

UNITED MALACCA BERHAD (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015****CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015**

	Individual Quarter 3 Months Ended 31 October		Cumulative Quarter 6 Months Ended 31 October	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	49,865	58,962	107,791	117,204
Cost of sales	(30,657)	(37,405)	(70,142)	(77,071)
Gross profit	19,208	21,557	37,649	40,133
Other income	2,820	2,637	5,342	4,984
Selling and distribution expenses	(1,468)	(1,473)	(2,966)	(2,740)
Administrative expenses	(3,738)	(3,905)	(6,602)	(7,594)
Other expenses	(1,054)	(1,137)	(2,054)	(982)
Replanting expenses	(355)	(501)	(876)	(1,148)
Profit before tax	15,413	17,178	30,493	32,653
Income tax expense	(3,161)	(3,481)	(5,945)	(6,215)
Profit for the period	12,252	13,697	24,548	26,438
Basic earnings per share (sen)	5.86	6.61	11.76	12.78
Diluted earnings per share (sen)	5.86	6.61	11.76	12.78

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 2015****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31 October		31 October	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Comprehensive Income				
Profit for the period	12,252	13,697	24,548	26,438
Other comprehensive (loss)/income:				
Item that will be subsequently reclassified to profit or loss:				
Net (loss)/gain on fair value changes of available-for-sale investments	(1,002)	430	(1,939)	794
Total comprehensive income for the period	11,250	14,127	22,609	27,232

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 2015****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 October 2015	As at Preceding Financial Year End 30 April 2015
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	672,890	681,453
Biological assets	852,784	846,483
Prepaid land lease payments	15,830	11,355
Investment property	1,054	1,054
Goodwill on consolidation	18,628	18,628
Available-for-sale investments	23,063	25,002
	<u>1,584,249</u>	<u>1,583,975</u>
Current Assets		
Inventories	16,824	8,733
Trade receivables	10,713	10,848
Other receivables	7,029	8,746
Held-for-trading investments	16,366	17,164
Held-to-maturity investments	1,185	731
Financial assets at fair value through profit or loss	132,626	110,298
Cash and bank balances	62,902	73,803
	<u>247,645</u>	<u>230,323</u>
TOTAL ASSETS	<u>1,831,894</u>	<u>1,814,298</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	209,207	207,719
Share premium	42,707	33,551
Other reserves	857,156	863,724
Retained earnings	585,530	575,175
Shareholders' equity	<u>1,694,600</u>	<u>1,680,169</u>
Non-Current Liability		
Deferred tax liabilities	112,036	111,605
Current Liabilities		
Trade payables	8,244	6,455
Other payables	14,014	14,567
Income tax payable	3,000	1,502
	<u>25,258</u>	<u>22,524</u>
Total liabilities	<u>137,294</u>	<u>134,129</u>
TOTAL EQUITY AND LIABILITIES	<u>1,831,894</u>	<u>1,814,298</u>
Net assets per share attributable to owners of the Company (RM)	8.10	8.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 2015****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015**

	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
Current 6 Months Ended 31 October 2015					
Balance at 1 May 2015	207,719	33,551	863,724	575,175	1,680,169
Total comprehensive (loss)/ income for the period	-	-	(1,939)	24,548	22,609
Transfer to retained earnings:					
Realisation of asset revaluation reserve upon:					
- Depreciation	-	-	(1,773)	1,773	-
- Property, plant and equipment written off	-	-	(4)	4	-
	-	-	(1,777)	1,777	-
Transactions with owners:					
Fair value of share options granted to eligible directors and employees	-	-	467	-	467
Shares issued pursuant to Employee Share Option Scheme ("ESOS")	1,488	9,156	(2,554)	-	8,090
Employee share options forfeited	-	-	(765)	765	-
Dividend	-	-	-	(16,735)	(16,735)
	1,488	9,156	(2,852)	(15,970)	(8,178)
Balance at 31 October 2015	209,207	42,707	857,156	585,530	1,694,600

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015 - 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		
6 Months Ended 31 October 2014					
Balance at 1 May 2014	206,503	26,070	869,526	573,858	1,675,957
Total comprehensive income for the period	-	-	794	26,438	27,232
Transfer to retained earnings:					
Realisation of asset revaluation reserve upon depreciation	-	-	(1,767)	1,767	-
	-	-	(1,767)	1,767	-
Transactions with owners:					
Fair value of share options granted to eligible directors and employees	-	-	757	-	757
Shares issued pursuant to ESOS	700	4,303	(1,167)	-	3,836
Employee share options forfeited	-	-	(63)	63	-
Dividends	-	-	-	(33,145)	(33,145)
	700	4,303	(473)	(33,082)	(28,552)
Balance at 31 October 2014	207,203	30,373	868,080	568,981	1,674,637

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2015 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015**

	<u>2015/2016</u> 6 Months Ended 31 October 2015 RM'000	<u>2014/2015</u> 6 Months Ended 31 October 2014 RM'000
Operating Activities		
Profit before tax	30,493	32,653
Adjustments for:		
Amortisation of prepaid land lease payments	152	209
Depreciation of property, plant and equipment	9,640	8,796
Dividend income	(425)	(1,072)
Fair value of share options expensed off	467	757
Gain on disposal of property, plant and equipment	(94)	(3)
Interest income	(1,024)	(1,958)
Net fair value gains on financial assets at fair value through profit or loss:		
- realised	(2,229)	(727)
- unrealised	(99)	(34)
Net fair value losses/(gains) on held-for-trading investments:		
- realised	1	(605)
- unrealised	1,948	690
Property, plant and equipment written off	33	187
Unrealised foreign exchange gain	(551)	(29)
Operating cash flows before changes in working capital	38,312	38,864
Increase in inventories	(8,091)	(3,476)
Increase in trade and other receivables	(1,095)	(6,690)
Increase in trade and other payables	1,236	3,360
Cash flows from operations	30,362	32,058
Interest received	1,016	2,904
Income taxes refunded	96	-
Income taxes paid	(4,112)	(6,452)
Net cash flows from operating activities	27,362	28,510

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015 - CONT'D**

	<u>2015/2016</u> 6 Months Ended 31 October 2015 RM'000	<u>2014/2015</u> 6 Months Ended 31 October 2014 RM'000
Investing Activities		
Dividend received from:		
- available-for-sale investments	165	867
- held-for-trading investments	270	239
Purchase of:		
- available-for-sale investments	-	(685)
- financial assets at fair value through profit or loss	(20,000)	(68,000)
- held-for-trading investments	(15,818)	(12,477)
- property, plant and equipment	(2,990)	(8,859)
Proceeds from disposal of:		
- held-for-trading investments	16,173	7,857
- property, plant and equipment	214	54
Additions of:		
- biological assets	(4,434)	(7,689)
- prepaid land lease payments	(2,744)	-
Net (placement)/withdrawal of held-to-maturity investments	(454)	15,716
Net cash flows used in investing activities	<u>(29,618)</u>	<u>(72,977)</u>
Financing Activities		
Dividends paid	(16,735)	(33,145)
Proceeds from exercise of employee share options under ESOS	8,090	3,836
Net cash flows used in financing activities	<u>(8,645)</u>	<u>(29,309)</u>
Net change in cash and bank balances	(10,901)	(73,776)
Cash and bank balances at beginning of period	73,803	108,488
Cash and bank balances at end of period	<u>62,902</u>	<u>34,712</u>
Cash and bank balances comprise:		
Cash on hand and at banks	2,032	1,149
Short-term deposits with licensed financial institutions	60,870	33,563
	<u>62,902</u>	<u>34,712</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 2015

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 2015. 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 2015.

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 2015 except for the adoption of the following standards effective for the financial year beginning 1 May 2015:

Effective for annual periods beginning on or after 1 July 2014

Amendments to FRS 119 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to FRSs 2010–2012 Cycle
Annual Improvements to FRSs 2011–2013 Cycle

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").

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A2. Changes in Accounting Policies - Cont'd

Malaysian Financial Reporting Standards - Cont'd

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 have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will present its first set of MFRS financial statements for annual periods beginning on or after 1 January 2018 as 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 influenced by weather conditions.

Based on past trends, FFB production tends to pick up from May onwards and will peak around September/October. From December onwards, it will be the seasonal downtrend in FFB production. However, the dry weather in Sabah for the last 10 months and the anticipated severe El Nino in the coming months may have a negative impact on the FFB production for the current financial year.

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 six months ended 31 October 2015.

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 2015.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015****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 2015 except for the issuance of 1,487,600 ordinary shares of RM1 each for cash pursuant to the Company's ESOS.

During the current quarter, pursuant to the ESOS, 450,000 new options were offered and accepted by eligible employees, out of which 20% are exercisable into new ordinary shares with effect from 27 October 2015 and expiring 17 June 2020.

A7. Dividend Paid

The amount of dividend paid during the six months ended 31 October 2015 was as follows:

	RM'000
In respect of financial year ended 30 April 2015	
Second interim single-tier dividend of 8 sen per share, on 209,188,001 ordinary shares, paid on 21 August 2015	<u>16,735</u>

A8. Segmental Information

	Current Quarter Ended 31 October 2015 RM'000	Cumulative Six Months Ended 31 October 2015 RM'000
Segment Revenue		
Plantation revenue	62,107	132,975
Elimination of inter-segment sales	<u>(12,242)</u>	<u>(25,184)</u>
External sales	<u>49,865</u>	<u>107,791</u>
Segment Results		
Plantation	13,963	27,732
Investment holding	<u>1,450</u>	<u>2,761</u>
Profit before tax	15,413	30,493
Income tax expense	<u>(3,161)</u>	<u>(5,945)</u>
Profit for the period	<u>12,252</u>	<u>24,548</u>

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FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**A8. Segmental Information - Cont'd**

	As at End of Current Quarter 31 October 2015 RM'000
Segment Assets	
Plantation	1,594,536
Investment holding	237,358
Consolidated total assets	<u>1,831,894</u>
Segment Liabilities	
Plantation	<u>137,294</u>

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

There were no material events from the current quarter ended 31 October 2015 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 2015.

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 2015.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015

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:	
Purchase of property, plant and equipment	<u>4,597</u>
Capital expenditure approved but not contracted for:	
Additions of biological assets	5,801
Construction of new palm oil mill	56,733
Purchase of property, plant and equipment	<u>17,623</u>
	<u>80,157</u>
	<u>84,754</u>

A13. Related Party Disclosures

There were no transactions and balances with related party during the current quarter and current financial year-to-date ended 31 October 2015.

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

For the current quarter ended 31 October 2015, the Group's pretax profit of RM15.41 million was 10% lower compared with RM17.18 million in the corresponding quarter of the preceding year mainly due to lower FFB production by 7%.

Comments on the business segments are as follows:

Plantation

Plantation profit fell by 12% to RM13.96 million from RM15.91 million in the corresponding quarter of the preceding year mainly due to lower FFB production by 7% or 7,151 tonnes.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

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

Investment holding

Investment profit of RM1.45 million was 14% higher than RM1.27 million in the corresponding quarter of the preceding year mainly due to higher fair value gains on financial assets at fair value through profit or loss.

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

For the six months ended ended 31 October 2015, the Group's pretax profit of RM30.49 million was 7% lower compared with RM32.65 million in the preceding year mainly due to lower average prices of crude palm oil ("CPO") and palm kernel ("PK") by 7% despite higher FFB production.

Comments on the business segments are as follows:

Plantation

The Group achieved 1% or 2,373 tonnes higher FFB production compared with that in the preceding year. However, due to lower average prices of CPO (RM2,139/tonne compared with RM2,293/tonne) and PK (RM1,503/tonne compared with RM1,611/tonne), plantation profit fell by 4% to RM27.73 million from RM29.02 million.

Investment holding

Investment profit of RM2.76 million was 24% lower compared with RM3.63 million in the preceding year mainly due to fair value losses on held-for-trading investments of RM1,949,000 as a result of adverse market condition.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B2. Comparison with Preceding Quarter's Results

The Group's pretax profit for the current quarter ended 31 October 2015 of RM15.41 million was 2% higher compared with RM15.08 million in the preceding quarter mainly due to higher FFB production by 10% as well as higher oil extraction rate achieved which more than offset the impact of lower average prices of CPO and PK by 8% and 2% respectively.

Comments on the business segments are as follows:

Plantation

The Group achieved 10% or 8,889 tonnes higher FFB production compared with that in the preceding quarter. However, due to lower average prices of CPO (RM2,047/tonne compared with RM2,220/tonne) and PK (RM1,487/tonne compared with RM1,518/tonne), plantation profit of RM13.96 million was only marginally higher compared with RM13.77 million in the preceding quarter.

Investment holding

Investment profit of RM1.45 million was 11% higher than RM1.31 million in the preceding quarter mainly due to higher net foreign exchange gain of RM699,000 recorded in the current quarter compared with RM306,000 in the preceding quarter.

B3. Current Year Prospects

For the current financial year, an additional 1,178 hectares of newly matured area came into harvesting. With the young age profile of the Group's oil palm, 81% of which is below 15 years, FFB output is expected to rise over the years.

However, due to the severe drought experienced in Sabah for the past 10 months, FFB production for the current financial year will be below target.

The high CPO stocks, ample supply and declining prices of competitive edible oils coupled with slower growth in major importing countries suggest prices are likely to be flat for the current financial year. Management's priority remain focused on improving labour productivity, cost efficiency and estate management.

Barring unforeseen circumstances, the Group expects satisfactory result for FY 2015/16.

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 2015.

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FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B5. Profit Before Tax**

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

	Current Quarter Ended 31 October 2015 RM'000	Cumulative Six Months Ended 31 October 2015 RM'000
Dividend income	(109)	(425)
Gain on disposal of property, plant and equipment	(67)	(94)
Interest income	(505)	(1,024)
Net fair value gains on financial assets at fair value through profit or loss:		
- realised	(1,128)	(2,229)
- unrealised	(49)	(99)
Net foreign exchange gain:		
- realised	(362)	(454)
- unrealised	(337)	(551)
Amortisation of prepaid land lease payments	82	152
Depreciation of property, plant and equipment	4,849	9,640
Fair value of share options expensed off	234	467
Net fair value losses on held-for-trading investments:		
- realised	599	1
- unrealised	406	1,948
Property, plant and equipment written off	14	33

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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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B6. Income Tax Expense

	Current Quarter Ended 31 October 2015 RM'000	Cumulative Six Months Ended 31 October 2015 RM'000
Current tax expense	2,890	5,514
Deferred tax expense	271	431
	<u>3,161</u>	<u>5,945</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.

B7. Status of Corporate Proposals

Proposed Acquisition by the Company of 83.0% Effective Equity Interest in PT Lifere Agro Kapuas ("LAK") ("Proposed Acquisition")

On 15 December 2015, the Company had announced to Bursa Malaysia Securities Berhad ("Bursa") that the Company had entered into a conditional sale and purchase agreement with Lincoln Wilshire Investments Ltd, a company incorporated in the British Virgin Islands in relation to the proposed acquisition of 793,837 ordinary shares representing 88.2% equity interest of the issued and paid-up share capital of International Natural Resources Pte Ltd ("INR"), a company incorporated in the Republic of Singapore for a total cash consideration of USD66,400,000. INR holds a 94.1% equity interest in LAK, a company incorporated under the laws of the Republic of Indonesia, which has obtained (1) plantation licence (Izin Usaha Perkebunan) over approximately 24,585 hectares of oil palm plantation located in Kalimantan Tengah, Indonesia of which 5,100 hectares have been registered in the name of LAK under the Hak Guna Usaha ("HGU") and Hak Guna Bangunan ("HGB") and (2) Izin Lokasi over approximately 350 hectares of land for refinery and bulking station of which 29 hectares have been registered in the name of LAK under the HGB.

Upon completion of the Proposed Acquisition, the Company will effectively hold 83.0% equity interest in LAK, via INR. The Proposed Acquisition is expected to be completed before the end of the current financial year. For details of the Proposed Acquisition, please refer to the announcement to Bursa on even date.

B8. Group Borrowings and Debt Securities

There was no borrowing and debt security as at 31 October 2015.

B9. Material Litigations

There was no material litigation since the last reporting date as at 30 April 2015.

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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:

	<u>As at End of Current Quarter 31 October 2015</u> RM'000	<u>As at Preceding Financial Year End 30 April 2015</u> RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	638,487	625,518
- unrealised	(35,744)	(33,524)
	<u>602,743</u>	<u>591,994</u>
Less: Consolidation adjustments	(17,213)	(16,819)
Total Group's retained earnings as per consolidated statement of financial position	<u>585,530</u>	<u>575,175</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:

	<u>Current Quarter Ended 31 October 2015</u>	<u>Cumulative Six Months Ended 31 October 2015</u>
Profit for the period (RM'000)	12,252	24,548
Weighted average number of ordinary shares in issue ('000 unit)	209,204	208,698
Basic earnings per share (sen)	<u>5.86</u>	<u>11.76</u>

(b) Diluted earnings per share

The share options granted under the Company's ESOS 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.

UNITED MALACCA BERHAD (1319 - V)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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 2015.

B13. Dividends

The directors declare a first interim single-tier dividend of 8 sen, in respect of current financial year ending 30 April 2016 (previous year 2014/2015: single-tier dividend of 8 sen).

The first interim dividend will be paid on 3 February 2016.

B14. Closure of Books

NOTICE IS HEREBY GIVEN that a first interim single-tier dividend of 8 sen per share, in respect of the financial year ending 30 April 2016 will be paid on 3 February 2016 to shareholders whose names appear in the Record of Depositors and the Register of Members at the close of business at 5.00 p.m. on 19 January 2016.

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 19 January 2016 in respect of transfers;
- (b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 15 January 2016 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.

B15. 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 15 December 2015.

By order of the Board,

Yong Yoke Hiong

Pang Poh Chen

Company Secretaries

Melaka, 15 December 2015