.

	Current Quarter Ended 31 October 2009	Cumulative Six Months Ended 31 October 2009
<u>Basic/Diluted earnings per stock unit</u>		
Profit for the period (RM'000)	19,346	33,398
Weighted average number of ordinary shares in issue ('000 unit)	134,005	134,005
Basic/diluted earnings per stock unit (sen)	14.44	24.92

24. DIVIDEND DECLARATION

The directors declare an interim dividend of 10 sen gross less 25% taxation per stock unit in respect of current financial year ending 30 April 2010 (previous year 2009: 10 sen gross less 25% taxation).

The interim dividend is payable on 18 January 2010.

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Unaudited Results for the Second Financial Quarter Ended 31 October 2009

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

25. CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that an interim dividend of 10 sen gross per RM1.00 stock unit less of 25% Malaysian Income Tax in respect of the financial year ending 30 April 2010 will be payable on 18 January 2010 to Depositors whose names appear in the Record of Depositors at the close of business at 5.00 p.m. on 7 January 2010.

A stockholder shall qualify for dividend entitlement only in respect of:

- (a) Stocks deposited into the Depositor's Securities Account before 12.30 p.m. on 5 January 2010 in respect of stocks which are exempted from mandatory deposit;
- (b) Stocks transferred into the Depositor's Securities Account before 4.00 p.m. on 7 January 2010 in respect of transfers;
- (c) Stocks bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By order of the Board,

Leong Yok Mui
Company Secretary
Melaka, 14 December 2009