

UNITED MALACCA BERHAD (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014**

	Individual Quarter 3 Months Ended 31 January		Cumulative Quarter 9 Months Ended 31 January	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue	72,591	49,634	180,895	161,851
Cost of sales	(43,579)	(30,511)	(112,485)	(87,995)
Gross profit	29,012	19,123	68,410	73,856
Other income	2,830	2,615	7,040	7,560
Gain on disposal of an associate	-	-	5,675	-
Selling and distribution expenses	(1,557)	(1,225)	(3,876)	(3,241)
Administrative expenses	(4,151)	(2,946)	(10,285)	(8,126)
Other expenses	(71)	(165)	(118)	(199)
Replanting expenses	(1,118)	(541)	(3,061)	(2,047)
Operating profit	24,945	16,861	63,785	67,803
Share of results of an associate	-	1,826	-	4,207
Profit before tax	24,945	18,687	63,785	72,010
Income tax expense	(4,034)	(2,610)	(9,990)	(13,060)
Profit for the period	20,911	16,077	53,795	58,950
Basic earnings per share (sen)	10.16	7.86	26.18	28.90
Diluted earnings per share (sen)	10.16	7.86	26.18	28.89

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31 January		31 January	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Comprehensive Income				
Profit for the period	20,911	16,077	53,795	58,950
Other comprehensive income:				
Net (loss)/gain on available-for-sale investments:				
- Loss on fair value changes	(1,382)	(1,371)	(1,476)	(1,483)
- Transfer to profit or loss upon disposal	-	-	-	(749)
Share of other comprehensive income of an associate	-	(609)	-	(359)
	(1,382)	(1,980)	(1,476)	(2,591)
Total comprehensive income for the period	19,529	14,097	52,319	56,359

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 January 2014	As at Preceding Financial Year End 30 April 2013
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	692,028	685,060
Biological assets	821,249	803,422
Prepaid land lease payments	9,974	10,254
Investment property	960	960
Goodwill on consolidation	18,628	18,628
Available-for-sale investments	57,090	57,105
	<u>1,599,929</u>	<u>1,575,429</u>
Current Assets		
Inventories	10,367	9,746
Trade receivables	12,093	8,703
Other receivables	3,153	3,920
Held-for-trading investments	10,020	7,182
Held-to-maturity investments	32,542	28,440
Cash and bank balances	120,133	108,025
	<u>188,308</u>	<u>166,016</u>
Non-current assets held for sale	-	31,536
	<u>188,308</u>	<u>197,552</u>
TOTAL ASSETS	<u>1,788,237</u>	<u>1,772,981</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	206,071	205,109
Share premium	23,403	17,987
Other reserves	752,889	756,733
Retained earnings	575,247	561,706
Shareholders' equity	<u>1,557,610</u>	<u>1,541,535</u>
Non-Current Liability		
Deferred tax liabilities	208,591	209,821
Current Liabilities		
Trade payables	7,885	5,475
Other payables	11,078	14,760
Income tax payable	3,073	1,390
	<u>22,036</u>	<u>21,625</u>
Total liabilities	<u>230,627</u>	<u>231,446</u>
TOTAL EQUITY AND LIABILITIES	<u>1,788,237</u>	<u>1,772,981</u>
Net assets per share attributable to owners of the Company (RM)	<u>7.56</u>	<u>7.52</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 JANUARY 2014**

	Attributable to Owners of the Company				Total Equity
	Share Capital	Non-distributable		Distributable Retained Earnings	
		Share Premium	Other Reserves		
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current 9 Months Ended</u> <u>31 January 2014</u>					
Balance at 1 May 2013	205,109	17,987	756,733	561,706	1,541,535
Total comprehensive income for the period	-	-	(1,476)	53,795	52,319
Transfer to retained earnings:					
Realisation of share premium upon disposal of an associate	-	(502)	-	502	-
Realisation of foreign currency translation reserve upon disposal of an associate	-	-	140	(140)	-
Realisation of asset revaluation reserve upon:					
- Depreciation	-	-	(2,560)	2,560	-
- Property, plant and equipment written off	-	-	(1)	1	-
	-	(502)	(2,421)	2,923	-
Transactions with owners:					
Fair value of share options granted to eligible directors and employees	-	-	1,373	-	1,373
Shares issued pursuant to exercise of employee share options	776	4,783	(1,300)	-	4,259
Employee share options forfeited	-	-	(20)	20	-
Executive Share Incentive Plan ("ESIP") expense	-	-	1,321	-	1,321
Shares issued pursuant to ESIP	186	1,135	(1,321)	-	-
Dividends	-	-	-	(43,197)	(43,197)
	962	5,918	53	(43,177)	(36,244)
Balance at 31 January 2014	206,071	23,403	752,889	575,247	1,557,610

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 JANUARY 2014 - CONT'D**

	Attributable to Owners of the Company				Total Equity RM'000
	Share Capital RM'000	Non-distributable		Distributable Retained Earnings RM'000	
		Share Premium RM'000	Other Reserves RM'000		
9 Months Ended 31 January 2013					
Balance at 1 May 2012	203,473	7,963	301,899	544,801	1,058,136
Total comprehensive income for the period	-	-	(2,591)	58,950	56,359
Transfer to retained earnings:					
Realisation of asset revaluation reserve upon:					
- Depreciation	-	-	(900)	900	-
- Property, plant and equipment written off	-	-	(27)	27	-
	-	-	(927)	927	-
Transactions with owners:					
Fair value of share options granted to eligible directors and employees	-	-	2,226	-	2,226
Shares issued pursuant to exercise of employee share options	1,507	9,232	(2,550)	-	8,189
Employee share options forfeited	-	-	(77)	77	-
Dividends	-	-	-	(53,115)	(53,115)
	1,507	9,232	(401)	(53,038)	(42,700)
Balance at 31 January 2013	204,980	17,195	297,980	551,640	1,071,795

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31 JANUARY 2014**

	<u>2013/2014</u> 9 Months Ended 31 January 2014 RM'000	<u>2012/2013</u> 9 Months Ended 31 January 2013 RM'000
Operating Activities		
Profit before tax	63,785	72,010
Adjustments for:		
Amortisation of prepaid land lease payments	147	141
Depreciation of property, plant and equipment	12,381	9,272
Executive Share Incentive Plan ("ESIP") expense	1,321	-
Fair value of share options granted to eligible directors and employees expensed off	1,373	2,226
Gain on disposal of an associate	(5,675)	-
Gain on disposal of available-for-sale investments	-	(749)
Gain on disposal of property, plant and equipment	(289)	(216)
Net fair value gains/(losses) on held-for-trading investments	(617)	35
Property, plant and equipment written off	29	34
Unrealised foreign exchange gain	-	(65)
Dividend income	(1,910)	(1,980)
Interest income	(3,591)	(3,776)
Share of results of an associate	-	(4,207)
Operating cash flows before changes in working capital	66,954	72,725
Increase in inventories	(621)	(8,675)
Increase in trade and other receivables	(4,790)	(4,468)
(Decrease)/increase in trade and other payables	(1,272)	7,530
Cash flows from operations	60,271	67,112
Exercise of employee share options under ESIP	(1,321)	-
Interest received	3,448	3,881
Income taxes refunded	797	-
Income taxes paid	(7,886)	(15,980)
Net cash flows from operating activities	55,309	55,013
Investing Activities		
Dividend received from an associate	-	1,376
Dividend received from other investments	1,896	1,992
Additions of biological assets	(15,156)	(15,740)
Additions of prepaid land lease payments	(27)	-
Net (placement)/withdrawal of held-to-maturity investments	(4,102)	16,437
Proceeds from disposal of an associate	36,315	-
Proceeds from disposal of available-for-sale investments	-	4,749
Proceeds from disposal of held-for-trading investments	7,299	23,875
Proceeds from disposal of property, plant and equipment	1,258	261
Purchase of available-for-sale investments	(1,461)	(20,733)
Purchase of held-for-trading investments	(9,645)	(16,779)
Purchase of property, plant and equipment	(21,961)	(15,379)
Net cash flows used in investing activities	(5,584)	(19,941)
Financing Activities		
Dividends paid on ordinary shares	(43,197)	(53,115)
Proceeds from exercise of employee share options under Employee Share Scheme	4,259	8,189
Proceeds from exercise of employee share options under ESIP	1,321	-
Net cash flows used in financing activities	(37,617)	(44,926)
Net change in Cash and Cash Equivalents	12,108	(9,854)
Cash and Cash Equivalents at beginning of period	108,025	109,579
Cash and Cash Equivalents at end of period	120,133	99,725
Cash and Cash Equivalents comprise:		
Cash on hand and at banks	5,281	405
Deposits with licensed financial institutions	75,762	61,267
Money market funds placed with fund managers	39,090	38,053
	120,133	99,725

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 JANUARY 2014

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134: INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 April 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2013.

A2. Changes in Accounting Policies

The accounting policies and methods of computation applied by the Group in the interim financial statements are consistent with those applied in the latest audited financial statements for the financial year ended 30 April 2013 except for the adoption of the following standards which are applicable and relevant to the Group's operations effective for the financial year beginning 1 May 2013:

Effective for financial periods beginning on or after 1 July 2012

Amendments to FRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
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Effective for financial periods beginning on or after 1 January 2013

FRS 10	<i>Consolidated Financial Statements</i>
FRS 12	<i>Disclosure of Interests in Other Entities</i>
FRS 13	<i>Fair Value Measurement</i>
FRS 119	<i>Employee Benefits</i>
FRS 127	<i>Separate Financial Statements</i>
FRS 128	<i>Investments in Associates and Joint Ventures</i>
Amendments to FRS 1	<i>Government Loans</i>
Amendments to FRS 7	<i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to FRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
Amendments to FRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>
Improvements to FRS issued in 2012 which include:	
- Amendments to FRS 1	<i>First-time Adoption of Financial Reporting Standards</i>
- Amendments to FRS 101	<i>Presentation of Financial Statements</i>
- Amendments to FRS 116	<i>Property, Plant and Equipment</i>
- Amendments to FRS 132	<i>Financial Instruments: Presentation</i>
- Amendments to FRS 134	<i>Interim Financial Reporting</i>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A2. Changes in Accounting Policies - Cont'd

The adoption of the above standards do not have any material impact on the financial statements of the Group.

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: *Agriculture* ("MFRS 141") and IC Interpretation 15: *Agreements for Construction of Real Estate* ("IC 15"), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer the adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards ("FRS") as its financial reporting framework for annual periods beginning on or after 1 January 2014.

The Company and certain subsidiaries in the Group fall within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will present its first set of MFRS financial statements when the MFRS Framework is mandated by the MASB. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements could be different if prepared under the MFRS Framework.

A3. Seasonal or Cyclical of Operations

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

The FFB production for the nine months ended 31 January 2014 was 3% lower than that of the corresponding period in the preceding financial year mainly due to lower FFB production from Sabah estates.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 JANUARY 2014

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the nine months ended 31 January 2014.

A5. Material Changes in Estimates

There were no material changes in estimates that have a material effect against results in the current quarter and current financial year-to-date ended 31 January 2014.

A6. 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 2014 except for the followings:

- (a) issuance of 776,100 ordinary shares of RM1 each for cash pursuant to the Company's Employee Share Scheme ("ESS").
- (b) issuance of 185,300 ordinary shares of RM1 each pursuant to the Executive Share Incentive Plan ("ESIP") of the Company's ESS.

A7. Dividends Paid

The amount of dividends paid during the nine months ended 31 January 2014 were as follows:

	RM'000
(a) In respect of financial year ended 30 April 2013	
Second interim single-tier dividend of 11 sen per share, on 205,365,001 ordinary shares, paid on 2 August 2013	22,590
(b) In respect of financial year ending 30 April 2014	
First interim single-tier dividend of 10 sen per share, on 206,070,601 ordinary shares, paid on 28 January 2014	20,607
	<u>43,197</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A8. Segmental Information**

	Current Quarter Ended 31 January 2014 RM'000	Cumulative Nine Months Ended 31 January 2014 RM'000
Segment Revenue		
Plantation revenue	84,493	217,556
Elimination of inter-segment sales	<u>(11,902)</u>	<u>(36,661)</u>
External sales	<u>72,591</u>	<u>180,895</u>
Segment Results		
Plantation	22,622	52,081
Investment holding	<u>2,323</u>	<u>11,704</u>
Profit before tax	24,945	63,785
Income tax expense	<u>(4,034)</u>	<u>(9,990)</u>
Profit for the period	<u>20,911</u>	<u>53,795</u>

A9. Material Events Subsequent to the End of the Interim Period

There were no material events from the current quarter ended 31 January 2014 to the date of this announcement that had not been reflected in this interim financial statements.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the nine months ended 31 January 2014 except for the disposal of the Company's 25.05% equity interest in an associated company, Niro Ceramic (M) Sdn Bhd for a cash consideration of RM36,315,000 which was completed on 1 July 2013.

A11. Changes in Contingent Liabilities and Contingent Assets

At the date of this report, no contingent liabilities and contingent assets had arisen since the end of preceding financial year 30 April 2013.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A12. Capital Commitments**

At the end of the current quarter, the Group has the following capital commitments:

	RM'000
Capital expenditure approved and contracted for:	
Additions of biological assets	301
Purchase of property, plant and equipment	3,686
	<u>3,987</u>
Capital expenditure approved but not contracted for:	
Additions of biological assets	2,998
Purchase of property, plant and equipment	5,009
	<u>8,007</u>
	<u>11,994</u>

A13. Related Party Disclosures**(a) Transaction with Related Party**

The Group had the following transaction with related party during the current quarter and current financial year-to-date ended 31 January 2014:

	Current Quarter Ended 31 January 2014 RM'000	Cumulative Nine Months Ended 31 January 2014 RM'000
A licensed commercial bank in which one of the directors of the Company is a director		
- Interest income	<u>286</u>	<u>525</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A13. Related Party Disclosures - Cont'd

(b) Balances with Related Party

	As at End of Current Quarter 31 January 2014
	RM'000
A licensed commercial bank in which one of the directors of the Company is a director	
- Placement in current accounts	5,124
- Placement in deposits	24,413
- Placement in held-to-maturity investments	4,092
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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Current Quarter vs. Preceding Year's Corresponding Quarter

The Group's pretax profit of RM24.95 million for the current quarter ended 31 January 2014 was 33% higher as compared with RM18.69 million in the corresponding quarter in the preceding year mainly due to higher average crude palm oil ("CPO") and palm kernel ("PK") prices.

Comments on the business segments are as follows:

Plantation

The plantation profit of RM22.62 million was 53% higher as compared with RM14.76 million in the corresponding quarter in the preceding year mainly due to higher average CPO and PK prices of RM2,555/tonne and RM1,727/tonne as compared with RM2,169/tonne and RM1,117/tonne respectively despite lower FFB production by 6%.

Investment holding

The investment profit of RM2.32 million was slightly higher as compared with RM2.10 million in the corresponding quarter in the preceding year mainly due to fair value gains on held-for-trading investments of RM84,000 in the current quarter as against fair value losses on held-for-trading investments of RM164,000 in the corresponding quarter in the preceding year.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(b) Current Year-to-date vs. Preceding Year-to-date

The Group's pretax profit of RM63.79 million for the nine months ended 31 January 2014 was 11% lower as compared with RM72.01 million in the corresponding period in the preceding year. The lower profit was mainly due to lower average CPO price as well as lower FFB production achieved.

Comments on the business segments are as follows:

Plantation

The plantation profit of RM52.08 million was 15% lower as compared with RM61.27 million in the corresponding period in the preceding year mainly due to lower average CPO price of RM2,424/tonne as compared with RM2,570/tonne in the preceding year as well as lower FFB production by 3%.

Investment holding

The investment profit of RM11.70 million was 79% higher as compared with RM6.53 million in the corresponding period in the preceding year mainly due to the gain of RM5.68 million on disposal of an associate, Niro Ceramic (M) Sdn Bhd on 1 July 2013.

B2. Comparison with Preceding Quarter's Results

The Group's pretax profit of RM24.95 million for the current quarter ended 31 January 2014 was 6% higher than that of the preceding quarter of RM23.62 million mainly due to higher average CPO and PK prices.

Comments on the business segments are as follows:

Plantation

The plantation profit of RM22.62 million was slightly higher than that of the preceding quarter of RM22.14 million mainly due to higher average CPO and PK prices of RM2,555/tonne and RM1,727/tonne as compared with RM2,357/tonne and RM1,386/tonne respectively in the preceding quarter even though FFB production was lower by 7%.

Investment holding

The investment profit of RM2.32 million was 57% higher than that of the preceding quarter of RM1.48 million mainly due to higher dividend income received.

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The Group expects satisfactory performance for the current year.

B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee was issued by the Group during the nine months ended 31 January 2014.

B5. Profit Before Tax

The following items have been (credited)/charged in arriving at profit before tax:

	Current Quarter Ended 31 January 2014 RM'000	Cumulative Nine Months Ended 31 January 2014 RM'000
Dividend income	(1,051)	(1,910)
Interest income	(1,242)	(3,591)
Gain on disposal of property, plant and equipment	(260)	(289)
Net fair value gains on held-for-trading investments	(84)	(617)
Amortisation of prepaid land lease payments	49	147
Depreciation of property, plant and equipment	4,283	12,381
Executive Share Incentive Plan ("ESIP") expense	1,321	1,321
Fair value of share options granted to eligible directors and employees expensed off	435	1,373
Property, plant and equipment written off	17	29

The other minimum disclosure items which are currently not applicable to the Group are as follows:

- Interest expense
- Provision for and write off of receivables
- Provision for and write off of inventories
- Impairment of assets
- Gain or loss on derivatives
- Exceptional items

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FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B6. Income Tax Expense**

	Current Quarter Ended 31 January 2014 RM'000	Cumulative Nine Months Ended 31 January 2014 RM'000
Current tax expense	4,283	11,220
Deferred tax expense	(249)	(1,230)
	<u>4,034</u>	<u>9,990</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 are not taxable as well as the availability of new planting tax allowances.

B7. Status of Corporate Proposals

There is no corporate proposal announced by the Group or pending completion as at 20 March 2014.

B8. Group Borrowings and Debt Securities

There was no borrowing and debt security as at 31 January 2014.

B9. Material Litigations

There was no material litigation since the last reporting date as at 30 April 2013.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2014****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B10. Disclosure of Realised and Unrealised Profits/Losses**

The breakdown of retained earnings of the Group into realised and unrealised profits/losses are as follows:

	As at End of Current Quarter 31 January 2014	As at Preceding Financial Year End 30 April 2013
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	602,887	581,993
- Unrealised	(12,041)	(12,429)
	<u>590,846</u>	<u>569,564</u>
Total share of retained earnings from an associate:		
- Realised	-	13,865
- Unrealised	-	1,061
	<u>590,846</u>	<u>584,490</u>
Less: Consolidation adjustments	(15,599)	(22,784)
Total Group's retained earnings as per consolidated statement of financial position	<u>575,247</u>	<u>561,706</u>

B11. Earnings Per Share**(a) Basic earnings per share**

Basic earnings per share are calculated by dividing profit for the period by the weighted average number of ordinary shares in issue during the period as follows:

	Current Quarter Ended 31 January 2014	Cumulative Nine Months Ended 31 January 2014
Profit for the period (RM'000)	20,911	53,795
Weighted average number of ordinary shares in issue ('000 unit)	205,900	205,516
Basic earnings per share (sen)	<u>10.16</u>	<u>26.18</u>

UNITED MALACCA BERHAD (1319 - V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 JANUARY 2014

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B11. Earnings Per Share - Cont'd

(b) Diluted earnings per share

The share options granted under the Company's Employee Share Scheme could potentially dilute basic earnings per share in the future but have not been included in the calculation of diluted earnings per share because they are antidilutive for the period presented.

B12. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications in the auditors' report of the Group's latest annual financial statements ended 30 April 2013.

B13. Dividends

No dividend has been declared in respect of the current financial period ended 31 January 2014.

B14. Authorised for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 20 March 2014.

By order of the Board,
Leong Yok Mui
Yong Yoke Hiong
Company Secretaries
Melaka, 20 March 2014