

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016**

	Individual Quarter 3 Months Ended 30 April		Cumulative Quarter 12 Months Ended 30 April	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	47,901	48,066	205,736	213,152
Cost of sales	(30,794)	(32,791)	(138,647)	(141,096)
<b>Gross profit</b>	17,107	15,275	67,089	72,056
Other income	12,785	2,955	26,318	10,100
Selling and distribution expenses	(929)	(1,125)	(5,192)	(5,121)
Administrative expenses	(2,708)	(3,540)	(12,445)	(14,680)
Other expenses	(1,085)	(206)	(2,480)	(1,322)
Replanting expenses	(512)	(641)	(1,830)	(2,596)
<b>Operating profit</b>	24,658	12,718	71,460	58,437
Finance costs	(1,090)	-	(1,226)	-
<b>Profit before tax</b>	23,568	12,718	70,234	58,437
Income tax expense	(3,164)	(2,781)	(10,486)	(11,253)
<b>Profit for the period</b>	20,404	9,937	59,748	47,184
<b>Profit for the period attributable to:</b>				
Owners of the Company	20,228	9,937	59,572	47,184
Non-controlling interests	176	-	176	-
	20,404	9,937	59,748	47,184
<b>Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	9.67	4.79	28.51	22.77
Diluted (sen)	9.67	4.79	28.51	22.77

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	30 April		30 April	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<b>Comprehensive Income</b>				
<b>Profit for the period</b>	20,404	9,937	59,748	47,184
<b>Other comprehensive (loss)/income:</b>				
<b>Items that will be subsequently reclassified to profit or loss:</b>				
Net (loss)/gain on fair value changes of available-for-sale investments	(967)	169	(3,730)	(978)
Transfer of loss on disposal of available-for-sale investments to profit or loss	-	-	-	460
Foreign currencies translation	(3,407)	-	(3,407)	-
	(4,374)	169	(7,137)	(518)
<b>Total comprehensive income for the period</b>	16,030	10,106	52,611	46,666
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	16,377	10,106	52,958	46,666
Non-controlling interests	(347)	-	(347)	-
	16,030	10,106	52,611	46,666

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 30 April 2016 RM'000	As at Preceding Financial Year End 30 April 2015 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	683,930	681,453
Biological assets	955,305	846,483
Prepaid land lease payments	133,047	11,355
Investment property	1,147	1,054
Goodwill on consolidation	87,007	18,628
Available-for-sale investments	21,272	25,002
	<u>1,881,708</u>	<u>1,583,975</u>
<b>Current Assets</b>		
Inventories	17,704	8,733
Trade receivables	13,979	10,848
Other receivables	69,760	8,746
Held-for-trading investments	17,232	17,164
Held-to-maturity investments	1,005	731
Financial assets at fair value through profit or loss	22,996	110,298
Cash and bank balances	40,016	73,803
	<u>182,692</u>	<u>230,323</u>
<b>TOTAL ASSETS</b>	<u>2,064,400</u>	<u>1,814,298</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	209,221	207,719
Share premium	42,795	33,551
Other reserves	851,053	863,724
Retained earnings	605,586	575,175
<b>Equity attributable to owners of the Company</b>	<u>1,708,655</u>	<u>1,680,169</u>
Non-controlling interests	41,484	-
<b>Total equity</b>	<u>1,750,139</u>	<u>1,680,169</u>
<b>Non-Current Liabilities</b>		
Borrowing	136,896	-
Deferred tax liabilities	151,112	111,605
	<u>288,008</u>	<u>111,605</u>
<b>Current Liabilities</b>		
Trade payables	7,444	6,455
Other payables	18,406	14,567
Income tax payable	403	1,502
	<u>26,253</u>	<u>22,524</u>
<b>Total liabilities</b>	<u>314,261</u>	<u>134,129</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,064,400</u>	<u>1,814,298</u>
Net assets per share attributable to owners of the Company (RM)	<u>8.17</u>	<u>8.09</u>

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE MONTHS ENDED 30 APRIL 2016**

	Attributable to Owners of the Company				Total	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current 12 Months Ended 30 April 2016</b>							
<b>Balance at 1 May 2015</b>	207,719	33,551	863,724	575,175	1,680,169	-	1,680,169
<b>Total comprehensive (loss)/income for the period</b>	-	-	(6,614)	59,572	52,958	(347)	52,611
<b>Transfer to retained earnings:</b>							
Realisation of asset revaluation reserve upon:							
- Depreciation		-	(3,443)	3,443	-	-	-
- Property, plant and equipment written off	-	-	(2)	2	-	-	-
	-	-	(3,445)	3,445	-	-	-
<b>Transactions with owners:</b>							
Acquisition of subsidiaries	-	-	-	-	-	41,831	41,831
Fair value of share options granted to eligible directors and employees	-	-	827	-	827	-	827
Shares issued pursuant to Employee Share Option Scheme ("ESOS")	1,502	9,244	(2,573)	-	8,173	-	8,173
Employee share options forfeited	-	-	(199)	199	-	-	-
Employee share options expired	-	-	(667)	667	-	-	-
Dividends	-	-	-	(33,472)	(33,472)	-	(33,472)
	1,502	9,244	(2,612)	(32,606)	(24,472)	41,831	17,359
<b>Balance at 30 April 2016</b>	209,221	42,795	851,053	605,586	1,708,655	41,484	1,750,139

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE MONTHS ENDED 30 APRIL 2016 - CONT'D**

	Attributable to Owners of the Company				Total Equity RM'000
	Share Capital RM'000	Non-distributable		Distributable	
		Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	
<b>12 Months Ended 30 April 2015</b>					
<b>Balance at 1 May 2014</b>	206,503	26,070	869,526	573,858	1,675,957
<b>Total comprehensive (loss)/ income for the period</b>	-	-	(518)	47,184	46,666
<b>Transfer to retained earnings:</b>					
Realisation of asset revaluation reserve upon:					
- Depreciation	-	-	(3,601)	3,601	-
- Property, plant and equipment written off	-	-	(3)	3	-
	-	-	(3,604)	3,604	-
<b>Transactions with owners:</b>					
Fair value of share options granted to eligible directors and employees	-	-	657	-	657
Shares issued pursuant to ESOS	1,216	7,481	(2,064)	-	6,633
Employee share options forfeited	-	-	(273)	273	-
Dividends	-	-	-	(49,744)	(49,744)
	1,216	7,481	(1,680)	(49,471)	(42,454)
<b>Balance at 30 April 2015</b>	207,719	33,551	863,724	575,175	1,680,169

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

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE MONTHS ENDED 30 APRIL 2016**

	<u>2015/2016</u> <u>12 Months</u> <u>Ended</u> <u>30 April 2016</u> <u>RM'000</u>	<u>2014/2015</u> <u>12 Months</u> <u>Ended</u> <u>30 April 2015</u> <u>RM'000</u>
<b>Operating Activities</b>		
Profit before tax	70,234	58,437
Adjustments for:		
Amortisation of prepaid land lease payments	330	260
Depreciation of property, plant and equipment	19,546	18,163
Dividend income	(1,117)	(2,187)
Fair value of share options expensed off	827	657
Gain from fair value adjustment of investment property	(93)	(14)
Gain on disposal of property, plant and equipment	(90)	(194)
Interest expenses	1,226	-
Interest income	(2,094)	(3,117)
Loss on disposal of available-for-sale investments	-	460
Net fair value gains on financial assets at fair value through profit or loss:		
- realised	(3,461)	(2,505)
- unrealised	(238)	(102)
Net fair value losses/(gains) on held-for-trading investments:		
- realised	743	(565)
- unrealised	668	188
Property, plant and equipment written off	88	461
Provision for doubtful debt	180	-
Unrealised foreign exchange gain	(12,974)	(38)
<b>Operating cash flows before changes in working capital</b>	<u>73,775</u>	<u>69,904</u>
Increase in inventories	(3,480)	(115)
Decrease in trade and other receivables	34,016	1,262
(Decrease)/increase in trade and other payables	(10,285)	26
<b>Cash flows from operations</b>	<u>94,026</u>	<u>71,077</u>
Interest received	2,190	3,353
Interest paid	(1,040)	-
Income taxes refunded	96	-
Income taxes paid	(10,372)	(12,021)
<b>Net cash flows from operating activities</b>	<u>84,900</u>	<u>62,409</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE MONTHS ENDED 30 APRIL 2016 - CONT'D**

	<u>2015/2016</u> 12 Months Ended 30 April 2016 RM'000	<u>2014/2015</u> 12 Months Ended 30 April 2015 RM'000
<b>Investing Activities</b>		
Dividend received from:		
- available-for-sale investments	688	1,724
- held-for-trading investments	447	483
Purchase of:		
- available-for-sale investments	-	(1,564)
- financial assets at fair value through profit or loss	(20,000)	(128,433)
- held-for-trading investments	(28,436)	(28,341)
- property, plant and equipment	(8,685)	(12,330)
Proceeds from disposal of:		
- available-for-sale investments	-	23,002
- financial assets at fair value through profit or loss	111,001	60,533
- held-for-trading investments	27,469	24,950
- property, plant and equipment	463	478
Additions of:		
- biological assets	(10,638)	(14,337)
- prepaid land lease payments	(3,918)	(3,120)
Net (placement)/withdrawal of held-to-maturity investments	(274)	22,972
Net cash outflow on acquisition of subsidiaries	(245,651)	-
<b>Net cash flows used in investing activities</b>	<u>(177,534)</u>	<u>(53,983)</u>
<b>Financing Activities</b>		
Dividends paid	(33,472)	(49,744)
Proceeds from exercise of employee share options under ESOS	8,173	6,633
Drawdown of term loan	214,975	-
Repayment of finance lease	(229)	-
Repayment of term loans	(130,723)	-
<b>Net cash flows from/(used in) financing activities</b>	<u>58,724</u>	<u>(43,111)</u>
<b>Net change in cash and bank balances</b>	(33,910)	(34,685)
<b>Effect of foreign exchange rate changes</b>	123	-
<b>Cash and bank balances at beginning of period</b>	73,803	108,488
<b>Cash and bank balances at end of period</b>	<u>40,016</u>	<u>73,803</u>
<b>Cash and bank balances comprise:</b>		
Cash on hand and at banks	6,900	1,051
Short-term deposits with licensed financial institutions	33,116	72,752
	<u>40,016</u>	<u>73,803</u>

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

# UNITED MALACCA BERHAD (1319 - V)

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## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 APRIL 2016

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS

#### A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134: INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS

##### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 April 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2015.

##### A2. Changes in Accounting Policies

The accounting policies and methods of computation applied by the Group in the interim financial statements are consistent with those applied in the latest audited financial statements for the financial year ended 30 April 2015 except for the adoption of the following standards effective for the financial year beginning 1 May 2015:

##### **Effective for annual periods beginning on or after 1 July 2014**

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

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

##### **Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: *Agriculture* ("MFRS 141") and IC Interpretation 15: *Agreements for Construction of Real Estate* ("IC 15"), including its parent, significant investor and venturer (herein called "Transitioning Entities").



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## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 APRIL 2016**

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

#### **A2. Changes in Accounting Policies - Cont'd**

##### **Malaysian Financial Reporting Standards - Cont'd**

Transitioning Entities are allowed to defer the adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards ("FRS") as its financial reporting framework for annual periods beginning on or after 1 January 2014.

The Company and certain subsidiaries in the Group fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will present its first set of MFRS financial statements for annual periods beginning on or after 1 January 2018 as mandated by the MASB.

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements could be different if prepared under the MFRS Framework.

#### **A3. Seasonal or Cyclical of Operations**

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

Based on past trends, FFB production of Malaysia operations tends to pick up from May onwards and will peak around September/October. From December onwards, it will be the seasonal downtrend in FFB production.

The effect of the haze and dry weather caused by El Nino (which was the most severe for the past 30 years) is now being felt with a drastic drop in FFB production in the second half of the financial year. As a result, the FFB production of Malaysia operations for the financial year ended 30 April 2016 was 9% lower compared with that of 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 financial year ended 30 April 2016.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****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 30 April 2016.

**A6. Changes in Debt and Equity Securities**

There were no issuance, repurchase and repayment of debt and equity securities during the financial year ended 30 April 2016 except for the issuance of 1,502,200 ordinary shares of RM1 each for cash pursuant to the Company's ESOS.

**A7. Dividends Paid**

The amount of dividends paid during the financial year ended 30 April 2016 were as follows:

	<b>RM'000</b>
<b>(a) In respect of financial year ended 30 April 2015</b>	
Second interim single-tier dividend of 8 sen per share, on 209,188,001 ordinary shares, paid on 21 August 2015	16,735
<b>(b) In respect of financial year ended 30 April 2016</b>	
First interim single-tier dividend of 8 sen per share, on 209,217,601 ordinary shares, paid on 3 February 2016	16,737
	<u>33,472</u>

**A8. Segmental Information****(a) Business Segments**

	<b>Current Quarter Ended 30 April 2016 RM'000</b>	<b>Cumulative Twelve Months Ended 30 April 2016 RM'000</b>
<b>Segment Revenue</b>		
Plantation revenue	57,502	247,717
Elimination of inter-segment sales	(9,601)	(41,981)
External sales	<u>47,901</u>	<u>205,736</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A8. Segmental Information - Cont'd****(a) Business Segments - Cont'd**

	<b>Current Quarter Ended 30 April 2016 RM'000</b>	<b>Cumulative Twelve Months Ended 30 April 2016 RM'000</b>
<b>Segment Results</b>		
Plantation:		
- Malaysia operations	11,897	47,242
- Indonesia operations	1,204	1,204
Investment holding	10,467	21,788
Profit before tax	23,568	70,234
Income tax expense	(3,164)	(10,486)
Profit for the period	20,404	59,748
		<b>As at End of Current Quarter 30 April 2016 RM'000</b>
<b>Segment Assets</b>		
Plantation		1,960,268
Investment holding		104,132
Consolidated total assets		2,064,400
<b>Segment Liabilities</b>		
Plantation		176,939
Investment holding		137,322
Consolidated total liabilities		314,261

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FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A8. Segmental Information - Cont'd****(b) Geographical Segments**

	<b>Current Quarter Ended 30 April 2016 RM'000</b>	<b>Cumulative Twelve Months Ended 30 April 2016 RM'000</b>
<b>Segment Revenue</b>		
Malaysia	45,865	203,700
Indonesia	2,036	2,036
Consolidated total revenue	<u>47,901</u>	<u>205,736</u>
<b>Segment Results</b>		
Malaysia	22,716	69,382
Indonesia	852	852
Profit before tax	23,568	70,234
Income tax expense	(3,164)	(10,486)
Profit for the period	<u>20,404</u>	<u>59,748</u>
		<b>As at End of Current Quarter 30 April 2016 RM'000</b>
<b>Segment Assets</b>		
Malaysia		1,691,030
Indonesia		373,370
Consolidated total assets		<u>2,064,400</u>
<b>Segment Liabilities</b>		
Malaysia		270,473
Indonesia		43,362
Singapore		426
Consolidated total liabilities		<u>314,261</u>

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

There were no material events from the current quarter ended 30 April 2016 to the date of this announcement that had not been reflected in this interim financial statements.

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## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 APRIL 2016

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

#### A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial year ended 30 April 2016 except for the following:

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

On 22 January 2016, the Company announced the completion of the Acquisition of 83.0% effective equity interest in LAK, a company incorporated under the laws of the Republic of Indonesia, via the acquisition of 793,837 ordinary shares representing 88.2% equity interest of the issued and paid-up share capital of International Natural Resources Pte Ltd ("INR"), a company incorporated in the Republic of Singapore, which in turn holds approximately 94.1% equity interest in LAK.

As a result, INR and LAK have become subsidiaries of the Company effective 22 January 2016.

#### Purchase Price Allocation ("PPA") of INR and LAK

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

#### A11. Changes in Contingent Liabilities and Contingent Assets

At the date of this report, no contingent liabilities and contingent assets had arisen since the end of preceding financial year 30 April 2015.

#### A12. Capital Commitments

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

	RM'000
<b>Capital expenditure approved and contracted for:</b>	
Purchase of property, plant and equipment	908
<b>Capital expenditure approved but not contracted for:</b>	
Additions of biological assets	4,408
Construction of new palm oil mills	144,732
Purchase of property, plant and equipment	27,511
	<u>176,651</u>
	<u>177,559</u>

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## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 APRIL 2016

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

#### **A13. Related Party Disclosures**

There were no transactions and balances with related party during the current quarter and current financial year-to-date ended 30 April 2016.

#### **B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

##### **B1. Review of Performance**

###### **(a) Current Quarter vs. Preceding Year's Corresponding Quarter**

For the current quarter ended 30 April 2016, the Group's pretax profit of RM23.57 million was 85% higher compared with RM12.72 million in the corresponding quarter of the preceding year. This was mainly due to net foreign exchange gain of RM10.66 million (of which RM4.02 million has been realised) on the USD loan taken to finance the acquisition of INR and LAK. Excluding this item, the Group's pretax profit would be marginally higher compared with that in the corresponding quarter of the preceding year.

Comments on the business segments are as follows:

##### **Plantation**

###### Malaysia operations

Plantation profit of RM11.90 million was 17% higher compared with RM10.20 million in the corresponding quarter of the preceding year. This was mainly due to higher average prices of crude palm oil ("CPO") (RM2,462/tonne compared with RM2,240/tonne) and palm kernel ("PK") (RM2,198/tonne compared with RM1,842/tonne) which were more than offset the impact from lower FFB production by 23% or 15,787 tonnes.

###### Indonesia operations

In the current quarter, plantation profit of RM1.20 million was contributed by the newly acquired Indonesia subsidiary, LAK.

##### **Investment holding**

Investment profit of RM10.47 million was 316% higher than RM2.52 million in the corresponding quarter of the preceding year. This was mainly due to foreign exchange gain of RM10.66 million (of which RM4.02 million has been realised) on the USD loan. Excluding this item, the investment loss of RM188,000 would be incurred mainly due to interest expense of RM1.09 million.

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

#### **B1. Review of Performance - Cont'd**

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

For the financial year ended 30 April 2016, the Group's pretax profit of RM70.23 million was 20% higher compared with RM58.44 million in the preceding year. This was mainly due to foreign exchange gain of RM17.88 million (of which RM4.02 million has been realised) on the USD loan. Excluding this item, the Group's pretax profit would be 10% lower compared with that in the preceding year mainly due to lower FFB production which was affected by the prolonged dry spell due to the El Nino phenomena, lower average price of CPO as well as lower investment income.

Comments on the business segments are as follows:

#### **Plantation**

##### Malaysia operations

Plantation profit of RM47.24 million was 7% lower compared with RM50.55 million in the preceding year mainly due to lower FFB production by 9% or 30,637 tonnes as well as lower average price of CPO (RM2,207/tonne compared with RM2,265/tonne).

##### Indonesia operations

Plantation profit of RM1.20 million was contributed by the newly acquired Indonesia subsidiary, LAK.

#### **Investment holding**

Investment profit of RM21.79 million was 176% higher compared with RM7.90 million in the preceding year. This was mainly due to foreign exchange gain of RM17.88 million (of which RM4.02 million has been realised) on the USD loan. Excluding this item, the investment profit would be 50% lower compared with that in the preceding year mainly due to lower dividend income, fair value losses on held-for-trading investments of RM1.41 million as well as interest expense of RM1.23 million.

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

The Group's pretax profit for the current quarter ended 30 April 2016 of RM23.57 million (included foreign exchange gain of RM10.66 million, of which RM4.02 million has been realised on the USD loan) was 46% higher compared with RM16.17 million (included unrealised foreign exchange gain of RM7.23 million on the USD loan) in the preceding quarter. Excluding the foreign exchange gain, the Group's pretax profit would be 44% higher compared with that in the preceding quarter mainly due to higher average prices of CPO and PK by 14% and 23% respectively as well as lower FFB production cost eventhough FFB production was lower by 20%.

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

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

Comments on the business segments are as follows:

##### **Plantation**

###### Malaysia operations

Plantation profit of RM11.90 million was 56% higher compared with RM7.61 million in the preceding quarter mainly due to higher average prices of CPO (RM2,462/tonne compared with RM2,156/tonne) and PK (RM2,198/tonne compared with RM1,783/tonne) as well as lower FFB production cost even though FFB production was lower by 20% or 13,578 tonnes.

###### Indonesia operations

In the current quarter, plantation profit of RM1.20 million was contributed by the newly acquired Indonesia subsidiary, LAK.

##### **Investment holding**

Investment profit of RM10.47 million (included foreign exchange gain of RM10.66 million, of which RM4.02 million has been realised on the USD loan) was 22% higher than RM8.56 million (included unrealised foreign exchange gain of RM7.23 million on the USD loan) in the preceding quarter. Excluding the foreign exchange gain, investment loss of RM188,000 would be incurred mainly due to higher interest expense of RM1.09 million as against RM136,000 in the preceding quarter.

#### **B3. Current Year Prospects**

The extreme dry weather due to El Nino which affected the yield for the financial year 2015/16 will continue into the first half of this financial year. However, the Group expects a better FFB output for the financial year ending 30 April 2017, with the additional 833 hectares coming into maturity in Malaysia and contribution from the newly acquired Indonesia plantations.

Management's priority remain focused on improving labour productivity, cost efficiency and better estate management practices.

Barring unforeseen circumstances, the Group expects satisfactory result for the coming financial year.



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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee**

No profit forecast or profit guarantee was issued by the Group during the financial year ended 30 April 2016.

**B5. Profit Before Tax**

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

	<b>Current Quarter Ended 30 April 2016 RM'000</b>	<b>Cumulative Twelve Months Ended 30 April 2016 RM'000</b>
Dividend income	(96)	(1,117)
Gain from fair value adjustment of investment property	(93)	(93)
Interest income	(424)	(2,094)
Loss/(gain) on disposal of property, plant and equipment	12	(90)
Net fair value gains on financial assets at fair value through profit or loss:		
- realised	(226)	(3,461)
- unrealised	(246)	(238)
Net foreign exchange gain:		
- realised	(4,004)	(4,615)
- unrealised	(5,640)	(12,974)
Amortisation of prepaid land lease payments	107	330
Depreciation of property, plant and equipment	4,190	19,546
Fair value of share options expensed off	127	827
Interest expenses	1,090	1,226
Net fair value losses/(gains) on held-for-trading investments:		
- realised	1,299	743
- unrealised	(1,068)	668
Property, plant and equipment written off	31	88
Provision for doubtful debt	180	180

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

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

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	<b>Current Quarter Ended 30 April 2016 RM'000</b>	<b>Cumulative Twelve Months Ended 30 April 2016 RM'000</b>
Current tax expense	1,797	8,927
Deferred tax expense	1,367	1,559
	<u>3,164</u>	<u>10,486</u>

The effective tax rate for the current quarter and current financial year-to-date was lower than the statutory tax rate due to certain income which are not taxable.

**B7. Status of Corporate Proposals****Acquisition by the Company of 83.0% Effective Equity Interest in PT Lifere Agro Kapuas ("LAK") ("Acquisition")**

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

The Acquisition has been completed on 22 January 2016. INR and LAK have become subsidiaries of the Company effective from that date.

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## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 APRIL 2016

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

#### B8. Group Borrowings and Debt Securities

At the end of the current quarter, the Group's borrowing was as follow:

	RM'000	Amount in Foreign Currency
<b>Long-term borrowing:</b>		
Term loan (unsecured)	<u>136,896</u>	USD35 million

There was no debt security as at 30 April 2016.

#### B9. Material Litigations

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

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

The breakdown of retained earnings of the Group into realised and unrealised profits/losses are as follows:

	<b>As at End of Current Quarter 30 April 2016</b>	<b>As at Preceding Financial Year End 30 April 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- realised	630,597	625,518
- unrealised	<u>(22,963)</u>	<u>(33,524)</u>
	607,634	591,994
Less: Consolidation adjustments	<u>(2,048)</u>	<u>(16,819)</u>
Total Group's retained earnings as per consolidated statement of financial position	<u>605,586</u>	<u>575,175</u>

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## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 APRIL 2016

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

#### 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:

	<b>Current Quarter Ended 30 April 2016</b>	<b>Cumulative Twelve Months Ended 30 April 2016</b>
Profit for the period attributable to owners of the Company	20,228	59,572
Weighted average number of ordinary shares in issue ('000 unit)	209,220	208,955
Basic earnings per share (sen)	<u>9.67</u>	<u>28.51</u>

##### (b) Diluted earnings per share

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

#### B12. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications in the auditors' report of the Group's latest annual financial statements ended 30 April 2015.

#### B13. Dividends

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

The second interim dividend will be paid on 19 August 2016.

Together with the first interim single-tier dividend of 8 sen which had been paid on 3 February 2016, total single-tier dividend for the financial year ended 30 April 2016 is 16 sen (previous financial year 2014/2015: total single-tier dividend of 16 sen).

The directors do not recommend the payment of any final dividend in respect of the current financial year ended 30 April 2016.

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## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 APRIL 2016**

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

#### **B14. Closure of Books**

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

A shareholder shall qualify for dividend entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 3 August 2016 in respect of transfers;
- (b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 1 August 2016 in respect of shares which are exempted from mandatory deposit;
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

#### **B15. Authorised for Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 29 June 2016.

By order of the Board,  
**Yong Yoke Hiong (MAICSA 7021707)**  
**Pang Poh Chen (MACS 01405)**  
Company Secretaries  
Melaka, 29 June 2016