

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 JULY 2020**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	31 July		31 July	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Revenue	86,786	43,330	86,786	43,330
Cost of sales	(80,467)	(50,146)	(80,467)	(50,146)
Gross profit/(loss)	6,319	(6,816)	6,319	(6,816)
Other income	4,535	2,775	4,535	2,775
Gain on disposal of non-current assets held for sale	-	53,893	-	53,893
Administrative expenses	(6,869)	(6,614)	(6,869)	(6,614)
Other expenses	(18)	(51)	(18)	(51)
Operating profit	3,967	43,187	3,967	43,187
Finance costs	(2,061)	(2,857)	(2,061)	(2,857)
Profit before tax	1,906	40,330	1,906	40,330
Taxation	832	(4,127)	832	(4,127)
Profit for the period	2,738	36,203	2,738	36,203
Other comprehensive income:				
Item that will be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	1,733	4,108	1,733	4,108
	1,733	4,108	1,733	4,108
Total comprehensive income for the period	4,471	40,311	4,471	40,311
Profit/(loss) for the period attributable to:				
Owners of the Company	3,554	36,947	3,554	36,947
Non-controlling interests	(816)	(744)	(816)	(744)
	2,738	36,203	2,738	36,203
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	5,005	40,381	5,005	40,381
Non-controlling interests	(534)	(70)	(534)	(70)
	4,471	40,311	4,471	40,311
Earnings per share attributable to owners of the Company:				
Basic (sen)	1.69	17.62	1.69	17.62
Diluted (sen)	1.69	17.62	1.69	17.62

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 July 2020	As at Preceding Financial Year End 30 April 2020
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	677,381	679,144
Right-of-use assets	810,410	814,681
Goodwill on consolidation	82,474	82,474
Intangible asset	29,004	29,136
Other asset	3,740	3,616
	<u>1,603,009</u>	<u>1,609,051</u>
Current Assets		
Inventories	29,840	35,785
Biological assets	6,874	5,454
Trade and other receivables	74,003	69,104
Income tax recoverable	12,432	13,076
Financial assets at fair value through profit or loss	25,674	23,412
Cash and bank balances	27,122	35,121
	<u>175,945</u>	<u>181,952</u>
TOTAL ASSETS	<u>1,778,954</u>	<u>1,791,003</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	255,375	255,375
Other reserves	(11,629)	(11,748)
Retained earnings	1,066,435	1,074,135
Equity attributable to owners of the Company	<u>1,310,181</u>	<u>1,317,762</u>
Non-controlling interests	35,629	36,163
Total equity	<u>1,345,810</u>	<u>1,353,925</u>
Non-Current Liabilities		
Bank borrowings	56,096	56,821
Lease liabilities	6,618	6,757
Retirement benefit obligation	810	805
Other payable	1,195	1,530
Deferred tax liabilities	198,896	201,233
	<u>263,615</u>	<u>267,146</u>
Current Liabilities		
Bank borrowings	96,057	96,291
Lease liabilities	543	535
Trade and other payables	60,343	73,106
Dividend payable	12,586	-
	<u>169,529</u>	<u>169,932</u>
Total liabilities	<u>433,144</u>	<u>437,078</u>
TOTAL EQUITY AND LIABILITIES	<u>1,778,954</u>	<u>1,791,003</u>
Net assets per share attributable to owners of the Company (RM)	<u>6.25</u>	<u>6.28</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2020**

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable Other Reserves	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period Ended 31 July 2020</u>						
Balance at 1 May 2020	255,375	(11,748)	1,074,135	1,317,762	36,163	1,353,925
Total comprehensive income/(loss) for the period	-	1,451	3,554	5,005	(534)	4,471
Transactions with owners:						
Employee share options expired	-	(1,332)	1,332	-	-	-
Dividend	-	-	(12,586)	(12,586)	-	(12,586)
	-	(1,332)	(11,254)	(12,586)	-	(12,586)
Balance at 31 July 2020	255,375	(11,629)	1,066,435	1,310,181	35,629	1,345,810

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2020 - CONT'D**

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable Other Reserves	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period Ended 31 July 2019</u>						
Balance at 1 May 2019	254,935	(10,894)	1,074,485	1,318,526	38,064	1,356,590
Total comprehensive income/(loss) for the period	-	3,434	36,947	40,381	(70)	40,311
Transactions with owners:						
Fair value of share options granted to eligible employees	-	27	-	27	-	27
Dividend	-	-	(12,581)	(12,581)	-	(12,581)
	-	27	(12,581)	(12,554)	-	(12,554)
Balance at 31 July 2019	254,935	(7,433)	1,098,851	1,346,353	37,994	1,384,347

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2020**

	Period Ended 31 July 2020	Period Ended 31 July 2019
	RM'000	RM'000
Operating Activities		
Profit before tax	1,906	40,330
Adjustments for:		
Amortisation of intangible asset	-	134
Depreciation of property, plant and equipment	11,693	11,615
Depreciation of right-of-use assets	3,579	3,530
Fair value changes on biological assets (net)	(1,416)	(198)
Fair value of share options expensed off	-	27
Gain on disposal of:		
- non-current assets held for sale	-	(53,893)
- property, plant and equipment	(34)	(11)
Interest expense	2,061	2,857
Interest income	(146)	(294)
Property, plant and equipment written off	-	51
Realised fair value gains on financial assets at fair value through profit or loss	(162)	(243)
Unrealised foreign exchange gain	(2,157)	(1,355)
Operating cash flows before changes in working capital	15,324	2,550
Decrease/(increase) in inventories	6,131	(17,015)
(Increase)/decrease in trade and other receivables	(4,607)	8,455
(Decrease)/increase in trade and other payables	(11,939)	11,542
Cash flows from operations	4,909	5,532
Interest received	160	288
Interest paid	(2,104)	(3,273)
Taxes paid	(941)	(3,825)
Net cash flows from/(used in) operating activities	2,024	(1,278)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2020 - CONT'D**

	<u>Period Ended</u> <u>31 July 2020</u>	<u>Period Ended</u> <u>31 July 2019</u>
	<u>RM'000</u>	<u>RM'000</u>
Investing Activities		
Purchase of:		
- financial assets at fair value through profit or loss	(2,100)	(86,000)
- property, plant and equipment	(7,651)	(42,324)
Net proceeds from disposal of:		
- financial assets at fair value through profit or loss	-	16,700
- non-current assets held for sale	-	95,456
- property, plant and equipment	102	76
Additions of:		
- other asset	(100)	(173)
- right-of-use assets	-	(1,657)
Net withdrawal of other investment	-	19
Net cash flows used in investing activities	<u>(9,749)</u>	<u>(17,903)</u>
Financing Activities		
Drawdown of term loan	-	7,763
Payment of principal portion of lease liabilities	(131)	(60)
Net cash flows (used in)/from financing activities	<u>(131)</u>	<u>7,703</u>
Net change in cash and bank balances	(7,856)	(11,478)
Effect of foreign exchange rate changes	(143)	73
Cash and bank balances at beginning of period	35,121	46,854
Cash and bank balances at end of period	<u>27,122</u>	<u>35,449</u>
Cash and bank balances comprise:		
Cash on hand and at banks	10,048	7,975
Short-term deposits with licensed financial institutions	17,074	27,474
	<u>27,122</u>	<u>35,449</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 JULY 2020

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 2020. 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 2020.

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 2020 except for the adoption of the following standards effective for the financial year beginning 1 May 2020:

Effective for annual periods beginning on or after 1 January 2020

Amendments to MFRS 3 Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139 Interest Rate Benchmark Reform
Amendments to MFRS 101 Definition of Material
Amendments to MFRS 108 Definition of Material

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

A3. Seasonal or Cyclical Nature of Operations

Production of oil palm fresh fruits bunches ("FFB") is influenced by weather.

The FFB production of the Group for the three months ended 31 July 2020 was 13% or 11,193 tonnes higher than that of the corresponding period in the preceding year.

For Malaysian operations, FFB production for the three months ended 31 July 2020 grew by 12% or 8,952 tonnes from the corresponding period in the preceding year mainly due to increase in yield from Sabah estates.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A3. Seasonal or Cyclical Nature of Operations - Cont'd

For Indonesian operations, FFB production for the three months ended 31 July 2020 grew by 23% or 2,241 tonnes from the corresponding period in the preceding year mainly due to the increase in yield from the young mature areas and higher productivity.

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 July 2020.

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 July 2020.

A6. Changes in Debt and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities during the period ended 31 July 2020.

Pursuant to the By-Laws approved by the shareholders of the Company at Extraordinary General Meeting held on 29 August 2009, the ESOS implemented on 18 June 2010 and in force for 10 years expired on 17 June 2020. Upon expiry of the ESOS, the share options forfeited and lapsed totalled 7,435,400. The expiry of ESOS does not have any material impact on the financial statements of the Group.

A7. Dividends Paid

A second interim single-tier dividend of 6 sen in respect of financial year ended 30 April 2020 amounting to RM12,586,000 was declared on 23 June 2020 and paid on 14 August 2020.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A8. Segmental Information****(a) Business Segments**

	Current Quarter Ended 31 July 2020 RM'000	Cumulative 3 Months Ended 31 July 2020 RM'000
Segment Revenue		
Plantation revenue	98,449	98,449
Elimination of inter-companies' sales	(11,663)	(11,663)
External sales	<u>86,786</u>	<u>86,786</u>
Segment Profit/(Loss)		
Plantations:		
- Malaysian operations	5,818	5,818
- Indonesian operations (Kalimantan)	(5,468)	(5,468)
- Indonesian operations (Sulawesi)	(237)	(237)
Investment holding	<u>1,793</u>	<u>1,793</u>
Profit before tax	1,906	1,906
Taxation	832	832
Profit for the period	<u>2,738</u>	<u>2,738</u>
		As at End of Current Quarter 31 July 2020 RM'000
Segment Assets		
Plantations		1,726,151
Investment holding		52,803
Consolidated total assets		<u>1,778,954</u>
Segment Liabilities		
Plantations		280,837
Investment holding		152,307
Consolidated total liabilities		<u>433,144</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A8. Segmental Information - Cont'd****(b) Geographical Segments**

	Current Quarter Ended 31 July 2020 RM'000	Cumulative 3 Months Ended 31 July 2020 RM'000
Segment Revenue		
Malaysia	66,939	66,939
Indonesia	19,847	19,847
Consolidated total revenue	<u>86,786</u>	<u>86,786</u>
Segment Profit/(Loss)		
Malaysia	8,753	8,753
Indonesia	(6,847)	(6,847)
Profit before tax	1,906	1,906
Taxation	832	832
Profit for the period	<u>2,738</u>	<u>2,738</u>
		As at End of Current Quarter 31 July 2020 RM'000
Segment Assets		
Malaysia		1,212,462
Indonesia		566,492
Consolidated total assets		<u>1,778,954</u>
Segment Liabilities		
Malaysia		326,185
Indonesia		106,959
Consolidated total liabilities		<u>433,144</u>

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 JULY 2020

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 July 2020 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 period ended 31 July 2020.

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 2020.

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 bearer plants	1,073
Purchase of other property, plant and equipment	7,381
	<u>8,454</u>
Capital expenditure approved but not contracted for:	
Additions of bearer plants	19,374
Purchase of other property, plant and equipment	25,164
	<u>44,538</u>
	<u>52,992</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A13. Related Party Disclosures**

In addition to the inter-companies' sales as disclosed in Note A8(a), the Group had the following transactions and balances with related parties during the current quarter and current financial year-to-date ended 31 July 2020:

(a) Transaction with Related Parties

	Current Quarter Ended 31 July 2020 RM'000	Cumulative 3 Months Ended 31 July 2020 RM'000
Companies in which certain directors of the Companies are directors		
- Sale of FFB	152	152
- Purchase of fertiliser	267	267
	267	267

(b) Balances with Related Parties

	As at End of Current Quarter 31 July 2020 RM'000
Companies in which certain directors of the Companies are directors	
- Trade receivable	152
- Trade payable	267
	267

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****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****Current Quarter vs. Preceding Year Corresponding Quarter**

	Individual Quarter		
	Current Quarter Ended 31 July 2020	Preceding Year Corresponding Quarter Ended 31 July 2019	Variance
	RM'000	RM'000	%
Revenue	86,786	43,330	100%
Operating profit	3,967	43,187	-91%
Profit before tax	1,906	40,330	-95%
Profit after tax	2,738	36,203	-92%
Profit attributable to owners of the Company	3,554	36,947	-90%
Additional information: <u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	5,818	(7,297)	180%
- Indonesian operations (Kalimantan)	(5,468)	(6,140)	11%
- Indonesian operations (Sulawesi)	(237)	(178)	-33%
Investment holding	1,793	52	3348%
Gain on disposal of non-current assets held for sale	-	53,893	-100%
Profit before tax	1,906	40,330	-95%
<u>Breakdown of profit before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	14,902	3,865	286%
- Indonesian operations (Kalimantan)	687	(1,407)	149%
- Indonesian operations (Sulawesi)	(213)	(39)	-446%
EBITDA	15,376	2,419	536%
Depreciation and amortisation	(15,272)	(15,279)	0%
Fair value changes on biological assets (net)	1,416	198	615%
Investment income	308	537	-43%
Net foreign exchange gain	2,139	1,419	51%
Interest expense	(2,061)	(2,857)	28%
Plantations + investment holding results	1,906	(13,563)	114%
Gain on disposal of non-current assets held for sale	-	53,893	-100%
Profit before tax	1,906	40,330	-95%

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B1. Review of Performance - Cont'd****Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd**

	Individual Quarter		
	Current Quarter Ended 31 July 2020	Preceding Year Corresponding Quarter Ended 31 July 2019	Variance
Additional information (cont'd):			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,347	19,291	-5%
- Indonesia	5,566	5,262	6%
Total mature area	23,913	24,553	-3%
Immature area:			
- Malaysia	654	513	27%
- Indonesia	2,130	1,614	32%
Total immature area	2,784	2,127	31%
Total planted area	26,697	26,680	0%
<u>FFB production (tonne)</u>			
- Malaysia	85,772	76,820	12%
- Indonesia	11,869	9,628	23%
Total FFB production	97,641	86,448	13%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.68	3.98	17%
- Indonesia	2.13	1.83	17%
Group FFB yield	4.08	3.52	16%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	2,328	1,946	20%
Average PK price/tonne	1,334	1,094	22%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	2,091	1,688	24%
Average PK price/tonne	1,044	920	13%

During the current quarter ended 31 July 2020, the Group recorded a pretax profit of RM1.9 million compared with a pretax profit of RM40.3 million in the corresponding quarter of the preceding year which included a gain on disposal of non-current assets held for sale of RM53.9 million.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 July 2020, the Group recorded a plantation profit of RM5.8 million compared with a plantation loss of RM7.3 million in the corresponding quarter of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM14.9 million which was 286% higher than RM3.9 million in the corresponding quarter of the preceding year.

Higher EBITDA in the current quarter was mainly due to higher average crude palm oil ("CPO") price of RM2,328/tonne (preceding year: RM1,946/tonne) and palm kernel ("PK") price of RM1,334/tonne (preceding year: RM1,094/tonne), higher FFB production by 12% or 8,952 tonnes as well as lower unit cost of production.

Indonesian operations (Kalimantan)

Plantation losses for the current quarter and corresponding quarter of the preceding year amounted to RM5.5 million and RM6.1 million respectively. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an EBITDA of RM0.7 million compared with a loss of RM1.4 million in the corresponding quarter of the preceding year.

In the current quarter, FFB production in Indonesian operations grew by 23% or 2,241 tonnes. EBITDA recorded in the current quarter compared with a loss in the corresponding quarter of the preceding year was mainly due to improved yields as well as higher average CPO price of RM2,091/tonne (preceding year: RM1,688/tonne) and PK price of RM1,044/tonne (preceding year: RM920/tonne).

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FOR THE FIRST QUARTER ENDED 31 JULY 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B1. Review of Performance - Cont'd****Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd****Investment Income**

Detailed breakdown of investment income is as follows:

	Individual Quarter		
	Current Quarter Ended 31 July 2020	Preceding Year Corresponding Quarter Ended 31 July 2019	Variance
	RM'000	RM'000	%
Interest income	146	294	-50%
Fair value gains on financial assets at fair value through profit or loss	162	243	-33%
	308	537	-43%

Investment income of current quarter and corresponding quarter of the preceding year consist of interest income and fair value gains on financial assets at fair value through profit or loss.

B2. Comparison with Preceding Quarter's Results

	Individual Quarter		
	Current Quarter Ended 31 July 2020	Preceding Quarter Ended 30 April 2020	Variance
	RM'000	RM'000	%
Revenue	86,786	86,187	1%
Operating profit/(loss)	3,967	(69,497)	106%
Profit/(loss) before tax	1,906	(72,095)	103%
Profit/(loss) after tax	2,738	(61,662)	104%
Profit/(loss) attributable to owners of the Company	3,554	(60,751)	106%
Additional information: Segmental results (RM'000)			
Plantations:			
- Malaysian operations	5,818	(2,302)	353%
- Indonesian operations (Kalimantan)	(5,468)	(3,597)	-52%
- Indonesian operations (Sulawesi)	(237)	(285)	17%
Investment holding	1,793	(9,098)	120%
Impairment of bearer plants	-	(56,813)	100%
Profit/(loss) before tax	1,906	(72,095)	103%

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

	Individual Quarter		
	Current Quarter Ended 31 July 2020	Preceding Quarter Ended 30 April 2020	Variance
Additional information (cont'd):			
<u>Breakdown of profit/(loss) before tax</u> (RM'000)			
Plantations:			
- Malaysian operations	14,902	10,551	41%
- Indonesian operations (Kalimantan)	687	3,854	-82%
- Indonesian operations (Sulawesi)	(213)	(352)	39%
EBITDA	15,376	14,053	9%
Depreciation and amortisation	(15,272)	(17,069)	11%
Fair value changes on biological assets (net)	1,416	(1,376)	203%
Investment income	308	280	10%
Net foreign exchange gain/(loss)	2,139	(8,572)	125%
Interest expense	(2,061)	(2,598)	21%
Plantations + investment holding results	1,906	(15,282)	112%
Impairment of bearer plants	-	(56,813)	100%
Profit/(loss) before tax	1,906	(72,095)	103%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,347	18,321	0%
- Indonesia	5,566	5,262	6%
Total mature area	23,913	23,583	1%
Immature area:			
- Malaysia	654	680	-4%
- Indonesia	2,130	2,291	-7%
Total immature area	2,784	2,971	-6%
Total planted area	26,697	26,554	1%
<u>FFB production (tonne)</u>			
- Malaysia	85,772	80,783	6%
- Indonesia	11,869	17,332	-32%
Total FFB production	97,641	98,115	0%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.68	4.41	6%
- Indonesia	2.13	3.29	-35%
Group FFB yield	4.08	4.16	-2%
<u>Average price for Malaysian operations</u> (RM)			
Average CPO price/tonne	2,328	2,496	-7%
Average PK price/tonne	1,334	1,437	-7%

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	Individual Quarter		
	Current Quarter Ended 31 July 2020	Preceding Quarter Ended 30 April 2020	Variance
Additional information (cont'd):			
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	2,091	2,272	-8%
Average PK price/tonne	1,044	1,149	-9%

During the current quarter ended 31 July 2020, the Group recorded a pretax profit of RM1.9 million compared with a pretax loss of RM72.1 million in the preceding quarter which included an impairment loss of bearer plants of RM56.8 million.

Comments on the business segments are as follows:

PlantationsMalaysian operations

During the current quarter ended 31 July 2020, the Group recorded a plantation profit of RM5.8 million compared with a plantation loss of RM2.3 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an EBITDA of RM14.9 million which was 41% higher than RM10.6 million in the preceding quarter.

Higher EBITDA in the current quarter was mainly due to lower unit cost of production and higher FFB production by 6% or 4,989 tonnes despite lower average CPO price of RM2,328/tonne (preceding quarter: RM2,496/tonne) and PK price of RM1,334/tonne (preceding quarter: RM1,437/tonne).

Indonesian operations (Kalimantan)

Plantation losses for the current and preceding quarters amounted to RM5.5 million and RM3.6 million respectively. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an EBITDA of RM0.7 million which was 82% lower than RM3.9 million in the preceding quarter.

Lower EBITDA in the current quarter was mainly due to lower average CPO price of RM2,091/tonne (preceding quarter: RM2,272/tonne) and PK price of RM1,044/tonne (preceding quarter: RM1,149/tonne), lower FFB production by 32% or 5,463 tonnes as well as higher unit cost of production.

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Detailed breakdown of investment income is as follows:

	Individual Quarter		
	Current Quarter Ended 31 July 2020	Preceding Quarter Ended 30 April 2020	Variance
	RM'000	RM'000	%
Interest income	146	109	34%
Fair value gains on financial assets at fair value through profit or loss	162	171	-5%
	308	280	10%

Investment income of current and preceding quarters consist of interest income and fair value gains on financial assets at fair value through profit or loss.

B3. Current Year Prospects

The Group expects FFB production to increase during the financial year ending 30 April 2021 ("FY 2021") due to higher yields, better age profile and an increase in mature area in oil palm estates in Kalimantan, Indonesia.

Management's priority remains focused on improving labour productivity and cost efficiency as well as increasing FFB yield.

The rising trend of CPO prices coupled with higher FFB production are expected to improve the Group's financial results. However, the Group is cautious in view of the uncertainty of the world economy due to the pandemic.

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 July 2020.

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

	Current Quarter Ended 31 July 2020 RM'000	Cumulative 3 Months Ended 31 July 2020 RM'000
Fair value changes on biological assets (net)	(1,416)	(1,416)
Gain on disposal of property, plant and equipment	(34)	(34)
Interest income	(146)	(146)
Net foreign exchange loss/(gain):		
- realised	18	18
- unrealised	(2,157)	(2,157)
Realised fair value gains on financial assets at fair value through profit or loss	(162)	(162)
Depreciation of property, plant and equipment	11,693	11,693
Depreciation of right-of-use assets	3,579	3,579
Interest expense	2,061	2,061

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. Taxation

	Current Quarter Ended 31 July 2020 RM'000	Cumulative 3 Months Ended 31 July 2020 RM'000
Current tax expense	1,445	1,445
Withholding tax	216	216
Deferred tax expense	(2,493)	(2,493)
	<u>(832)</u>	<u>(832)</u>

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The reversal of deferred tax expense for the current quarter and current financial year-to-date ended 31 July 2020 was mainly due to recognition of deferred tax income arising from losses in the Indonesian operations.

B7. Status of Corporate Proposals

There is no corporate proposal announced by the Group or pending completion as at 24 September 2020.

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 July 2020

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	192,768	56,096
Short-term		
- Term loan (USD'000)	5,000	21,215
- Term loan (IDR million)	9,316	2,711
- Revolving credit - 1 (USD'000)	17,000	72,131
Total bank borrowings		152,153
Exchange rate used:	USD1 =	4.2430
	IDR1,000 =	0.291

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	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (USD'000)	5,000	20,653
- Term loan (IDR million)	187,391	55,280
Short-term		
- Term loan (USD'000)	15,000	61,958
- Revolving credit - 1 (USD'000)	15,000	61,958
- Revolving credit - 2 (USD'000)	4,314	17,819
Total bank borrowings		217,668
Exchange rate used:	USD1 =	4.1305
	IDR1,000 =	0.295

- (a) The USD term loan carries an interest rate based on the bank's cost of funds + 0.75% to 1% per annum.
- (b) The USD revolving credit - 1 carries an interest rate based on the bank's cost of funds + 0.75% to 1% per annum.
- (c) The USD revolving credit - 2 carries an interest rate based on the bank's cost of funds + 0.75% 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 July 2020.

B9. Material Litigation

There was no material litigation since the last reporting date as at 30 April 2020.

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	As at End of Current Quarter 31 July 2020	As at Preceding Financial Year End 30 April 2020
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	622,289	632,460
- unrealised	460,982	457,631
	<u>1,083,271</u>	<u>1,090,091</u>
Less: Consolidation adjustments	(16,836)	(15,956)
Total Group's retained earnings as per consolidated statement of financial position	<u>1,066,435</u>	<u>1,074,135</u>

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

Basic earnings per share are calculated by dividing profit 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 July 2020	Cumulative 3 Months Ended 31 July 2020
Profit for the period attributable to owners of the Company (RM'000)	3,554	3,554
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,769
Basic earnings per share (sen)	<u>1.69</u>	<u>1.69</u>

(b) Diluted earnings per share

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 under review.

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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 2020.

B13. Dividends

A second interim single-tier dividend of 6 sen in respect of financial year ended 30 April 2020 amounting to RM12,586,000 was declared on 23 June 2020 and paid on 14 August 2020.

No dividend has been declared in respect of the current quarter ended 31 July 2020.

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 24 September 2020.

By order of the Board,
Yong Yoke Hiong (MAICSA 7021707)
Pang Poh Chen (MACS 01405)
Company Secretaries
Melaka, 24 September 2020