

# FIRST QUARTER REPORT 2017

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24 May 2017



UNITED INTERNATIONAL ENTERPRISES LIMITED



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# UIE IN BRIEF

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**U**nited International Enterprises Limited (“UIE”) is a holding company which primarily invests in the agro-industrial sector.

UIE exercises long-term and active ownership via involvement at board level and via close dialogue with the management about operational and strategic issues.

UIE is committed to invest in companies that are operated and developed in a sustainable as well as socially responsible way.

UIE was founded in 1982 and is listed on NASDAQ Copenhagen.

The investment portfolio mainly consists of the following two companies:



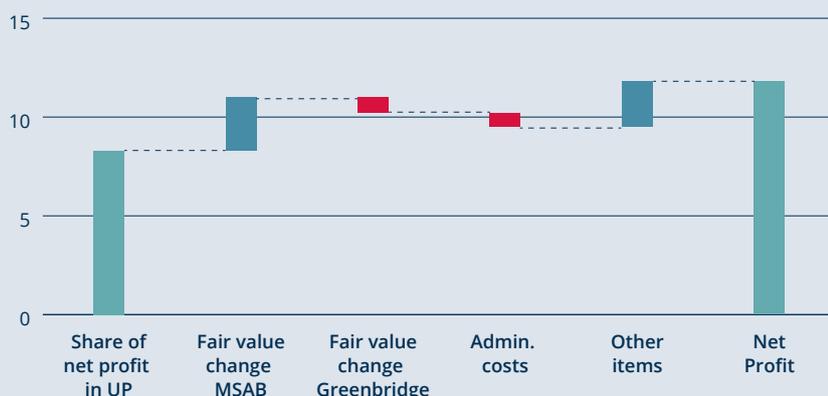


# UIE KEY FIGURES

## BUSINESS PERFORMANCE<sup>1</sup>

### NET PROFIT IN Q1 2017

MILLION USD



UIE's net profit in the first quarter of 2017 amounted to USD 11.8 million compared to 5.2 million in the first quarter of 2016.

When comparing the two periods under review, it should be noted that the fair value change of the investment in MSAB increased by USD 2.7 million in the first quarter of 2017, whereas it decreased by USD 2.8 million in the first quarter of 2016.

UIE's share of UP's net profit was USD 8.3 million, which is an increase of 21% compared to the first quarter of 2016.

### EARNINGS PER SHARE Q1 2017

3.44

USD

▲ 112 % ON Q1 2016

### CASH AS AT 31/3-17

102

MILLION USD

▲ 6 % ON YEAR-END 2016

### SHARE PRICE AS AT 31/3-17

1,259

DKK

▲ 1 % ON YEAR-END 2016

### NET PROFIT Q1 2017

MILLION USD



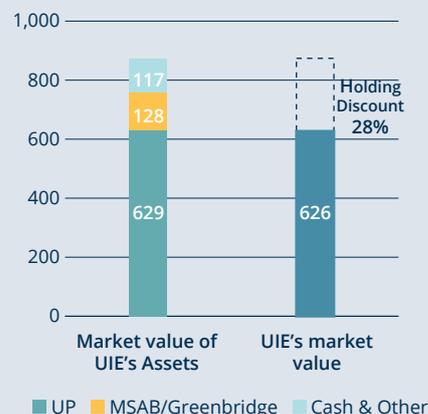
### SHAREHOLDERS' EQUITY

MILLION USD



### MARKET VALUE OF UIE'S ASSETS AS AT 31/3-17

MILLION USD



1) See page 6 for further explanation of Business Reporting and Accounting Policies.



# UIE'S STRATEGIC INVESTMENTS

## FINANCIAL PERFORMANCE

### UP UNITED PLANTATIONS BERHAD

Profit before tax in the first quarter of 2017 was MYR 103 million (USD 23 million); an increase of 23% compared to the first quarter of 2016.

Profit before tax increased by 46% in the plantation division due to a higher production of CPO and PK as well as improved selling prices.

Net profit in the first quarter of 2017 was MYR 78 million (USD 18 million); an increase of 31% compared to the first quarter of 2016.

#### UP PROFIT BEFORE TAX BY SEGMENT

MYR million	Q1 2017	Q1 2016	% Change
Plantation	87.8	60.3	46%
Refining	14.8	34.0	(56%)
Other	0.6	(10.2)	N/A
<b>Total UP profit before tax</b>	<b>103.2</b>	<b>84.1</b>	<b>23%</b>

### MSAB MELKER SCHÖRLING AB

Net gain in the first quarter of 2017 was SEK 4,190 million (USD 468 million), which relates to a change in the fair value of the Company's portfolio of investments.

Net asset value per share increased from SEK 492 at the end of 2016 to SEK 527 on 31 March 2017, representing an increase of 7%.

#### MSAB NET ASSET VALUE

SEK million	31/3 2017	31/12 2016	% Change
Net Asset Value of Investments	61,107	56,909	7%
Net Cash	1,669	1,677	0%
<b>Total Net Asset Value</b>	<b>62,776</b>	<b>58,586</b>	<b>7%</b>



# FINANCIAL REVIEW

## - BUSINESS REPORTING

**U**IE's net profit amounted to USD 11.8 million in the first quarter of 2017 - a significant increase of 126% due to strong performance in both UP and MSAB.

UIE's net profit in the first quarter of 2017 amounted to USD 11.8 million, which is 126% above the USD 5.2 million reported in the first quarter of 2016.

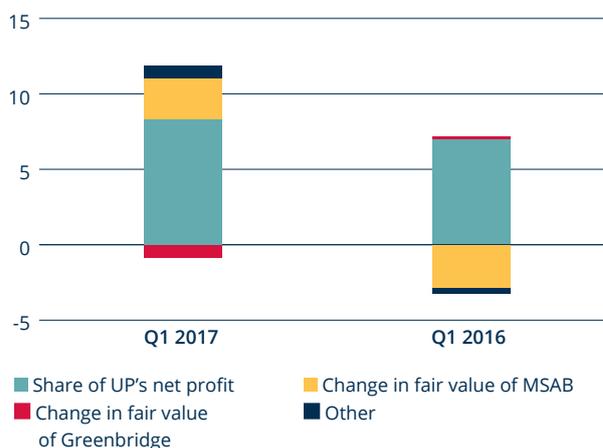
### BUSINESS PERFORMANCE REVIEW

UIE's operating income amounted to USD 11.0 million in the first quarter of 2017, which is 188% higher than the operating income reported in the first quarter of 2016.

The increase is primarily due to a fair value change of the investment in MSAB increasing by USD 2.7 million in the first quarter of 2017 compared to a loss of USD 2.8 million in the corresponding period in 2016.

### INCOME IN UIE

USD million



## BUSINESS REPORTING - MEASUREMENT OF PERFORMANCE

According to IFRS, UIE is deemed to have de facto control of UP (even though it holds less than 50% of UP's voting rights). Hence, UP's result is now consolidated in UIE's consolidated financial statements.

However, as UIE is a non-operating holding company, the Board of UIE is of the view that a more appropriate measurement of the performance of the investment in UP is to equity account (monitoring UIE's share of the profit). Accordingly, this measurement is used in the internal reporting as well as in the reporting to shareholders, referred to as "Business Reporting" in the Directors' Report.

The performance of other investments is measured by changes in their respective fair value.

The difference between the Business Reporting in the Directors' Report and the consolidated financial statements is described in note 1. The net profit in the Business Reporting is substantially the same as the amount attributable to the owners of the Company in the consolidated financial statements.



## BUSINESS PERFORMANCE

USD '000	Q1 2017	Q1 2016	FY 2016
Share of UP's net profit	8,272	6,858	37,631
Change in fair value of MSAB	2,664	(2,775)	(9,062)
Change in fair value of Greenbridge	(760)	115	2,133
Dividend income MSAB	-	-	730
Other	831	(378)	227
Total operating income	11,007	3,820	31,659
Administrative expenses	(722)	(405)	(2,557)
Net interest income	198	74	508
Foreign exchange gain/(loss)	1,337	1,737	(380)
Profit before tax	11,820	5,226	29,230
Income tax	(28)	(15)	(229)
One-off settlement of tax position	-	-	9,948
Profit after tax	11,792	5,211	38,949

### UP

UP's net profit, measured in MYR (UP's financial currency), increased by 31% in the first quarter of 2017. However, measured in USD (UIE's functional currency), the net profit increased by 21% due to the depreciation of the MYR against the USD and amounted to USD 8.3, an increase of USD 1.4 million compared to the first quarter of 2016.

### MSAB

UIE's investment in MSAB is accounted for at fair value with movements being recognised in the Income Statement.

The share price of MSAB increased by 1%, from SEK 537.5 on 31 December 2016 to SEK 541.5 on 31 March 2017. During the same period, the NASDAQ Stockholm All-Share PI index increased by 5%.

On 31 March 2017, MSAB was trading at a premium of 3% compared to its net asset value (9% on 31 December 2016).

In the first quarter of 2017, the fair value of UIE's investment in MSAB increased by SEK 8 million, or 1%, but the fair value, in USD, increased by 2% (USD 2.7 million) due to a slight strengthening of the SEK against the USD during the first quarter of 2017.

### GREENBRIDGE

UIE's investment in Greenbridge is accounted for at fair value, with movements being recognised in the Income Statement.

During the first quarter of 2017, the fair value of UIE's investment in Greenbridge decreased by USD 0.8 million to USD 8.5 million. This relates mainly to a share price decrease of Greenbridge's investment in NEXT Biometrics Group.

## MSAB SHARE PRICE DEVELOPMENT





**OTHER INCOME AND ADMINISTRATION COSTS**

Approximately USD 15 million representing less than 20% of UIE’s cash reserve was invested in a liquid and diversified portfolio of equities, fixed income products as well as in trading of soft commodities. The result of these activities, together with other income, produced a gain of USD 0.8 million in the first quarter of 2017 (loss of USD 0.4 million in the corresponding period in 2016).

In the first quarter of 2017, general and administrative expenses totaled USD 0.7 million, compared to USD 0.4 million in the first quarter of 2016.

11.8 million and an increase of translation reserves of USD 3.7 million (primarily a positive equity adjustment arising from the conversion of UIE’s interests in UP from MYR into USD), offset by share buy-back of USD 1.4 million.

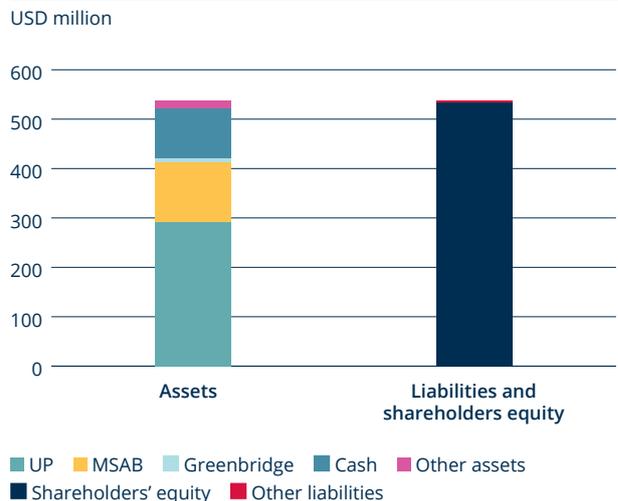
Total net cash reserves in UIE increased from USD 96.4 million on 31 December 2016 to USD 101.8 million on 31 March 2017. The increase was mainly due the tax refund of USD 9.7 million received from the Malaysian Tax Authorities in February 2017, as reported in the Annual Report 2016. This was partly offset by the share buy-back.

**FINANCIAL POSITION**

The development in the value of UIE’s investment in UP, MSAB and Greenbridge is shown in the table below. The total value of the investments recognised in the financial position increased by USD 14.3 million during the period under review. The increase primarily derived from UIE’s share of the result in UP, a strengthening of the MYR to the USD during the first quarter of 2017 and positive fair value adjustments relating to MSAB, offset by a negative fair value adjustment of the investment in Greenbridge.

Shareholders’ equity increased from USD 520.4 million on 31 December 2016 to USD 534.5 million on 31 March 2017. The increase comprised net profit of USD

**ASSETS, LIABILITIES AND SHAREHOLDER’S EQUITY AS AT 31 MARCH 2017**



**VALUE OF UIE’S INVESTMENTS**

USD '000	UP	MSAB	Greenbridge	Total
Balance at 1 January 2017	279,448	116,774	9,065	405,287
Change in fair value	-	2,664	(760)	1,904
Investments during the period	-	-	219	219
UIE share of results	8,272	-	-	8,272
Equity adjustments on foreign currency translation	3,885	-	-	3,885
<b>Total on 31 March 2017</b>	<b>291,605</b>	<b>119,438</b>	<b>8,524</b>	<b>419,567</b>



## SHARE BUY-BACK PROGRAMME

In June 2016, UIE initiated a new share buy-back programme with the intention of acquiring up to 5% of its share capital before the end of December 2017, so long as the shares continue to be traded at a significant holding discount.

As reported in Company Announcement no. 6 2016, UIE initiated the share buy-back in two parallel programmes; one under the Safe Harbour regulation with a maximum outlay of DKK 100 million and one Block trade programme carried out outside the safe Harbour regulation. The total number of shares acquired under the two programmes may not exceed 5% of the share capital.

Further information on the share buy-back programme is contained in Company Announcement no. 6 2016.

As at 31 March 2017, a total of 84,288 shares, corresponding to 2.37% of the share capital, had been acquired.

## OVERALL STRATEGY OF UIE

UIE's Board is actively searching for operational investment possibilities to broaden the Company's investment portfolio. UIE is a long-term investor focusing on value creation and as follows, the Board will thoroughly assess potential acquisitions that align with the Company's investment criteria regularly. The emphasis and focus will primarily be on investments within the agro-industrial sector.

## UIE'S INVESTMENT PORTFOLIO

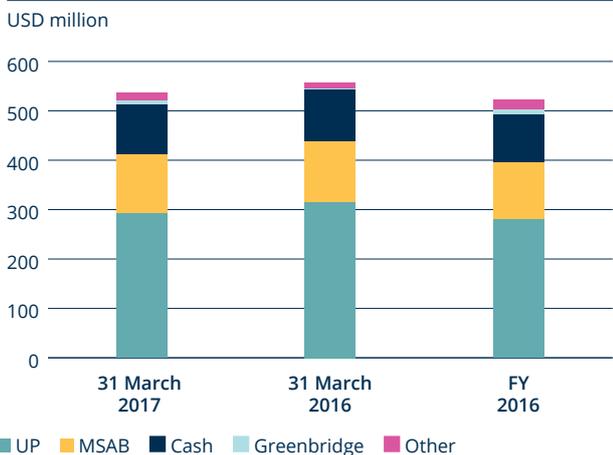
There was only one minor change to UIE's investment portfolio in the first quarter of 2017.

In March 2017, a third drawdown was made in relation to Greenbridge. The drawdown amounted to SEK 2 million (USD 0.2 million) and related to working capital. UIE's remaining commitment to invest in Greenbridge amount to SEK 137.8 million (USD 15.4 million).

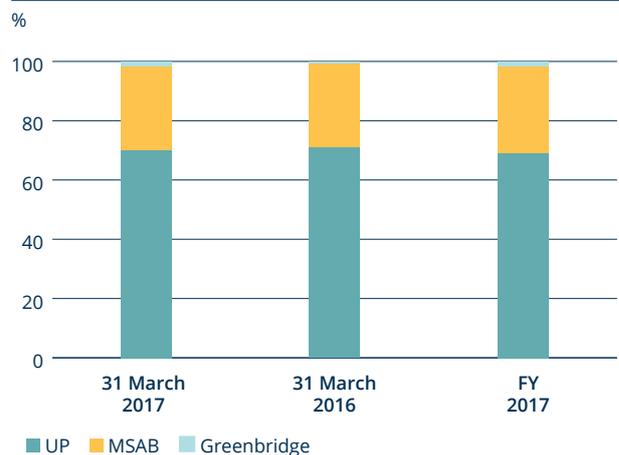
On 31 March 2017, the investment portfolio accounted for 78% of UIE's total assets (based on Business Reporting) and the remaining assets primarily comprised cash reserves and the short-term investments in a portfolio of equities and fixed income products. As shown in the graph below, UP is, by far, UIE's largest investment, accounting for 70% of the total investment portfolio (using the equity method of accounting), whilst MSAB and Greenbridge account for the remainder (using fair value accounting).

On 31 March 2017, UIE owned 98,356,277 shares in UP and 1,968,705 shares in MSAB.

### TOTAL ASSETS IN UIE



### SPLIT OF INVESTMENTS IN UIE





# UP KEY FIGURES

### NET PROFIT Q1 2017

78

MILLION MYR

▲30 % ON Q1 2016

### CASH AS AT 31/3-17

776

MILLION MYR

▲ 12 % ON YEAR-END 2016

### SHARE PRICE AS AT 31/3-17

28.50

MYR

▲ 6 % ON YEAR-END 2016

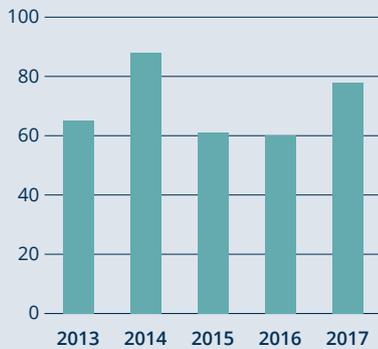
### UIE OWNERSHIP

47.3%

## FINANCIAL PERFORMANCE

### NET PROFIT Q1 2017

MILLION MYR



### CASH AND SHORT TERM DEPOSITS

MILLION MYR



### SHAREHOLDERS' EQUITY

MILLION MYR



## KEY FIGURES - PRODUCTION IN Q1 2017

### CPO PRODUCTION

47,447

TONNES

▲12 % ON Q1 2016

### PK PRODUCTION

10,441

TONNES

▲ 13 % ON Q1 2016

### COCONUT PRODUCTION

19.03

MILLION NUTS

▼ 14 % ON Q1 2016



# UP SEGMENT

**D**uring the first quarter of 2017, the CPO and PK production continued to recover well and as sales prices also increased, net profit increased by 31% in the first quarter of 2017.

## BUSINESS PERFORMANCE REVIEW

Net profit amounted to MYR 78 million (USD 17.6 million) in the first quarter of 2017, 31% higher compared to the net profit of MYR 60 million (USD 14.5 million) achieved in the first quarter of 2016. Measured in USD, the net profit was up by 21% (USD 3 million) due to the depreciation of the MYR against the USD compared to the first quarter of 2016.

## PLANTATION OPERATIONS

UP's main activity, its plantation operations, recorded a profit before tax of MYR 88 million, reflecting a significant increase of 46% compared to the MYR 60 million reported in the first quarter of 2016. The increase is due to higher production, lower costs of production and higher selling prices. The setback in production, arising from the consequences of the El Niño climatic impact in 2015 and in the first four months of 2016, has now ended.

In accordance with its replanting policy, UP will continue to replant large areas of its older and less productive oil palm stands in Malaysia during 2017. Cost efficiencies and improved productivity will therefore continue as a vital part of sustaining UP's positive development.

Special attention continues to be given towards addressing the acute labour shortages experienced throughout the Malaysian estates during 2016 and which continue to linger on in 2017. Fortunately, approval has been given during the first quarter to receive additional guest workers without which significant crop losses would be a reality going forward.

## BUSINESS REPORTING - UP SEGMENT

In the following section, the description of developments within UP is based on figures reported by UP in MYR, UP's functional currency. However, the UP figures in the table above have been converted to USD and are used in the financial reporting for UIE.

## UP'S BUSINESS PERFORMANCE IN Q1 2017

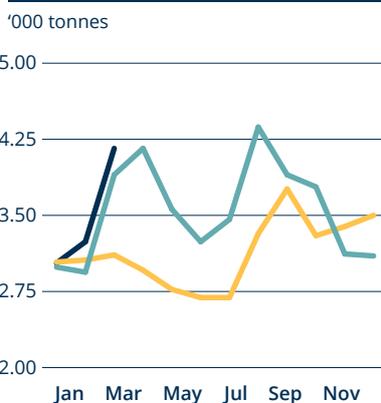
'000	Q1 2017		Q1 2016	
	in MYR	in USD	in MYR	in USD
Revenue	379,233	85,327	259,580	62,948
Other income	3,069	691	32,357	7,847
Operating expenses	(284,686)	(64,054)	(214,940)	(52,123)
Operating income	97,616	21,964	76,997	18,672
Net finance income	5,608	1,262	7,138	1,731
Profit before tax	103,224	23,226	84,135	20,403
Tax	(25,037)	(5,633)	(24,281)	(5,888)
Net profit	78,187	17,593	59,854	14,515



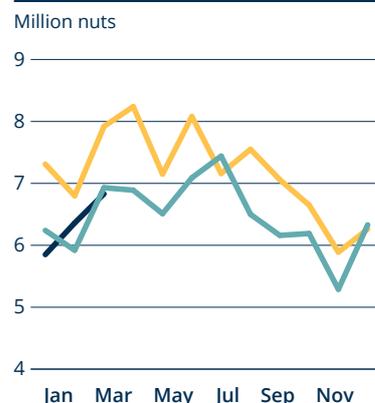
### CPO PRODUCTION



### PK PRODUCTION



### COCONUT PRODUCTION



### PLANTATION OPERATIONS - PRODUCTION

UP's profitability is highly dependent on production volumes as well as on the selling prices of CPO and PK. In the first quarter of 2017, UP's overall production of CPO and PK increased by 11.7% and 13.4%, respectively.

The coconut production decreased by 13.6% compared to the first quarter of 2016.

### OWN PRODUCTION

Tonnes	Q1 2017	Q1 2016	Change %
CPO	47,447	42,460	11.7
PK	10,441	9,210	13.4
Coconut (million nuts)	19.03	22.02	(13.6)

### CPO AND PK PRICE DEVELOPMENTS

Along with production volumes, UP's profitability is highly dependent on sales prices. In the first quarter of 2017, UP achieved an average selling price of MYR 2,329 per tonne of CPO, corresponding to an increase of 9.0%, whilst the average selling price of PK increased by 85.5% compared to the first quarter of 2016.

### THE AVERAGE SELLING PRICES OF CPO AND PK

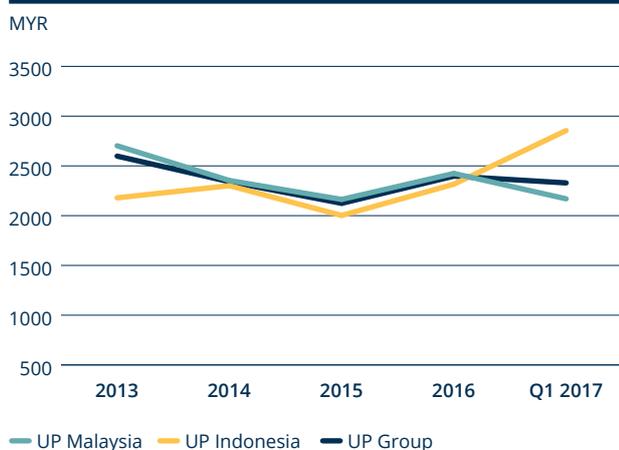
MYR per tonne	Q1 2017	Q1 2016	Change %
<b>CPO</b>			
Malaysia	2,169	2,209	(1.8)
Indonesia	2,855	1,913	49.2
Average	2,329	2,137	9.0
<b>PK</b>			
Malaysia	3,329	1,799	85.0
Indonesia	2,629	1,395	88.5
Average	3,193	1,721	85.5

Palm oil prices can fluctuate significantly and it is the policy of UP to hedge a proportion of future production revenues to mitigate the impact of spot price volatility. In the first quarter of 2017, the selling prices achieved for Malaysia were lower than the market prices due to certain CPO quantities having been sold earlier, based on UP's forward sales policy.

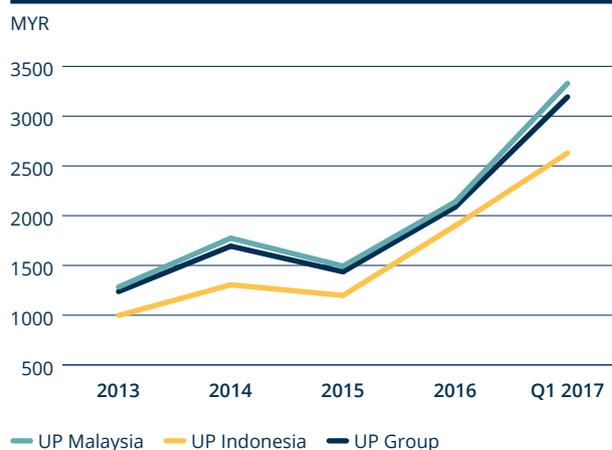
Also, in the first quarter, forward sales contracted previously by UP were bought back at a loss (thereby depressing the first quarter average prices further) and applied to supplying the refinery operations (Unitata) at higher premiums that will only be realised in the second and third quarter of the year.



### AVERAGE SELLING PRICE CPO



### AVERAGE SELLING PRICE PK



### PRODUCTION COSTS

In the first quarter of 2017, production costs per tonne of CPO and PK decreased by 16% and 1%, respectively, primarily due to higher production.

### REFINERY OPERATIONS

In the first quarter of 2017, the profit before tax at the refinery decreased to MYR 14.8 million from MYR 34.0 million reported in the corresponding period of 2016. When comparing the net profits in the two periods under review, it should be noted that the result in the first quarter of 2016 includes a significant foreign exchange gain as a result of the strengthening of the MYR against the USD in the first quarter of 2016.

### OTHER

Profit before tax included in Other amounts to MYR 0.6 million compared to a loss of MYR 10.2 million in the first quarter of 2016.

Current intercompany loans to the Indonesian subsidiary are denominated in Indonesian Rupiah. During the first quarter of 2017, the Indonesian currency strengthened against the MYR, leading to an unrealised foreign exchange loss of MYR 0.7 million, compared to an unrealised foreign exchange loss of MYR 11.3 million in the first quarter of 2016.

### FINANCIAL POSITION AND CASH FLOW

On 31 March 2017, UP's current assets amounted to MYR 1,202 million (31 December 2016: MYR 1,186 million), of which cash, cash equivalents and short-term funds amounted to MYR 776 million (31 December 2016: MYR 691 million).

Total non-current assets amounted to MYR 1,477 million (31 December 2016: MYR 1,456 million), of which biological assets and property, plant and equipment amounted to MYR 1,440 million (31 December 2016: MYR 1,419 million).

Total equity increased from MYR 2,368 million on 31 December 2016 to MYR 2,445 million at the end of March 2017. The increase relates to the net profit of MYR 78 million for the period under review.

Positive cash flow from operating activities amounted to MYR 124 million, compared to MYR 42 million in the first quarter of 2016. Negative cash flow from investments, excluding net change in short-term funds, amounted to MYR 39 million (first quarter of 2016: MYR 18 million negative). Net change in cash, cash equivalents and short-term funds amounted to MYR 85 million positive in the first quarter of 2017. (First quarter of 2016: MYR 24 million positive).



## UP'S SEGMENTAL INFORMATION FOR THE FIRST QUARTER OF 2017

MYR '000	Plantations	Refining	Other segments	Elimination	Total
<b>Segment Revenue</b>					
External Sales	73,916	304,955	362	-	379,233
Intersegment Sales	98,727	-	-	(98,727)	-
	172,643	304,955	362	(98,727)	379,233
<b>Segment Results</b>					
Operating profit (EBIT)	84,011	14,728	(1,123)	-	97,616
Profit before tax	87,756	14,844	624	-	103,224



# MSAB KEY FIGURES

<p><b>NET PROFIT</b> Q1 2017</p> <p><b>4,190</b> MILLION SEK</p>	<p><b>NET ASSET VALUE</b> AS AT 31/3-17</p> <p><b>62.8</b> BILLION SEK</p> <p>▲ 7 % ON YEAR-END 2016</p>	<p><b>SHARE PRICE</b> AS AT 31/3-17</p> <p><b>541.5</b> SEK</p> <p>▲ 1 % ON YEAR-END 2016</p>	<p><b>NET ASSET VALUE</b> PREMIUM AS AT 31/12-17</p> <p><b>3%</b></p> <p>▼ 6 PP ON YEAR-END 2016</p>
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The performance of the UIE's investment in MSAB is measured by changes in fair value.

## MSAB KEY INVESTMENTS



**HEXAGON** | OWNERSHIP 26%

HEXAGON is a leading global supplier of design, measurement and visualisation technologies. The Company's customers can design, measure and position objects as well as process and present data to stay one step ahead of a changing world.



**ASSA ABLOY** | OWNERSHIP 4%

ASSA ABLOY is the world's leading lock group and offers a more complete product range for lock and door solutions than any other company on the market, incl. access control, identification technology, entrance automation, hotel security.



**AAK** | OWNERSHIP 33%

AAK is one of the world's leading producers of high value-added speciality vegetable oils and fats solutions. These oils and fats solutions are characterised by a high level of technological content and innovation.



**HEXPOL** | OWNERSHIP 26%

HEXPOL is a world-leading polymer group with strong global positions in advanced polymer compounds, gaskets for plate heat exchangers and wheels made of plastic and rubber materials for truck and castor wheel applications.



**SECURITAS** | OWNERSHIP 5%

SECURITAS is a global knowledge leader in security. They provide a broad range of services of specialised guarding, technology solutions and consulting and investigations that are suited to the individual customer's needs.



**LOOMIS** | OWNERSHIP 1%

LOOMIS offers safe and effective comprehensive solutions for the distribution, handling and recycling of cash for banks, retailers and other commercial companies via an international network consisting of almost 400 branch offices in 16 countries.



## FINANCIAL HIGHLIGHTS

MSAB's net result amounted to a gain of SEK 4,190 million (USD 468 million) in the first quarter of 2017, which relates to the change in the fair value of the company's portfolio of investments.

The net asset value is MSAB's most important key indicator, since it reflects the value of MSAB's assets, which consist of the underlying share portfolio at fair value and the company's net cash.

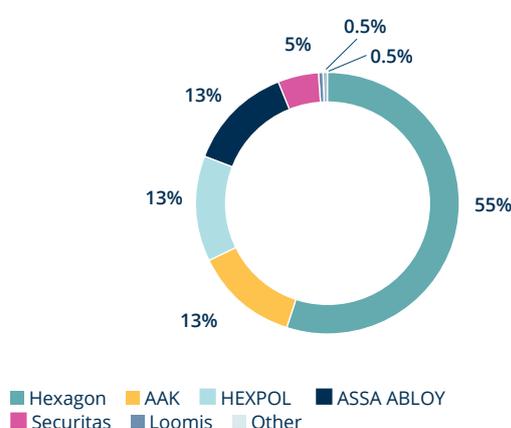
On 31 March 2017, the market value of MSAB's portfolio amounted to SEK 61,107 million (USD 6,846 million); net cash amounted to SEK 1,669 million (USD 187 million) and the net asset value amounted to SEK 62,776 million (USD 7,033 million) compared to SEK 58,586 million (USD 6,465 million) at the end of 2016.

Net asset value per share increased from SEK 492 at the end of 2016 to SEK 527 per share on 31 March 2017, representing an increase of 7% (during the same period, the NASDAQ Stockholm All-Share PI index increased by 5%).

The weighted average organic growth in MSAB's portfolio companies was 5% (first quarter of 2016: 3%). The weighted average growth in operating profit (EBIT) in the portfolio companies was 10% (first quarter of 2016: 8%).

In line with the respective companies' strategies a stable acquisition rate has been maintained, lately with some caution with regards to the general high acquisition prices in the market.

### SHARE OF TOTAL ASSETS ON 31 MARCH 2017

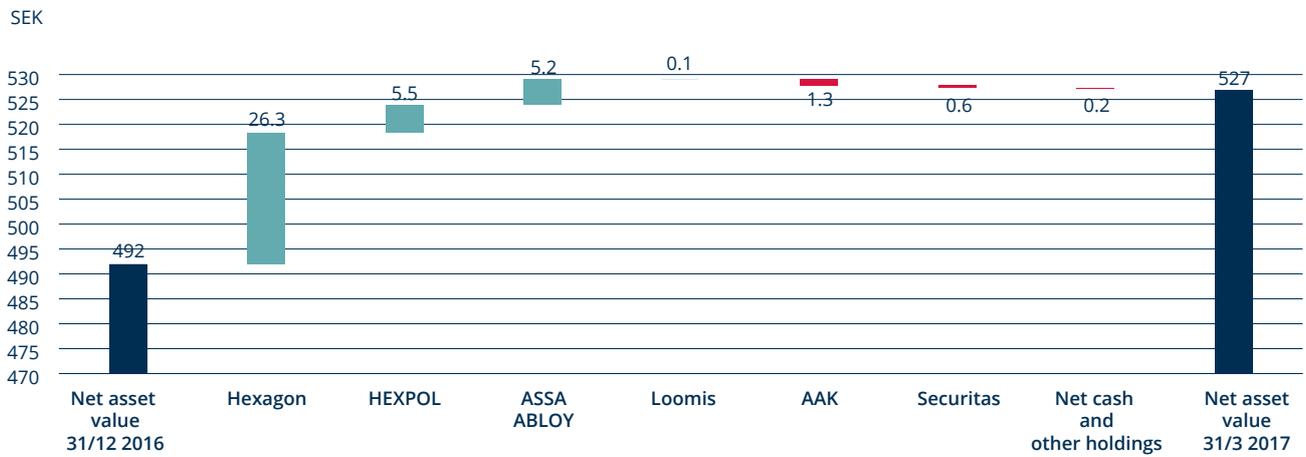


### MSAB HOLDINGS AND NET ASSET VALUE

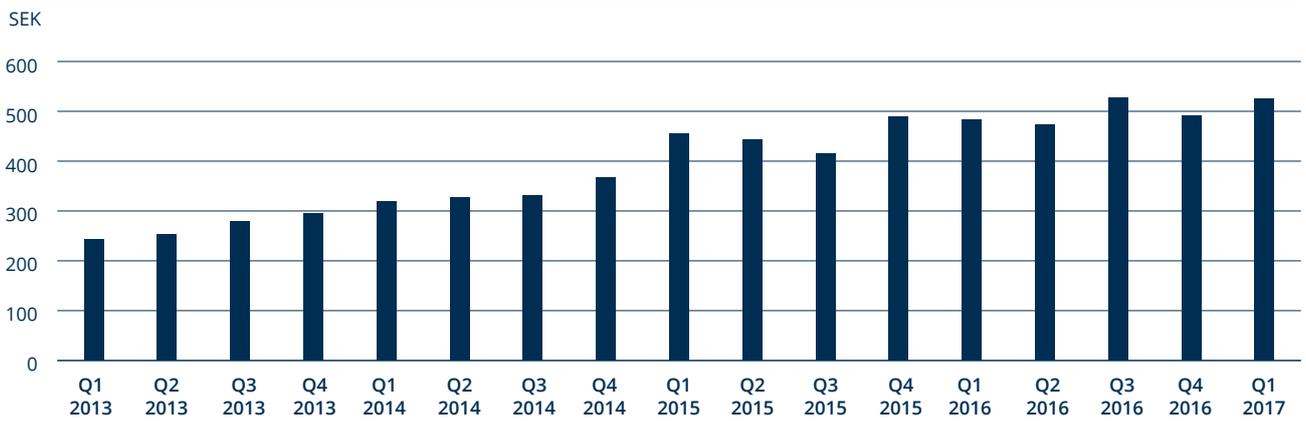
	31 March 2017			31 December 2016		
	No. of shares	Share Price (SEK)	SEK million	No. of shares	Share Price (SEK)	SEK million
Hexagon	93,679,899	359.60	33,687	93,679,899	326.10	30,549
HEXPOL	89,298,779	91.85	8,202	89,298,779	84.50	7,546
AAK	13,899,301	588.50	8,180	13,899,301	599.50	8,333
ASSA ABLOY	42,812,848	184.00	7,878	42,812,848	169.50	7,257
Securitas	19,734,600	139.80	2,759	19,734,600	143.50	2,832
Loomis	900,000	283.50	255	900,000	270.80	244
Other	-	-	143	-	-	148
<b>Total</b>			<b>61,104</b>			<b>56,909</b>
Net cash			1,669			1,677
Net asset value			62,773			58,586
No. of shares			119,097,595			119,097,595
Net asset value per share (SEK)			527			492



**CHANGE IN NET ASSET VALUE PER MSAB SHARE PER INVESTMENT - Q1 2017**



**DEVELOPMENT IN NET ASSET VALUE PER SHARE**





## RISK FACTORS

As a holding company, UIE is exposed to various general and specific commercial as well as financial risks.

Risk management is an inherent part of the decision-making process in UIE, and the Board of Directors is responsible for identifying and controlling risks as well as establishing risk policies. As virtually all UIE's investments are in listed companies (UP and MSAB), the management of these companies is consequently accountable for identifying and controlling their risks.

### COMMERCIAL RISKS

Due to the nature of UIE's business, the Company is indirectly exposed to various commercial risks through its investments in UP and MSAB. The primary commercial risk of UIE is its high level of exposure to the palm oil industry, which, through UP, accounts for approximately 68% of UIE's total consolidated assets of USD 892 million.

The following is a brief description of the most significant commercial risks of UIE.

#### UP

UP's income is highly dependent on both production volume and commodity prices.

Production is influenced by local and global weather patterns, such as El Niño, and is highly dependent on seasonal and cyclical nature within the plantation operations as well as the age profile of the oil and coconut palms. UP's production of CPO and PK is generally higher from March to September (peaking around July), then declining from October to February. Commodity prices are determined by the global supply and demand for edible oils and are to some extent correlated to the price of mineral oil. The prices obtainable and the production volumes therefore fluctuate and affect the profits of UP accordingly.

Other risk factors include the availability and cost of labour, changes in tax/duty structures and impact of the biodiesel demand upon commodity prices.

See UP's Annual Report 2016 for further information regarding the risk factors in UP.

#### MSAB

MSAB is a holding company which primarily invests in the industrial sector. MSAB's current portfolio primarily consists of investment in six publicly listed companies, and MSAB's risks are significantly linked to the risk factors in the respective companies.

See MSAB's Annual Report 2016 for further information on the risk factors in MSAB.

### FINANCIAL RISKS

In the ordinary course of business, the Group is exposed to a variety of financial risks, which include market risks, credit risks as well as interest rate risks.

The main market risks that the Group are exposed to are:

- Share price risk which is the risk that the value of the investments will fluctuate due to changes in the share prices
- Commodity price risk arises from fluctuations in the price of palm and palm kernel oil
- Foreign currency risks arising from investments and commodity sales in foreign currencies as the value of investments and cash flows fluctuates due to changes in foreign currency rates

In relation to credit risk, the primary risk is on the Group's cash at bank. The Group manages its credit risk by ensuring that deposits are placed with a limited spread of highly rated banks.

As the Group has no interest bearing debt, the interest rate risk arises on the interest earned on cash deposits.

See Note 4.6 in UIE's Annual Report 2016 for further information on UIE's financial risk management and exposure.



## OUTLOOK

The outlook for UIE remains significantly reliant upon the performance of UP, which does not release a formal profit estimate. The contribution from MSAB is a function of movements in its fair value, which is substantially a reflection of the performance of the share price during the relevant period under review, expressed in USD. Given these factors, it is not possible to provide shareholders with any more than a very general outlook statement.

The setback in FFB production arising from the consequences of the significant El Niño experienced in 2015/2016 has now come to an end. Oil Palms across South East Asia, notably Indonesia, Malaysia and Thailand have now recovered fully resulting in a considerable surge in production during the first quarter of 2017. This recovery is expected to gain momentum in the forthcoming months facilitating a build-up of depleted stocks.

As a function of the increasing production, prices for palm oil have now come under pressure and market sentiment has turned bearish, weakening by 12-15% in the span of the last quarter.

Increased U.S. soy bean plantings and a continuous increase of the South American soy bean production, combined with a slight appreciation of the MYR towards the USD, are also factors pressurizing the market prices for vegetable oils further downwards.

The future of U.S. biofuel policies has been surrounded with great uncertainty, but it is still expected that the US Biofuel programme will continue. In addition, the Indonesian Biofuels program is also expected to continue with large volumes of palm oil being converted into biodiesel, thereby maintaining a floor under prices. The impact of world biodiesel production therefore continues to be a key variable affecting the overall demand for vegetable oils.

Whilst production is increasing, it is important to acknowledge that global vegetable oil stocks are still historically low and therefore any disruption of global vegetable oil production would exert upward pressure on prices.

Based on the above and the prices contracted under UP's forward sales policy, coupled with large areas steadily coming into maturity from the replanted areas in Malaysia, UP projects the results for 2017 to be satisfactory.

Since 1 April 2017, the share price of MSAB has increased by 1% and in addition, the SEK has appreciated further against the USD. If the current share price of MSAB, as well as the SEK/USD exchange rate were to remain unchanged during the remaining part of 2017, the fair value adjustment recognised in UIE's Income Statement for 2017 would be positive compared to a loss of USD 9 million reported in 2016.

Based on the above, the Board is of the view that UIE's net profit attributable to equity holders of the Company for 2017 will be higher than the result reported in 2016.

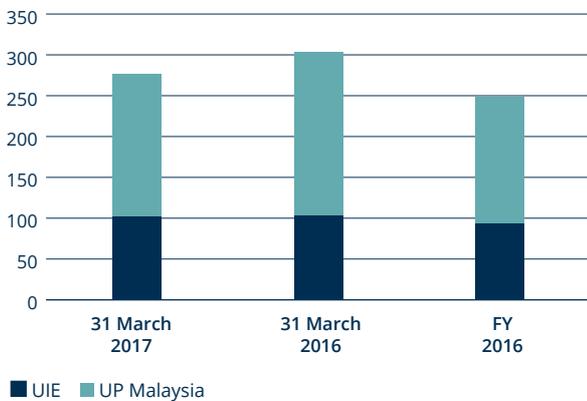


## CONSOLIDATED KEY FIGURES

USD '000	Q1 2017	Q1 2016	Full Year 2016
Revenue	85,327	62,948	296,409
Profit before income tax	26,960	19,369	93,162
Net Profit	21,353	13,404	82,204
Net profit attributable to owners of the Company	11,962	5,748	39,459
Current assets	388,672	401,056	381,201
Cash and bank balances	192,349	173,781	157,094
Short-term funds	84,858	130,046	93,311
Non-current assets	503,514	534,200	493,756
Total assets	892,186	935,256	874,957
Total liabilities	64,185	68,122	74,434
Equity attributable to owners of the Company	524,233	532,042	510,179
Non-controlling interests	303,768	335,092	290,344
Total equity	828,001	867,134	800,523
Earning per share attributable to owners of the Company (USD)	3.44	1.62	11.18
Share Price, end of period (USD)	180.84	150.50	175.96
Share Price, end of period (DKK)	1,259.00	985.00	1,241.00
Return on equity	2.3%	1.1%	7.8%
Solvency ratio	92.8%	92.7%	91.5%

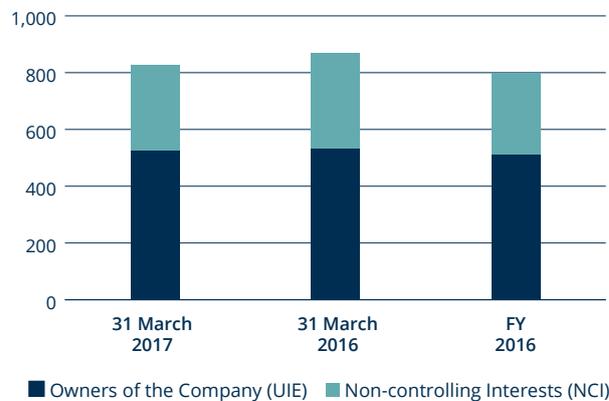
### CASH, BANK BALANCES AND SHORT-TERM FUNDS

USD million



### EQUITY ATTRIBUTABLE TO OWNERS VS. NCI

USD million





UNITED INTERNATIONAL ENTERPRISES LIMITED

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**CONSOLIDATED INCOME STATEMENT**

FOR THE PERIOD ENDED 31 MARCH

USD '000	Q1 2017	Q1 2016	Full Year 2016
Revenue	85,327	62,948	296,409
Costs of goods sold	(64,590)	(51,930)	(219,266)
Other income	715	7,847	8,928
<b>Profit from operations before financial items</b>	<b>21,452</b>	<b>18,865</b>	<b>86,071</b>
Changes in fair value of MSAB	2,664	(2,775)	(9,062)
Changes in fair value of Greenbridge	(760)	115	2,133
Dividend income MSAB	-	-	730
Results from investing activities – portfolio investments	807	(378)	93
Interest income	1,462	1,806	6,998
Interest expense	(2)	(1)	(5)
Net foreign exchange gain/loss	1,337	1,737	6,204
Profit before income tax	26,960	19,369	93,162
Income tax	(5,607)	(5,965)	(20,906)
One-off settlement of tax position	-	-	9,948
<b>Net profit</b>	<b>21,353</b>	<b>13,404</b>	<b>82,204</b>
<b>Profits attributable to</b>			
Owners of the Company	11,962	5,748	39,459
Non-controlling interests	9,391	7,656	42,745
	<b>21,353</b>	<b>13,404</b>	<b>82,204</b>
Earnings per share attributable to owners of the Company (USD)	3.44	1.62	11.18

**OTHER COMPREHENSIVE INCOME**

FOR THE PERIOD ENDED 31 MARCH

USD '000	Q1 2017	Q1 2016	Full Year 2016
Net profit	21,353	13,404	82,204
<b>Items that are or may be reclassified to the Income Statement</b>			
Equity adjustment on foreign currency translation, net of tax of USD nil	7,537	58,575	(24,474)
Other comprehensive income	7,537	58,575	(24,474)
<b>Total comprehensive income</b>	<b>28,890</b>	<b>71,979</b>	<b>57,730</b>
<b>Total comprehensive income attributable to</b>			
Owners of the Company	15,466	33,257	35,706
Non-controlling interests	13,424	38,722	22,024
	<b>28,890</b>	<b>71,979</b>	<b>57,730</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

FOR THE PERIOD ENDED 31 MARCH

USD '000	31 March 2017	31 March 2016	31/12 2016
<b>Assets</b>			
<b>Current assets:</b>			
Inventories	41,765	29,301	42,342
Cash and bank balances	192,349	173,781	157,094
Short-term funds	84,858	130,046	93,311
Trade and other receivables	54,255	53,286	75,042
Derivatives	-	1,451	770
Portfolio investments	15,002	10,603	11,216
Current tax receivable	443	2,588	1,426
<b>Total current assets</b>	<b>388,672</b>	<b>401,056</b>	<b>381,201</b>
<b>Non-current assets:</b>			
Goodwill	7,096	7,096	7,096
Bearer plants	6,718	115,288	104,212
Biological assets	105,968	6,208	6,301
Property, plant and equipment	247,493	267,301	239,883
Land use rights	8,266	8,863	8,067
Deferred tax assets	-	-	2,346
Strategic investments	127,962	126,950	125,839
Other financial assets	11	1,675	12
Non-current derivatives	-	819	-
<b>Total non-current assets</b>	<b>503,514</b>	<b>534,200</b>	<b>493,756</b>
<b>Total assets</b>	<b>892,186</b>	<b>935,256</b>	<b>874,957</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Current tax liability	4,534	2,471	3,640
Trade and other payables	18,153	21,451	27,268
Derivatives	1,456	-	3,190
Other current liabilities	171	286	191
<b>Total current liabilities</b>	<b>24,314</b>	<b>24,208</b>	<b>34,289</b>
<b>Total non-current liabilities</b>	<b>39,871</b>	<b>43,914</b>	<b>40,145</b>
<b>Total liabilities</b>	<b>64,185</b>	<b>68,122</b>	<b>74,434</b>
Share capital	35,556	35,556	35,556
Treasury shares	(15,058)	-	(13,646)
Other reserves	850,389	496,486	488,269
Equity attributable to owners of the Company	870,887	532,042	510,179
Non-controlling interests	(42,886)	335,092	290,344
<b>Total equity</b>	<b>828,001</b>	<b>867,134</b>	<b>800,523</b>
<b>Total liabilities and shareholders' equity</b>	<b>892,186</b>	<b>935,256</b>	<b>874,957</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE PERIOD ENDED 31 MARCH

USD '000	Share capital	Share premium	Treasury shares	Trans-lation Reserves	Other Reserves	Retained profits	Total	Non-controlling interests	Total equity
On 1 January 2017	35,556	9,159	(13,646)	(69,736)	-	548,846	510,179	290,344	800,523
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	11,962	11,962	9,391	21,353
Equity adjustment on foreign currency translation	-	-	-	3,504	-	-	3,504	4,033	7,537
<b>Total comprehensive income for the year</b>	-	-	-	3,504	-	11,962	15,466	13,424	28,890
<b>Transactions with owners</b>									
Treasury shares purchased	-	-	(1,412)	-	-	-	(1,412)	-	(1,412)
Dividends paid	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	(1,412)	-	-	-	(1,412)	-	(1,412)
<b>On 31 March 2017</b>	<b>35,556</b>	<b>9,159</b>	<b>(15,058)</b>	<b>(66,232)</b>	<b>-</b>	<b>560,808</b>	<b>524,233</b>	<b>303,768</b>	<b>828,001</b>

USD '000	Share capital	Share premium	Treasury shares	Trans-lation Reserves	Other Reserves	Retained profits	Total	Non-controlling interests	Total equity
On 1 January 2016	35,556	9,159	-	(66,081)	98	520,053	498,785	296,370	795,155
<b>Total comprehensive income for the year</b>									
Profit for the period	-	-	-	-	-	5,748	5,748	7,656	13,404
Equity adjustment on foreign currency translation	-	-	-	27,509	-	-	27,509	31,066	58,575
<b>Total comprehensive income for the year</b>	-	-	-	27,509	-	5,748	33,257	38,722	71,979
<b>Transactions with owners</b>									
Dividends paid	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-	-
<b>On 31 March 2016</b>	<b>35,556</b>	<b>9,159</b>	<b>-</b>	<b>(38,572)</b>	<b>98</b>	<b>525,801</b>	<b>532,042</b>	<b>335,092</b>	<b>867,134</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDED 31 MARCH

USD '000	Q1 2017	Q1 2016	Full Year 2016
<b>Cash flows from operating activities</b>			
Receipts from customers	81,686	66,048	276,306
Payment to suppliers	-	-	(142,790)
Payment of operating expenses	(52,274)	(51,020)	(73,969)
Payment of taxes	6,606	(6,182)	(19,388)
Other receipts	589	892	9,021
<b>Net cash generated from operating activities</b>	<b>36,607</b>	<b>9,738</b>	<b>49,180</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	44	6	2,119
Interest income	1,462	2,154	7,787
Proceeds from sale of shares available for sale	-	-	5,075
Investment in Greenbridge	(219)	-	(3,158)
Dividend income	47	-	862
Portfolio investments, net	(2,912)	(1,178)	(1,455)
Pre-cropping expenditure incurred	(2,084)	(2,365)	(10,657)
Purchase of property, plant and equipment	(7,544)	(4,027)	(19,932)
Land use rights payments	(110)	(117)	(362)
Net change in deposits with a tenure more than 3 months	(8,325)	44,527	44,307
Net change in short-term funds	9,707	(36,527)	(15,872)
<b>Net cash (used in)/generated from investing activities</b>	<b>(9,934)</b>	<b>2,473</b>	<b>8,714</b>
<b>Cash flows from financing activities</b>			
Interest paid	(2)	(1)	(5)
Dividends paid	-	-	(38,716)
Purchase of treasury shares	(1,412)	-	(13,646)
Movement in associated company balances	-	-	(1)
<b>Net cash used in financing activities</b>	<b>(1,414)</b>	<b>(1)</b>	<b>(52,368)</b>
<b>Net change in cash and cash equivalents</b>	<b>25,259</b>	<b>12,210</b>	<b>5,526</b>
Cash and cash equivalents at the beginning of year	122,238	117,709	117,709
Foreign exchange adjustment	1,172	3,495	(997)
<b>Cash and cash equivalents at end of period</b>	<b>148,669</b>	<b>133,414</b>	<b>122,238</b>
Cash and cash equivalents	148,669	133,414	122,238
Bank overdrafts included in cash and cash equivalents	(2)	(3)	(24)
	148,671	133,417	122,262
Deposits with a tenure more than 3 months	43,678	40,364	34,832
<b>Total cash and bank balances</b>	<b>192,349</b>	<b>173,781</b>	<b>157,094</b>
Short-term funds	84,858	130,046	93,311
<b>Cash and short-term funds</b>	<b>277,207</b>	<b>303,827</b>	<b>250,405</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1: SEGMENTATION

The segment reporting includes the following two segments:

- UIE
- UP

**UIE:** a holding company which primarily invests in companies in the agro-industrial sector. UIE exercises long-term and active ownership via involvement at board level and via close dialogue with the management about operational and strategic issues. Its current portfolio is built around the world of vegetable oils and is primarily involved in the first and second phases of the vegetable oil value chain.

In the UIE segment, the investment in UP is measured by UIE's share of UP's net profit (equity accounting), and the other investments are measured by changes in the fair value of the investments.

**UP:** a company incorporated in Malaysia and its shares are publicly traded on Bursa Malaysia. Its primary business activity is cultivation and processing of oil palms and coconuts on plantations in Malaysia as well as palm oil cultivation and processing in Indonesia and the manufacturing and processing of oils and fats in Malaysia.

In the UP segment, the results, assets and liabilities are based on translation of UP's reported figures from Malaysian Ringgit to USD.

### **DIFFERENCE BETWEEN BUSINESS REPORTING AND CONSOLIDATED FINANCIAL STATEMENTS**

Both of the segments exclude the fair value adjustments of UP's assets, related to the retrospective acquisition accounting of UP in 2003, the adoption of amended IAS 41, which are recognised in UIE's consolidated financial statements, and changes due to translation of UP figures from Malaysian GAAP to IFRS.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## SECTION 1: OPERATING ACTIVITIES – CONTINUED

USD '000	UIE	UP	Total	Adjustments to IFRS	Elimi- nations	UIE Con- solidated
<b>INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2017</b>						
Revenue	-	85,327	85,327	-	-	85,327
Other income	24	691	715	-	-	715
Changes in fair value of MSAB	2,664	-	2,664	-	-	2,664
Changes in fair value of Greenbridge	(760)	-	(760)	-	-	(760)
Results from investing activities - portfolio	807	-	807	-	-	807
Share of results of equity-accounted investments	8,272	-	8,272	-	(8,272)	-
<b>Total operating income</b>	<b>11,007</b>	<b>86,018</b>	<b>97,025</b>	<b>-</b>	<b>(8,272)</b>	<b>88,753</b>
Operating expenses	(722)	(64,054)	(64,776)	186	-	(64,590)
Interest income	200	1,262	1,462	-	-	1,462
Interest expense	(2)	-	(2)	-	-	(2)
Foreign exchange gain/loss	1,337	-	1,337	-	-	1,337
<b>Profit before tax</b>	<b>11,820</b>	<b>23,226</b>	<b>35,046</b>	<b>186</b>	<b>(8,272)</b>	<b>26,960</b>
Income tax	(28)	(5,633)	(5,661)	54	-	(5,607)
<b>Net profit</b>	<b>11,792</b>	<b>17,593</b>	<b>29,385</b>	<b>240</b>	<b>(8,272)</b>	<b>21,353</b>
<b>Profits attributable to</b>						
Owners of the Company	11,792	17,476	29,268	114	(17,420)	11,962
Non-controlling interests	-	117	117	126	9,148	9,391
<b>STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 MARCH 2017</b>						
<b>Assets</b>						
Cash & short-terms funds	101,776	175,431	277,207	-	-	277,207
Other current assets	15,135	96,330	111,465	-	-	111,465
Strategic investments	419,567	-	419,567	-	(291,605)	127,962
Other non-current assets	118	333,821	333,939	34,517	7,096	375,552
<b>Total assets</b>	<b>536,596</b>	<b>605,582</b>	<b>1,142,178</b>	<b>34,517</b>	<b>(284,509)</b>	<b>892,186</b>
<b>Liabilities and shareholders' equity</b>						
Total liabilities	2,062	52,923	54,985	9,200	-	64,185
Shareholders' equity:						
Equity attributable to owners	534,534	551,336	1,085,870	11,985	(573,622)	524,233
Non-controlling interest	-	1,323	1,323	13,332	289,113	303,768
<b>Total shareholders' equity</b>	<b>534,534</b>	<b>552,659</b>	<b>1,087,193</b>	<b>25,317</b>	<b>(284,509)</b>	<b>828,001</b>
<b>Total liabilities and shareholders' equity</b>	<b>536,596</b>	<b>605,582</b>	<b>1,142,178</b>	<b>34,517</b>	<b>(284,509)</b>	<b>892,186</b>
<b>STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2017</b>						
Operating activities	8,999	27,607	36,606	-	-	36,606
Investing activities	(2,930)	(7,003)	(9,933)	-	-	(9,933)
Financing activities	(1,412)	-	(1,412)	-	-	(1,412)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## SECTION 1: OPERATING ACTIVITIES – CONTINUED

USD '000	UIE	UP	Total	Adjustments to IFRS	Elimi- nations	UIE Con- solidated
<b>INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2016</b>						
Revenue	-	62,948	62,948	-	-	62,948
Other income	-	7,847	7,847	-	-	7,847
Changes in fair value of MSAB	(2,775)	-	(2,775)	-	-	(2,775)
Changes in fair value of Greenbridge	115	-	115	-	-	115
Dividend income MSAB	-	-	-	-	-	-
Results from investing activities - portfolio	(378)	-	(378)	-	-	(378)
Share of results of equity-accounted investments	6,858	-	6,858	-	(6,858)	-
Total operating income	3,820	70,795	74,615	-	(6,858)	67,757
Operating expenses	(405)	(52,123)	(52,528)	598	-	(51,930)
Interest income	74	1,732	1,806	-	-	1,806
Interest expense	-	(1)	(1)	-	-	(1)
Foreign exchange gain	1,737	-	1,737	-	-	1,737
Profit before tax	5,226	20,403	25,629	598	(6,858)	19,369
Tax	(15)	(5,888)	(5,903)	(62)	-	(5,965)
Net profit	5,211	14,515	19,726	536	(6,858)	13,404
<b>Profits attributable to</b>						
Owners of the Company	5,211	14,491	19,702	(7,096)	(6,858)	5,748
Non-controlling interests	-	24	24	7,632	-	7,656
<b>STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 MARCH 2016</b>						
<b>Assets</b>						
Cash & short-terms funds	103,171	200,656	303,827	-	-	303,827
Other current assets	10,706	86,523	97,229	-	-	97,229
Strategic investments	442,105	-	442,105	-	(315,155)	126,950
Other non-current assets	98	361,269	361,367	38,788	7,095	407,250
Total assets	556,080	648,448	1,204,528	38,788	(308,060)	935,256
<b>Liabilities and shareholders' equity</b>						
Total liabilities	1,725	55,801	57,526	10,596	-	68,122
Shareholders' equity:						
Equity attributable to owners	554,355	591,873	1,146,228	(363,666)	(250,520)	532,042
Non-controlling interest	-	774	774	391,858	(57,540)	335,092
Total shareholders' equity	554,355	592,647	1,147,002	28,192	(308,060)	867,134
Total liabilities and shareholders' equity	556,080	648,448	1,204,528	38,788	(308,060)	935,256
<b>STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2016</b>						
Operating activities	(495)	10,233	9,738	-	-	9,738
Investing activities	(1,112)	(52,249)	(53,361)	-	-	(53,361)
Financing activities	-	(1)	(1)	-	-	(1)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 2: ACCOUNTING POLICIES

UIE's interim report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements regarding interim reporting for listed companies. The accounting policies applied in these financial statements are the same as those applied in UIE's consolidated financial statements 2016. See the Annual Report 2016 for a comprehensive description of the accounting policies applied.

Amendments to IAS 41, as adopted by the EU, was early implemented by the Group in 2015. The implementation of the amendments have resulted in biological assets (fruit bunches and nuts) growing on palms and trees (bearer biological assets) are measured at fair value less cost of sales. The change in the fair value of the biological assets in each accounting period is recognised in the consolidated income statements. In the first quarter of 2017, the change in the fair value of the biological assets amounted to USD 0.4 million and is recognised in the consolidated financial statements.

Please see page 57-58 in the Annual Report 2016 for further explanation.

### CHANGES TO ACCOUNTING POLICY

The Group has with effect from 1 January 2017, implemented the Standards and Interpretations that became effective in EU from 2017. None of these Standards and Interpretations have had material impact on profit or loss, assets, liabilities or equity.

### JUDGMENTS AND ESTIMATES

The preparation of interim reports requires management to make accounting judgments as well as estimates that affect the use of accounting policies and recognized assets, liabilities, income and expenses. Actual results may differ from these estimates.

The most significant estimates made by management when using the Group's accounting policies and the most significant judgment uncertainties attached hereto are the same for the preparation of the interim report as for the preparation of the Annual Report 2016.

### DEFINING MATERIALITY

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes.

## NOTE 3: SEASONAL AND CYCLICAL

### NATURE OF UP'S PRODUCTS AND OPERATIONS

The prices for the UP segment's products are not in total control of UP but are determined by the global supply and demand situation for edible oils, which is somewhat related to the price of mineral oil.

Crop production is seasonal. Based on statistics, the Group's production of CPO and PK gradually increases from March, peaking around July to September, and then declines from October to February. This pattern can, however, be affected by severe global weather conditions, such as El Niño.

The prices obtainable for UP's products as well as the volume of production, which is cyclical in nature, will affect the profits for the Group.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4: EVENT AFTER THE REPORTING DATE

No material events occurred after the reporting date.

### NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments measured at fair value consist of investments in quoted shares amounting to USD 143.0 million and derivatives amounting to negative USD 2.2 million.

Other financial instruments include receivables and payables, which are measured at amortised cost. The fair value is approximately equal to amortised cost.

The fair value of investments in quoted shares is determined based on quoted prices in active markets. The fair value of derivatives and debt instruments is determined by discounted cash flow models, which are based on observable market data, such as interest and currency rates.

#### **FAIR VALUE HIERARCHY**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques that use inputs, which have a significant effect on the recorded fair value that are not based on observable market data.



## STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT

The Board of Directors and the Management have today discussed and approved the Company's report for the period 1 January - 31 March 2017.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as at 31 March 2017, and of the results of the Group's operations and cash flow for the period 1 January - 31 March 2017.

In our opinion, the Directors' Report gives a true and fair account of the developments in the operations and financial circumstances of the Group, of the results for the period and of the financial position of the Group. It also gives a fair account of the significant risks and uncertainty factors that may affect the Group.

Malmö, 24 May 2017

### BOARD OF DIRECTORS

  
**Carl Bek-Nielsen**  
Chairman

  
**Martin Bek-Nielsen**  
Deputy Chairman

  
**John A. Goodwin**

  
**John Madsen**

  
**Bent Mahler**

  
**Jørgen Balle**

  
**Frederik Steen Westenholz**

### MANAGEMENT

  
**Ulrik Juul Østergaard**  
Managing Director



# COMPANY INFORMATION

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## **COUNTRY OF INCORPORATION**

The Commonwealth of The Bahamas

## **BOARD OF DIRECTORS**

Carl Bek-Nielsen, Chairman  
Martin Bek-Nielsen, Deputy Chairman  
John A. Goodwin  
Bent Mahler  
Jørgen Balle  
Frederik Steen Westenholz

## **AUDIT COMMITTEE**

John Goodwin, Chairman  
Jørgen Balle  
Appalanaidu Ganapathy

## **MANAGING DIRECTOR**

Ulrik Juul Østergaard

## **COMPANY SECRETARY**

Alison Treco

## **REGISTERED OFFICE**

2nd Floor, One Montague Place  
East Bay Street  
Nassau, Bahamas

## **COPENHAGEN REPRESENTATIVE OFFICE**

International Plantation  
Services Limited  
Plantations House  
49 H.C. Andersens Boulevard, 3rd Floor  
1553 Copenhagen V, Denmark  
Phone: +45 33933330

## **AUDITORS**

Ernst & Young  
Kuala Lumpur, Malaysia

## **ATTORNEYS**

McKinney, Bancroft & Hughes  
Nassau, Bahamas

Bech-Bruun  
Copenhagen, Denmark

Shearn Delamore & Co.  
Kuala Lumpur, Malaysia

## **BANKERS**

Danske Bank A/S

Handelsbanken A/S

Hongkong & Shanghai Banking Corp.

Maybank Berhad

## **CONTACT PERSON**

Ulrik Juul Østergaard  
Phone: +45 33933330  
E-mail: [uie-info@plantations.biz](mailto:uie-info@plantations.biz)

## **LINKS**

[www.uie.dk](http://www.uie.dk)  
[www.unitedplantations.com](http://www.unitedplantations.com)  
[www.melkerschorlingab.com](http://www.melkerschorlingab.com)



# ABBREVIATIONS & DEFINITIONS

## COMPANY ABBREVIATIONS

<u>Company Name</u>	<u>Abbreviation</u>
Greenbridge Investment Limited Partnership	Greenbridge
Melker Schörling AB	MSAB
<b>United International Enterprises Limited</b>	<b>UIE or the Company</b>
United Plantations Berhad	UP

## CURRENCY ABBREVIATIONS

<u>Currency</u>	<u>Abbreviation</u>
Danish Kroner	DKK
Euros	EUR
Indonesian Rupia	IDR
Malaysian Ringgits	MYR
Swedish Kroner	SEK
United States Dollars	USD

## OTHER ABBREVIATIONS

<u>Others Abbreviation</u>	
Crude Palm Oil	CPO
International Accounting Standards	IAS
International Financial Reporting Standards as adopted by the EU	IFRS
International Accounting Standards Board	IASB
Non-controlling interests	NCI
Palm Kernel	PK
Palm Kernel Oil	PKO

## DEFINITIONS

**Earnings per share**  $\frac{\text{Net profit for the period attributable to equity holders of the company}}{\text{Weighted average number of shares, excluding treasury shares}}$

**Book value per share**  $\frac{\text{Equity at the end of the period, excluding minority interests}}{\text{Number of shares at the end of the period, excluding treasury shares}}$

**Return on equity**  $\frac{\text{Net profit for the year attributable to equity holders of the company}}{\text{Average equity, excluding minority interests}}$

**Solvency ratio**  $\frac{\text{Equity at the end of the period}}{\text{Total assets at the end of the period}}$

## COMPARATIVE FIGURES

The USD comparatives are expressed at the foreign exchange rates that applied at the date on which these were originally reported. (All figures are converted at average exchange rates for the period/year except balance sheet figures, which are converted at period/year end exchange rates.)