

UNITED MALACCA BERHAD (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010**

	Individual Quarter		Cummulative Quarter	
	3 Months Ended		6 Months Ended	
	31 October		31 October	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Revenue	53,932	44,242	97,174	86,233
Cost of sales	(21,917)	(18,207)	(43,586)	(40,585)
Gross profit	32,015	26,035	53,588	45,648
Other income	3,177	630	4,989	820
Selling and distribution expenses	(850)	(728)	(1,577)	(1,375)
Administrative expenses	(4,829)	(1,757)	(6,622)	(3,085)
Other expenses	(23)	(171)	(37)	(209)
Replanting expenses	(1,053)	(1,056)	(1,961)	(2,319)
Operating profit	28,437	22,953	48,380	39,480
Share of results of associates	1,651	1,410	2,781	2,612
Profit before tax	30,088	24,363	51,161	42,092
Income tax expense	(6,408)	(5,227)	(11,213)	(9,115)
Profit for the period	23,680	19,136	39,948	32,977
Basic earnings per share (sen) *	11.75	9.52	19.84	16.41
Diluted earnings per share (sen) *	11.75	9.52	19.84	16.41

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements.

** Pursuant to the requirement of paragraph 64 of FRS 133: Earnings Per Share, the calculation of basic and diluted earnings per share above has been adjusted to account for the bonus issue of one bonus share for every two existing shares which was completed on 2 November 2010.*

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010**

	Individual Quarter 3 Months Ended 31 October		Cummulative Quarter 6 Months Ended 31 October	
	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
Comprehensive Income				
Profit for the period	23,680	19,136	39,948	32,977
Other income				
Fair value changes on available-for-sale investments	3,405	-	702	-
Share of other comprehensive income of associates:				
- Share premium	-	-	502	-
- Other reserves	(232)	-	1,903	-
	3,173	-	3,107	-
Total comprehensive income for the period	26,853	19,136	43,055	32,977

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Curent Quarter 31 October 2010	As at Preceding Financial Year End 30 April 2010
	RM'000	RM'000 (Restated)
ASSETS		
Non-Current Assets		
Property, plant and equipment	495,939	496,251
Biological assets	396,898	392,229
Prepaid land lease payments	4,329	4,426
Interest in associates	28,625	24,798
Available-for-sale investments	26,524	15,822
Goodwill on consolidation	18,628	18,628
	<u>970,943</u>	<u>952,154</u>
Current Assets		
Inventories	18,768	11,326
Trade and other receivables	15,992	19,969
Held for trading investments	15,573	-
Cash and bank balances	116,380	123,457
	<u>166,713</u>	<u>154,752</u>
TOTAL ASSETS	<u>1,137,656</u>	<u>1,106,906</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	134,833	134,005
Share premium	14,767	6,346
Other reserves	363,203	336,230
Retained earnings	537,507	526,853
Shareholders' equity	<u>1,050,310</u>	<u>1,003,434</u>
Non-Current Liability		
Deferred tax liabilities	<u>83,301</u>	<u>83,035</u>
Current Liabilities		
Trade and other payables	19,341	16,191
Income tax payable	7,244	4,246
	<u>26,585</u>	<u>20,437</u>
Total liabilities	<u>109,886</u>	<u>103,472</u>
TOTAL EQUITY AND LIABILITIES	<u>1,160,196</u>	<u>1,106,906</u>
Net assets per share attributable to owners of the Company (RM)	<u>7.79</u>	<u>7.49</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2010**

	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		
Current 6 Months Ended					
31 October 2010					
Balance at 1 May 2010					
As previously stated	134,005	6,346	237,246	525,837	903,434
Effect of adopting Amendments to FRS 117	-	-	98,984	1,016	100,000
As restated	134,005	6,346	336,230	526,853	1,003,434
Effect of adopting FRS 139	-	-	22,540	-	22,540
	134,005	6,346	358,770	526,853	1,025,974
Total comprehensive income for the period	-	502	2,605	39,948	43,055
Transactions with owners:					
Fair value of share options granted to eligible directors and employees expensed off	-	-	4,535	-	4,535
Shares issued pursuant to Employee Share Scheme ("ESS")	828	7,919	(2,019)	-	6,728
Employee share options forfeited	-	-	(73)	73	-
Realisation of asset revaluation reserve upon depreciation	-	-	(609)	609	-
Realisation of asset revaluation reserve upon Property, Plant and Equipment written off	-	-	(6)	6	-
Dividends	-	-	-	(29,982)	(29,982)
	828	7,919	1,828	(29,294)	(18,719)
Balance at 31 October 2010	134,833	14,767	363,203	537,507	1,050,310

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2010 - CONT'D**

	Attributable to Owners of the Company				Total Equity
	Non-distributable		Distributable		
	Share Capital	Share Premium	Other Reserves	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 October 2009					
Balance at 1 May 2009					
As previously stated	134,005	6,346	237,544	501,593	879,488
Effect of adopting Amendments to FRS 117	-	-	98,073	931	99,004
As restated	134,005	6,346	335,617	502,524	978,492
Total comprehensive income for the period (restated)	-	-	-	32,977	32,977
Transactions with owners:					
Realisation of asset revaluation reserve upon depreciation (restated)	-	-	(613)	613	-
Dividends	-	-	-	(30,151)	(30,151)
	-	-	(613)	(29,538)	(30,151)
Balance at 31 October 2009	134,005	6,346	335,004	505,963	981,318

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL STATEMENTS**FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
FOR THE SIX MONTHS ENDED 31 OCTOBER 2010

	<u>2010/2011</u> 6 Months Ended 31 October 2010 RM'000	<u>2009/2010</u> 6 Months Ended 31 October 2009 RM'000 (Restated)
Cash Flows From Operating Activities		
Profit before tax	51,161	42,092
Adjustments for:		
Amortisation of prepaid land lease payments	92	87
Depreciation of property, plant and equipment	4,735	3,872
Fair value of share options granted to eligible directors and employees expensed off	4,535	-
Gain on disposal of held for trading investments	(290)	(352)
Gain on disposal of property, plant and equipment	-	(17)
Loss on redemption of other investment	-	160
Net fair value gains on held for trading investments	(1,848)	-
Property, plant and equipment written off	19	13
Dividend income	(690)	(629)
Interest income	(1,810)	(5,061)
Share of results of associates	(2,781)	(2,612)
Operating profit before working capital changes	53,123	37,553
Increase in inventories	(7,442)	(4,819)
Increase in trade and other receivables	(3,369)	(29,163)
Increase in trade and other payables	3,150	2,650
Cash generated from operations	45,462	6,221
Dividend received from associates	1,359	727
Dividend received from other investments	674	574
Interest received	1,636	4,626
income taxes paid	(7,927)	(5,795)
Net cash generated from operating activities	41,204	6,353
Cash Flows From Investing Activities		
Additions of biological assets	(3,971)	(783)
Proceeds from disposal of held for trading investments	11,262	5,065
Proceeds from disposal of property, plant and equipment	-	19
Proceeds from redemption of other investment	-	20
Purchase of available-for-sale investments	(10,000)	-
Purchase of held for trading investments	(17,182)	(5,962)
Purchase of property, plant and equipment	(5,136)	(4,557)
Net cash used in investing activities	(25,027)	(6,198)
Cash Flow From Financing Activities		
Dividends paid on ordinary shares	(29,982)	(30,151)
Proceeds from exercise of employee share options	6,728	-
Net cash used in financing activities	(23,254)	(30,151)
Net change in Cash and Cash Equivalents	(7,077)	(29,996)
Cash and Cash Equivalents at beginning of period	123,457	349,795
Cash and Cash Equivalents at end of period	116,380	319,799
Cash and cash equivalents comprise:		
Cash on hand and at banks	138	645
Deposits with licensed financial institutions	102,427	220,822
Money market funds placed with fund managers	13,815	98,332
	116,380	319,799

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010

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 2010. 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 2010.

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 2010 except for the adoption of the following existing/new FRSs, amendments to FRSs, new Issues Committee ("IC") Interpretations and amendments to IC Interpretation which are applicable and relevant to the Group's operations effective for the financial year beginning 1 May 2010:

FRS 2	Share-based Payment
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statements of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A2. Changes in Accounting Policies - Cont'd

Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The adoption of the above existing/new FRSs, amendments to FRSs, new IC Interpretations and amendments to IC Interpretation do not have any material impact on the financial statements of the Group except for those set out below:

FRS 2: Share-based Payment

FRS 2 requires the total fair value of share options granted to eligible directors and employees under Employee Share Scheme ("ESS") be recognised as an employee cost in profit or loss with a corresponding increase in the Employee Share Option Reserve within equity over the vesting period.

When the share options are exercised, the fair value of share options will be transferred from Employee Share Option Reserve to Share Premium.

Upon expiry or forfeiture of share options, the fair value of share options will be transferred from Employee Share Option Reserve to Retained Earnings.

FRS 7: Financial Instruments: Disclosures

FRS 7 requires the disclosure of both quantitative and qualitative information of the Group's financial instruments in the annual financial statements as well as the risks associated with the financial instruments, including how the Group manages those risks.

FRS 8: Operating Segment

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114₂₀₀₄.

FRS 8 does not have any impact on the financial position and results of the Group.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A2. Changes in Accounting Policies - Cont'd

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised standard introduces the Statement of Comprehensive Income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity (eg. fair value changes on available-for-sale investments, revaluation surplus/deficit on land and buildings, foreign currency translation adjustments, share of other comprehensive income of associates and etc.), present either in one single statement, or in two linked statements. The Group has elected to present this statement in two linked statements.

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139: *Financial Instruments: Recognition and Measurement* establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group has adopted FRS 139 prospectively since beginning of new financial year, i.e. 1 May 2010 in accordance with the transitional provisions. The effect arising from the adoption of FRS 139 has been accounted for by adjusting the opening balance of Fair Value Adjustment Reserve as at 1 May 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are set out below:

(a) Available-for-sale investments

Prior to 1 May 2010, the Group classified its investments in quoted shares, quoted unit trusts and unquoted shares which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment loss. Upon adoption of FRS 139, these investments are designated at 1 May 2010 as Available-for-sale Investments and accordingly are stated at their fair values as at that date. The adjustments to their previous carrying amounts are recognised as adjustments to the opening balance of Fair Value Adjustment Reserve and this have resulted in an increase in Fair Value Adjustment Reserve as at 1 May 2010 by RM22,540,000.

However, for investments in equity instruments whose fair value cannot be reliably measured, they are continued to be measured at cost less impairment loss.

(b) Held for trading investments

Prior to 1 May 2010, the Group classified its investments in quoted shares which were held for trading purposes as Marketable Securities. Such investments were carried at lower of cost and market value, determined on an aggregate basis. Upon adoption of FRS 139, these investments are redesignated as Held for Trading Investments and are stated at fair value where changes in fair value are recognised through profit or loss (i.e. also known as financial assets at fair value through profit or loss).

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A2. Changes in Accounting Policies - Cont'd****Amendments to FRS 117: Leases**

Previously, leasehold land is classified as Prepaid Land Lease Payments and stated at cost/valuation less accumulated amortisation. Amendments to FRS 117 now requires long term leasehold land which initial lease period of several decades be reclassified from Prepaid Land Lease Payments to Property, Plant and Equipment and be stated at valuation less accumulated amortisation. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. However, for short term leasehold land, it will remain in Prepaid Land Lease Payments and state at cost less accumulated amortisation.

The effects arising from the Amendments to FRS 117 are as follows:

**Condensed Consolidated Income Statement
For the Second Quarter Ended 31 October 2009**

	As Previously Stated	Effects of adopting Amendments to FRS 117	As Restated
	RM'000	RM'000	RM'000
Cost of sales	(18,049)	(158)	(18,207)
Administrative expenses	(1,755)	(2)	(1,757)
Replanting expenses	(988)	(68)	(1,056)
Profit before tax	24,591	(228)	24,363
Income tax expense	(5,245)	18	(5,227)
Profit for the period	19,346	(210)	19,136
Basic/Diluted earnings per share (sen) ^	9.62	(0.10)	9.52

**Condensed Consolidated Income Statement
For the Six Months Ended 31 October 2009**

	As Previously Stated	Effects of adopting Amendments to FRS 117	As Restated
	RM'000	RM'000	RM'000
Cost of sales	(40,270)	(315)	(40,585)
Administrative expenses	(3,081)	(4)	(3,085)
Replanting expenses	(2,182)	(137)	(2,319)
Profit before tax	42,548	(456)	42,092
Income tax expense	(9,150)	35	(9,115)
Profit for the period	33,398	(421)	32,977
Basic/Diluted earnings per share (sen) ^	16.62	(0.21)	16.41

^ Pursuant to the requirement of paragraph 64 of FRS 133: Earnings Per Share, the calculation of basic/diluted earnings per share above has been adjusted to account for the bonus issue of one bonus share for every two existing shares which was completed on 2 November 2010.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A2. Changes in Accounting Policies - Cont'd****Amendments to FRS 117: Leases - Cont'd****Condensed Consolidated Statement of Financial Position
As at 30 April 2010**

	As Previously Stated	Effects of adopting Amendments to FRS 117	As Restated
	RM'000	RM'000	RM'000
Property, plant and equipment	173,381	322,870	496,251
Biological assets	392,049	180	392,229
Prepaid land lease payments	215,507	(211,081)	4,426
Other reserves	237,246	98,984	336,230
Retained earnings	525,837	1,016	526,853
Deferred tax liabilities	71,066	11,969	83,035
	6.74	0.75	7.49
Net assets per share attributable to owners of the Company (RM)			

A3. Seasonal or Cyclical of Operations

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

The unfavourable weather condition (EL Nino) in the early part of the year has adversely affected the FFB production in the first half of the current financial year. However the Group's FFB production for the six months ended 31 October 2010 was 10% higher than that of the corresponding period in the preceding financial year due to additional area coming into harvesting and increasing yield trend from the young matured oil palms in Group's estates.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the six months ended 31 October 2010.

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 October 2010.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A6. Changes in Debt and Equity Securities**

There were no issuance, repurchase and repayment of debt and equity securities during the six months ended 31 October 2010 except for the issuance of 827,500 ordinary shares of RM1 each for cash pursuant to the Company's Employee Share Scheme.

A7. Dividends paid

The amount of dividend paid during the six months ended 31 October 2010 was as follow:

	RM'000
In respect of financial year ended 30 April 2010	
Final dividend of 25 sen consisting of gross dividend of 11 sen per share less 25% taxation, tax exempt dividend of 4.5 sen per share and single-tier dividend of 9.5 sen per share, paid on 26 October 2010	<u>29,982</u>

A8. Segmental Information

	Current Quarter Ended 31 October 2010 RM'000	Cumulative Six Months Ended 31 October 2010 RM'000
Segment Revenue		
Plantation revenue	96,556	171,440
Elimination of inter-segment sales	<u>(42,624)</u>	<u>(74,266)</u>
External sales	<u>53,932</u>	<u>97,174</u>
Segment Results		
Plantation	25,508	43,760
Investment holding	2,929	4,620
Share of results of associates	<u>1,651</u>	<u>2,781</u>
Profit before tax	30,088	51,161
Income tax expense	<u>(6,408)</u>	<u>(11,213)</u>
Profit for the period	<u>23,680</u>	<u>39,948</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

There were no material events from the current quarter ended 31 October 2010 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 six months ended 31 October 2010.

A11. Changes in Contingent Liabilities and Contingent Assets

At the date of this report, no contingent liabilities and contingent assets had arisen since the last balance sheet date as at 30 April 2010.

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	6,319
Purchase of property, plant and equipment	4,331
	<hr/>
	10,650
Capital expenditure approved but not contracted for:	
Acquisition of land	5,097
Additions of biological assets	3,940
Purchase of property, plant and equipment	11,405
	<hr/>
	20,442
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	31,092
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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A13. Related Party Disclosures****(a) Transactions with Related Parties**

The Group had the following transactions with related parties during the current quarter and current financial year-to-date ended 31 October 2010:

	Current Quarter Ended 31 October 2010 RM'000	Cumulative Six Months Ended 31 October 2010 RM'000
Associates		
- Interest income	33	64
Company in which a director of the Company has financial interests		
- Interest income	431	740

(b) Balance with Related Parties

	As at End of Current Quarter 31 October 2010 RM'000
Company in which a director of the Company has financial interest	
- Placement in current accounts	17
- Placement in deposits	49,553

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

B1. Review of Performance

The Group's pretax profit of RM30.09 million for the second quarter ended 31 October 2010 was 23% higher as compared with RM24.36 million in the corresponding quarter in the preceding year.

For the six months ended 31 October 2010, the Group's pretax profit of RM51.16 million was 22% higher as compared with RM42.09 million in the corresponding period in the preceding year. The higher profit in the current quarter and six months todate was mainly due to higher CPO & PK prices.

B2. Comparison with Preceding Quarter's Results

The Group's pretax profit of RM30.09 million for the current quarter ended 31 October 2010 was 43% higher than that of the preceding quarter of RM21.07 million mainly due to higher CPO and PK prices as well as higher FFB production.

B3. Current Year Prospects

With the additional area coming into harvesting and the increasing yield trend from the young matured oil palms, the Group's FFB production for the financial year ending 30 April 2011 is expected to increase.

Should the CPO price be maintained at current level, the Group can expect much better performance for the financial year ending 30 April 2011.

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

No profit forecast or profit guarantee was issued by the Group during the six months ended 31 October 2010.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B5. Income Tax Expense**

	Current Quarter Ended 31 October 2010 RM'000	Cumulative Six Months Ended 31 October 2010 RM'000
Current tax expense	6,430	10,947
Deferred tax expense	(22)	266
	<u>6,408</u>	<u>11,213</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.

B6. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the six months ended 31 October 2010.

B7. 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 2010 were as follows:

	Current Quarter Ended 31 October 2010 RM'000	Cumulative Six Months Ended 31 October 2010 RM'000
Total purchases		
- Held for trading investments	<u>3,483</u>	<u>17,182</u>
Total sales		
- Held for trading investments	<u>3,005</u>	<u>3,747</u>
Net fair value gains recognised in profit or loss		
- Held for trading investments	<u>1,312</u>	<u>1,848</u>
Fair value changes recognised in other comprehensive income		
- Available-for-sale investments	<u>3,405</u>	<u>702</u>
Gain on disposal of		
- Held for trading investments	<u>289</u>	<u>290</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B7. Purchase and Sale of Quoted Securities - Cont'd

(b) Investment in quoted securities as at 31 October 2010 was as follows:

	As At 31 October 2010	
	Held for Trading Investments RM'000	Available- for-sale Investments RM'000
At cost	13,725	25,782
At carrying amount/fair value	<u>15,573</u>	<u>26,484</u>

B8. Status of Corporate Proposals

(a) Establishment of a new Employee Share Scheme ("ESS") involving up to 15% of the issue and paid-up share capital

The Company's ESS was earlier approved by its shareholders at an extraordinary general meeting held on 29 August 2009.

On 18 June 2010, the Company announced that the effective date for the ESS has been fixed on 18 June 2010 upon submission of the final By-Laws governing the ESS to Bursa Malaysia Securities Berhad.

On 3 August 2010, 6,190,000 options offered were accepted by eligible Directors and employees under the ESS Options, out of which 20% or 1,238,000 ESS Options are exercisable into new ordinary shares with immediate effect.

At the end of current quarter 31 October 2010, the Company has issued 827,500 ordinary shares under the ESS.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B8. Status of Corporate Proposals - Cont'd

(b) Proposed bonus issue

The proposed bonus issue on the basis of one bonus share for every two existing shares held was approved by the shareholders at the Extraordinary General Meeting held on 27 September 2010.

On 1 October 2010, the Company announced that the entitlement date for the bonus issue has been fixed on 1 November 2010.

A total of 67,416,250 bonus shares of RM1 each were allotted and issued to all shareholders whose names appeared in the Record of Depositors and Register of Members on 1 November 2010. These bonus shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 2 November 2010. Upon completion of the bonus issue, the enlarged issued and paid-up capital of the Company is RM202,248,751.

B9. Group Borrowings and Debt Securities

There was no borrowing and debt security as at 31 October 2010.

B10. Derivative Financial Instruments

There was no derivative financial instrument with off balance sheet risk as at 31 October 2010 and as at the date of issue of the interim financial statements.

B11. Material Litigations

There was no material litigation since the last balance sheet date as at 30 April 2010.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B12. 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 October 2010	Cumulative Six Months Ended 31 October 2010
Profit for the period (RM'000)	23,680	39,948
Weighted average number of ordinary shares in issue ('000 unit) **	201,606	201,307
Basic earnings per share (sen)	<u>11.75</u>	<u>19.84</u>

*** Pursuant to the requirement of paragraph 64 of FRS 133: Earnings Per Share, the weighted average number of ordinary shares in issue above have been adjusted to account for the bonus issue of one bonus share for every two existing shares which was completed on 2 November 2010.*

(b) Diluted earnings per share

The share options granted under the Company's ESS 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(s) presented.

B13. 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 2010.

B14. Dividends

The directors declare an interim dividend of 7.5 sen per share, tax exempt under the single-tier tax system, in respect of current financial year ending 30 April 2011 (previous year 2010: 7.5 sen net of tax or equivalent to 5.0 sen net of tax after adjustment for bonus issue of one for two which was completed on 2 November 2010).

The interim dividend is payable on 25 January 2011.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B15. Closure of Books

NOTICE IS HEREBY GIVEN that an interim dividend of 7.5 sen per share, tax exempt under the single-tier tax system, in respect of the financial year ending 30 April 2011 will be payable on 25 January 2011 to Shareholders whose names appear in the Record of Depositors and Register of Members at the close of business at 5.00 p.m. on 5 January 2011.

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

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 5 January 2011 in respect of transfers;
- (b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 3 January 2011 in respect of shares which are exempted from mandatory deposit;
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

B16. 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 16 December 2010.

By order of the Board,
Leong Yok Mui
Company Secretary
Melaka, 16 December 2010