

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

	Individual Quarter 3 Months Ended 31 July		Cumulative Quarter 3 Months Ended 31 July	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue	167,440	114,868	167,440	114,868
Cost of sales	(125,136)	(83,200)	(125,136)	(83,200)
Gross profit	42,304	31,668	42,304	31,668
Other income	1,549	3,048	1,549	3,048
Administrative expenses	(6,411)	(6,056)	(6,411)	(6,056)
Other expenses	(4,138)	(16)	(4,138)	(16)
Operating profit	33,304	28,644	33,304	28,644
Interest expense	(1,515)	(1,390)	(1,515)	(1,390)
Profit before tax	31,789	27,254	31,789	27,254
Taxation	(8,286)	(5,973)	(8,286)	(5,973)
Profit for the period	23,503	21,281	23,503	21,281
Other comprehensive income:				
Item that will be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	(197)	6,293	(197)	6,293
	(197)	6,293	(197)	6,293
Total comprehensive income for the period	23,306	27,574	23,306	27,574
Profit/(loss) for the period attributable to:				
Owners of the Company	24,303	20,845	24,303	20,845
Non-controlling interests	(800)	436	(800)	436
	23,503	21,281	23,503	21,281
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	24,114	26,120	24,114	26,120
Non-controlling interests	(808)	1,454	(808)	1,454
	23,306	27,574	23,306	27,574
Earnings per share attributable to owners of the Company:				
Basic (sen)	11.59	9.94	11.59	9.94
Diluted (sen)	11.59	9.94	11.59	9.94

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2022 and the accompanying explanatory notes attached to the interim financial statements.

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 July 2022 RM'000	As at Preceding Financial Year End 30 April 2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	667,739	671,298
Right-of-use assets	784,302	788,442
Goodwill on consolidation	82,474	82,474
Intangible asset	233	234
Other asset	3,501	3,501
Other receivables	20,582	15,647
	<u>1,558,831</u>	<u>1,561,596</u>
Current Assets		
Inventories	42,527	52,329
Biological assets	13,128	15,939
Trade and other receivables	69,813	72,574
Short term funds	25,849	75,103
Cash and bank balances	138,955	58,161
	<u>290,272</u>	<u>274,106</u>
TOTAL ASSETS	<u>1,849,103</u>	<u>1,835,702</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	255,375	255,375
Other reserve	(6,215)	(6,026)
Retained earnings	1,155,878	1,152,552
Equity attributable to owners of the Company	<u>1,405,038</u>	<u>1,401,901</u>
Non-controlling interests	38,106	38,914
Total equity	<u>1,443,144</u>	<u>1,440,815</u>
Non-Current Liabilities		
Bank borrowings	43,852	43,044
Lease liabilities	6,771	7,026
Retirement benefit obligation	1,071	1,037
Deferred tax liabilities	194,902	196,272
	<u>246,596</u>	<u>247,379</u>
Current Liabilities		
Bank borrowings	73,224	74,344
Lease liabilities	953	925
Trade and other payables	59,453	63,626
Tax payable	4,756	8,613
Dividends payable	20,977	-
	<u>159,363</u>	<u>147,508</u>
Total liabilities	<u>405,959</u>	<u>394,887</u>
TOTAL EQUITY AND LIABILITIES	<u>1,849,103</u>	<u>1,835,702</u>
Net assets per share attributable to owners of the Company (RM)	<u>6.70</u>	<u>6.68</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2022 and the accompanying explanatory notes attached to the interim financial statements.

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2022**

	Attributable to Owners of the Company			Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non- distributable Other Reserve RM'000	Distributable Retained Earnings RM'000			
<u>Period Ended 31 July 2022</u>						
Balance at 1 May 2022	255,375	(6,026)	1,152,552	1,401,901	38,914	1,440,815
Total comprehensive (loss)/income for the year	-	(189)	24,303	24,114	(808)	23,306
Transaction with owners:						
Dividends	-	-	(20,977)	(20,977)	-	(20,977)
	-	-	(20,977)	(20,977)	-	(20,977)
Balance at 31 July 2022	255,375	(6,215)	1,155,878	1,405,038	38,106	1,443,144

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2022 - CONT'D**

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable Other Reserve	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period Ended 31 July 2021</u>						
Balance at 1 May 2021	255,375	(16,387)	1,069,714	1,308,702	32,723	1,341,425
Total comprehensive income for the year	-	5,275	20,845	26,120	1,454	27,574
Transaction with owners:						
Dividend	-	-	(14,684)	(14,684)	-	(14,684)
	-	-	(14,684)	(14,684)	-	(14,684)
Balance at 31 July 2021	255,375	(11,112)	1,075,875	1,320,138	34,177	1,354,315

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2022 and the accompanying explanatory notes attached to the interim financial statements.

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2022**

	Period Ended 31 July 2022	Period Ended 31 July 2021
	RM'000	RM'000
Operating Activities		
Profit before tax	31,789	27,254
Adjustments for:		
Depreciation of property, plant and equipment	12,099	11,885
Depreciation of right-of-use assets	3,729	3,646
Fair value changes on biological assets (net) *	2,808	-
Gain on disposal of property, plant and equipment	(9)	(12)
Interest expense	1,515	1,390
Interest income	(419)	(111)
Property, plant and equipment written off	2	16
Realised fair value gains on short term funds	(250)	(67)
Unrealised fair value gains on short term funds	(54)	-
Unrealised foreign exchange loss/(gain)	1,328	(2,390)
Operating cash flows before changes in working capital	52,538	41,611
<u>Changes in working capital:</u>		
Inventories	9,785	(10,409)
Trade and other receivables	(1,455)	386
Trade and other payables	(4,240)	2,861
Cash flows from operations	56,628	34,449
Interest received	313	110
Interest paid	(1,472)	(1,360)
Taxes paid	(13,494)	(4,008)
Net cash flows from operating activities	41,975	29,191
Investing Activities		
Proceeds from disposal of property, plant and equipment	16	17
Purchase of property, plant and equipment	(8,747)	(6,764)
Net withdrawals/(placements) of short term funds	49,558	(11,240)
Net cash flows from/(used in) investing activities	40,827	(17,987)

* No fair value changes on biological assets (net) provided for the period ended 31 July 2021 as the amount involved was immaterial.

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2022 - CONT'D**

	Period Ended 31 July 2022	Period Ended 31 July 2021
	RM'000	RM'000
Financing Activities		
Repayment of term loan	(1,811)	(1,168)
Payment of principal portion of lease liabilities	(226)	(175)
Net cash flows used in financing activities	(2,037)	(1,343)
Net change in cash and bank balances	80,765	9,861
Effect of foreign exchange rate changes	29	320
Cash and bank balances at beginning of year	58,161	33,204
Cash and bank balances at end of year	138,955	43,385
Cash and bank balances comprise:		
Cash on hand and at banks	8,216	15,561
Short-term deposits with licensed financial institutions	130,739	27,824
	138,955	43,385

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2022 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

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 accordance 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 2022. 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 2022.

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 2022 except for the adoption of the following amended standards effective for the financial year beginning 1 May 2022:

Description	Effective for annual periods beginning on or after
• Annual Improvements to MFRSs 2018 - 2020	1 January 2022
• Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
• Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022
• Amendments to MFRS 137: <i>Cost of Fulfilling a Contract</i>	1 January 2022

The adoption of the above amended 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 fruit bunches ("FFB") is influenced by weather.

The FFB production of the Group for the three months ended 31 July 2022 declined by 7% or 6,886 tonnes from the corresponding period in the preceding year.

For Malaysian operations, FFB production for the three months ended 31 July 2022 was marginally lower by 126 tonnes from the corresponding period in the preceding year.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

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 2022 declined by 39% or 6,760 tonnes from the corresponding period in the preceding year as the FFB harvesting activities were affected by high rainfall and shortage of harvesters.

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 2022.

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 2022.

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 2022.

A7. Dividends Paid

A second interim single-tier dividend of 5 sen and a special single-tier dividend of 5 sen in respect of the financial year ended 30 April 2022 amounting to RM20,977,000 was declared on 28 June 2022 and paid on 19 August 2022.

A8. Segmental Information

(a) Business Segments

	Current Quarter Ended 31 July 2022	Cumulative 3 Months Ended 31 July 2022
	RM'000	RM'000
Segment Revenue		
Plantation revenue	195,719	195,719
Elimination of inter-companies' sales	(28,279)	(28,279)
External sales	167,440	167,440

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A8. Segmental Information - Cont'd

(a) Business Segments - Cont'd

	Current Quarter Ended 31 July 2022 RM'000	Cumulative 3 Months Ended 31 July 2022 RM'000
Segment Profit/(Loss)		
Plantations:		
- Malaysian operations	36,171	36,171
- Indonesian operations (Kalimantan)	(3,238)	(3,238)
- Indonesian operations (Sulawesi)	(48)	(48)
Investment holding	(1,096)	(1,096)
Profit before tax	31,789	31,789
Taxation	(8,286)	(8,286)
Profit for the period	23,503	23,503
		As at End of Current Quarter 31 July 2022 RM'000
Segment Assets		
Plantations		1,684,173
Investment holding		164,930
Consolidated total assets		1,849,103
Segment Liabilities		
Plantations		288,808
Investment holding		117,151
Consolidated total liabilities		405,959

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A8. Segmental Information - Cont'd

(b) Geographical Segments

	Current Quarter Ended 31 July 2022 RM'000	Cumulative 3 Months Ended 31 July 2022 RM'000
Segment Revenue		
Malaysia	141,967	141,967
Indonesia	25,473	25,473
Consolidated total revenue	<u>167,440</u>	<u>167,440</u>
Segment Profit/(Loss)		
Malaysia	34,897	34,897
Indonesia	(3,108)	(3,108)
Profit before tax	31,789	31,789
Taxation	(8,286)	(8,286)
Profit for the period	<u>23,503</u>	<u>23,503</u>
		As at End of Current Quarter 31 July 2022 RM'000
Segment Assets		
Malaysia		1,297,296
Indonesia		551,807
Consolidated total assets		<u>1,849,103</u>
Segment Liabilities		
Malaysia		318,454
Indonesia		87,505
Consolidated total liabilities		<u>405,959</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

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 2022 to the date of this announcement that had not been reflected in this interim financial statements except for the following:

Extension of leasehold land in Machap Estate

The Group has obtained the final approval from the Melaka State Authority for the Group's application to extend the lease tenure of three pieces of leasehold land in Machap Estate, measuring about 315 hectares, for another 99 years for a premium sum of RM36.7 million.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 31 July 2022.

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 2022.

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	2,219
Additions of right-of-use assets	36,687
Purchase of other property, plant and equipment	25,528
	<u>64,434</u>
Capital expenditure approved but not contracted for:	
Additions of bearer plants	24,819
Purchase of other property, plant and equipment	29,946
	<u>54,765</u>
	<u>119,199</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

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 2022:

(a) Transactions with Related Parties

	Current Quarter Ended 31 July 2022 RM'000	Cumulative 3 Months Ended 31 July 2022 RM'000
Companies in which certain directors of the Company are directors		
- Sale of FFB	575	575
- Purchase of fertiliser	1,751	1,751
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(b) Balance with Related Party

	As at End of Current Quarter 31 July 2022 RM'000
Company in which certain directors of the Company are directors	
- Trade payable	1,245
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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

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 2022	Preceding Year Corresponding Quarter Ended 31 July 2021	Variance
	RM'000	RM'000	%
Revenue	167,440	114,868	46%
Operating profit	33,304	28,644	16%
Profit before tax	31,789	27,254	17%
Profit after tax	23,503	21,281	10%
Profit attributable to owners of the Company	24,303	20,845	17%
Additional information: Segmental results (RM'000)			
Plantations:			
- Malaysian operations	36,171	24,145	50%
- Indonesian operations (Kalimantan)	(3,238)	906	-457%
- Indonesian operations (Sulawesi)	(48)	(73)	34%
Investment holding	(1,096)	2,276	-148%
Profit before tax	31,789	27,254	17%
Breakdown of profit/(loss) before tax (RM'000)			
Plantations:			
- Malaysian operations	49,204	34,694	42%
- Indonesian operations (Kalimantan)	3,356	6,956	-52%
- Indonesian operations (Sulawesi)	(17)	(44)	61%
EBITDA	52,543	41,606	26%
Depreciation	(15,828)	(15,531)	-2%
Fair value changes on biological assets (net) *	(2,808)	-	-100%
Investment income	723	178	306%
Net foreign exchange (loss)/gain	(1,326)	2,391	-155%
Interest expense	(1,515)	(1,390)	-9%
Profit before tax	31,789	27,254	17%

* No fair value changes on biological assets (net) provided in the preceding year corresponding quarter as the amount involved was immaterial.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

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 2022	Preceding Year Corresponding Quarter Ended 31 July 2021	Variance
Additional information (cont'd):			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,109	18,176	0%
- Indonesia	6,073	5,827	4%
Total mature area	24,182	24,003	1%
Immature area:			
- Malaysia	795	703	13%
- Indonesia	1,788	2,032	-12%
Total immature area	2,583	2,735	-6%
Total planted area	26,765	26,738	0%
<u>FFB production (tonne)</u>			
- Malaysia	81,582	81,708	0%
- Indonesia	10,553	17,313	-39%
Total FFB production	92,135	99,021	-7%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.50	4.49	0%
- Indonesia	1.74	2.97	-42%
Group FFB yield	3.81	4.12	-8%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	5,606	3,776	48%
Average PK price/tonne	2,926	2,542	15%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	4,225	3,075	37%
Average PK price/tonne	3,535	1,985	78%

During the current quarter ended 31 July 2022, the Group recorded a pre-tax profit of RM31.8 million which was 17% higher than RM27.3 million in the corresponding quarter of the preceding year.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

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 2022, the Malaysian operations recorded a plantation profit of RM36.2 million which was 50% higher than RM24.1 million in the corresponding quarter of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM49.2 million which was 42% higher than RM34.7 million in the corresponding quarter of the preceding year.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM5,606/tonne (preceding year: RM3,776/tonne) and PK price of RM2,926/tonne (preceding year: RM2,542/tonne).

Indonesian operations (Kalimantan)

During the current quarter ended 31 July 2022, the Indonesian operations (Kalimantan) recorded a plantation loss of RM3.2 million compared with a plantation profit of RM0.9 million in the corresponding quarter of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Indonesian operations (Kalimantan) recorded an EBITDA of RM3.4 million which was 52% lower than RM7.0 million in the corresponding quarter of the preceding year.

Lower EBITDA in the current quarter was mainly due to the lower production by 39% or 6,760 tonnes as well as the higher unit cost of production incurred despite the higher average CPO price of RM4,225/tonne (preceding year: RM3,075/tonne) and PK price of RM3,535/tonne (preceding year: RM1,985/tonne).

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

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

Investment Holding

Detailed breakdown of investment holding results is as follows:

	Individual Quarter		
	Current Quarter Ended 31 July 2022	Preceding Year Corresponding Quarter Ended 31 July 2021	Variance
	RM'000	RM'000	%
Interest income	419	111	277%
Fair value gains on short term funds	304	67	354%
Interest expense	(493)	(293)	-68%
Net foreign exchange (loss)/gain	(1,326)	2,391	-155%
	(1,096)	2,276	-148%

Investment loss of RM1.1 million in the current quarter was attributable to net foreign exchange loss of RM1.3 million and interest expense of RM0.5 million, net of interest income of RM0.4 million and fair value gains on short term funds of RM0.3 million.

Investment income of RM2.3 million in the corresponding quarter of the preceding year was mainly attributable to net foreign exchange gain of RM2.4 million, net of interest expense of RM0.3 million.

B2. Comparison with Preceding Quarter's Results

	Individual Quarter		
	Current Quarter Ended 31 July 2022	Preceding Quarter Ended 30 April 2022	Variance
	RM'000	RM'000	%
Revenue	167,440	147,451	14%
Operating profit	33,304	30,548	9%
Profit before tax	31,789	29,138	9%
Profit after tax	23,503	20,315	16%
Profit attributable to owners of the Company	24,303	21,009	16%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 JULY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

	Individual Quarter		
	Current Quarter Ended 31 July 2022	Preceding Quarter Ended 30 April 2022	Variance
Additional information:			
<u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	36,171	42,568	-15%
- Indonesian operations (Kalimantan)	(3,238)	(1,265)	-156%
- Indonesian operations (Sulawesi)	(48)	(178)	73%
Investment holding	(1,096)	3,058	-136%
Discounting value of Plasma receivables	-	(2,709)	100%
Impairment of intangible asset	-	(12,336)	100%
Profit before tax	31,789	29,138	9%
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	49,204	51,419	-4%
- Indonesian operations (Kalimantan)	3,356	5,206	-36%
- Indonesian operations (Sulawesi)	(17)	(144)	88%
EBITDA	52,543	56,481	-7%
Depreciation	(15,828)	(16,061)	1%
Fair value changes on biological assets (net)	(2,808)	1,733	-262%
Investment income	723	469	54%
Net foreign exchange (loss)/gain	(1,326)	2,971	-145%
Interest expense	(1,515)	(1,410)	-7%
Plantations + investment holding results	31,789	44,183	-28%
Discounting value of Plasma receivables	-	(2,709)	100%
Impairment of intangible asset	-	(12,336)	100%
Profit before tax	31,789	29,138	9%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,109	18,125	0%
- Indonesia	6,073	5,827	4%
Total mature area	24,182	23,952	1%
Immature area:			
- Malaysia	795	754	5%
- Indonesia	1,788	2,032	-12%
Total immature area	2,583	2,786	-7%
Total planted area	26,765	26,738	0%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

	Individual Quarter		
	Current Quarter Ended 31 July 2022	Preceding Quarter Ended 30 April 2022	Variance
Additional information (cont'd):			
<u>FFB production (tonne)</u>			
- Malaysia	81,582	70,058	16%
- Indonesia	10,553	10,812	-2%
Total FFB production	92,135	80,870	14%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.50	3.86	17%
- Indonesia	1.74	1.86	-6%
Group FFB yield	3.81	3.37	13%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	5,606	6,034	-7%
Average PK price/tonne	2,926	4,526	-35%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	4,225	4,015	5%
Average PK price/tonne	3,535	3,520	0%

During the current quarter ended 31 July 2022, the Group recorded a pre-tax profit of RM31.8 million which was 9% higher than RM29.1 million in the preceding quarter. Excluding the discounting value of Plasma receivables and impairment of intangible asset, the Group recorded a pre-tax profit of RM31.8 million which was 28% lower than RM44.2 million in the preceding quarter.

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 July 2022, the Malaysian operations recorded a plantation profit of RM36.2 million which was 15% lower than RM42.6 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an EBITDA of RM49.2 million which was 4% lower than RM51.4 million in the preceding quarter.

Lower EBITDA in the current quarter was mainly due to lower average CPO price of RM5,606/tonne (preceding quarter: RM6,034/tonne) and PK price of RM2,926/tonne (preceding quarter: RM4,526/tonne) even though the FFB production was higher by 16% or 11,524 tonnes.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

Plantations - Cont'd

Indonesian operations (Kalimantan)

Plantation losses were recorded for current and preceding quarters amounting to RM3.2 million and RM1.3 million respectively. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Indonesian operations (Kalimantan) recorded an EBITDA of RM3.4 million which was 36% lower than RM5.2 million in the preceding quarter mainly due to higher unit cost of production incurred.

Investment Holding

Detailed breakdown of investment holding results is as follows:

	Individual Quarter		
	Current Quarter Ended 31 July 2022	Preceding Quarter Ended 30 April 2022	Variance
	RM'000	RM'000	%
Interest income	419	131	220%
Fair value gains on short term funds	304	338	-10%
Interest expense	(493)	(382)	-29%
Net foreign exchange (loss)/gain	(1,326)	2,971	-145%
	(1,096)	3,058	-136%

Investment loss of RM1.1 million in the current quarter was attributable to net foreign exchange loss of RM1.3 million and interest expense of RM0.5 million, net of interest income of RM0.4 million and fair value gains on short term funds of RM0.3 million.

Investment income of RM3.1 million in the preceding quarter was attributable to net foreign exchange gain of RM3.0 million, fair value gains on short term funds of RM0.3 million and interest income of RM0.1 million, net of interest expense of RM0.4 million.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B3. Current Year Prospects

The Group expects FFB production to increase during the financial year ending 30 April 2023 ("FY 2023") due to higher yields and better palm age profile.

However, the management expects an increase in operating costs resulting from higher material and labour costs.

In addition, continuing acute labour shortage for Malaysian operations and high rainfall could lead to lower FFB production in the first half year of FY 2023.

Meanwhile, management's priority remains focused on improving labour productivity, mechanisation initiatives and cost efficiency as well as increasing FFB yield.

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 2022.

B5. Profit Before Tax

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

	Current Quarter Ended 31 July 2022	Cumulative 3 Months Ended 31 July 2022
	RM'000	RM'000
Depreciation of property, plant and equipment	12,099	12,099
Depreciation of right-of-use assets	3,729	3,729
Fair value changes on biological assets (net)	2,808	2,808
Fair value gains on short term funds:		
- realised	(250)	(250)
- unrealised	(54)	(54)
Gain on disposal of property, plant and equipment	(9)	(9)
Interest expense	1,515	1,515
Interest income	(419)	(419)
Net foreign exchange (gain)/loss:		
- realised	(2)	(2)
- unrealised	1,328	1,328
Property, plant and equipment written off	2	2

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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 2022 RM'000	Cumulative 3 Months Ended 31 July 2022 RM'000
Current tax expense	9,349	9,349
Withholding tax	310	310
Deferred tax expense	(1,373)	(1,373)
	8,286	8,286

The effective tax rate for the current quarter and current financial year-to-date was higher than the statutory tax rate due to certain expenses which are not deductible.

B7. Status of Corporate Proposals

There is no corporate proposal announced by the Group or pending completion as at 21 September 2022.

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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 2022

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	146,174	43,852
Short-term		
- Term loan (IDR million)	21,556	6,466
- Revolving credit (USD'000)	15,000	66,758
Total bank borrowings		117,076
Exchange rate used:	USD1	RM4.451
	IDR1,000	RM0.300

As at End of Preceding Year Corresponding Quarter 31 July 2021

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	169,750	49,567
Short-term		
- Term loan (IDR million)	20,208	5,900
- Revolving credit (USD'000)	17,000	71,783
Total bank borrowings		127,250
Exchange rate used:	USD1	RM4.223
	IDR1,000	RM0.292

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

There was no debt security as at 31 July 2022.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B9. Material Litigation

There was no material litigation since the last reporting date as at 30 April 2022.

B10. Disclosure of Realised and Unrealised Profits/Losses

	As at End of Current Quarter 31 July 2022	As at Preceding Financial Year End 30 April 2022
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	731,049	721,142
- unrealised	449,382	454,869
	<u>1,180,431</u>	<u>1,176,011</u>
Less: Consolidation adjustments	(24,553)	(23,459)
Total Group's retained earnings as per consolidated statement of financial position	<u>1,155,878</u>	<u>1,152,552</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 2022	Cumulative 3 Months Ended 31 July 2022
Profit for the period attributable to owners of the Company (RM'000)	24,303	24,303
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,769
Basic earnings per share (sen)	<u>11.59</u>	<u>11.59</u>

(b) Diluted earnings per share

The diluted earnings per ordinary share for the current quarter and current financial year-to-date ended 31 July 2022 are the same as the basic earnings per ordinary share as the Company has no potential dilutive ordinary shares.

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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 2022.

B13. Dividends

A second interim single-tier dividend of 5 sen and a special single-tier dividend of 5 sen in respect of the financial year ended 30 April 2022 amounting to RM20,977,000 was declared on 28 June 2022 and paid on 19 August 2022.

No dividend has been declared in respect of the current quarter ended 31 July 2022.

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 September 2022.

By order of the Board,

Yong Yoke Hiong (SSM PC No. 201908001562) (MAICSA 7021707)

Pang Poh Chen (SSM PC No. 201908001514) (MAICSA 7069479)

Company Secretaries

Melaka, 21 September 2022