

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

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

	Individual Quarter 3 Months Ended 31 January		Cumulative Quarter 9 Months Ended 31 January	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue	147,789	106,977	406,511	291,712
Cost of sales	(98,769)	(87,601)	(276,355)	(247,942)
Gross profit	49,020	19,376	130,156	43,770
Other income	1,180	5,735	6,343	10,983
Administrative expenses	(5,476)	(5,652)	(17,200)	(19,631)
Other expenses	(3,892)	(10)	(48)	(62)
Operating profit	40,832	19,449	119,251	35,060
Interest expense	(1,432)	(1,655)	(4,254)	(5,458)
Profit before tax	39,400	17,794	114,997	29,602
Taxation	(9,216)	(3,523)	(26,961)	(6,267)
Profit for the period	30,184	14,271	88,036	23,335
Other comprehensive income:				
Item that will be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	(827)	3,210	5,449	(715)
	(827)	3,210	5,449	(715)
Total comprehensive income for the period	29,357	17,481	93,485	22,620
Profit/(loss) for the period attributable to:				
Owners of the Company	30,239	13,726	87,180	24,713
Non-controlling interests	(55)	545	856	(1,378)
	30,184	14,271	88,036	23,335
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	29,546	16,417	91,746	24,114
Non-controlling interests	(189)	1,064	1,739	(1,494)
	29,357	17,481	93,485	22,620
Earnings per share attributable to owners of the Company:				
Basic (sen)	14.42	6.54	41.56	11.78
Diluted (sen)	14.42	6.54	41.56	11.78

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2021 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 THIRD QUARTER ENDED 31 JANUARY 2022****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 January 2022	As at Preceding Financial Year End 30 April 2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	664,167	665,066
Right-of-use assets	787,300	796,067
Goodwill on consolidation	82,474	82,474
Intangible asset	12,165	12,562
Other asset	3,387	3,538
	<u>1,549,493</u>	<u>1,559,707</u>
Current Assets		
Inventories	35,680	28,101
Biological assets	14,156	12,429
Trade and other receivables	92,844	85,774
Tax recoverable	-	3,029
Short term funds	65,561	10,337
Cash and bank balances	51,440	33,204
	<u>259,681</u>	<u>172,874</u>
TOTAL ASSETS	<u>1,809,174</u>	<u>1,732,581</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	255,375	255,375
Other reserves	(11,821)	(16,387)
Retained earnings	1,131,722	1,069,714
Equity attributable to owners of the Company	<u>1,375,276</u>	<u>1,308,702</u>
Non-controlling interests	34,462	32,723
Total equity	<u>1,409,738</u>	<u>1,341,425</u>
Non-Current Liabilities		
Bank borrowings	44,399	49,357
Lease liabilities	6,197	6,754
Retirement benefit obligation	993	805
Other payable	-	179
Deferred tax liabilities	198,428	198,983
	<u>250,017</u>	<u>256,078</u>
Current Liabilities		
Bank borrowings	79,092	75,397
Lease liabilities	737	705
Trade and other payables	54,484	58,976
Tax payable	15,106	-
	<u>149,419</u>	<u>135,078</u>
Total liabilities	<u>399,436</u>	<u>391,156</u>
TOTAL EQUITY AND LIABILITIES	<u>1,809,174</u>	<u>1,732,581</u>
Net assets per share attributable to owners of the Company (RM)	<u>6.56</u>	<u>6.24</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2021 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 THIRD QUARTER ENDED 31 JANUARY 2022****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 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 Reserves RM'000	Distributable Retained Earnings RM'000			
<u>Period Ended 31 January 2022</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 period	-	4,566	87,180	91,746	1,739	93,485
Transaction with owners:						
Dividends	-	-	(25,172)	(25,172)	-	(25,172)
Balance at 31 January 2022	255,375	(11,821)	1,131,722	1,375,276	34,462	1,409,738

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2022 - CONT'D**

	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 Reserves RM'000	Distributable Retained Earnings RM'000			
<u>Period Ended 31 January 2021</u>						
Balance at 1 May 2020	255,375	(11,748)	1,074,135	1,317,762	36,163	1,353,925
Total comprehensive (loss)/income for the period	-	(599)	24,713	24,114	(1,494)	22,620
Transactions with owners:						
Employee share options expired	-	(1,332)	1,332	-	-	-
Dividends	-	-	(18,879)	(18,879)	-	(18,879)
	-	(1,332)	(17,547)	(18,879)	-	(18,879)
Balance at 31 January 2021	255,375	(13,679)	1,081,301	1,322,997	34,669	1,357,666

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2022**

	Period Ended 31 January 2022	Period Ended 31 January 2021
	RM'000	RM'000
Operating Activities		
Profit before tax	114,997	29,602
Adjustments for:		
Depreciation of property, plant and equipment	36,174	34,682
Depreciation of right-of-use assets	10,946	10,709
Fair value changes on biological assets (net)	(1,697)	(3,929)
Gain on disposal of property, plant and equipment	(13)	(31)
Interest expense	4,254	5,458
Interest income	(538)	(378)
Property, plant and equipment written off	48	62
Realised fair value gains on short term funds	(418)	(294)
Unrealised foreign exchange gain	(2,065)	(3,707)
Operating cash flows before changes in working capital	161,688	72,174
<u>Changes in working capital:</u>		
Inventories	(7,271)	637
Trade and other receivables	(5,734)	(12,070)
Trade and other payables	(5,215)	(21,913)
Cash flows from operations	143,468	38,828
Interest received	535	389
Interest paid	(4,230)	(5,599)
Taxes refunded	603	-
Taxes paid	(10,380)	(2,900)
Net cash flows from operating activities	129,996	30,718
Investing Activities		
Proceeds from disposal of property, plant and equipment	133	185
Purchase of property, plant and equipment	(27,204)	(23,238)
Additions of right-of-use assets	(312)	(229)
Net (placements)/withdrawals of short term funds	(54,806)	20,150
Net cash flows used in investing activities	(82,189)	(3,132)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2022 - CONT'D**

	Period Ended 31 January 2022	Period Ended 31 January 2021
	RM'000	RM'000
Financing Activities		
Dividends paid	(25,172)	(12,586)
Repayment of term loans	(4,127)	(22,666)
Payment of principal portion of lease liabilities	(525)	(398)
Net cash flows used in financing activities	(29,824)	(35,650)
Net change in cash and bank balances	17,983	(8,064)
Effect of foreign exchange rate changes	253	(135)
Cash and bank balances at beginning of year	33,204	35,121
Cash and bank balances at end of year	51,440	26,922
Cash and bank balances comprise:		
Cash on hand and at banks	11,664	9,128
Short-term deposits with licensed financial institutions	39,776	17,794
	51,440	26,922

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 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 2021. 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 2021.

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 2021 except for the adoption of the following amended standards effective for the financial year beginning 1 May 2021:

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 16: <i>Covid-19 - Related Rent Concessions</i>	1 June 2020
• Amendments to MFRS 4: <i>Extension of the Temporary Exemption from Applying MFRS 9</i>	1 August 2020
• Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139: <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
• Amendments to MFRS 16: <i>Covid - 19 - Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

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 nine months ended 31 January 2022 was marginally higher than that of the corresponding period in the preceding year by 1% or 4,311 tonnes.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

For Malaysian operations, FFB production for the nine months ended 31 January 2022 grew by 3% or 6,099 tonnes from the corresponding period in the preceding year mainly due to increase in yield from Sabah estates.

For Indonesian operations, FFB production for the nine months ended 31 January 2022 declined by 4% or 1,788 tonnes from the corresponding period in the preceding year mainly due to impact of adversely wet weather from October 2021 to January 2022 which caused extensive flooding to the estates.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period ended 31 January 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 January 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 January 2022.

A7. Dividends Paid

The dividends paid during the period ended 31 January 2022 were as follow:

	RM'000
(a) In respect of financial year ended 30 April 2021	
Second interim single-tier dividend of 7 sen per share, on 209,769,201 ordinary shares, paid on 16 August 2021	14,684
(b) In respect of financial year ending 30 April 2022	
First interim single-tier dividend of 5 sen per share, on 209,769,201 ordinary shares, paid on 21 January 2022	10,488
	<u>25,172</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A8. Segmental Information

(a) Business Segments

	Current Quarter Ended 31 January 2022 RM'000	Cumulative 9 Months Ended 31 January 2022 RM'000
Segment Revenue		
Plantation revenue	164,268	452,642
Elimination of inter-companies' sales	(16,479)	(46,131)
External sales	<u>147,789</u>	<u>406,511</u>
Segment Profit/(Loss)		
Plantations:		
- Malaysian operations	36,966	104,267
- Indonesian operations (Kalimantan)	3,674	8,594
- Indonesian operations (Sulawesi)	(71)	(210)
Investment holding	(1,169)	2,346
Profit before tax	<u>39,400</u>	<u>114,997</u>
Taxation	(9,216)	(26,961)
Profit for the period	<u>30,184</u>	<u>88,036</u>
		As at End of Current Quarter 31 January 2022 RM'000
Segment Assets		
Plantations		1,692,167
Investment holding		117,007
Consolidated total assets		<u>1,809,174</u>
Segment Liabilities		
Plantations		275,894
Investment holding		123,542
Consolidated total liabilities		<u>399,436</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A8. Segmental Information - Cont'd

(b) Geographical Segments

	Current Quarter Ended 31 January 2022 RM'000	Cumulative 9 Months Ended 31 January 2022 RM'000
Segment Revenue		
Malaysia	117,572	320,470
Indonesia	30,217	86,041
Consolidated total revenue	<u>147,789</u>	<u>406,511</u>
Segment Profit		
Malaysia	36,319	103,239
Indonesia	3,081	11,758
Profit before tax	<u>39,400</u>	<u>114,997</u>
Taxation	(9,216)	(26,961)
Profit for the period	<u>30,184</u>	<u>88,036</u>
		As at End of Current Quarter 31 January 2022 RM'000
Segment Assets		
Malaysia		1,254,270
Indonesia		554,904
Consolidated total assets		<u>1,809,174</u>
Segment Liabilities		
Malaysia		309,676
Indonesia		89,760
Consolidated total liabilities		<u>399,436</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 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 January 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 initial 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 in total about 315 hectares which expire on 20 December 2024 and 25 April 2025 respectively, for another 99 years.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 31 January 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 2021.

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	2,596
Purchase of other property, plant and equipment	22,818
	<u>25,414</u>
Capital expenditure approved but not contracted for:	
Additions of bearer plants	17,191
Purchase of other property, plant and equipment	22,137
	<u>39,328</u>
	<u>64,742</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 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 balance with related parties during the current quarter and current financial year-to-date ended 31 January 2022:

(a) Transactions with Related Parties

	Current Quarter Ended 31 January 2022	Cumulative 9 Months Ended 31 January 2022
	RM'000	RM'000
Companies in which certain directors of the Company are directors		
- Purchase of FFB	-	1,640
- Purchase of fertiliser	462	1,557
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(b) Balance with Related Party

	As at End of Current Quarter 31 January 2022
	RM'000
A company in which a director of the Company is a director	
- Trade payable	567
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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 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

(a) Current Quarter vs. Preceding Year Corresponding Quarter

	Individual Quarter		
	Current Quarter Ended 31 January 2022	Preceding Year Corresponding Quarter Ended 31 January 2021	Variance
	RM'000	RM'000	%
Revenue	147,789	106,977	38%
Operating profit	40,832	19,449	110%
Profit before tax	39,400	17,794	121%
Profit after tax	30,184	14,271	112%
Profit attributable to owners of the Company	30,239	13,726	120%
Additional information: Segmental results (RM'000)			
Plantations:			
- Malaysian operations	36,966	9,954	271%
- Indonesian operations (Kalimantan)	3,674	3,549	4%
- Indonesian operations (Sulawesi)	(71)	267	-127%
Investment holding	(1,169)	4,024	-129%
Profit before tax	39,400	17,794	121%
Breakdown of profit before tax (RM'000)			
Plantations:			
- Malaysian operations	49,831	19,548	155%
- Indonesian operations (Kalimantan)	9,997	9,423	6%
- Indonesian operations (Sulawesi)	(41)	296	-114%
EBITDA	59,787	29,267	104%
Depreciation	(15,946)	(15,129)	-5%
Fair value changes on biological assets (net)	(2,212)	818	-370%
Investment income	512	195	163%
Net foreign exchange (loss)/gain	(1,309)	4,298	-130%
Interest expense	(1,432)	(1,655)	13%
Profit before tax	39,400	17,794	121%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

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

	Individual Quarter		
	Current Quarter Ended 31 January 2022	Preceding Year Corresponding Quarter Ended 31 January 2021	Variance
Additional information (cont'd):			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,176	18,259	0%
- Indonesia	5,827	5,583	4%
Total mature area	24,003	23,842	1%
Immature area:			
- Malaysia	703	729	-4%
- Indonesia	2,027	2,252	-10%
Total immature area	2,730	2,981	-8%
Total planted area	26,733	26,823	0%
<u>FFB production (tonne)</u>			
- Malaysia	77,999	69,524	12%
- Indonesia	10,970	17,738	-38%
Total FFB production	88,969	87,262	2%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.29	3.79	13%
- Indonesia	1.88	3.18	-41%
Group FFB yield	3.71	3.65	2%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	4,851	3,092	57%
Average PK price/tonne	4,036	2,322	74%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	4,116	2,727	51%
Average PK price/tonne	3,134	1,725	82%

During the current quarter ended 31 January 2022, the Group recorded a pretax profit of RM39.4 million which was 121% higher than RM17.8 million in the corresponding quarter of the preceding year.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

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

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 January 2022, the Malaysian operations recorded a plantation profit of RM37.0 million which was 271% higher than RM10.0 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 RM49.8 million which was 155% higher than RM19.5 million in the corresponding quarter of the preceding year.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM4,851/tonne (preceding year: RM3,092/tonne) and PK price of RM4,036/tonne (preceding year: RM2,322/tonne) as well as higher FFB production by 12% or 8,475 tonnes.

Indonesian operations (Kalimantan)

During the current quarter ended 31 January 2022, the Indonesian operations (Kalimantan) recorded a plantation profit of RM3.7 million which was 4% higher than RM3.5 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 RM10.0 million which was 6% higher than RM9.4 million in the corresponding quarter of the preceding year.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM4,116/tonne (preceding year: RM2,727/tonne) and PK price of RM3,134/tonne (preceding year: RM1,725/tonne) even though FFB production declined by 38% or 6,768 tonnes.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(a) 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 January 2022	Preceding Year Corresponding Quarter Ended 31 January 2021	Variance
	RM'000	RM'000	%
Interest income	270	144	88%
Fair value gains on short term funds	242	51	375%
Interest expense	(372)	(469)	21%
Net foreign exchange (loss)/gain	(1,309)	4,298	-130%
	(1,169)	4,024	-129%

Investment loss of RM1.2 million in the current quarter was attributable to net foreign exchange loss of RM1.3 million and interest expense of RM0.4 million, net of the interest income of RM0.3 million and fair value gains on short term funds of RM0.2 million.

Investment income of RM4.0 million in the corresponding quarter of the preceding year was mainly attributable to net foreign exchange gain of RM4.3 million, net of interest expense of RM0.5 million.

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

	Cumulative Quarter		
	Current Year-to-date Ended 31 January 2022	Preceding Year-to-date Ended 31 January 2021	Variance
	RM'000	RM'000	%
Revenue	406,511	291,712	39%
Operating profit	119,251	35,060	240%
Profit before tax	114,997	29,602	288%
Profit after tax	88,036	23,335	277%
Profit attributable to owners of the Company	87,180	24,713	253%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

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

	Cumulative Quarter		
	Current Year-to-date Ended 31 January 2022	Preceding Year-to-date Ended 31 January 2021	Variance
Additional information:			
<u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	104,267	29,396	255%
- Indonesian operations (Kalimantan)	8,594	(3,598)	339%
- Indonesian operations (Sulawesi)	(210)	(184)	-14%
Investment holding	2,346	3,988	-41%
Profit before tax	114,997	29,602	288%
<u>Breakdown of profit before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	134,802	57,730	134%
- Indonesian operations (Kalimantan)	26,617	13,270	101%
- Indonesian operations (Sulawesi)	(122)	(103)	-18%
EBITDA	161,297	70,897	128%
Depreciation	(47,120)	(45,391)	-4%
Fair value changes on biological assets (net)	1,697	3,929	-57%
Investment income	956	672	42%
Net foreign exchange gain	2,421	4,953	-51%
Interest expense	(4,254)	(5,458)	22%
Profit before tax	114,997	29,602	288%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,176	18,259	0%
- Indonesia	5,827	5,583	4%
Total mature area	24,003	23,842	1%
Immature area:			
- Malaysia	703	729	-4%
- Indonesia	2,027	2,252	-10%
Total immature area	2,730	2,981	-8%
Total planted area	26,733	26,823	0%
<u>FFB production (tonne)</u>			
- Malaysia	247,148	241,049	3%
- Indonesia	44,614	46,402	-4%
Total FFB production	291,762	287,451	1%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	13.59	13.15	3%
- Indonesia	7.66	8.31	-8%
Group FFB yield	12.15	12.02	1%

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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 - Cont'd

	Cumulative Quarter		
	Current Year-to-date Ended 31 January 2022	Preceding Year-to-date Ended 31 January 2021	Variance
Additional information (cont'd):			
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	4,313	2,690	60%
Average PK price/tonne	3,079	1,679	83%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	3,553	2,442	45%
Average PK price/tonne	2,270	1,426	59%

During the current nine months ended 31 January 2022, the Group recorded a pretax profit of RM115.0 million which was 288% higher than RM29.6 million in the corresponding period of the preceding year.

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current nine months ended 31 January 2022, the Malaysian operations recorded a plantation profit of RM104.3 million which was 255% higher than RM29.4 million in the corresponding period of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an EBITDA of RM134.8 million which was 134% higher than RM57.7 million in the corresponding period of the preceding year.

Higher EBITDA in the current nine months was mainly due to higher average CPO price of RM4,313/tonne (preceding year: RM2,690/tonne) and PK price of RM3,079/tonne (preceding year: RM1,679/tonne) as well as higher FFB production by 3% or 6,099 tonnes.

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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 - Cont'd

Plantations - Cont'd

Indonesian operations (Kalimantan)

During the current nine months ended 31 January 2022, the Indonesian operations (Kalimantan) recorded a plantation profit of RM8.6 million compared with a plantation loss of RM3.6 million in the corresponding period of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Indonesian operations (Kalimantan) recorded an EBITDA of RM26.6 million which was 101% higher than RM13.3 million in the corresponding period of the preceding year.

Higher EBITDA in the current nine months was mainly due to higher average CPO price of RM3,553/tonne (preceding year: RM2,442/tonne) and PK price of RM2,270/tonne (preceding year: RM1,426/tonne) even though FFB production declined by 4% or 1,788 tonnes.

Investment Holding

Detailed breakdown of investment holding results is as follows:

	Cumulative Quarter		
	Current Year-to-date Ended 31 January 2022	Preceding Year-to-date Ended 31 January 2021	Variance
	RM'000	RM'000	%
Interest income	538	378	42%
Fair value gains on short term funds	418	294	42%
Interest expense	(1,031)	(1,637)	37%
Net foreign exchange gain	2,421	4,953	-51%
	2,346	3,988	-41%

Investment income of RM2.3 million in the current nine months was attributable to net foreign exchange gain of RM2.4 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.

Investment income of RM4.0 million in the corresponding period of the preceding year was attributable to net foreign exchange gain of RM5.0 million, interest income of RM0.4 million and fair value gains on short term funds of RM0.3 million, net of interest expense of RM1.6 million.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B2. Comparison with Preceding Quarter's Results

	Individual Quarter		
	Current Quarter Ended 31 January 2022	Preceding Quarter Ended 31 October 2021	Variance
	RM'000	RM'000	%
Revenue	147,789	143,854	3%
Operating profit	40,832	49,775	-18%
Profit before tax	39,400	48,343	-18%
Profit after tax	30,184	36,571	-17%
Profit attributable to owners of the Company	30,239	36,096	-16%
Additional information: <u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	36,966	43,156	-14%
- Indonesian operations (Kalimantan)	3,674	4,014	-8%
- Indonesian operations (Sulawesi)	(71)	(66)	-8%
Investment holding	(1,169)	1,239	-194%
Profit before tax	39,400	48,343	-18%
<u>Breakdown of profit before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	49,831	50,277	-1%
- Indonesian operations (Kalimantan)	9,997	9,664	3%
- Indonesian operations (Sulawesi)	(41)	(37)	-11%
EBITDA	59,787	59,904	0%
Depreciation	(15,946)	(15,643)	-2%
Fair value changes on biological assets (net)	(2,212)	3,909	-157%
Investment income	512	266	92%
Net foreign exchange (loss)/gain	(1,309)	1,339	-198%
Interest expense	(1,432)	(1,432)	0%
Profit before tax	39,400	48,343	-18%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,176	18,176	0%
- Indonesia	5,827	5,827	0%
Total mature area	24,003	24,003	0%
Immature area:			
- Malaysia	703	703	0%
- Indonesia	2,027	2,027	0%
Total immature area	2,730	2,730	0%
Total planted area	26,733	26,733	0%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 JANUARY 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

	Individual Quarter		
	Current Quarter Ended 31 January 2022	Preceding Quarter Ended 31 October 2021	Variance
Additional information (cont'd):			
<u>FFB production (tonne)</u>			
- Malaysia	77,999	87,441	-11%
- Indonesia	10,970	16,331	-33%
Total FFB production	88,969	103,772	-14%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.29	4.81	-11%
- Indonesia	1.88	2.80	-33%
Group FFB yield	3.71	4.32	-14%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	4,851	4,327	12%
Average PK price/tonne	4,036	2,719	48%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	4,116	3,459	19%
Average PK price/tonne	3,134	1,956	60%

During the current quarter ended 31 January 2022, the Group recorded a pretax profit of RM39.4 million which was 18% lower than RM48.3 million in the preceding quarter.

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 January 2022, the Malaysian operations recorded a plantation profit of RM37.0 million which was 14% lower than RM43.2 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an EBITDA of RM49.8 million which was marginally lower than RM50.3 million in the preceding quarter.

Slightly lower EBITDA in the current quarter was mainly due to lower FFB production by 11% or 9,442 tonnes despite higher average CPO price of RM4,851/tonne (preceding quarter: RM4,327/tonne) and PK price of RM4,036/tonne (preceding quarter: RM2,719/tonne) in the current quarter.

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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)

During the current quarter ended 31 January 2022, the Indonesian operations (Kalimantan) recorded a plantation profit of RM3.7 million which was 8% lower than RM4.0 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 RM10.0 million which was 3% higher than RM9.7 million in the preceding quarter.

Slightly higher EBITDA in the current quarter was mainly due to higher average CPO price of RM4,116/tonne (preceding quarter: RM3,459/tonne) and PK price of RM3,134/tonne (preceding quarter: RM1,956/tonne) even though FFB production declined by 33% or 5,361 tonnes.

Investment Holding

Detailed breakdown of investment holding results is as follows:

	Individual Quarter		
	Current Quarter Ended 31 January 2022	Preceding Quarter Ended 31 October 2021	Variance
	RM'000	RM'000	%
Interest income	270	157	72%
Fair value gains on short term funds	242	109	122%
Interest expense	(372)	(366)	-2%
Net foreign exchange (loss)/gain	(1,309)	1,339	198%
	(1,169)	1,239	-194%

Investment loss of RM1.2 million in the current quarter was attributable to net foreign exchange loss of RM1.3 million and interest expense of RM0.4 million, net of the interest income of RM0.3 million and fair value gains on short term funds of RM0.2 million.

Investment income of RM1.2 million in the preceding quarter was attributable to net foreign exchange gain of RM1.3 million, interest income of RM0.2 million and fair value gains on short term funds of RM0.1 million, net of interest expense of RM0.4 million.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
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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 2022 due to higher yields and better age profile. However, FFB production could be affected by prolonged wet weather, particularly in Sabah and Indonesia.

Significant labour shortage for Malaysian operations as a consequence of the restriction of foreign labour recruitment could lead to lower expected FFB production.

The Group expects to achieve better results in the current financial year due to significantly higher CPO prices. 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 January 2022.

B5. Profit Before Tax

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

	Current Quarter Ended 31 January 2022	Cumulative 9 Months Ended 31 January 2022
	RM'000	RM'000
Fair value changes on biological assets (net)	2,212	(1,697)
Gain on disposal of property, plant and equipment	-	(13)
Interest income	(270)	(538)
Net foreign exchange (gain)/loss:		
- realised	(356)	(356)
- unrealised	1,665	(2,065)
Realised fair value gains on short term funds	(242)	(418)
Depreciation of property, plant and equipment	12,294	36,174
Depreciation of right-of-use assets	3,652	10,946
Interest expense	1,432	4,254
Property, plant and equipment written off	15	48

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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 January 2022 RM'000	Cumulative 9 Months Ended 31 January 2022 RM'000
Current tax expense	9,610	27,246
Withholding tax	270	749
Deferred tax expense	(664)	(1,034)
	<u>9,216</u>	<u>26,961</u>

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

B7. Status of Corporate Proposals

There is no corporate proposal announced by the Group or pending completion as at 22 March 2022.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B8. Group Borrowings and Debt Securities

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

As at End of Current Quarter 31 January 2022

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	152,573	44,399
Short-term		
- Term loan (IDR million)	27,281	7,939
- Revolving credit (USD'000)	17,000	71,153
Total bank borrowings		123,491
Exchange rate used:	USD1	RM4.186
	IDR1,000	RM0.291

As at End of Preceding Year Corresponding Quarter 31 January 2021

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	181,701	52,330
Short-term		
- Term loan (IDR million)	16,341	4,706
- Revolving credit (USD'000)	17,000	68,765
Total bank borrowings		125,801
Exchange rate used:	USD1	RM4.045
	IDR1,000	RM0.288

- (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 January 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 2021.

B10. Disclosure of Realised and Unrealised Profits/Losses

	As at End of Current Quarter 31 January 2022	As at Preceding Financial Year End 30 April 2021
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	703,865	635,165
- unrealised	450,307	453,991
	<u>1,154,172</u>	<u>1,089,156</u>
Less: Consolidation adjustments	(22,450)	(19,442)
Total Group's retained earnings as per consolidated statement of financial position	<u>1,131,722</u>	<u>1,069,714</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 January 2022	Cumulative 9 Months Ended 31 January 2022
Profit for the period attributable to owners of the Company (RM'000)	30,239	87,180
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,769
Basic earnings per share (sen)	<u>14.42</u>	<u>41.56</u>

(b) Diluted earnings per share

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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 2021.

B13. Dividends

No dividend has been declared in respect of the current quarter ended 31 January 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 22 March 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, 22 March 2022