

**UNITED MALACCA BERHAD** 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

	Individual Quarter 3 Months Ended 31 July		Cumulative Quarter 3 Months Ended 31 July	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	135,953	167,440	135,953	167,440
Cost of sales	(122,033)	(125,136)	(122,033)	(125,136)
<b>Gross profit</b>	13,920	42,304	13,920	42,304
Other income	3,206	1,549	3,206	1,549
Administrative expenses	(6,648)	(6,411)	(6,648)	(6,411)
Other expenses	(4,350)	(4,138)	(4,350)	(4,138)
<b>Operating profit</b>	6,128	33,304	6,128	33,304
Interest expense	(2,195)	(1,515)	(2,195)	(1,515)
<b>Profit before tax</b>	3,933	31,789	3,933	31,789
Taxation	(1,977)	(8,286)	(1,977)	(8,286)
<b>Profit for the period</b>	1,956	23,503	1,956	23,503
<b>Other comprehensive income:</b>				
<b>Item that will be subsequently reclassified to profit or loss:</b>				
Exchange differences on translation of foreign operations	(3,852)	(197)	(3,852)	(197)
	(3,852)	(197)	(3,852)	(197)
<b>Total comprehensive (loss)/income for the period</b>	(1,896)	23,306	(1,896)	23,306
<b>Profit/(loss) for the period attributable to:</b>				
Owners of the Company	2,676	24,303	2,676	24,303
Non-controlling interests	(720)	(800)	(720)	(800)
	1,956	23,503	1,956	23,503
<b>Total comprehensive (loss)/income for the period attributable to:</b>				
Owners of the Company	(520)	24,114	(520)	24,114
Non-controlling interests	(1,376)	(808)	(1,376)	(808)
	(1,896)	23,306	(1,896)	23,306
<b>Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	1.28	11.59	1.28	11.59
Diluted (sen)	1.28	11.59	1.28	11.59

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2023 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 2023****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 July 2023	As at Preceding Financial Year End 30 April 2023
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	674,040	681,180
Right-of-use assets	799,888	806,120
Goodwill on consolidation	82,474	82,474
Intangible asset	229	233
	<u>1,556,631</u>	<u>1,570,007</u>
<b>Current Assets</b>		
Inventories	52,107	36,288
Biological assets	12,207	10,840
Trade and other receivables	100,973	97,054
Tax recoverable	8,865	3,951
Short term funds	48,582	50,133
Cash and bank balances	49,253	73,670
	<u>271,987</u>	<u>271,936</u>
<b>TOTAL ASSETS</b>	<u>1,828,618</u>	<u>1,841,943</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	255,375	255,375
Foreign currency translation reserve	(7,145)	(3,949)
Retained earnings	1,170,377	1,182,385
<b>Equity attributable to owners of the Company</b>	<u>1,418,607</u>	<u>1,433,811</u>
Non-controlling interests	32,202	33,578
<b>Total equity</b>	<u>1,450,809</u>	<u>1,467,389</u>
<b>Non-Current Liabilities</b>		
Lease liabilities	2,444	2,404
Retirement benefit obligation	1,179	1,059
Deferred tax liabilities	193,367	194,640
	<u>196,990</u>	<u>198,103</u>
<b>Current Liabilities</b>		
Bank borrowings	107,726	110,496
Lease liabilities	633	590
Trade and other payables	57,776	65,365
Dividend payable	14,684	-
	<u>180,819</u>	<u>176,451</u>
<b>Total liabilities</b>	<u>377,809</u>	<u>374,554</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,828,618</u>	<u>1,841,943</u>
Net assets per share attributable to owners of the Company (RM)	<u>6.76</u>	<u>6.84</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2023 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 2023****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2023**

	Attributable to Owners of the Company					Total Equity RM'000
	Share Capital RM'000	Non- distributable Foreign Currency Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	
<b><u>Period Ended 31 July 2023</u></b>						
<b>Balance at 1 May 2023</b>	255,375	(3,949)	1,182,385	1,433,811	33,578	1,467,389
<b>Total comprehensive (loss)/income for the period</b>	-	(3,196)	2,676	(520)	(1,376)	(1,896)
<b>Transaction with owners:</b>						
Dividend	-	-	(14,684)	(14,684)	-	(14,684)
	-	-	(14,684)	(14,684)	-	(14,684)
<b>Balance at 31 July 2023</b>	<b>255,375</b>	<b>(7,145)</b>	<b>1,170,377</b>	<b>1,418,607</b>	<b>32,202</b>	<b>1,450,809</b>

**UNITED MALACCA BERHAD** 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2023 - CONT'D**

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

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2023 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 2023****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 JULY 2023**

	<b>Period Ended 31 July 2023</b>	<b>Period Ended 31 July 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating Activities</b>		
Profit before tax	3,933	31,789
Adjustments for:		
Depreciation of:		
- Property, plant and equipment	13,930	12,099
- Right-of-use assets	3,908	3,729
Fair value changes on biological assets (net)	(1,407)	2,808
Gain on disposal of property, plant and equipment	(52)	(9)
Interest expense	2,195	1,515
Interest income	(420)	(419)
Net fair value gains on short term funds:		
- Realised	(95)	(250)
- Unrealised	(363)	(54)
Net unrealised foreign exchange loss	4,284	1,328
Property, plant and equipment written off	65	2
<b>Operating cash flows before changes in working capital</b>	<b>25,978</b>	<b>52,538</b>
<u>Changes in working capital:</u>		
Inventories	(16,446)	9,785
Trade and other receivables	(5,313)	(1,455)
Trade and other payables	(7,208)	(4,240)
<b>Cash flows from operations</b>	<b>(2,989)</b>	<b>56,628</b>
Interest received	451	313
Interest paid	(2,160)	(1,472)
Taxes paid	(7,760)	(13,494)
<b>Net cash flows (used in)/from operating activities</b>	<b>(12,458)</b>	<b>41,975</b>
<b>Investing Activities</b>		
Net withdrawals of short term funds	2,009	49,558
Proceeds from disposal of property, plant and equipment	76	16
Purchase of property, plant and equipment	(11,108)	(8,747)
Withdrawals of short-term deposits with maturity period of more than 3 months	5,272	-
<b>Net cash flows (used in)/from investing activities</b>	<b>(3,751)</b>	<b>40,827</b>

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 JULY 2023 - CONT'D**

	<b>Period Ended 31 July 2023</b>	<b>Period Ended 31 July 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Financing Activities</b>		
Repayment of term loan	(2,789)	(1,811)
Payment of principal portion of lease liabilities	(146)	(226)
<b>Net cash flows used in financing activities</b>	<b>(2,935)</b>	<b>(2,037)</b>
<b>Net change in cash and cash equivalents</b>	<b>(19,144)</b>	<b>80,765</b>
<b>Effect of foreign exchange rate changes</b>	<b>(1)</b>	<b>29</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>68,398</b>	<b>58,161</b>
<b>Cash and cash equivalents at end of period</b>	<b>49,253</b>	<b>138,955</b>
<b>Cash and cash equivalents comprise:</b>		
Cash on hand and at banks	8,489	8,216
Short-term deposits with licensed financial institutions	40,764	130,739
	<b>49,253</b>	<b>138,955</b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2023 and the accompanying explanatory notes attached to the interim financial statements.*

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

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**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 2023. 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 2023.

**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 2023 except for the adoption of the following amended standards effective for the financial year beginning 1 May 2023:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
• MFRS 17: <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
• Amendment to MFRS 17: <i>Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
• Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
• Amendments to MFRS 108: <i>Disclosure of Accounting Estimates</i>	1 January 2023
• Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
• Amendments to MFRS 112: <i>Income Taxes</i>	1 January 2023

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**

**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 2023 was higher than that of the corresponding period in the preceding year by 12% or 11,253 tonnes.

For Malaysian operations, FFB production for the three months ended 31 July 2023 declined by 6% or 5,121 tonnes from the corresponding period in the preceding year due to seasonal low yield in Peninsular estates.

For Indonesian operations, FFB production for the three months ended 31 July 2023 grew by 155% or 16,374 tonnes from the corresponding period in the preceding year.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period ended 31 July 2023.

**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 2023.

**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 2023.

**A7. Dividend Paid**

A second interim single-tier dividend of 7 sen in respect of the financial year ended 30 April 2023 amounting to RM14,684,000 was declared on 28 June 2023 and paid on 18 August 2023.



**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**

**A8. Segmental Information**

**(a) Business Segments**

	<b>Current Quarter Ended 31 July 2023 RM'000</b>	<b>Cumulative 3 Months Ended 31 July 2023 RM'000</b>
<b>Segment Revenue</b>		
Plantation revenue	147,863	147,863
Elimination of inter-companies' sales	(11,910)	(11,910)
External sales	<u>135,953</u>	<u>135,953</u>
<b>Segment Profit/(Loss)</b>		
Plantations:		
- Malaysian operations	6,185	6,185
- Indonesian operations (Kalimantan)	2,296	2,296
- Indonesian operations (Sulawesi)	(54)	(54)
Investment holding	<u>(4,494)</u>	<u>(4,494)</u>
Profit before tax	3,933	3,933
Taxation	<u>(1,977)</u>	<u>(1,977)</u>
Profit for the period	<u>1,956</u>	<u>1,956</u>
		<b>As at End of Current Quarter 31 July 2023 RM'000</b>
<b>Segment Assets</b>		
Plantations		1,730,743
Investment holding		97,875
Consolidated total assets		<u>1,828,618</u>
<b>Segment Liabilities</b>		
Plantations		269,902
Investment holding		107,907
Consolidated total liabilities		<u>377,809</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**

**A8. Segmental Information - Cont'd**

**(b) Geographical Segments**

	<b>Current Quarter Ended 31 July 2023 RM'000</b>	<b>Cumulative 3 Months Ended 31 July 2023 RM'000</b>
<b>Segment Revenue</b>		
Malaysia	90,906	90,906
Indonesia	45,047	45,047
Consolidated total revenue	<u>135,953</u>	<u>135,953</u>
<b>Segment Profit/(Loss)</b>		
Malaysia	4,781	4,781
Indonesia	(848)	(848)
Profit before tax	3,933	3,933
Taxation	(1,977)	(1,977)
Profit for the period	<u>1,956</u>	<u>1,956</u>
		<b>As at End of Current Quarter 31 July 2023 RM'000</b>
<b>Segment Assets</b>		
Malaysia		1,268,978
Indonesia		559,640
Consolidated total assets		<u>1,828,618</u>
<b>Segment Liabilities</b>		
Malaysia		301,926
Indonesia		75,883
Consolidated total liabilities		<u>377,809</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**

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

There were no material events from the current quarter ended 31 July 2023 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 2023.

**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 2023.

**A12. Capital Commitments**

At the end of the current quarter, the Group has the following capital commitments:

	<b>RM'000</b>
<b>Capital expenditure approved and contracted for:</b>	
Additions of bearer plants	244
Purchase of other property, plant and equipment	19,180
	<u>19,424</u>
<b>Capital expenditure approved but not contracted for:</b>	
Additions of bearer plants	17,999
Construction of new palm oil mill - Malaysia	56,279
Purchase of other property, plant and equipment	36,644
	<u>110,922</u>
	<u>130,346</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

**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 2023:

**(a) Transactions with Related Parties**

	<b>Current Quarter Ended 31 July 2023 RM'000</b>	<b>Cumulative 3 Months Ended 31 July 2023 RM'000</b>
<b>Companies in which certain directors of the Company have deemed interest</b>		
- Purchase of fertiliser	871	871
- Purchase of FFB	221	221
	<hr/>	<hr/>

**(b) Balances with Related Parties**

	<b>As at End of Current Quarter 31 July 2023 RM'000</b>
<b>Companies in which certain directors of the Company have deemed interest</b>	
- Trade payables	
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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

**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 2023	Preceding Year Corresponding Quarter Ended 31 July 2022	Variance
	RM'000	RM'000	%
Revenue	135,953	167,440	-19%
Operating profit	6,128	33,304	-82%
Profit before tax	3,933	31,789	-88%
Profit after tax	1,956	23,503	-92%
Profit attributable to owners of the Company	2,676	24,303	-89%
<b>Additional information:</b> <u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	6,185	36,171	-83%
- Indonesian operations (Kalimantan)	2,296	(3,238)	171%
- Indonesian operations (Sulawesi)	(54)	(48)	-13%
Investment holding	(4,494)	(1,096)	-310%
Profit before tax	3,933	31,789	-88%
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	16,063	49,204	-67%
- Indonesian operations (Kalimantan)	9,926	3,356	196%
- Indonesian operations (Sulawesi)	(23)	(17)	-35%
EBITDA	25,966	52,543	-51%
Depreciation	(17,838)	(15,828)	-13%
Fair value changes on biological assets (net)	1,407	(2,808)	150%
Investment income	878	723	21%
Net foreign exchange loss	(4,285)	(1,326)	-223%
Interest expense	(2,195)	(1,515)	-45%
Profit before tax	3,933	31,789	-88%

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

**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 2023	Preceding Year Corresponding Quarter Ended 31 July 2022	Variance
<b>Additional information (cont'd):</b>			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,094	18,109	0%
- Indonesia	6,763	6,073	11%
Total mature area	24,857	24,182	3%
Immature area:			
- Malaysia	784	795	-1%
- Indonesia	1,105	1,788	-38%
Total immature area	1,889	2,583	-27%
Total planted area	26,746	26,765	0%
<u>FFB production (tonne)</u>			
- Malaysia	76,461	81,582	-6%
- Indonesia	26,927	10,553	155%
Total FFB production	103,388	92,135	12%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.23	4.50	-6%
- Indonesia	3.98	1.74	129%
Group FFB yield	4.16	3.81	9%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	3,781	5,606	-33%
Average PK price/tonne	1,944	2,926	-34%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	3,179	4,225	-25%
Average PK price/tonne	1,525	3,535	-57%

During the current quarter ended 31 July 2023, the Group recorded a pre-tax profit of RM3.9 million which was 88% lower than RM31.8 million in the corresponding quarter of the preceding year.

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

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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 2023, the Malaysian operations recorded a plantation profit of RM6.2 million which was 83% lower than RM36.2 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 RM16.1 million which was 67% lower than RM49.2 million in the corresponding quarter of the preceding year.

Lower EBITDA in the current quarter was mainly due to lower average CPO price of RM3,781/tonne (preceding year: RM5,606/tonne) and PK price of RM1,944/tonne (preceding year: RM2,926/tonne).

Indonesian operations (Kalimantan)

During the current quarter ended 31 July 2023, the Indonesian operations (Kalimantan) recorded a plantation profit of RM2.3 million compared with a plantation loss of RM3.2 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 RM9.9 million which was 196% higher than RM3.4 million in the corresponding quarter of the preceding year.

Higher EBITDA in the current quarter was mainly due to higher FFB production by 155% or 16,374 tonnes even though lower average CPO price of RM3,179/tonne (preceding year: RM4,225/tonne) and PK price of RM1,525/tonne (preceding year: RM3,535/tonne).

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 JULY 2023**

**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 2023	Preceding Year Corresponding Quarter Ended 31 July 2022	Variance
	RM'000	RM'000	%
Interest income	420	419	0%
Fair value gains on short term funds	458	304	51%
Interest expense	(1,087)	(493)	-120%
Net foreign exchange loss	(4,285)	(1,326)	-223%
	(4,494)	(1,096)	-310%

Investment loss of RM4.5 million in the current quarter was attributable to net foreign exchange loss of RM4.3 million and interest expense of RM1.1 million, net of fair value gains on short term funds of RM0.5 million and interest income of RM0.4 million.

Investment loss of RM1.1 million in the corresponding quarter of the preceding year 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.

**B2. Comparison with Preceding Quarter's Results**

	Individual Quarter		
	Current Quarter Ended 31 July 2023	Preceding Quarter Ended 30 April 2023	Variance
	RM'000	RM'000	%
Revenue	135,953	135,299	0%
Operating profit	6,128	15,553	-61%
Profit before tax	3,933	13,400	-71%
Profit after tax	1,956	7,870	-75%
Profit attributable to owners of the Company	2,676	8,602	-69%



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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 2023	Preceding Quarter Ended 30 April 2023	Variance
<b>Additional information:</b>			
<u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	6,185	2,954	109%
- Indonesian operations (Kalimantan)	2,296	(2,468)	193%
- Indonesian operations (Sulawesi)	(54)	(144)	63%
Investment holding	(4,494)	10,998	-141%
Impairment of other asset	-	(3,569)	100%
Loss and margin loss on termination of lease liabilities	-	(902)	100%
Net reversal of impairment of bearer plants	-	3,816	-100%
Reversal of discounting value of Plasma receivables	-	2,715	-100%
Profit before tax	3,933	13,400	-71%
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	16,063	14,346	12%
- Indonesian operations (Kalimantan)	9,926	3,996	148%
- Indonesian operations (Sulawesi)	(23)	(114)	80%
EBITDA	25,966	18,228	42%
Depreciation	(17,838)	(16,135)	-11%
Fair value changes on biological assets (net)	1,407	(577)	344%
Investment income	878	907	-3%
Net foreign exchange (loss)/gain	(4,285)	11,070	-139%
Interest expense	(2,195)	(2,153)	-2%
Plantations + investment holding results	3,933	11,340	-65%
Impairment of other asset	-	(3,569)	100%
Loss and margin loss on termination of lease liabilities	-	(902)	100%
Net reversal of impairment of bearer plants	-	3,816	-100%
Reversal of discounting value of Plasma receivables	-	2,715	-100%
Profit before tax	3,933	13,400	-71%

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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 2023	Preceding Quarter Ended 30 April 2023	Variance
<b>Additional information (cont'd):</b>			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,094	17,823	2%
- Indonesia	6,763	6,073	11%
Total mature area	24,857	23,896	4%
Immature area:			
- Malaysia	784	1,126	-30%
- Indonesia	1,105	1,795	-38%
Total immature area	1,889	2,921	-35%
Total planted area	26,746	26,817	0%
<u>FFB production (tonne)</u>			
- Malaysia	76,461	77,598	-1%
- Indonesia	26,927	17,351	55%
Total FFB production	103,388	94,949	9%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.23	4.35	-3%
- Indonesia	3.98	2.86	39%
Group FFB yield	4.16	3.97	5%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	3,781	3,999	-5%
Average PK price/tonne	1,944	2,035	-4%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	3,179	3,492	-9%
Average PK price/tonne	1,525	1,698	-10%

During the current quarter ended 31 July 2023, the Group recorded a pre-tax profit of RM3.9 million which was 71% lower than RM13.4 million in the preceding quarter. Excluding the impairment of other asset, loss and margin loss on termination of lease liabilities, net reversal of impairment of bearer plants and reversal of discounting value of Plasma receivables, the Group recorded a pre-tax profit of RM3.9 million which was 65% lower than RM11.3 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:

**Plantations**

Malaysian operations

During the current quarter ended 31 July 2023, the Malaysian operations recorded a plantation profit of RM6.2 million which was 109% higher than RM3.0 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an EBITDA of RM16.1 million which was 12% higher than RM14.3 million in the preceding quarter.

Higher EBITDA in the current quarter was mainly due to lower unit cost of production incurred.

Indonesian operations (Kalimantan)

During the current quarter ended 31 July 2023, the Indonesian operations (Kalimantan) recorded a plantation profit of RM2.3 million compared with a plantation loss of RM2.5 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Indonesian operations (Kalimantan) recorded an EBITDA of RM9.9 million which was 148% higher than RM4.0 million in the preceding quarter.

Higher EBITDA in the current quarter was mainly due to higher FFB production by 55% or 9,576 tonnes.

**Investment Holding**

Detailed breakdown of investment holding results is as follows:

	Individual Quarter		
	Current Quarter Ended 31 July 2023	Preceding Quarter Ended 30 April 2023	Variance
	RM'000	RM'000	%
Interest income	420	518	-19%
Fair value gains on short term funds	458	389	18%
Interest expense	(1,087)	(979)	-11%
Net foreign exchange (loss)/gain	(4,285)	11,070	-139%
	(4,494)	10,998	-141%

Investment loss of RM4.5 million in the current quarter was attributable to net foreign exchange loss of RM4.3 million and interest expense of RM1.1 million, net of fair value gains on short term funds of RM0.5 million and interest income of RM0.4 million.

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Investment income of RM11.0 million in the preceding quarter was attributable to net foreign exchange gain of RM11.1 million, interest income of RM0.5 million and fair value gains on short term funds of RM0.4 million, net of interest expense of RM1.0 million.

**B3. Current Year Prospects**

The Group expects FFB production to increase in the financial year ending 30 April 2024 ("FY 2024") due to better age profile and crop recovery in Indonesian operations.

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

Assuming CPO prices remain at the current level, the Group expects satisfactory results for FY 2024.

**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 2023.

**B5. Profit Before Tax**

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

	<b>Current Quarter Ended 31 July 2023 RM'000</b>	<b>Cumulative 3 Months Ended 31 July 2023 RM'000</b>
Depreciation of:		
- Property, plant and equipment	13,930	13,930
- Right-of-use assets	3,908	3,908
Fair value changes on biological assets (net)	(1,407)	(1,407)
Gain on disposal of property, plant and equipment	(52)	(52)
Interest expense	2,195	2,195
Interest income	(420)	(420)

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	<b>Current Quarter Ended 31 July 2023 RM'000</b>	<b>Cumulative 3 Months Ended 31 July 2023 RM'000</b>
Net fair value gains on short term funds:		
- realised	(95)	(95)
- unrealised	(363)	(363)
Net foreign exchange loss:		
- realised	1	1
- unrealised	4,284	4,284
Property, plant and equipment written off	<u>65</u>	<u>65</u>

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**

	<b>Current Quarter Ended 31 July 2023 RM'000</b>	<b>Cumulative 3 Months Ended 31 July 2023 RM'000</b>
Current tax expense	2,463	2,463
Withholding tax	426	426
Deferred tax expense	(912)	(912)
	<u>1,977</u>	<u>1,977</u>

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.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**

**B7. Status of Corporate Proposals**

There is no corporate proposal announced by the Group or pending completion as at 22 September 2023.

**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 2023

	<b>Foreign Currency</b>	<b>RM Equivalent RM'000</b>
<b>Secured:</b>		
Short-term		
- Term loan (IDR million)	134,386	40,181
- Revolving credit (USD'000)	15,000	67,545
Total bank borrowings		107,726
Exchange rate used:	USD1	RM4.503
	IDR1,000	RM0.299

As at End of Preceding Year Corresponding Quarter 31 July 2022

	<b>Foreign Currency</b>	<b>RM Equivalent RM'000</b>
<b>Secured:</b>		
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

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**

**B8. Group Borrowings and Debt Securities - Cont'd**

- (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 2023.

**B9. Material Litigation**

There was no material litigation since the last reporting date as at 30 April 2023.

**B10. Disclosure of Realised and Unrealised Profits/Losses**

	<b>As at End of Current Quarter 31 July 2023</b>	<b>As at Preceding Financial Year End 30 April 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- realised	761,675	767,936
- unrealised	437,676	442,206
	<u>1,199,351</u>	<u>1,210,142</u>
Less: Consolidation adjustments	(28,974)	(27,757)
Total Group's retained earnings as per consolidated statement of financial position	<u>1,170,377</u>	<u>1,182,385</u>

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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:

	<b>Current Quarter Ended 31 July 2023</b>	<b>Cumulative 3 Months Ended 31 July 2023</b>
Profit for the period attributable to owners of the Company (RM'000)	2,676	2,676
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,769
Basic earnings per share (sen)	<u>1.28</u>	<u>1.28</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 2023 are the same as the basic earnings per ordinary share as the Company has no potential dilutive ordinary shares.

**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 2023.

**B13. Dividend**

A second interim single-tier dividend of 7 sen in respect of the financial year ended 30 April 2023 amounting to RM14,684,000 was declared on 28 June 2023 and paid on 18 August 2023.

No dividend has been declared in respect of the current quarter ended 31 July 2023.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**

**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 22 September 2023.

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, 22 September 2023