

UNITED MALACCA BERHAD (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2019****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 JANUARY 2019**

	Individual Quarter 3 Months Ended 31 January		Cumulative Quarter 9 Months Ended 31 January	
	2019	2018	2019	2018
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Revenue	53,479	64,437	147,307	215,924
Cost of sales	(54,542)	(48,235)	(161,762)	(176,764)
Gross (loss)/profit	(1,063)	16,202	(14,455)	39,160
Other income	9,999	16,501	7,613	20,185
Administrative expenses	(3,430)	(5,043)	(12,018)	(13,302)
Other expenses	(218)	(11,538)	(6,845)	(11,101)
Operating profit/(loss)	5,288	16,122	(25,705)	34,942
Finance costs	(1,993)	(1,313)	(5,270)	(3,878)
Profit/(loss) before tax	3,295	14,809	(30,975)	31,064
Income tax expense	(1,030)	(5,959)	914	(11,944)
Profit/(loss) for the period	2,265	8,850	(30,061)	19,120
Other comprehensive income/(loss):				
Item that will be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	9,795	(10,363)	5,689	(16,080)
Total comprehensive income/(loss) for the period	12,060	(1,513)	(24,372)	3,040
Profit/(loss) for the period attributable to:				
Owners of the Company	2,357	10,285	(28,206)	21,782
Non-controlling interests	(92)	(1,435)	(1,855)	(2,662)
	2,265	8,850	(30,061)	19,120
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	10,575	1,590	(23,434)	8,340
Non-controlling interests	1,485	(3,103)	(938)	(5,300)
	12,060	(1,513)	(24,372)	3,040
Earnings/(loss) per share attributable to owners of the Company:				
Basic (sen)	1.12	4.91	(13.45)	10.40
Diluted (sen)	1.12	4.91	(13.45)	10.40

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2018 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 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 January 2019	As at Preceding Financial Year End 30 April 2018	As at 1 May 2017
	RM'000	RM'000 (Restated)	RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	1,001,285	1,027,288	1,034,634
Bearer plants	366,334	383,821	406,571
Prepaid land lease payments	173,648	120,973	132,527
Goodwill on consolidation	82,474	82,474	82,474
	<u>1,623,741</u>	<u>1,614,556</u>	<u>1,656,206</u>
Current Assets			
Inventories	31,565	29,760	20,735
Biological assets	4,438	4,857	8,258
Trade receivables	11,802	14,728	17,800
Other receivables	63,246	34,596	98,107
Held-for-trading investments	-	-	22,803
Held-to-maturity investments	19	43	301
Financial assets at fair value through profit or loss	11,542	25,016	48,375
Cash and bank balances	52,990	99,557	30,299
	<u>175,602</u>	<u>208,557</u>	<u>246,678</u>
Non-current assets held for sale	75,561	-	-
	<u>251,163</u>	<u>208,557</u>	<u>246,678</u>
TOTAL ASSETS	<u>1,874,904</u>	<u>1,823,113</u>	<u>1,902,884</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	254,935	212,084	209,494
Share premium	-	42,795	42,795
Other reserves	(11,715)	(15,798)	11,107
Retained earnings	1,270,247	1,314,336	1,334,758
Equity attributable to owners of the Company	<u>1,513,467</u>	<u>1,553,417</u>	<u>1,598,154</u>
Non-controlling interests	57,864	38,105	46,101
Total equity	<u>1,571,331</u>	<u>1,591,522</u>	<u>1,644,255</u>
Non-Current Liabilities			
Bank borrowings	51,461	78,410	151,900
Retirement benefit obligation	844	469	365
Deferred tax liabilities	55,788	57,970	66,414
	<u>108,093</u>	<u>136,849</u>	<u>218,679</u>
Current Liabilities			
Trade payables	14,138	10,141	13,381
Other payables	40,979	23,661	22,065
Income tax payable	-	2,132	4,504
Bank borrowings	140,363	58,808	-
	<u>195,480</u>	<u>94,742</u>	<u>39,950</u>
Total liabilities	<u>303,573</u>	<u>231,591</u>	<u>258,629</u>
TOTAL EQUITY AND LIABILITIES	<u>1,874,904</u>	<u>1,823,113</u>	<u>1,902,884</u>
Net assets per share attributable to owners of the Company (RM)	<u>7.22</u>	<u>7.41</u>	<u>7.64</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2018 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 2019****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2019**

	Attributable to Owners of the Company				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000			
Period Ended 31 January 2019							
Balance at 1 May 2018							
As previously stated	212,084	42,795	747,041	669,672	1,671,592	39,100	1,710,692
Effect on adoption of MFRS Framework	-	-	(762,839)	644,664	(118,175)	(995)	(119,170)
As restated	212,084	42,795	(15,798)	1,314,336	1,553,417	38,105	1,591,522
Total comprehensive income/(loss) for the period	-	-	4,772	(28,206)	(23,434)	(938)	(24,372)
Transactions with owners:							
Acquisition of subsidiaries	-	-	-	-	-	20,697	20,697
Transfer share premium to share capital *	42,795	(42,795)	-	-	-	-	-
Fair value of share options granted to eligible employees	-	-	207	-	207	-	207
Shares issued pursuant to Employee Share Option Scheme ("ESOS")	56	-	(5)	-	51	-	51
Employee share options forfeited	-	-	(113)	113	-	-	-
Employee share options expired	-	-	(778)	778	-	-	-
Dividends	-	-	-	(16,774)	(16,774)	-	(16,774)
	42,851	(42,795)	(689)	(15,883)	(16,516)	20,697	4,181
Balance at 31 January 2019	254,935	-	(11,715)	1,270,247	1,513,467	57,864	1,571,331

* Transfer the share premium to share capital pursuant to Section 618(2) of the Companies Act 2016.

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FOR THE THIRD QUARTER ENDED 31 JANUARY 2019****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2019 - CONT'D**

	Attributable to Owners of the Company				Total	Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable		Distributable Retained Earnings			
		Share Premium	Other Reserves				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Period Ended 31 January 2018							
Balance at 1 May 2017							
As previously stated	209,494	42,795	840,168	660,958	1,753,415	46,414	1,799,829
Effect on adoption of MFRS framework	-	-	(829,061)	673,800	(155,261)	(313)	(155,574)
As restated	209,494	42,795	11,107	1,334,758	1,598,154	46,101	1,644,255
Total comprehensive (loss)/income for the period (restated)	-	-	(13,442)	21,782	8,340	(5,300)	3,040
Transactions with owners:							
Fair value of share options granted to eligible employees	-	-	360	-	360	-	360
Shares issued pursuant to ESOS	1,748	-	(226)	-	1,522	-	1,522
Employee share options forfeited	-	-	(62)	62	-	-	-
Employee share options expired	-	-	(371)	371	-	-	-
Executive Share Incentive Plan ("ESIP") expense	-	-	713	-	713	-	713
Shares issued pursuant to ESIP	713	-	(713)	-	-	-	-
Dividends	-	-	-	(43,977)	(43,977)	-	(43,977)
	2,461	-	(299)	(43,544)	(41,382)	-	(41,382)
Balance at 31 January 2018 (restated)	211,955	42,795	(2,634)	1,312,996	1,565,112	40,801	1,605,913

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2018 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 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2019**

	<u>Period Ended</u> <u>31 January 2019</u>	<u>Period Ended</u> <u>31 January 2018</u>
	<u>RM'000</u>	<u>RM'000</u> <u>(Restated)</u>
Operating Activities		
(Loss)/profit before tax	(30,975)	31,064
Adjustments for:		
Amortisation of bearer plants	17,919	17,501
Amortisation of prepaid land lease payments	2,311	2,419
Depreciation of property, plant and equipment	21,784	24,710
Dividend income	-	(319)
Fair value loss on biological assets	419	561
Fair value of share options expensed off	207	360
Gain on disposal of property, plant and equipment	(183)	(1,258)
Interest expenses	5,270	3,878
Interest income	(2,098)	(1,390)
Net fair value (gains)/losses on financial assets at fair value through profit or loss:		
- realised	(526)	(1,122)
- unrealised	-	344
Net fair value (gains)/losses on held-for-trading investments:		
- realised	-	(3,639)
- unrealised	-	2,722
Property, plant and equipment written off	78	156
Unrealised foreign exchange loss/(gain)	5,934	(10,933)
Operating cash flows before changes in working capital	20,140	65,054
Increase in inventories	(1,318)	(18,168)
(Increase)/decrease in trade and other receivables	(18,134)	75,779
Increase/(decrease) in trade and other payables	12,572	(1,660)
Cash flows from operations	13,260	121,005
Interest received	2,245	1,371
Interest paid	(5,217)	(3,804)
Income taxes refunded	-	1,806
Income taxes paid	(7,816)	(14,053)
Net cash flows from operating activities	2,472	106,325

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FOR THE PERIOD ENDED 31 JANUARY 2019 - CONT'D**

	Period Ended 31 January 2019	Period Ended 31 January 2018
	RM'000	RM'000 (Restated)
Investing Activities		
Dividend received	-	336
Purchase of:		
- financial assets at fair value through profit or loss	-	(20,000)
- held-for-trading investments	-	(12,060)
- property, plant and equipment	(55,521)	(29,337)
Proceeds from disposal of:		
- financial assets at fair value through profit or loss	14,000	44,355
- held-for-trading investments	-	35,622
- property, plant and equipment	336	1,967
Additions of:		
- bearer plants	(7,742)	(8,545)
- prepaid land lease payments	(5,942)	(3,126)
Net withdrawal of held-to-maturity investments	24	283
Net cash outflow on acquisition of subsidiaries	(23,339)	-
Net cash flows (used in)/from investing activities	(78,184)	9,495
Financing Activities		
Dividends paid	(16,774)	(31,398)
Proceeds from exercise of:		
- employee share options under ESOS	51	1,522
- ESIP shares	-	713
Drawdown of:		
- term loan	30,374	-
- revolving credit	79,161	-
Repayment of term loan	(64,493)	-
Net cash flows from/(used in) financing activities	28,319	(29,163)
Net change in cash and bank balances	(47,393)	86,657
Effect of foreign exchange rate changes	826	821
Cash and bank balances at beginning of period	99,557	30,299
Cash and bank balances at end of period	52,990	117,777
Cash and bank balances comprise:		
Cash on hand and at banks	12,752	2,324
Short-term deposits with licensed financial institutions	40,238	115,453
	52,990	117,777

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2018 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 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 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 MFRS 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 2018. 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 2018.

A2. Changes in Accounting Policies

The interim financial statements for the current quarter ended 31 January 2019 are the third set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS Framework"). The date of transition to the MFRS Framework was on 1 May 2017.

The Group has consistently applied the same accounting policies in its opening MFRS consolidated statement of financial position as at 1 May 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. The effect of the transition from Financial Reporting Standards ("FRS") to MFRS Framework and the adoption of new MFRSs, amendments to standards and IC Interpretations are as disclosed as below:

(a) Optional Exemption to Use Fair Value or Revaluation as Deemed Cost

As provided in MFRS 1, first-time adopter can elect optional exemptions from full retrospective application of MFRSs. The Group has elected to apply the optional exemption to use the revaluation of property, plant and equipment as at 1 May 2017 (date of transition to the MFRS Framework) as deemed cost. Any surplus arising from revaluation and the deferred tax provided for revaluation surplus at the date of transition are transferred to retained earnings.

(b) Bearer Plants

Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants* introduce a new category of biological assets, i.e. bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants are accounted for under the amendments to MFRS 116 as an item of property, plant and equipment.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 JANUARY 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A2. Changes in Accounting Policies - Cont'd

(b) Bearer Plants - Cont'd

Prior to the change in accounting policy, the Group adopted the capital maintenance model on its bearer plants (i.e. oil palm trees) where all new planting expenditure (also termed as biological assets) incurred from the stage of land clearing up to the stage of maturity was capitalised and not depreciated. Valuations were performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the bearer plants at the reporting date.

Replanting expenditure consists of expenses incurred from land clearing to the point of harvesting and was recognised in the profit or loss in the period that it is incurred.

Upon adoption of the amendments to MFRS 116 and MFRS 141, bearer plants are classified as an item of property, plant and equipment and are accounted for in the same way as self-constructed items of property, plant and equipment. New planting and replanting expenditure is capitalised at cost and amortised/depreciated on a straight-line basis over its useful lives from the date of maturity. The bearer plants are subsequently measured at cost less accumulated depreciation and accumulated impairment loss, if any.

The change in accounting policy has been applied retrospectively and comparatives were restated. These changes have resulted in additional amortisation/depreciation charged to profit or loss in the current and previous financial years. The replanting expenditure that was charged to profit or loss in the previous financial years is reversed and capitalised under property, plant and equipment. Any surplus arising from revaluation and the deferred tax provided for revaluation surplus at the date of transition are reversed accordingly. The corresponding tax impacts have been accounted for.

(c) Biological Assets

Prior to the adoption of the Amendments to MFRS 116 *Property Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants*, biological assets growing on bearer plants (i.e. Fresh Fruit Bunches prior to harvest) were not recognised. With the adoption of the Amendments to MFRS 116 and MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell, with fair value changes recognised in profit or loss.

(d) Classification of Costs Relating to the Fulfilment of the Delivery Goods

Adoption of MFRS 15 *Revenue from Contracts with Customers* is not expected to have any impact on the Group's revenue and profit or loss. However, the costs relating to the fulfilment of the delivery goods previously classified as selling and distribution expenses will be reclassified as cost of sales under MFRS 15.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2019****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A2. Changes in Accounting Policies - Cont'd****Effect on Condensed Consolidated Statement of Comprehensive Income**

	As previously stated RM'000	Effect on adoption of MFRS Framework RM'000	As restated RM'000
<u>For the third quarter ended 31 January 2018</u>			
Revenue	64,190	247	64,437
Cost of sales	(39,591)	(8,644)	(48,235)
Gross profit	24,599	(8,397)	16,202
Other income	16,550	(49)	16,501
Selling and distribution expenses	(1,775)	1,775	-
Administrative expenses	(5,025)	(18)	(5,043)
Other expenses	(8,988)	(2,550)	(11,538)
Replanting expenses	(679)	679	-
Operating profit	24,682	(8,560)	16,122
Finance costs	(1,313)	-	(1,313)
Profit before tax	23,369	(8,560)	14,809
Income tax expense	(4,511)	(1,448)	(5,959)
Profit for the period	18,858	(10,008)	8,850
Other comprehensive income/(loss):			
Item that will be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(10,363)	-	(10,363)
Total comprehensive income/(loss) for the period	8,495	(10,008)	(1,513)
Profit/(loss) for the period attributable to:			
Owners of the Company	20,119	(9,834)	10,285
Non-controlling interests	(1,261)	(174)	(1,435)
	18,858	(10,008)	8,850
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company	9,588	(7,998)	1,590
Non-controlling interests	(1,093)	(2,010)	(3,103)
	8,495	(10,008)	(1,513)
Earnings per share attributable to owners of the Company:			
Basic (sen)	9.60	(4.69)	4.91
Diluted (sen)	9.60	(4.69)	4.91

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	As previously stated RM'000	Effect on adoption of MFRS Framework RM'000	As restated RM'000
<u>For the period ended 31 January 2018</u>			
Revenue	215,470	454	215,924
Cost of sales	(150,687)	(26,077)	(176,764)
Gross profit	64,783	(25,623)	39,160
Other income	20,234	(49)	20,185
Selling and distribution expenses	(5,435)	5,435	-
Administrative expenses	(13,247)	(55)	(13,302)
Other expenses	(10,540)	(561)	(11,101)
Replanting expenses	(1,802)	1,802	-
Operating profit	53,993	(19,051)	34,942
Finance costs	(3,878)	-	(3,878)
Profit before tax	50,115	(19,051)	31,064
Income tax expense	(12,953)	1,009	(11,944)
Profit for the period	37,162	(18,042)	19,120
Other comprehensive income/(loss):			
Item that will be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(16,080)	-	(16,080)
Total comprehensive income for the period	21,082	(18,042)	3,040
Profit/(loss) for the period attributable to:			
Owners of the Company	39,307	(17,525)	21,782
Non-controlling interests	(2,145)	(517)	(2,662)
	37,162	(18,042)	19,120
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company	25,865	(17,525)	8,340
Non-controlling interests	(4,783)	(517)	(5,300)
	21,082	(18,042)	3,040
Earnings per share attributable to owners of the Company:			
Basic (sen)	18.77	(8.37)	10.40
Diluted (sen)	18.77	(8.37)	10.40

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2019****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A2. Changes in Accounting Policies - Cont'd****Effect on Condensed Consolidated Statement of Financial Position**

	As previously stated RM'000	Effect on adoption of MFRS Framework RM'000	As restated RM'000
<u>As at 30 April 2018</u>			
Non-Current Assets			
Property, plant and equipment	1,039,013	(11,725)	1,027,288
Bearer plants (previously known as biological assets)	654,721	(270,900)	383,821
Current Assets			
Biological assets	-	4,857	4,857
Equity			
Other reserves	747,041	(762,839)	(15,798)
Retained earnings	669,672	644,664	1,314,336
Non-controlling interests	39,100	(995)	38,105
Non-Current Liabilities			
Deferred tax liabilities	216,568	(158,598)	57,970
Net assets per share attributable to owners of the Company (RM)	7.97	(0.56)	7.41
<u>As at 1 May 2017</u>			
Non-Current Assets			
Property, plant and equipment	693,912	340,722	1,034,634
Bearer plants (previously known as biological assets)	991,901	(585,330)	406,571
Current Assets			
Biological assets	-	8,258	8,258
Equity			
Other reserves	840,168	(829,061)	11,107
Retained earnings	660,958	673,800	1,334,758
Non-controlling interests	46,414	(313)	46,101
Non-Current Liabilities			
Deferred tax liabilities	147,190	(80,776)	66,414
Net assets per share attributable to owners of the Company (RM)	8.38	(0.74)	7.64

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 JANUARY 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A2. Changes in Accounting Policies - Cont'd

Effect on Condensed Consolidated Statement of Cash Flows

	As previously stated RM'000	Effect on adoption of MFRS Framework RM'000	As restated RM'000
<u>For the period ended 31 January 2018</u>			
Operating Activities			
Profit before tax	50,115	(19,051)	31,064
Adjustments for:			
Amortisation of bearer plants	-	17,501	17,501
Depreciation of property, plant and equipment	21,468	3,242	24,710
Fair value loss on biological assets	-	561	561
Gain on disposal of property, plant and equipment	(1,307)	49	(1,258)
Investing Activities			
Additions of:			
- bearer plants (previously known as biological assets)	(6,243)	(2,302)	(8,545)

A3. Seasonal or Cyclical of Operations

The production of oil palm fresh fruits bunches ("FFB") is influenced by weather conditions.

Even though the FFB production from Indonesian operations has increased by 38%, the FFB production of the Group for the nine months ended 31 January 2019 was 11% or 33,248 tonnes lower than that of the corresponding period in the preceding year mainly due to lower FFB production contributed by Malaysian operations.

For Malaysian operations, the FFB production for the nine months ended 31 January 2019 was 15% or 40,911 tonnes lower than that of the corresponding period in the preceding year mainly due to low FFB yield from Peninsular Malaysia as well as Meridian Estates in Sabah which were affected by the delayed impact of extended wet weather from January 2017 to March 2018.

For Indonesian operations, the FFB production for the nine months ended 31 January 2019 was 38% or 7,663 tonnes higher than that of the corresponding period in the preceding year mainly due to improved yield in the mature area as well as the additional of 424 hectares coming into maturity.

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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 period ended 31 January 2019.

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 2019.

A6. Changes in Debt and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities during the period ended 31 January 2019 except for the issuance of 10,000 ordinary shares for cash pursuant to the Company's ESOS.

A7. Dividends Paid

The amount of dividend paid during the period ended 31 January 2019 was as follow:

	RM'000
(a) In respect of financial year ended 30 April 2018	
Second interim single-tier dividend of 6 sen per share, on 209,681,201 ordinary shares, paid on 20 August 2018	12,581
(b) In respect of financial year ending 30 April 2019	
First interim single-tier dividend of 2 sen per share, on 209,681,201 ordinary shares, paid on 31 January 2019	4,193
	<u>16,774</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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	Current Quarter Ended 31 January 2019 RM'000	Cumulative 9 Months Ended 31 January 2019 RM'000
Segment Revenue		
Plantation revenue	59,825	169,457
Elimination of inter-companies' sales	(6,346)	(22,150)
External sales	<u>53,479</u>	<u>147,307</u>
Segment Profit/(Loss)		
Plantation:		
- Malaysian operations	524	(12,304)
- Indonesian operations	(4,047)	(12,478)
Investment holding	<u>6,818</u>	<u>(6,193)</u>
Profit/(loss) before tax	3,295	(30,975)
Income tax expense	(1,030)	914
Profit/(loss) for the period	<u>2,265</u>	<u>(30,061)</u>
		As at End of Current Quarter 31 January 2019 RM'000
Segment Assets		
Plantation		1,810,312
Investment holding		64,592
Consolidated total assets		<u>1,874,904</u>
Segment Liabilities		
Plantation		110,932
Investment holding		192,641
Consolidated total liabilities		<u>303,573</u>

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	Current Quarter Ended 31 January 2019 RM'000	Cumulative 9 Months Ended 31 January 2019 RM'000
Segment Revenue		
Malaysia	47,101	127,073
Indonesia	6,378	20,234
Consolidated total revenue	<u>53,479</u>	<u>147,307</u>
Segment Profit/(Loss)		
Malaysia	3,658	(19,486)
Indonesia	(486)	(11,812)
Singapore	123	323
Profit/(loss) before tax	<u>3,295</u>	<u>(30,975)</u>
Income tax expense	(1,030)	914
Profit/(loss) for the period	<u>2,265</u>	<u>(30,061)</u>
		As at End of Current Quarter 31 January 2019 RM'000
Segment Assets		
Malaysia		1,414,557
Indonesia		460,333
Singapore		14
Consolidated total assets		<u>1,874,904</u>
Segment Liabilities		
Malaysia		232,263
Indonesia		71,296
Singapore		14
Consolidated total liabilities		<u>303,573</u>

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

There were no material events from the current quarter ended 31 January 2019 to the date of this announcement that had not been reflected in this interim financial statements.

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A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 31 January 2019 except for the completion of Acquisition by the Company of 100%, 65% and 60% equity interest in Clifton Cove Pte Ltd ("Clifton"), PT Bintang Gemilang Permai ("BGP") and PT Wana Rindang Lestari ("WRL") respectively on 27 August 2018. For the details of the Acquisition, kindly refer to Note B7(a).

Purchase Price Allocation ("PPA") of Clifton, BGP and WRL

The accounting of business combinations of Clifton, BGP and WRL were based on the provisional fair values of their identifiable assets, liabilities and contingent liabilities. In accordance with MFRS 3: *Business Combinations*, the Group will be carrying out the PPA exercise within 12 months from the date of acquisition.

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 2018.

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:	
Construction of new palm oil mill - Indonesia	31,058
Purchase of property, plant and equipment	10,997
	<u>42,055</u>
Capital expenditure approved but not contracted for:	
Additions of biological assets	11,090
Construction of new palm oil mill - Malaysia	56,402
Purchase of property, plant and equipment	28,926
	<u>96,418</u>
	<u>138,473</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 January 2019 except for the inter-companies' sales as disclosed in Note A8(a).

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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 Corresponding Quarter

	Individual Quarter		
	Current Quarter Ended 31 January 2019	Preceding Year Corresponding Quarter Ended 31 January 2018	Variance
	RM'000	(Restated) RM'000	%
Revenue	53,479	64,437	-17%
Operating profit	5,288	16,122	-67%
Profit before tax	3,295	14,809	-78%
Profit after tax	2,265	8,850	-74%
Profit attributable to owners of the Company	2,357	10,285	-77%
Additional information:			
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantation:			
- Malaysian operations	524	12,999	-96%
- Indonesian operations	(4,047)	(2,764)	-46%
Investment holding	6,818	4,574	49%
Total profit/(loss) before tax	3,295	14,809	-78%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	20,992	20,277	4%
- Indonesia	5,176	4,752	9%
Total mature area	26,168	25,029	5%
Immature area:			
- Malaysia	802	1,520	-47%
- Indonesia	1,277	1,324	-4%
Total immature area	2,079	2,844	-27%
Total planted area	28,247	27,873	1%
<u>FFB production (tonne)</u>			
- Malaysia	96,949	102,271	-5%
- Indonesia	10,810	6,206	74%
Total FFB production	107,759	108,477	-1%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.61	5.01	-8%
- Indonesia	2.08	1.31	59%
Group FFB yield	4.11	4.31	-5%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	1,892	2,561	-26%
Average PK price/tonne	1,392	2,522	-45%

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FOR THE THIRD QUARTER ENDED 31 JANUARY 2019****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B1. Review of Performance - Cont'd****(a) Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd**

During the current quarter ended 31 January 2019, the pretax profit of RM3.30 million was 78% lower compared with RM14.81 million in the corresponding quarter of the preceding year. Excluding the impact on adoption of MFRS Framework, the pretax profit in the current quarter would be RM9.88 million which was 58% lower compared with RM23.32 million in the corresponding quarter of the preceding year as shown below:

	Individual Quarter		
	Current Quarter Ended 31 January 2019	Preceding Year Corresponding Quarter Ended 31 January 2018	Variance
	RM'000	RM'000	%
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantation:			
- Malaysian operations	524	12,999	-96%
- Indonesian operations	(4,047)	(2,764)	-46%
Investment holding	6,818	4,574	49%
Total profit/(loss) before tax	3,295	14,809	-78%
<u>MFRS impact:</u>			
Plantation:			
- Malaysian operations	4,972	7,147	-30%
- Indonesian operations	1,612	1,364	18%
Investment holding	-	-	0%
Total MFRS impact	6,584	8,511	-23%
<u>Breakdown of profit/(loss) before tax excluding MFRS impact (RM'000)</u>			
Plantation:			
- Malaysian operations	5,496	20,146	-73%
- Indonesian operations	(2,435)	(1,400)	-74%
Investment holding	6,818	4,574	49%
Total profit/(loss) before tax	9,879	23,320	-58%

Lower pretax profit in the current quarter was mainly due to lower average prices of crude palm oil ("CPO") and palm kernel ("PK") by 26% and 45% respectively, low FFB yield from both Malaysian and Indonesian operations as well as the impact of young matured palms (Malaysia - 2,184 hectares and Indonesia - 3,384 hectares) with high unit cost of production.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

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

Comments on the business segments are as follows:

Plantation

Malaysian operations

Plantation profit of RM0.52 million in the current quarter was 96% lower compared with RM13.00 million in the corresponding quarter of the preceding year. Excluding the impact on adoption of MFRS Framework, the plantation profit would be RM5.50 million which was 73% lower than RM20.15 million in the corresponding quarter of the preceding year.

Lower plantation profit in the current quarter was mainly due to lower average prices of CPO of RM1,892/tonne (preceding year: RM2,561/tonne) and PK of RM1,392/tonne (preceding year: RM2,522/tonne) as well as the impact of 2,184 hectares of young matured palms in Sabah with high unit cost of production.

In addition, lower plantation profit also due to lower FFB yield of 4.61 tonne/ha (preceding year: 5.01 tonne/ha), arising from low FFB yield from Peninsular Malaysia as well as Meridian Estates in Sabah.

Indonesian operations

Plantation losses of RM4.05 million and RM2.76 million were recorded for both current quarter and corresponding quarter of the preceding year. Excluding the impact on adoption of MFRS Framework, the plantation losses would be RM2.44 million and RM1.40 million respectively.

Even though the FFB production for the current quarter was higher by 74% or 4,604 tonnes, plantation loss was recorded for the current quarter mainly due to high unit cost of production for the young matured area of 3,384 hectares (consist of 65% of total matured area) as well as low FFB selling price (44% lower compared with that in the corresponding quarter of the preceding year).

Plantation loss in the corresponding quarter of the preceding year was mainly due to high unit cost of production for the young matured area of 2,961 hectares (consist of 62% of total matured area).

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Investment profit of RM6.82 million in the current quarter was mainly due to net foreign exchange gain of RM8.30 million which more than offset the interest expenses of RM1.99 million.

Investment profit of RM4.57 million in the corresponding quarter of the preceding year was mainly due to net foreign exchange gain of RM5.14 million which more than offset the interest expenses of RM1.31 million.

Detailed breakdown of investment holding segment is as follows:

	Individual Quarter		
	Current Quarter Ended 31 January 2019	Preceding Year Corresponding Quarter Ended 31 January 2018	Variance
	RM'000	RM'000	%
Dividend income	-	11	-100%
Interest income	582	990	-41%
Net fair value gains/(losses) on:			
- financial assets at fair value through profit or loss	141	161	-12%
- held-for-trading investments	-	(145)	100%
Interest expenses	(1,993)	(1,313)	-52%
Net foreign exchange gain	8,304	5,141	62%
Other investment charges	(216)	(271)	20%
	6,818	4,574	49%

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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

	Cumulative Quarter		
	Current Year-to-date Ended 31 January 2019	Preceding Year-to-date Ended 31 January 2018	Variance
	RM'000	(Restated) RM'000	%
Revenue	147,307	215,924	-32%
Operating (loss)/profit	(25,705)	34,942	-174%
(Loss)/profit before tax	(30,975)	31,064	-200%
(Loss)/profit after tax	(30,061)	19,120	-257%
(Loss)/profit attributable to owners of the Company	(28,206)	21,782	-229%
Additional information:			
Breakdown of (loss)/profit before tax (RM'000)			
Plantation:			
- Malaysian operations	(12,304)	35,457	-135%
- Indonesian operations	(12,478)	(7,483)	-67%
Investment holding	(6,193)	3,090	-300%
Total (loss)/profit before tax	(30,975)	31,064	-200%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	20,992	20,277	4%
- Indonesia	5,176	4,752	9%
Total mature area	26,168	25,029	5%
Immature area:			
- Malaysia	802	1,520	-47%
- Indonesia	1,277	1,324	-4%
Total immature area	2,079	2,844	-27%
Total planted area	28,247	27,873	1%
<u>FFB production (tonne)</u>			
- Malaysia	229,588	270,499	-15%
- Indonesia	27,882	20,219	38%
Total FFB production	257,470	290,718	-11%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	10.96	13.27	-17%
- Indonesia	5.37	4.25	26%
Group FFB yield	9.85	11.56	-15%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	2,104	2,672	-21%
Average PK price/tonne	1,576	2,378	-34%

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During the current period ended 31 January 2019, the Group recorded a pretax loss of RM30.98 million compared with a profit of RM31.06 million in the corresponding period of the preceding year. Excluding the impact on adoption of MFRS Framework, the pretax loss in the current period would be RM13.37 million compared with a profit of RM50.07 million in the corresponding period of the preceding year as shown below:

	Cumulative Quarter		
	Current Year-to-date Ended 31 January 2019	Preceding Year-to-date Ended 31 January 2018	Variance
	RM'000	RM'000	%
<u>Breakdown of (loss)/profit before tax (RM'000)</u>			
Plantation:			
- Malaysian operations	(12,304)	35,457	-135%
- Indonesian operations	(12,478)	(7,483)	-67%
Investment holding	(6,193)	3,090	-300%
Total (loss)/profit before tax	(30,975)	31,064	-200%
<u>MFRS impact:</u>			
Plantation:			
- Malaysian operations	13,259	14,949	-11%
- Indonesian operations	4,345	4,053	7%
Investment holding	-	-	0%
Total MFRS impact	17,604	19,002	-7%
<u>Breakdown of (loss)/profit before tax excluding MFRS impact (RM'000)</u>			
Plantation:			
- Malaysian operations	955	50,406	-98%
- Indonesian operations	(8,133)	(3,430)	-137%
Investment holding	(6,193)	3,090	-300%
Total (loss)/profit before tax	(13,371)	50,066	-127%

Pretax loss in the current period was mainly due to low FFB yield from both Malaysian and Indonesian operations, lower average prices of CPO and PK by 21% and 34% respectively as well as the impact of young matured palms (Malaysia - 2,184 hectares and Indonesia - 3,384 hectares) with high unit cost of production.

In addition, pretax loss in the current period was also due to net foreign exchange loss of RM3.06 million as well as higher interest expenses.

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B1. Review of Performance - Cont'd

(b) Current Year-to-date vs. Preceding Year-to-date - Cont'd

Comments on the business segments are as follows:

Plantation

Malaysian operations

Plantation loss of RM12.30 million was recorded in the current period compared with a profit of RM35.46 million in the corresponding period of the preceding year. Excluding the impact on adoption of MFRS Framework, Malaysian operations would have shown a profit of RM0.96 million which was 98% lower compared with RM50.41 million in the corresponding period of the preceding year.

Low plantation profit in the current period was mainly due to lower FFB yield of 10.96 tonne/ha (preceding year: 13.27 tonne/ha), arising from low FFB yield from Peninsular Malaysia as well as Meridian Estates in Sabah which was affected by the delayed impact of extended wet weather from January 2017 to March 2018. As a result, the FFB production was lower by 15% or 40,911 tonnes.

In addition, the lower average prices of CPO of RM2,104/tonne (preceding year: RM2,672/tonne) and PK of RM1,576/tonne (preceding year: RM2,378/tonne) as well as the impact of 2,184 hectares of young matured palms in Sabah with high unit cost of production have contributed to the low plantation profit.

Indonesian operations

Plantation losses of RM12.49 million and RM7.48 million were recorded for both current period and corresponding period of the preceding year. Excluding the impact on adoption of MFRS Framework, the plantation losses would be RM8.13 million and RM3.43 million respectively.

Even though the FFB production for the current period was higher by 38% or 7,663 tonnes, plantation loss was recorded for the current period mainly due to high unit cost of production for the young matured area of 3,384 hectares (consist of 65% of total matured area) as well as low FFB selling price (30% lower compared with that in the corresponding period of the preceding year).

Plantation loss in the corresponding period of the preceding year was mainly due to high unit cost of production for the young matured area of 2,961 hectares (consist of 62% of total matured area).

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Investment loss of RM6.19 million in the current period was mainly due to interest expenses of RM5.27 million as well as net foreign exchange loss of RM3.06 million despite higher interest income.

Investment profit of RM3.09 million in the corresponding period of the preceding year was mainly due to net foreign exchange gain of RM4.20 million and net fair value gains on held-for-trading investments of RM0.92 million, net of lower interest expenses of RM3.88 million.

Detailed breakdown of investment holding segment is as follows:

	Cumulative Quarter		
	Current Year-to-date Ended 31 January 2019	Preceding Year-to-date Ended 31 January 2018	Variance
	RM'000	RM'000	%
Dividend income	-	319	-100%
Interest income	2,098	1,390	51%
Net fair value gains on:			
- financial assets at fair value through profit or loss	526	778	-32%
- held-for-trading investments	-	917	-100%
Interest expenses	(5,270)	(3,878)	-36%
Net foreign exchange (loss)/gain	(3,055)	4,196	-173%
Other investment charges	(492)	(632)	22%
	(6,193)	3,090	-300%

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	Individual Quarter		
	Current Quarter Ended 31 January 2019	Preceding Quarter Ended 31 October 2018	Variance
	RM'000	RM'000	%
Revenue	53,479	53,823	-1%
Operating profit/(loss)	5,288	(11,568)	146%
Profit/(loss) before tax	3,295	(13,321)	125%
Profit/(loss) after tax	2,265	(13,191)	117%
Profit/(loss) attributable to owners of the Company	2,357	(12,077)	120%
Additional information:			
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantation:			
- Malaysian operations	524	(1,607)	133%
- Indonesian operations	(4,047)	(4,288)	6%
Investment holding	6,818	(7,426)	192%
Total profit/(loss) before tax	3,295	(13,321)	125%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	20,992	20,758	1%
- Indonesia	5,176	5,176	0%
Total mature area	26,168	25,934	1%
Immature area:			
- Malaysia	802	1,006	-20%
- Indonesia	1,277	1,252	2%
Total immature area	2,079	2,258	-8%
Total planted area	28,247	28,192	0%
<u>FFB production (tonne)</u>			
- Malaysia	96,949	74,162	31%
- Indonesia	10,810	11,721	-8%
Total FFB production	107,759	85,883	25%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.61	3.55	30%
- Indonesia	2.08	2.26	-8%
Group FFB yield	4.11	3.29	25%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	1,892	2,156	-12%
Average PK price/tonne	1,392	1,699	-18%

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During the current quarter ended 31 January 2019, the Group recorded a pretax profit of RM3.30 million compared with a loss of RM13.32 million in the preceding quarter. Excluding the impact on adoption of MFRS Framework, the pretax profit in the current quarter would be RM9.88 million compared with a loss of RM9.11 million in the preceding quarter as shown below:

	Individual Quarter		
	Current Quarter Ended 31 January 2019	Preceding Quarter Ended 31 October 2018	Variance
	RM'000	RM'000	%
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantation:			
- Malaysian operations	524	(1,607)	133%
- Indonesian operations	(4,047)	(4,288)	6%
Investment holding	6,818	(7,426)	192%
Total profit/(loss) before tax	3,295	(13,321)	125%
<u>MFRS impact:</u>			
Plantation:			
- Malaysian operations	4,972	2,975	67%
- Indonesian operations	1,612	1,235	31%
Investment holding	-	-	0%
Total MFRS impact	6,584	4,210	56%
<u>Breakdown of profit/(loss) before tax excluding MFRS impact (RM'000)</u>			
Plantation:			
- Malaysian operations	5,496	1,368	302%
- Indonesian operations	(2,435)	(3,053)	20%
Investment holding	6,818	(7,426)	192%
Total profit/(loss) before tax	9,879	(9,111)	208%

Even though the average prices of CPO and PK was lower by 12% and 18% compared with that in the preceding quarter, the Group recorded a pretax profit in the current quarter compared with a loss in the preceding quarter mainly due to higher FFB yield in Malaysian operations as well as lower unit cost of production incurred.

In addition, pretax profit in the current quarter was also due to net foreign exchange gain RM8.30 million compared with net foreign exchange loss of RM6.25 million in the preceding quarter.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B2. Comparison with Preceding Quarter's Results - Cont'd

Comments on the business segments are as follows:

Plantation

Malaysian operations

Malaysian operations recorded a plantation profit of RM0.52 million compared with a loss of RM1.61 million in the preceding quarter. Excluding the impact on adoption of MFRS Framework, the plantation profit in the current quarter would be RM5.50 million which was 302% higher compared with profit of RM1.37 million in the preceding quarter.

Even though the average prices of CPO of RM1,892/tonne (preceding quarter: RM2,156/tonne) and PK of RM1,392/tonne (preceding quarter: RM1,699/tonne) were lower compared with that in the preceding quarter, higher plantation profit in the current quarter was mainly due to higher FFB yield of 4.61 tonne/ha (preceding quarter: 3.55 tonne/ha) as well as lower unit cost of production incurred.

Indonesian operations

Plantation losses of RM4.05 million and RM4.29 million were recorded in the current and preceding quarters. Excluding the impact on adoption of MFRS Framework, the plantation losses would be RM2.44 million and RM3.05 million respectively.

Plantation losses for both current and preceding quarters were mainly due to high unit cost of production for the young matured area of 3,384 hectares (consist of 65% of total matured area) as well as low FFB selling price.

Investment Holding

Investment profit of RM6.82 million in the current quarter was mainly due to net foreign exchange gain of RM8.30 million which more than offset the interest expenses of RM1.99 million.

Investment loss of RM7.43 million in the preceding quarter was mainly due to net foreign exchange loss of RM6.25 million as well as interest expenses of RM1.75 million.

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B2. Comparison with Preceding Quarter's Results - Cont'd

Investment Holding - Cont'd

Detailed breakdown of investment holding segment is as follows:

	Individual Quarter		
	Current Quarter Ended 31 January 2019	Preceding Quarter Ended 31 October 2018	Variance
	RM'000	RM'000	%
Interest income	582	564	3%
Net fair value gains on financial assets at fair value through profit or loss	141	155	-9%
Interest expenses	(1,993)	(1,753)	-14%
Net foreign exchange gain/(loss)	8,304	(6,250)	233%
Other investment charges	(216)	(142)	-52%
	6,818	(7,426)	192%

B3. Current Year Prospects

The Group has recorded a loss in the first nine months of financial year ending 30 April 2019 ("FY 2019") mainly due to low CPO and PK prices, low FFB yield caused by adverse wet weather as well as net foreign exchange loss of RM3.06 million. However, the Group's FFB production has started to improve in the second half of FY 2019.

In addition, the adoption of Malaysian Financial Reporting Standards ("MFRS Framework") effective FY 2019 requires the value of bearer plants (previously known as biological assets) to be amortised and additional depreciation of long term leasehold land to be provided. Total impact on adoption of MFRS Framework for the first nine months of FY 2019 was RM17.60 million.

Assuming CPO prices remain at the current level, the Group expects the fourth quarter of the financial year to remain challenging.

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

No profit forecast or profit guarantee was issued by the Group during the period ended 31 January 2019.

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B5. Profit/(Loss) Before Tax

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

	Current Quarter Ended 31 January 2019	Cumulative 9 Months Ended 31 January 2019
	RM'000	RM'000
Gain on disposal of property, plant and equipment	(96)	(183)
Interest income	(582)	(2,098)
Net fair value gains on financial assets at fair value through profit or loss:		
- realised	(141)	(526)
Net foreign exchange (gain)/loss:		
- realised	(2,881)	(2,879)
- unrealised	(5,423)	5,934
Amortisation of bearer plants	6,110	17,919
Amortisation of prepaid land lease payments	774	2,311
Depreciation of property, plant and equipment	7,363	21,784
Fair value (gain)/loss on biological assets	(255)	419
Fair value of share options expensed off	30	207
Interest expenses	1,993	5,270
Property, plant and equipment written off	53	78

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

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

B6. Income Tax Expense

	Current Quarter Ended 31 January 2019	Cumulative 9 Months Ended 31 January 2019
	RM'000	RM'000
Current tax expense	573	1,292
Deferred tax expense	457	(2,206)
	<u>1,030</u>	<u>(914)</u>

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B6. Income Tax Expense - Cont'd

The effective tax rate for the current quarter ended 31 January 2019 was higher than the statutory tax rate due to certain expenses which are not deductible.

The reversal of income tax expense for the current financial year-to-date ended 31 January 2019 was due to recognition of deferred tax income arising from losses in the Malaysian and Indonesian operations.

B7. Status of Corporate Proposals

(a) Proposed Acquisition by United Malacca Berhad (“UMB”) of 60% Effective Equity Interest in PT Wana Rindang Lestari (“WRL”) (“Proposed Acquisition”)

On 17 October 2017, UMB announced to Bursa Malaysia Securities Berhad (“Bursa”) that it had entered into a conditional sale and purchase agreement (“CSPA”) with vendor Dalvey Star Limited (“Dalvey”), Clifton Cove Pte Ltd (“Clifton”), PT Bintang Gemilang Permai (“BGP”) and PT Wana Rindang Lestari (“WRL”) for the proposed acquisition by UMB of one (1) ordinary share of USD1.00 representing a 100% equity interest in Clifton (the latter would hold an effective equity interest of 60% in WRL) for a total cash consideration of USD7,190,400 or approximately RM30,332,702.

WRL, a private limited liability company incorporated in Indonesia, has obtained a business licence “Izin Usaha Pemanfaatan Hasil Hutan Kayu Pada Hutan Tanaman Industri” (“HTI Licence”) on 4 June 2014 from the Minister of Forestry, Indonesia over an area measuring approximately 59,920 hectares in the Regencies of Tojo Una-Una and Morowali, Province of Central Sulawesi.

Pursuant to the CSPA and prior to the completion of the Proposed Acquisition, BGP and WRL undertook an internal corporate restructuring of equity ownership structures in BGP and WRL (“Internal Restructuring”). Completed in January 2018, the Internal Restructuring resulted in Clifton holding a 65% equity interest in BGP which in turn holds 92.32% equity interest in WRL while the remaining stakes in both BGP and WRL are held by PT Sinar Kemilau Cemerlang (“SKC”). Following this Internal Restructuring, UMB acquired a 100% equity interest in Clifton which effectively holds a 60% equity interest in WRL.

Based on findings in the legal due diligence exercise on Clifton, a loan of USD425,000 from Dalvey to Clifton (“Loan”) was incurred after the date of the CSPA during the Internal Restructuring without the prior knowledge of UMB. Because UMB indicated a preference to acquire a debt-free Clifton, Dalvey and Clifton have converted the Loan into new shares in Clifton prior to the completion of the Proposed Acquisition. The conversion of the Loan resulted in UMB to acquire the existing 1 (one) ordinary share and the newly issued 425,000 ordinary shares in Clifton (collectively, representing 100% equity interest in Clifton) while the total cash consideration of USD7,190,400 or approximately RM30,332,702 for the Proposed Acquisition remains the same.

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B7. Status of Corporate Proposals - Cont'd

(a) Proposed Acquisition by United Malacca Berhad ("UMB") of 60% Effective Equity Interest in PT Wana Rindang Lestari ("WRL") ("Proposed Acquisition") - Cont'd

The Proposed Acquisition was completed on 27 August 2018 ("Completion Date"). UMB now effectively holds 100%, 65% and 60% equity interest in Clifton, BGP and WRL respectively. The CSPA requires Dalvey, UMB, Clifton, BGP and WRL to work towards fulfilment of certain obligations set out in Schedule 3 of the CSPA ("Post-Completion Obligations"). The Post-Completion Obligations were fulfilled on 26 February 2019, i.e. within 6 months of the Completion Date. Following this fulfilment, UMB paid the balance sum of the total cash consideration amounting to USD1,438,080 to Dalvey on 27 February 2019. This payment is the final payment by UMB to Dalvey for the Proposed Acquisition.

(b) Proposed Sale of Plantation Assets for An Aggregate Cash Consideration of RM175.15 Million

On 12 November 2018, UMB announced its intention to sell 4 plantation estates located in Melaka and Negeri Sembilan through an open tender process.

On 3 January 2019, UMB entered into 3 separate conditional sale and purchase agreements ("CSPA(s)") to sell the following plantation land including all immovable assets and buildings erected thereon (collectively, the "Plantation Assets") measuring an aggregate land area of approximately 1,021.06 hectares for a total cash consideration of RM175,145,285, subject to the terms and conditions of the CSPAs:

- (i) CSPA with Huat Lai Broiler Breeders Sdn Bhd for the proposed sale of the following plantation lands with total combined land area of approximately 568.09 hectares for a total cash consideration of RM96,793,900:
 - the sale of 11 lots of land with total land area of approximately 354.64 hectares located in Mukim Ramuan China Besar and Mukim Sungei Baru Ilir, District of Alor Gajah, Melaka ("Masjid Tanah Estate") for a cash consideration of RM61,078,150; and
 - the sale of 18 lots of land with total land area of approximately 213.45 hectares located in Mukim Selandar, District of Jasin, Melaka ("Selandar Estate") for a cash consideration of RM35,715,750;
- (ii) CSPA with HLRB Broiler Farm Sdn Bhd for the proposed sale of 2 lots of land with total land area of approximately 298.91 hectares located in Mukim Gemenchah, District of Tampin, Negeri Sembilan ("Tampin Estate") for a cash consideration of RM51,703,400; and
- (iii) CSPA with HLRB Processing Sdn Bhd for the proposed sale of 3 lots of land with total land area of approximately 154.06 hectares located in Mukim Pilin and Mukim Kundor, District of Rembau, Negeri Sembilan ("Pelin Estate") for a cash consideration of RM26,647,985.

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A total deposit of RM17.51 million or 10% of the combined sale proceeds was received on 3 January 2019. The completion of proposed sale of plantation assets is pending the approval of the Estate Land Boards of Melaka and Negeri Sembilan.

B8. Group Borrowings and Debt Securities

At the end of the current quarter and preceding year corresponding quarter, the Group's borrowings were as follows:

As at End of Current Quarter 31 January 2019

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (USD'000)	5,000	20,452
- Term loan (IDR million)	105,833	31,009
Short-term		
- Term loan (USD'000)	15,000	61,358
- Revolving credit - 1 (USD'000)	4,314	17,647
- Revolving credit - 2 (USD'000)	15,000	61,358
Total bank borrowings		191,824
Exchange rate used:	USD1 =	4.0905
	IDR1,000 =	0.293

As at End of Preceding Year Corresponding Quarter 31 January 2018

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (USD'000)	20,000	77,970
Short-term		
- Term loan (USD'000)	15,000	58,478
Total bank borrowings		136,448
Exchange rate used:	USD1 =	3.8985

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B8. Group Borrowings and Debt Securities - Cont'd

- (a) The USD term loan carries an interest rate based on the bank's cost of funds + 1% per annum.
- (b) The USD revolving credit - 1 carries an interest rates based on the bank's cost of funds + 0.75% per annum.
- (c) The USD revolving credit - 2 carries an interest rates based on the bank's cost of funds + 1% per annum.
- (d) The IDR term loan carries an interest rate based on the 1-month Jakarta Interbank Offered Rate ("JIBOR") + 3.45% per annum.
- (e) The Group does not hedge the USD and IDR borrowings in Ringgit Malaysia ("RM").

There was no debt security as at 31 January 2019.

B9. Material Litigation

There was no material litigation since the last reporting date as at 30 April 2018.

B10. Disclosure of Realised and Unrealised Profits/Losses

	As at End of Current Quarter 31 January 2019	As at Preceding Financial Year End 30 April 2018
	RM'000	RM'000 (Restated)
Total retained earnings of the Company and its subsidiaries:		
- realised	405,626	442,142
- unrealised	871,527	876,732
	<u>1,277,153</u>	<u>1,318,874</u>
Less: Consolidation adjustments	(6,906)	(4,538)
Total Group's retained earnings as per consolidated statement of financial position	<u>1,270,247</u>	<u>1,314,336</u>

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B11. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing profit/(loss) for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period as follows:

	Current Quarter Ended 31 January 2019	Cumulative 9 Months Ended 31 January 2019
Profit/(loss) for the period attributable to owners of the Company (RM'000)	2,357	(28,206)
Weighted average number of ordinary shares in issue ('000 unit)	209,687	209,686
Basic earnings/(loss) per share (sen)	<u>1.12</u>	<u>(13.45)</u>

(b) Diluted earnings/(loss) per share

Share options granted under the Company's ESOS could potentially dilute basic earnings/(loss) per share in the future but have not been included in the calculation of diluted earnings/(loss) per share because they are antidilutive for the period under review.

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 2018.

B13. Dividends

No dividend has been declared in respect of the current quarter ended 31 January 2019.

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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 21 March 2019.

By order of the Board,
Yong Yoke Hiong (MAICSA 7021707)
Pang Poh Chen (MACS 01405)
Company Secretaries
Melaka, 21 March 2019