

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

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

	Individual Quarter 3 Months Ended 31 October		Cumulative Quarter 6 Months Ended 31 October	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue	140,128	143,854	307,568	258,722
Cost of sales	(110,542)	(94,386)	(235,678)	(177,586)
Gross profit	29,586	49,468	71,890	81,136
Other income	2,378	5,992	3,330	9,040
Administrative expenses	(5,780)	(5,668)	(12,191)	(11,724)
Other expenses	(2,011)	(17)	(5,552)	(33)
Operating profit	24,173	49,775	57,477	78,419
Interest expense	(1,786)	(1,432)	(3,301)	(2,822)
Profit before tax	22,387	48,343	54,176	75,597
Taxation	(7,908)	(11,772)	(16,194)	(17,745)
Profit for the period	14,479	36,571	37,982	57,852
Other comprehensive income:				
Item that will be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	1,944	(17)	1,747	6,276
	1,944	(17)	1,747	6,276
Total comprehensive income for the period	16,423	36,554	39,729	64,128
Profit/(loss) for the period attributable to:				
Owners of the Company	15,709	36,096	40,012	56,941
Non-controlling interests	(1,230)	475	(2,030)	911
	14,479	36,571	37,982	57,852
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	17,251	36,080	41,365	62,200
Non-controlling interests	(828)	474	(1,636)	1,928
	16,423	36,554	39,729	64,128
Earnings per share attributable to owners of the Company:				
Basic (sen)	7.49	17.21	19.07	27.14
Diluted (sen)	7.49	17.21	19.07	27.14

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

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

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

	As at End of Current Quarter 31 October 2022	As at Preceding Financial Year End 30 April 2022
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	669,846	671,298
Right-of-use assets	800,414	788,442
Goodwill on consolidation	82,474	82,474
Intangible asset	234	234
Other asset	3,536	3,501
Other receivables	22,404	15,647
	<u>1,578,908</u>	<u>1,561,596</u>
Current Assets		
Inventories	58,078	52,329
Biological assets	13,735	15,939
Trade and other receivables	85,689	72,574
Short term funds	17,949	75,103
Cash and bank balances	98,550	58,161
	<u>274,001</u>	<u>274,106</u>
TOTAL ASSETS	<u>1,852,909</u>	<u>1,835,702</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	255,375	255,375
Other reserve	(4,673)	(6,026)
Retained earnings	1,171,587	1,152,552
Equity attributable to owners of the Company	<u>1,422,289</u>	<u>1,401,901</u>
Non-controlling interests	37,278	38,914
Total equity	<u>1,459,567</u>	<u>1,440,815</u>
Non-Current Liabilities		
Bank borrowings	37,963	43,044
Lease liabilities	7,356	7,026
Retirement benefit obligation	1,116	1,037
Deferred tax liabilities	194,186	196,272
	<u>240,621</u>	<u>247,379</u>
Current Liabilities		
Bank borrowings	81,942	74,344
Lease liabilities	1,124	925
Trade and other payables	67,827	63,626
Tax payable	1,828	8,613
	<u>152,721</u>	<u>147,508</u>
Total liabilities	<u>393,342</u>	<u>394,887</u>
TOTAL EQUITY AND LIABILITIES	<u>1,852,909</u>	<u>1,835,702</u>
Net assets per share attributable to owners of the Company (RM)	<u>6.78</u>	<u>6.68</u>

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

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2022**

	Attributable to Owners of the Company			Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non- distributable Other Reserve RM'000	Distributable Retained Earnings RM'000			
<u>Period Ended 31 October 2022</u>						
Balance at 1 May 2022	255,375	(6,026)	1,152,552	1,401,901	38,914	1,440,815
Total comprehensive income/(loss) for the year	-	1,353	40,012	41,365	(1,636)	39,729
Transaction with owners:						
Dividends	-	-	(20,977)	(20,977)	-	(20,977)
	-	-	(20,977)	(20,977)	-	(20,977)
Balance at 31 October 2022	255,375	(4,673)	1,171,587	1,422,289	37,278	1,459,567

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

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

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable Other Reserve	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period Ended 31 October 2021</u>						
Balance at 1 May 2021	255,375	(16,387)	1,069,714	1,308,702	32,723	1,341,425
Total comprehensive income for the year	-	5,259	56,941	62,200	1,928	64,128
Transaction with owners:						
Dividend	-	-	(14,684)	(14,684)	-	(14,684)
	-	-	(14,684)	(14,684)	-	(14,684)
Balance at 31 October 2021	255,375	(11,128)	1,111,971	1,356,218	34,651	1,390,869

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

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

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

	Period Ended 31 October 2022	Period Ended 31 October 2021
	RM'000	RM'000
Operating Activities		
Profit before tax	54,176	75,597
Adjustments for:		
Depreciation of property, plant and equipment	24,309	23,880
Depreciation of right-of-use assets	7,427	7,294
Fair value changes on biological assets (net)	2,211	(3,909)
Gain on disposal of property, plant and equipment	(301)	(13)
Interest expense	3,301	2,822
Interest income	(1,147)	(268)
Property, plant and equipment written off	47	33
Realised fair value gains on short term funds	(296)	(176)
Unrealised fair value gains on short term funds	(120)	-
Unrealised foreign exchange loss/(gain)	3,294	(3,730)
Operating cash flows before changes in working capital	92,901	101,530
<u>Changes in working capital:</u>		
Inventories	(5,440)	(15,208)
Trade and other receivables	(18,477)	(4,454)
Trade and other payables	3,840	4,776
Cash flows from operations	72,824	86,644
Interest received	1,057	266
Interest paid	(3,236)	(2,795)
Taxes refunded	-	603
Taxes paid	(25,108)	(6,974)
Net cash flows from operating activities	45,537	77,744
Investing Activities		
Additions of right-of-use assets	(18,354)	-
Proceeds from disposal of property, plant and equipment	1,033	81
Purchase of property, plant and equipment	(20,226)	(16,036)
Net withdrawals/(placements) of short term funds	57,570	(33,740)
Net cash flows from/(used in) investing activities	20,023	(49,695)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

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

	<u>Period Ended</u> <u>31 October 2022</u> RM'000	<u>Period Ended</u> <u>31 October 2021</u> RM'000
Financing Activities		
Dividends paid	(20,977)	(14,684)
Repayment of term loan	(3,647)	(2,353)
Payment of principal portion of lease liabilities	(467)	(347)
Net cash flows used in financing activities	<u>(25,091)</u>	<u>(17,384)</u>
Net change in cash and bank balances	40,469	10,665
Effect of foreign exchange rate changes	(80)	269
Cash and bank balances at beginning of year	58,161	33,204
Cash and bank balances at end of year	<u>98,550</u>	<u>44,138</u>
Cash and bank balances comprise:		
Cash on hand and at banks	7,133	15,336
Short-term deposits with licensed financial institutions	91,417	28,802
	<u>98,550</u>	<u>44,138</u>

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

A1. Basis of Preparation

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

The interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 April 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2022.

A2. Changes in Accounting Policies

The accounting policies and methods of computation applied by the Group in the interim financial statements are consistent with those applied in the latest audited financial statements for the financial year ended 30 April 2022 except for the adoption of the following amended standards effective for the financial year beginning 1 May 2022:

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

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

A3. Seasonal or Cyclical Nature of Operations

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

The FFB production of the Group for the six months ended 31 October 2022 was marginally higher than that of the corresponding period in the preceding year by 2% or 4,930 tonnes.

For Malaysian operations, FFB production for the six months ended 31 October 2022 grew by 9% or 14,415 tonnes from the corresponding period in the preceding year due to increase in yield from Peninsular estates.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

For Indonesian operations, FFB production for the six months ended 31 October 2022 declined by 28% or 9,485 tonnes from the corresponding period in the preceding year as the FFB harvesting activities were affected by high rainfall and high turnover of harvesters.

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

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

A7. Dividends Paid

The dividends paid during the period ended 31 October 2022 were as follows:

In respect of financial year ended 30 April 2022

Second interim single-tier dividend of 5 sen and a special single-tier dividend of 5 sen per share, on 209,769,201 ordinary shares, paid on 19 August 2022

RM'000

20,977

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A8. Segmental Information

(a) Business Segments

	Current Quarter Ended 31 October 2022	Cumulative 6 Months Ended 31 October 2022
	RM'000	RM'000
Segment Revenue		
Plantation revenue	164,739	360,458
Elimination of inter-companies' sales	(24,611)	(52,890)
External sales	<u>140,128</u>	<u>307,568</u>
Segment Profit/(Loss)		
Plantations:		
- Malaysian operations	29,794	65,965
- Indonesian operations (Kalimantan)	(5,527)	(8,765)
- Indonesian operations (Sulawesi)	(48)	(96)
Investment holding	<u>(1,832)</u>	<u>(2,928)</u>
Profit before tax	22,387	54,176
Taxation	<u>(7,908)</u>	<u>(16,194)</u>
Profit for the period	<u>14,479</u>	<u>37,982</u>
		As at End of Current Quarter 31 October 2022
		RM'000
Segment Assets		
Plantations		1,736,299
Investment holding		116,610
Consolidated total assets		<u>1,852,909</u>
Segment Liabilities		
Plantations		273,297
Investment holding		120,045
Consolidated total liabilities		<u>393,342</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A8. Segmental Information - Cont'd

(b) Geographical Segments

	Current Quarter Ended 31 October 2022	Cumulative 6 Months Ended 31 October 2022
	RM'000	RM'000
Segment Revenue		
Malaysia	121,340	263,307
Indonesia	18,788	44,261
Consolidated total revenue	<u>140,128</u>	<u>307,568</u>
Segment Profit/(Loss)		
Malaysia	25,933	60,830
Indonesia	(3,546)	(6,654)
Profit before tax	<u>22,387</u>	<u>54,176</u>
Taxation	(7,908)	(16,194)
Profit for the period	<u>14,479</u>	<u>37,982</u>
		As at End of Current Quarter 31 October 2022
		RM'000
Segment Assets		
Malaysia		1,288,978
Indonesia		563,931
Consolidated total assets		<u>1,852,909</u>
Segment Liabilities		
Malaysia		301,285
Indonesia		92,057
Consolidated total liabilities		<u>393,342</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 October 2022 to the date of this announcement that had not been reflected in this interim financial statements except for the following:

Extension of leasehold land in Machap Estate

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

As of 31 October 2022, the Group paid RM18.4 million, representing 50% of the total premium sum. The balance premium sum of RM18.3 million has been paid in December 2022.

A10. Changes in the Composition of the Group

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

A11. Changes in Contingent Liabilities and Contingent Assets

At the date of this report, no contingent liabilities and contingent assets had arisen since the end of preceding financial year 30 April 2022.

A12. Capital Commitments

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

	RM'000
Capital expenditure approved and contracted for:	
Additions of bearer plants	1,689
Additions of right-of-use assets	18,333
Purchase of other property, plant and equipment	11,584
	<u>31,606</u>
Capital expenditure approved but not contracted for:	
Additions of bearer plants	23,198
Purchase of other property, plant and equipment	36,088
	<u>59,286</u>
	<u>90,892</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A13. Related Party Disclosures

In addition to the inter-companies' sales as disclosed in Note A8(a), the Group had the following transactions and balances with related parties during the current quarter and current financial year-to-date ended 31 October 2022:

(a) Transactions with Related Parties

	Current Quarter Ended 31 October 2022	Cumulative 6 Months Ended 31 October 2022
	RM'000	RM'000
Companies in which certain directors of the Company are directors		
- Sale of FFB	-	575
- Purchase of fertiliser	932	2,683
	<hr/>	<hr/>
Company in which certain director of the Company is director of its Holding Company		
- Purchase of property, plant and equipment	679	679
	<hr/>	<hr/>

(b) Balance with Related Party

	As at End of Current Quarter 31 October 2022
	RM'000
Company in which certain directors of the Company are directors	
- Trade payable	430
	<hr/>
Company in which certain director of the Company is director of its Holding Company	
- Other payable	340
	<hr/>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 October 2022	Preceding Year Corresponding Quarter Ended 31 October 2021	Variance
	RM'000	RM'000	%
Revenue	140,128	143,854	-3%
Operating profit	24,173	49,775	-51%
Profit before tax	22,387	48,343	-54%
Profit after tax	14,479	36,571	-60%
Profit attributable to owners of the Company	15,709	36,096	-56%
Additional information: Segmental results (RM'000)			
Plantations:			
- Malaysian operations	29,794	43,156	-31%
- Indonesian operations (Kalimantan)	(5,527)	4,014	-238%
- Indonesian operations (Sulawesi)	(48)	(66)	27%
Investment holding	(1,832)	1,239	-248%
Profit before tax	22,387	48,343	-54%
Breakdown of profit/(loss) before tax (RM'000)			
Plantations:			
- Malaysian operations	40,307	50,277	-20%
- Indonesian operations (Kalimantan)	314	9,664	-97%
- Indonesian operations (Sulawesi)	(17)	(37)	54%
EBITDA	40,604	59,904	-32%
Depreciation	(15,908)	(15,643)	-2%
Fair value changes on biological assets (net)	597	3,909	-85%
Investment income	840	266	216%
Net foreign exchange (loss)/gain	(1,960)	1,339	-246%
Interest expense	(1,786)	(1,432)	-25%
Profit before tax	22,387	48,343	-54%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 October 2022	Preceding Year Corresponding Quarter Ended 31 October 2021	Variance
Additional information (cont'd):			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	17,955	18,176	-1%
- Indonesia	6,073	5,827	4%
Total mature area	24,028	24,003	0%
Immature area:			
- Malaysia	948	703	35%
- Indonesia	1,791	2,027	-12%
Total immature area	2,739	2,730	0%
Total planted area	26,767	26,733	0%
<u>FFB production (tonne)</u>			
- Malaysia	101,982	87,441	17%
- Indonesia	13,606	16,331	-17%
Total FFB production	115,588	103,772	11%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	5.68	4.81	18%
- Indonesia	2.24	2.80	-20%
Group FFB yield	4.81	4.32	11%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	3,985	4,327	-8%
Average PK price/tonne	2,334	2,719	-14%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	2,769	3,459	-20%
Average PK price/tonne	1,882	1,956	-4%

During the current quarter ended 31 October 2022, the Group recorded a pre-tax profit of RM22.4 million which was 54% lower than RM48.3 million in the corresponding quarter of the preceding year.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 October 2022, the Malaysian operations recorded a plantation profit of RM29.8 million which was 31% lower than RM43.2 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 RM40.3 million which was 20% lower than RM50.3 million in the corresponding quarter of the preceding year.

Even though FFB production was higher by 17% or 14,541 tonnes, the lower EBITDA in the current quarter was mainly due to lower average CPO price of RM3,985/tonne (preceding year: RM4,327/tonne) and PK price of RM2,334/tonne (preceding year: RM2,719/tonne) as well as higher unit cost of production incurred.

Indonesian operations (Kalimantan)

During the current quarter ended 31 October 2022, the Indonesian operations (Kalimantan) recorded a plantation loss of RM5.5 million compared with a plantation profit of RM4.0 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 RM0.3 million which was 97% lower than RM9.7 million in the corresponding quarter of the preceding year.

Lower EBITDA in the current quarter was mainly due to the lower FFB production by 17% or 2,725 tonnes as well as the lower average CPO price of RM2,769/tonne (preceding year: RM3,459/tonne) and PK price of RM1,882/tonne (preceding year: RM1,956/tonne).

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 October 2022	Preceding Year Corresponding Quarter Ended 31 October 2021	Variance
	RM'000	RM'000	%
Interest income	728	157	364%
Fair value gains on short term funds	112	109	3%
Interest expense	(712)	(366)	-95%
Net foreign exchange (loss)/gain	(1,960)	1,339	-246%
	(1,832)	1,239	-248%

Investment loss of RM1.8 million in the current quarter was attributable to net foreign exchange loss of RM2.0 million and interest expense of RM0.7 million, net of interest income of RM0.7 million and fair value gains on short term funds of RM0.1 million.

Investment income of RM1.2 million in the corresponding quarter of the preceding year was mainly attributable to net foreign exchange gain of RM1.3 million, net of interest expense of RM0.4 million.

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

	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2022	Preceding Year-to-date Ended 31 October 2021	Variance
	RM'000	RM'000	%
Revenue	307,568	258,722	19%
Operating profit	57,477	78,419	-27%
Profit before tax	54,176	75,597	-28%
Profit after tax	37,982	57,852	-34%
Profit attributable to owners of the Company	40,012	56,941	-30%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 October 2022	Preceding Year-to-date Ended 31 October 2021	Variance
Additional information: <u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	65,965	67,301	-2%
- Indonesian operations (Kalimantan)	(8,765)	4,920	-278%
- Indonesian operations (Sulawesi)	(96)	(139)	31%
Investment holding	(2,928)	3,515	-183%
Profit before tax	54,176	75,597	-28%
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	89,511	84,971	5%
- Indonesian operations (Kalimantan)	3,670	16,620	-78%
- Indonesian operations (Sulawesi)	(34)	(81)	58%
EBITDA	93,147	101,510	-8%
Depreciation	(31,736)	(31,174)	-2%
Fair value changes on biological assets (net)	(2,211)	3,909	-157%
Investment income	1,563	444	252%
Net foreign exchange (loss)/gain	(3,286)	3,730	-188%
Interest expense	(3,301)	(2,822)	-17%
Profit before tax	54,176	75,597	-28%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	17,955	18,176	-1%
- Indonesia	6,073	5,827	4%
Total mature area	24,028	24,003	0%
Immature area:			
- Malaysia	948	703	35%
- Indonesia	1,791	2,027	-12%
Total immature area	2,739	2,730	0%
Total planted area	26,767	26,733	0%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 October 2022	Preceding Year-to-date Ended 31 October 2021	Variance
Additional information (cont'd):			
<u>FFB production (tonne)</u>			
- Malaysia	183,564	169,149	9%
- Indonesia	24,159	33,644	-28%
Total FFB production	207,723	202,793	2%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	10.16	9.30	9%
- Indonesia	3.98	5.77	-31%
Group FFB yield	8.61	8.44	2%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	4,727	4,063	16%
Average PK price/tonne	2,575	2,624	-2%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	3,465	3,307	5%
Average PK price/tonne	2,491	1,972	26%

During the current six months ended 31 October 2022, the Group recorded a pre-tax profit of RM54.2 million which was 28% lower than RM75.6 million in the corresponding period of the preceding year.

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current six months ended 31 October 2022, the Malaysian operations recorded a plantation profit of RM66.0 million which was 2% lower than RM67.3 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 RM89.5 million which was 5% higher than RM85.0 million in the corresponding period of the preceding year.

Higher EBITDA in the current six months was mainly due to higher average CPO price of RM4,727/tonne (preceding year: RM4,063/tonne) as well as higher FFB production by 9% or 14,415 tonnes.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 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

Plantations - Cont'd

Indonesian operations (Kalimantan)

During the current six months ended 31 October 2022, the Indonesian operations (Kalimantan) recorded a plantation loss of RM8.8 million compared with a plantation profit of RM4.9 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 RM3.7 million which was 78% lower than RM16.6 million in the corresponding period of the preceding year.

Lower EBITDA in the current six months was mainly due to lower FFB production which declined by 28% or 9,485 tonnes as the FFB harvesting activities were affected by high rainfall and high turnover of harvesters.

Investment Holding

Detailed breakdown of investment holding results is as follows:

	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2022	Preceding Year-to-date Ended 31 October 2021	Variance
	RM'000	RM'000	%
Interest income	1,147	268	328%
Fair value gains on short term funds	416	176	136%
Interest expense	(1,205)	(659)	-83%
Net foreign exchange (loss)/gain	(3,286)	3,730	-188%
	(2,928)	3,515	-183%

Investment loss of RM3.0 million in the current six months was attributable to net foreign exchange loss of RM3.3 million and interest expense of RM1.2 million, net of interest income of RM1.1 million and fair value gains on short term funds of RM0.4 million.

Investment income of RM3.5 million in the corresponding period of the preceding year was attributable to net foreign exchange gain of RM3.7 million, interest income of RM0.3 million and fair value gains on short term funds of RM0.2 million, net of interest expense of RM0.7 million.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B2. Comparison with Preceding Quarter's Results

	Individual Quarter		
	Current Quarter Ended 31 October 2022	Preceding Quarter Ended 31 July 2022	Variance
	RM'000	RM'000	%
Revenue	140,128	167,440	-16%
Operating profit	24,173	33,304	-27%
Profit before tax	22,387	31,789	-30%
Profit after tax	14,479	23,503	-38%
Profit attributable to owners of the Company	15,709	24,303	-35%
Additional information: <u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	29,794	36,171	-18%
- Indonesian operations (Kalimantan)	(5,527)	(3,238)	-71%
- Indonesian operations (Sulawesi)	(48)	(48)	0%
Investment holding	(1,832)	(1,096)	-67%
Profit before tax	22,387	31,789	-30%
<u>Breakdown of profit/(loss) before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	40,307	49,204	-18%
- Indonesian operations (Kalimantan)	314	3,356	-91%
- Indonesian operations (Sulawesi)	(17)	(17)	0%
EBITDA	40,604	52,543	-23%
Depreciation	(15,908)	(15,828)	-1%
Fair value changes on biological assets (net)	597	(2,808)	121%
Investment income	840	723	16%
Net foreign exchange loss	(1,960)	(1,326)	-48%
Interest expense	(1,786)	(1,515)	-18%
Profit before tax	22,387	31,789	-30%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	17,955	18,109	-1%
- Indonesia	6,073	6,073	0%
Total mature area	24,028	24,182	-1%
Immature area:			
- Malaysia	948	795	19%
- Indonesia	1,791	1,788	0%
Total immature area	2,739	2,583	6%
Total planted area	26,767	26,765	0%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

	Individual Quarter		
	Current Quarter Ended 31 October 2022	Preceding Quarter Ended 31 July 2022	Variance
Additional information (cont'd):			
<u>FFB production (tonne)</u>			
- Malaysia	101,982	81,582	25%
- Indonesia	13,606	10,553	29%
Total FFB production	115,588	92,135	25%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	5.68	4.50	26%
- Indonesia	2.24	1.74	29%
Group FFB yield	4.81	3.81	26%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	3,985	5,606	-29%
Average PK price/tonne	2,334	2,926	-20%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	2,769	4,225	-34%
Average PK price/tonne	1,882	3,535	-47%

During the current quarter ended 31 October 2022, the Group recorded a pre-tax profit of RM22.4 million which was 30% lower than RM31.8 million in the preceding quarter.

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 October 2022, the Malaysian operations recorded a plantation profit of RM29.8 million which was 18% lower than RM36.2 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an EBITDA of RM40.3 million which was 18% lower than RM49.2 million in the preceding quarter.

Lower EBITDA in the current quarter was mainly due to lower average CPO price of RM3,985/tonne (preceding quarter: RM5,606/tonne) and PK price of RM2,334/tonne (preceding quarter: RM2,926/tonne) even though FFB production was higher by 25% or 20,400 tonnes.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

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

Plantations - Cont'd

Indonesian operations (Kalimantan)

Plantation losses were recorded for both current and preceding quarters amounting to RM5.5 million and RM3.2 million respectively. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Indonesian operations (Kalimantan) recorded an EBITDA of RM0.3 million which was 91% lower than RM3.4 million in the preceding quarter.

Lower EBITDA in the current quarter was mainly due to lower average CPO price of RM2,769/tonne (preceding quarter: RM4,225/tonne) and PK price of RM1,882/tonne (preceding quarter: RM3,535/tonne) even though FFB production was higher by 29% or 3,053 tonnes.

Investment Holding

Detailed breakdown of investment holding results is as follows:

	Individual Quarter		
	Current Quarter Ended 31 October 2022	Preceding Quarter Ended 31 July 2022	Variance
	RM'000	RM'000	%
Interest income	728	419	74%
Fair value gains on short term funds	112	304	-63%
Interest expense	(712)	(493)	-44%
Net foreign exchange loss	(1,960)	(1,326)	-48%
	(1,832)	(1,096)	-67%

Investment loss of RM1.8 million in the current quarter was attributable to net foreign exchange loss of RM2.0 million and interest expense of RM0.7 million, net of interest income of RM0.7 million and fair value gains on short term funds of RM0.1 million.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B3. Current Year Prospects

The Group expects FFB production to increase in the second half of the financial year ending 30 April 2023 ("FY 2023") due to higher yields profile.

The management expects an increase in operating costs resulting from higher material and labour costs.

Management's priority will be to turn around the unsatisfactory performance of Indonesian operations and focus on increasing FFB yield in Sabah operations with the expected favourable weather in the second half of FY 2023.

Assuming CPO prices remain at the current level, the Group expects satisfactory results for FY 2023.

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 October 2022.

B5. Profit Before Tax

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

	Current Quarter Ended 31 October 2022	Cumulative 6 Months Ended 31 October 2022
	RM'000	RM'000
Depreciation of property, plant and equipment	12,210	24,309
Depreciation of right-of-use assets	3,698	7,427
Fair value changes on biological assets (net)	(597)	2,211
Fair value gains on short term funds:		
- realised	(46)	(296)
- unrealised	(66)	(120)
Gain on disposal of property, plant and equipment	(292)	(301)
Interest expense	1,786	3,301
Interest income	(728)	(1,147)
Net foreign exchange (gain)/loss:		
- realised	(6)	(8)
- unrealised	1,966	3,294
Property, plant and equipment written off	45	47

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B5. Profit Before Tax - Cont'd**

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 October 2022 RM'000	Cumulative 6 Months Ended 31 October 2022 RM'000
Current tax expense	8,443	17,792
Real property gain tax	12	12
Withholding tax	354	664
Deferred tax expense	(901)	(2,274)
	<u>7,908</u>	<u>16,194</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.

B7. Status of Corporate Proposals

There is no corporate proposal announced by the Group or pending completion as at 27 December 2022.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

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 October 2022

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	125,292	37,963
Short-term		
- Term loan (IDR million)	36,375	11,022
- Revolving credit (USD'000)	15,000	70,920
Total bank borrowings		119,905
Exchange rate used:	USD1	RM4.728
	IDR1,000	RM0.303

As at End of Preceding Year Corresponding Quarter 31 October 2021

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	161,667	47,207
Short-term		
- Term loan (IDR million)	24,250	7,081
- Revolving credit (USD'000)	17,000	70,423
Total bank borrowings		124,711
Exchange rate used:	USD1	RM4.143
	IDR1,000	RM0.292

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

There was no debt security as at 31 October 2022.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B9. Material Litigation

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

B10. Disclosure of Realised and Unrealised Profits/Losses

	As at End of Current Quarter 31 October 2022	As at Preceding Financial Year End 30 April 2022
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	751,763	721,142
- unrealised	445,486	454,869
	<u>1,197,249</u>	<u>1,176,011</u>
Less: Consolidation adjustments	(25,662)	(23,459)
Total Group's retained earnings as per consolidated statement of financial position	<u>1,171,587</u>	<u>1,152,552</u>

B11. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period as follows:

	Current Quarter Ended 31 October 2022	Cumulative 6 Months Ended 31 October 2022
Profit for the period attributable to owners of the Company (RM'000)	15,709	40,012
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,769
Basic earnings per share (sen)	<u>7.49</u>	<u>19.07</u>

(b) Diluted earnings per share

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

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022

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 2022.

B13. Dividend

The directors declare a first interim single-tier dividend of 5 sen in respect of financial year ending 30 April 2023 (previous financial year 2021/22: single-tier dividend of 5 sen).

The first interim single-tier dividend will be paid on 20 January 2023.

B14. Closure of Books

NOTICE IS HEREBY GIVEN that a first interim single-tier dividend of 5 sen per share, in respect of the financial year ending 30 April 2023 will be paid on 20 January 2023 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 12 January 2023.

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

- (a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 12 January 2023 in respect of transfers;
- (b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 10 January 2023 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 27 December 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, 27 December 2022