

UNITED MALACCA BERHAD (1319 - V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED		9 MONTHS ENDED	
	31 JANUARY		31 JANUARY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Revenue	43,534	32,352	129,967	157,052
Cost of sales	(21,537)	(17,931)	(61,807)	(75,556)
Gross profit	21,997	14,421	68,160	81,496
Other income	1,049	1,795	1,669	2,037
Selling and distribution expenses	(756)	(770)	(2,131)	(2,509)
Administrative expenses	(1,791)	(1,283)	(4,872)	(4,426)
Other expenses	(20)	(827)	(229)	(2,960)
Replanting expenses	(1,831)	(2,046)	(4,013)	(5,253)
Operating profit	18,648	11,290	58,584	68,385
Share of profit of associates	2,187	767	4,799	4,826
Profit before taxation	20,835	12,057	63,383	73,211
Taxation	(4,552)	(2,472)	(13,702)	(17,091)
Profit for the period	16,283	9,585	49,681	56,120
Basic earnings per stock unit (sen)	12.15	7.15	37.07	41.88
Diluted earnings per stock unit (sen)	12.15	7.15	37.07	41.88

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CONDENSED CONSOLIDATED BALANCE SHEETS**AS AT 31 JANUARY 2010**

	AS AT END OF CURRENT QUARTER 31 JANUARY 2010	AS AT PRECEDING FINANCIAL YEAR END 30 APRIL 2009
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	170,155	165,446
Biological assets	390,135	274,831
Prepaid land lease payments	216,044	88,438
Development expenditure	1,295	1,295
Interest in associates	24,184	20,376
Other investments	15,782	15,962
Goodwill on consolidation	18,628	18,628
	836,223	584,976
Current Assets		
Inventories	18,489	9,436
Trade receivables	6,703	6,344
Other receivables	7,570	7,780
Marketable securities	13,186	8,926
Cash and bank balances	99,066	349,795
	145,014	382,281
TOTAL ASSETS	981,237	967,257
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	134,005	134,005
Share premium	6,346	6,346
Revaluation reserve	237,321	237,544
Retained earnings	511,296	501,593
Shareholders' equity	888,968	879,488
Non-Current Liability		
Deferred tax liabilities	70,795	69,896
Current Liabilities		
Trade payables	5,463	3,754
Other payables	9,126	9,150
Current tax payable	6,885	4,969
	21,474	17,873
Total liabilities	92,269	87,769
TOTAL EQUITY AND LIABILITIES	981,237	967,257
Net assets per stock unit (RM)	6.63	6.56

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 JANUARY 2010

	<u>Share Capital</u>	<u>Non-distributable Share Premium</u>	<u>Revaluation Reserve</u>	<u>Distributable Retained Earnings</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current 9 months ended</u>					
<u>31 January 2010</u>					
Balance at 1 May 2009	134,005	6,346	237,544	501,593	879,488
Realisation of revaluation reserve upon depreciation	-	-	(223)	223	-
Profit for the period	-	-	-	49,681	49,681
Dividends	-	-	-	(40,201)	(40,201)
Balance at 31 January 2010	134,005	6,346	237,321	511,296	888,968
<u>9 months ended 31 January 2009</u>					
Balance at 1 May 2008	134,005	6,346	237,866	485,208	863,425
Realisation of revaluation reserve upon depreciation	-	-	(236)	236	-
Realisation of revaluation reserve upon property, plant and equipment written off	-	-	(1)	1	-
Profit for the period	-	-	-	56,120	56,120
Dividends	-	-	-	(55,277)	(55,277)
Balance at 31 January 2009	134,005	6,346	237,629	486,288	864,268

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE NINE MONTHS ENDED 31 JANUARY 2010

	2009/2010	2008/2009
	9 MONTHS	9 MONTHS
	ENDED	ENDED
	31 JAN. 2010	31 JAN. 2009
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	63,383	73,211
Adjustments for:		
Amortisation of prepaid land lease payments	1,247	1,101
Change in carrying amount of marketable securities	-	760
Depreciation of property, plant and equipment	4,254	3,941
Gain on disposal of property, plant and equipment	-	(696)
(Gain)/Loss on disposal of marketable securities	(783)	518
Loss on disposal of other investment	160	-
Property, plant and equipment written off	24	61
Write off of expenses incurred on proposed Indonesia joint venture project	-	607
Dividend income	(1,112)	(1,927)
Interest income	(6,455)	(8,537)
Share of profit of associates	(4,799)	(4,826)
Operating profit before working capital changes	55,919	64,213
(Increase)/Decrease in inventories	(9,053)	4,361
(Increase)/Decrease in receivables	(2,904)	5,549
Increase/(Decrease) in payables	1,685	(1,551)
Cash generated from operations	45,647	72,572
Dividend received from associates	991	891
Dividend received from other investments	644	1,587
Interest received	9,668	7,422
Taxes paid	(10,806)	(13,115)
Net cash generated from operating activities	46,144	69,357
Cash Flows From Investing Activities		
Additions of biological assets	(114,945)	(1,247)
Additions of prepaid land lease payments	(129,000)	(12)
Proceeds from disposal of marketable securities	7,132	2,395
Proceeds from disposal of other investment	20	-
Proceeds from disposal of property, plant and equipment	64	818
Purchase of marketable securities	(10,609)	(7,605)
Purchase of property, plant and equipment	(9,334)	(11,876)
Net cash used in investing activities	(256,672)	(17,527)
Cash Flow From Financing Activity		
Dividends paid	(40,201)	(55,277)
Net cash used in financing activity	(40,201)	(55,277)
Net change in Cash and Cash Equivalents	(250,729)	(3,447)
Cash and Cash Equivalents at beginning of period	349,795	340,577
Cash and Cash Equivalents at end of period	99,066	337,130
Cash and cash equivalents comprise:		
Cash on hand and at banks	347	324
Deposits with licensed financial institutions	75,433	288,457
Money market funds placed with fund managers	23,286	48,349
	99,066	337,130

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Unaudited Results for the Third Financial Quarter Ended 31 January 2010

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 nine months ended 31 January 2010.

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 January 2010.

5. DIVIDENDS PAID

The amounts of dividends paid during the nine months ended 31 January 2010 were as follows:

	RM'000
(a) 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>
(b) In respect of the financial year ending 30 April 2010:	
Interim dividend of 10% less 25% taxation, paid on 18 January 2010	<u>10,050</u>

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

6. CHANGES IN COMPOSITION OF THE GROUP

During the current quarter, the Group completed its acquisition of the 10,100 hectares of agriculture leasehold land in Sungai Millian-Labau, Sabah. This investment has been reflected in the current quarterly financial statements.

Save as above, there were no changes in the composition of the Group during the nine months ended 31 January 2010.

7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities during the nine months ended 31 January 2010.

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 January 2010 RM'000	Cumulative Nine Months Ended 31 January 2010 RM'000
Segment Revenue		
Plantation	51,133	154,474
Investment holding	1,677	7,567
Total revenue including inter-segment sales	52,810	162,041
Elimination of inter-segment sales	(9,276)	(32,074)
Total revenue	<u>43,534</u>	<u>129,967</u>
Segment Results		
Plantation	16,549	50,439
Investment holding	2,099	8,145
Share of profit of associates	2,187	4,799
Profit before taxation	20,835	63,383
Taxation	(4,552)	(13,702)
Profit for the period	<u>16,283</u>	<u>49,681</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 in the current financial year, 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. The dry months prevailing in January and February 2010 have also affected current crop production in Sabah and Peninsular. As a result, the Group's FFB production for the current nine months ended 31 January 2010 fell by 4% 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 January 2010 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 January 2010 were as follows:

	Current Quarter Ended 31 January 2010 RM'000	Cumulative Nine Months Ended 31 January 2010 RM'000
Total purchases		
- marketable securities	<u>4,647</u>	<u>10,609</u>
Total sales		
- marketable securities	<u>1,636</u>	<u>6,349</u>
Gain on disposal of		
- marketable securities	<u>431</u>	<u>783</u>

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Unaudited Results for the Third Financial Quarter Ended 31 January 2010**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 January 2010 was as follows:

	As At 31 January 2010	
	Marketable Securities	Other Investments
	RM'000	RM'000
At cost	13,186	15,782
At carrying amount	13,186	15,782
At market value	<u>16,255</u>	<u>37,320</u>

13. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties during the nine months ended 31 January 2010 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 January 2010	Cumulative Nine Months Ended 31 January 2010
	RM'000	RM'000
Current tax expense	4,900	12,803
Deferred tax expense	<u>(348)</u>	<u>899</u>
	<u>4,552</u>	<u>13,702</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 January 2010.

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Unaudited Results for the Third Financial Quarter Ended 31 January 2010

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 January 2010 and as at the date of issue of the quarterly financial statements.

17. STATUS OF CORPORATE PROPOSALS

Acquisitions of two parcels of land in Sabah

On 24 December 2009, the Company announced that the acquisition of 10,100 hectares of agriculture leasehold land located in Sungai Millian - Labau, District of Kinabatangan, Sabah from Borneo Glow Sdn. Bhd. has been completed.

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

On 26 March 2009, the Company had received full payment of all additional compensations and interests in respect of the above compulsory acquisition following the Court of Appeal's decision on 26 November 2008.

On 22 January 2010, the Court of Appeal delivered its decision and allowed a total of RM30,637 as costs payable by the Respondent to the Company. Interest at 8% per annum on the costs amount from 26 November 2008 until full and final payment was also allowed by the Court of Appeal.

(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 on-going negotiations with the acquiring authority in respect of payment of the outstanding interest sums.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

18. MATERIAL LITIGATION - CONT'D

(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 pretax profit of RM20.84 million for the current quarter ended 31 January 2010 was 15% lower as compared with that of the preceding quarter of RM24.59 million mainly due to lower FFB production as well as lower investment income.

20. PERFORMANCE REVIEW

In tandem with higher CPO and PK prices achieved during the quarter under review, the Group's pretax profit for the 3rd Quarter ended 31 January 2010 rose by 73% to RM20.84 million from RM12.06 million in corresponding period in the preceding year.

For the nine months ended 31 January 2010, the Group's pretax profit of RM63.38 million was however 13% lower as compared with that of the corresponding period in the preceding year due to lower CPO and PK prices as well as lower FFB production.

21. CURRENT YEAR PROSPECTS

The excessive rainfall in Sabah in the early part of 2009 resulting in the production of parthenocarpic fruits and the prevailing dry weather experienced by estates in Sabah and Peninsular have adversely affected the Group's FFB production. Notwithstanding the increase in matured hectareage coming into harvesting, the Group's FFB production for the financial year ending 30 April 2010 is expected to be 3 to 5% lower than that of the preceding year.

As for the newly acquired 10,100 hectares of partially planted land which the Group took possession of in December 2009, it is not expected to make positive contribution as only 2,000 hectares of newly maturing palms are in harvesting and another 2,300 hectares consist of palms of 1 to 3 years.

Overall, barring unforeseen circumstances, the Group's profit for the financial year ending 30 April 2010 is expected to be slightly lower than that of the preceding year.

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Unaudited Results for the Third Financial Quarter Ended 31 January 2010

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - CONT'D

22. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

No profit forecast or profit guarantee was issued during the nine months ended 31 January 2010.

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 January 2010 as there was no dilutive effect in the periods under review.

	Current Quarter Ended <u>31 January 2010</u>	Cumulative Nine Months Ended <u>31 January 2010</u>
<u>Basic/Diluted earnings per stock unit</u>		
Profit for the period (RM'000)	16,283	49,681
Weighted average number of ordinary shares in issue ('000 unit)	134,005	134,005
<u>Basic/diluted earnings per stock unit (sen)</u>	<u>12.15</u>	<u>37.07</u>

24. DIVIDEND DECLARATION

No dividend has been recommended or declared for the third financial quarter ended 31 January 2010.

By order of the Board,

Leong Yok Mui
Company Secretary
Melaka, 30 March 2010