



Annual Report 2010



United Malacca Berhad
(1319-V)

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-sixth Annual General Meeting of members will be held at the United Malacca Berhad Building , 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka on Monday, 27 September 2010 at 11.00 a.m. for the following business :-

AGENDA

- | | |
|---|-----------------------|
| 1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 April 2010 and the Report of the Auditors thereon. | [Resolution 1] |
| 2. To declare a final dividend of 25 sen per share (consisting of gross dividend of 11 sen per share less 25% taxation, tax exempt dividend of 4.5 sen per share and single-tier dividend of 9.5 sen per share) for the financial year ended 30 April 2010. | [Resolution 2] |
| 3. To approve payment of Directors' fees. | [Resolution 3] |
| 4. To re-elect a Director who is retiring by rotation in accordance with Article 118 of the Company's Articles of Association:- <ul style="list-style-type: none">• Tan Sri Dato' Ahmad Bin Mohd Don | [Resolution 4] |
| 5. To elect a Director who is retiring in accordance with Article 124 of the Company's Articles of Association:- <ul style="list-style-type: none">• Mr. Teo Leng | [Resolution 5] |
| 6. To consider and, if thought fit, to pass the following resolutions pursuant to Section 129(6) of the Companies Act 1965:- <ul style="list-style-type: none">(a) "That pursuant to Section 129(6) of the Companies Act, 1965, Mr. Choi Siew Hong be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." | [Resolution 6] |
| <ul style="list-style-type: none">(b) "That pursuant to Section 129(6) of the Companies Act 1965, Mr. Boon Weng Siew be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." | [Resolution 7] |
| 7. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. | [Resolution 8] |
| 8. To transact any other business of which due notice shall have been given. | |

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a final dividend of 25 sen per share (consisting of gross dividend of 11 sen per share less 25% taxation, tax exempt dividend of 4.5 sen per share and single-tier dividend of 9.5 sen per share) in respect of the financial year ended 30 April 2010, if approved by the Shareholders at the forthcoming Annual General Meeting, be paid on 26 October 2010 to Shareholders whose names appear in the Record of Depositors and Register of Members at the close of business at 5.00 p.m. on 7 October 2010.

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

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 7 October 2010 in respect of transfers;
- (b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 5 October 2010 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.

By Order of the Board

Leong Yok Mui
Yong Yoke Hiong
Company Secretaries
Melaka

Date: 27 August 2010

NOTES:

- (1) The right of Foreign Depositors to vote in respect of their deposited securities with Bursa Malaysia Depository Sdn. Bhd. is subject to Section 41(1)(e) and Section 41(2) of the Securities Industry (Central Depositories) Act, 1991 and Securities Industry (Central Depositories)(Foreign Ownership) Regulations, 1996. The position of Depositors in this regard will be determined based on The General Meeting Record of Depositors. Depositors whose shares exceed the prescribed limit as at the date of The General Meeting Record of Depositors may attend the above Meeting but are not entitled to vote. Consequently, a proxy appointed by a Depositor who is not entitled to vote will also not be entitled to vote at the above meeting.
- (2) A member entitled to attend and vote at the general meeting is entitled to appoint one or more proxies to attend and vote in his stead. No person, however, who is not a member of the Company shall be appointed a proxy unless that person complies with the provision of Section 149(1)(b) of the Companies Act, 1965.
- (3) The instrument appointing a proxy must be deposited at the Registered Office of the Company at United Malacca Berhad Building, 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka not less than forty-eight hours before the time appointed for holding the Meeting or any adjournment thereof for the proxy to be valid.

STATEMENT ACCOMPANYING NOTICE OF NINETY-SIXTH ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2), APPENDIX 8A OF THE BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

The Directors who are standing for Re-appointment, Re-election and Election are as follows:-

- (1) Choi Siew Hong
- (2) Boon Weng Siew
- (3) Tan Sri Dato' Ahmad Bin Mohd Don
- (4) Teo Leng

Further details of individual Directors standing for re-appointment, re-election and election can be found in the Profile of Directors in pages 6 to 9 of this Annual Report. The holding of shares, direct or indirect in United Malacca Berhad by the Directors can be found in the Analysis of Shareholdings in page 105 of this Annual Report. The Directors do not have any interest in shares, direct or indirect in the subsidiaries of United Malacca Berhad.

The details of Directors' attendance at Board Meetings held during the financial year ended 30 April 2010 are as follows:-

Directors	Attendance
Choi Siew Hong	7 of 7 Meetings
Tan Sri Dato' Ahmad Bin Mohd Don	7 of 7 Meetings
Tan Siok Choo	6 of 7 Meetings
Boon Weng Siew	7 of 7 Meetings
Datuk Fong Weng Phak	7 of 7 Meetings
Tan Jiew Hoe	7 of 7 Meetings
Teo Leng – appointed on 1/9/2009	4 of 4 Meetings

GROUP HIGHLIGHTS

	2010	2009
<u>PRODUCTION</u>	tonne	tonne
Crude palm oil	63,133	62,651
Palm kernel	14,472	15,095
Fresh fruit bunches	255,037	260,922
<u>FINANCIAL</u>	RM'000	RM'000
Revenue	178,527	192,652*
Profit:		
Before tax	82,589	91,837
After tax	64,147	71,340
Earnings per share:	sen	sen
Basic/Fully diluted	47.9	53.2
Dividend per share:		
Gross	35.00	40.00
Net	29.75	30.00
	RM'000	RM'000
Total assets	994,937	967,257
	RM	RM
Net assets per share	6.74	6.56

* Reclassification has been made to conform with the current year's presentation. Please refer to Note 35 to the Financial Statements (page 102) for the details.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Choi Siew Hong

(Chairman and Executive Director)

Tan Sri Dato' Ahmad bin Mohd Don

Ms. Tan Siok Choo

Boon Weng Siew

Datuk Fong Weng Phak

Tan Jiew Hoe

Teo Leng

AUDIT COMMITTEE

Tan Sri Dato' Ahmad bin Mohd Don *

(Chairman)

Ms. Tan Siok Choo *

Datuk Fong Weng Phak *

Teo Leng *

** Independent Non-Executive Director*

SECRETARIES

Madam Leong Yok Mui

Ms. Yong Yoke Hiong

AUDITORS

Ernst & Young

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

Tel : 03-74958000

Fax : 03-20955332

DATE AND PLACE OF INCORPORATION

Incorporated on 27 April 1910 in Malaysia

SENIOR MANAGEMENT

Dr. Leong Tat Thim

Chief Executive Officer/General Manager

Mr. Chong Seong Hoe

General Manager (Sabah)

Madam Leong Yok Mui

Assistant General Manager

(Administration & Corporate Affairs)

Ms. Susan Lai Swee Kee

Group Financial Controller

Mr. Tan Chin Har

Plantation Controller (Peninsular)

Mr. Jeprol bin Osinggang

Plantation Controller (Sabah)

Mr. Chua Hock Beng

Plantation Controller (Sabah)

HEAD OFFICE/REGISTERED OFFICE

6th Floor, No. 61, Jalan Melaka Raya 8

Taman Melaka Raya

75000 Melaka

P.O.Box 117, 75720 Melaka

Tel : 06-2823700

Fax : 06-2834599

E-Mail : umb@unitedmalacca.com.my

Website : www.unitedmalacca.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.

Level 6, Symphony House

Block D13, Pusat Dagangan Dana 1

Jalan PJU 1A/46, 47301

Petaling Jaya, Selangor

Tel : 03-78418000

Fax : 03-78418008

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Sector : Plantation

Stock Short Name : UMCCA

Stock Code : 2593

PROFILE OF DIRECTORS



MR. CHOI SIEW HONG

*Chairman and
Executive Director*

MR. CHOI SIEW HONG

Mr Choi Siew Hong, aged 89 and a Malaysian, is the Chairman and Executive Director. He joined the Board as Alternate Director on 7 May 1976 and was appointed as Director in 1979 and subsequently as Chairman in 1988. He is the Chairman of the Board Tender Committee, and also sits on the Boards of several subsidiaries of the Group, one of which is South-East Pahang Oil Palm Berhad.

Mr Choi has enjoyed an illustrious career in the banking industry. Equipped with a First Class Honours Degree in Economics from the University of Malaya, he served Bank Negara as Secretary and Adviser from December 1958 to January 1966 and then as Deputy Governor to October 1972. He was appointed Executive Director of the World Bank to represent Malaysia and other countries in the South East Asia Voting Group from November 1972 to October 1975. He then assumed a senior executive position and later that of General Manager in the Malaysia Division of Oversea Chinese Banking Corporation Limited from 1976 to July 1986.

He was a director of The Pacific Bank Berhad (now known as PacificMas Berhad) from 1976 to 1994 and Chairman of the Bank from 1988 to 1994. Thereafter he was the Chairman of OCBC Bank (Malaysia) Berhad until October 1997 when he was re-appointed as Chairman of Pacific Bank which, after the sale of its banking business at the end of 2000, was renamed PacificMas Berhad. He remained Chairman of PacificMas Berhad and of several of its subsidiaries until his retirement from that Group on 26 June 2008.

He is a Director of Niro Ceramic (M) Sdn Bhd and also served on the Board of Malaysia Smelting Corporation Berhad until May 2010.

During the financial year ended 30 April 2010, he attended all the seven meetings of the Board. He does not have any family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the company. He has never been convicted of any offence.

PROFILE OF DIRECTORS (cont'd)



**TAN SRI DATO' AHMAD
BIN MOHD DON**

*Independent Non-Executive
Director*

TAN SRI DATO' AHMAD BIN MOHD DON

Tan Sri Dato' Ahmad Bin Mohd Don, aged 63 and a Malaysian was appointed as an Independent Non Executive Director on 1 October 2006. He is the Chairman of the Audit Committee and the Nomination Committee.

Tan Sri Dato' Ahmad graduated with a Bsc. Econ. Honours degree from the University of Wales, Aberystwyth, United Kingdom in 1969. He is a Fellow of The Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Certified Public Accountants.

Tan Sri Dato' Ahmad started his career with the Corp of Accountants, Government of Malaysia between 1972 and 1973 before joining the private sector. He served as the financial controller between 1973 and 1980 in companies such as Syarikat Jengka Sdn. Bhd, Mansfield Berhad and Pernas Securities Sdn. Bhd. where he was also the company secretary. In November 1980, he joined Permodalan Nasional Berhad as the Deputy General Manager and was involved in the planning and launching of the National Unit Trust Scheme in 1981. Subsequently in April 1982, he joined Malayan Banking Berhad as General Manager, Treasury. During his service with Malayan Banking Berhad, he rose through the ranks of Senior General Manager and Board Member, then as Executive Director and in January 1991 he was appointed the Group Managing Director and Chief Executive Officer, a position which he held until 1994.

In May 1994, he was appointed the Governor of Bank Negara Malaysia, initially for a period of 3 years and in May 1997 was re-appointed for a further period of 3 years. He resigned as the Governor of Bank Negara in August 1998. He is currently the Director of MAA Holdings Berhad Group and a Director of KAF Investment Bank Berhad (formerly known as KAF Discounts Berhad), Hing Yiap Knitting Industries Berhad, Hap Seng Plantations Holdings Berhad and J.P.Morgan Chase Bank Berhad. He is also a Director of Messrs Sekhar & Tan, a public accountancy firm and several private companies.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held in the financial year ended 30 April 2010. He has never been convicted of any offence.



DATUK FONG WENG PHAK

*Independent Non-Executive
Director*

DATUK FONG WENG PHAK

Datuk Fong Weng Phak, aged 69, a Malaysian, is an Independent, Non-Executive Director who joined the Board since 1 October 1998. He is the Chairman of Remuneration Committee and Employee Share Scheme Committee, a member of the Audit and the Nomination Committees. He also sits on the Boards of several subsidiaries of the Group.

A graduate in Economics, his professional working life was roughly divided between being a research officer and administrator as a public sector employee in Bank Negara Malaysia and as a commercial banker. On retirement in 1998, he has not held any corporate executive position. He has served as a director in a numbers of companies and non-profit organizations involved in a variety of activities, including manufacturing, food and beverage production, investment and financial services and medical care. He is currently a Director of Great Eastern Life Assurance (Malaysia) Berhad, Great Eastern Capital (Malaysia) Berhad, Overseas Assurance Corporation (Malaysia) Berhad and Overseas Assurance Corporation (Holdings) Berhad.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held in the financial year ended 30 April 2010. He has never been convicted of any offence that would disqualify him from being a director of a listed company.

PROFILE OF DIRECTORS (cont'd)



MS. TAN SIOK CHOO
*Independent Non-Executive
Director*

MS. TAN SIOK CHOO

A Malaysian, Ms Tan Siok Choo, aged 58, is an Independent Non-Executive Director who was appointed to the Board on 8 December 1988. She is a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Employee Share Scheme Committee.

She holds a Bachelor of Law degree from the University of Bristol, U.K. and was admitted as a Barrister at Lincoln's Inn, London in 1976 and to the Malaysian Bar in 1977.

She has had a varied career in corporate finance, stockbroking, executive search and journalism. She was head of Corporate Finance in Southern Bank Berhad, worked as an investment analyst for two stockbroking firms – Rashid Hussain Securities as well as Morgan Grenfell Asia & Partners' Securities, did a short stint with the world's largest executive search firm, Korn Ferry International, and was employed as a business and economic journalist with Business Times and The Sunday Star.

She was appointed a Visiting Fellow of the Institute of Strategic and International Studies (ISIS) Malaysia on 1st September 1998 and was appointed a Director of OCBC Bank (Malaysia) Berhad on 27th July 2000 and a Director of OCBC AL-AMIN Berhad on 1 August 2008. She is currently a Director several private companies.

She is not related to any Director or/and major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. She has attended six out of seven Board Meetings held in the financial year ended 30 April 2010. She has never been convicted of any offence.



MR. BOON WENG SIEW
*Independent Non-Executive
Director*

MR. BOON WENG SIEW

Mr. Boon Weng Siew, aged 86 and a Malaysian, is an Independent, Non-Executive Director who joined the Board since 26 September 1989. He is also a member of the Board Tender, Remuneration and Employee Share Scheme Committees.

He has vast experience in the plantation industry from his present and previous appointments in a public listed company and various planting organizations and statutory bodies. He is a life member of the Agricultural Institute of Malaysia and member of the Incorporated Society of Planters.

He is currently the President of Malaysian Estate Owner's Association, the Vice Chairman of the Malaysian Palm Oil Association and was a member of the Board of RISDA from 1984 to 2005.

He is also a Director of several private companies. He was Chairman of The Malaysian Rubber Producers' Council in 1988. He has also served as Council member of The United Planting Association of Malaysia and was its President in 1987/1988, a member of the National Economic Consultative Council in 1988 to 1990 and a member of the Johor State Pardon Board from 1984 to 2000 and re-appointed from June 2003 to May 2006.

He is not related to any Director or/and major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held in the financial year ended 30 April 2010. He has never been convicted of any offence.

PROFILE OF DIRECTORS (cont'd)



MR. TAN JIEW HOE

Independent Non-Executive Director

MR. TAN JIEW HOE

Mr. Tan Jiew Hoe, aged 63 and a Singaporean, joined the Board as Alternate Director on 9 June 1997 and was subsequently appointed as Director on 30 March 2007. He is a member of Employee Share Scheme Committee.

He is currently a Director of several private companies in Malaysia and Singapore and also a keen plantsman. He is not related to any Director and/or major shareholder of United Malacca Berhad. He has no personal interest in any business arrangement involving the Company.

He has attended all the seven Board Meetings held in the financial year ended 30 April 2010. He has never been convicted of any offence.



MR. TEO LENG

Independent Non-Executive Director

MR. TEO LENG

Mr. Teo Leng, aged 58 and a Malaysian, was appointed as an Independent, Non-Executive Director on 1 September 2009. He is also a member of the Audit Committee and the Board Tender Committee.

Mr. Teo Leng graduated with First Class Honours in Bachelor of Agriculture Science in 1976 from University of Malaya and holds a Master of Science (Soil Chemistry) from University of Wisconsin @ Madison, USA.

He joined the Malaysian Agricultural Research and Development Institute (MARDI) in 1976 as a Research Officer and began his career at EPA Management Sdn Bhd, a subsidiary of Kulim (Malaysia) Berhad, as an Agronomist in 1983, rising in ranks to the position of Director of Research and Development in January 1996, and in January 2002 he was appointed Estate Director (Malaysia), a position which he held until his retirement in April 2008. He is currently a Consulting Advisor (Plantations) with Kulim (Malaysia) Berhad.

During his 26 years' career at EPA Management Sdn. Bhd., he was responsible for the full implementation of requirements pertaining to certification under Roundtable for Sustainable Palm Oil (RSPO) and also involved in the development and commercialization of Mill Integrated Waste Management System (MIWAMAS), a green technology converting empty fruit bunches and palm oil mill effluent to biocompost.

He has been an active committee member of national associations involved in oil palm, rubber and cocoa industry in various agricultural organizations. Currently, he is a council member of Malaysian Palm Oil Association (MPOA), The Malayan Agricultural Producers Association (MAPA) and Environmental Quality Council (EQC) of Kementerian Sumber Asli & Alam Sekitar. He was a past Board member of Malaysian Palm oil Board (MPOB).

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended four out of seven Board Meetings held in the financial year ended 30 April 2010 as he was appointed on 1 September 2009. He has never been convicted of any offence.

MANAGEMENT TEAM



Dr. Leong Tat Thim
*Chief Executive Officer/
General Manager*



Mr. Chong Seong Hoe
*General Manager
(Sabah)*



Madam Leong Yok Mui
*Assistant General Manager
(Administration & Corporate
Affairs)*



Ms. Susan Lai Swee Kee
Group Financial Controller



Mr. Tan Chin Har
*Plantation Controller
(Peninsular)*



Mr. Jeprol bin Osinggang
*Plantation Controller
(Sabah)*



Mr. Chua Hock Beng
*Plantation Controller
(Sabah)*

PROFILE OF CHIEF EXECUTIVE OFFICER/GENERAL MANAGER

Dr. Leong Tat Thim

Dr. Leong Tat Thim, aged 66 and a Malaysian, is the Chief Executive Officer/General Manager. He joined the Company on 1 March 2001. He was a Guthrie scholar, obtained his Diploma in Agriculture from Serdang College (now known as University Putra Malaysia) and subsequently obtained his Bachelor of Agriculture Science degree (Honours), Master of Agriculture Science and Ph.D. from University Malaya.

He started his career as a planting assistant in Kumpulan Guthrie, a Research Officer in Guthrie Research Chemara and promoted to Head of Rubber Research prior to joining IOI as Research Controller in 1995.

He has published and presented several research papers at local and international conferences and had patented two research findings.

He is currently a council member in Malaysian Palm Oil Association (MPOA) and also in The Malaysian Estate Owners' Association (MEOA). He was Chairman of Malaysian Rubber Producers Council (MRPC 1998/99) and was also Editor of MEOA's monthly bulletin. He also sits on the Board of six subsidiaries of the Group, one of which is South-East Pahang Oil Palm Berhad.

His shareholding in the Company is 16,000 shares and he does not have any shareholding in the Company's subsidiaries.

He is not related to any Director or/and major shareholder of United Malacca Berhad and also has no personal interest in any business arrangement involving the Company. He has never been convicted of any offence.

CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors of United Malacca Berhad, it is my pleasure to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 30 April 2010.

MR. CHOI SIEW HONG
*Chairman and
Executive Director*

Financial Performance

In spite of unfavourable weather conditions adversely affecting crop production, increase in fertilizer and labour costs, the Group achieved creditable performance for the financial year ended 30 April 2010. Annual revenue and pre-tax profit decreased by only 7% and 10% to RM178.53 million and RM82.59 million respectively from RM192.65 million and RM91.84 million in the preceding year.

The fresh fruit bunches (ffb) production in the financial year under review was affected by the excessive rainfall in Sabah during the monsoon period from December 2008 to March 2009 which resulted in production of high proportion of parthenocarpic fruits (i.e. not fully formed fruits), having low bunch weight as well as low oil extraction rate (OER) from the fruits and kernels. The dry months from February to April 2010 also affected crop production in Sabah and the Peninsular.

In the financial year under review, the average CPO price realised was RM2,390 per tonne, slightly lower than the RM2,420 per tonne in the preceding financial year.

At the Company level, pre-tax profit for the financial year ended 30 April 2010 also decreased by 10% to RM71.46 million from RM79.02 million in the preceding year.

In tandem with lower profit, the Group's earnings per share for the financial year under review declined to 47.9 sen from 53.2 sen in the preceding year.

CHAIRMAN'S STATEMENT (cont'd)



A ripe fruit bunch



Oil mill in Sabah

Dividends

The Board is recommending a final dividend of 25 sen per share (consisting of gross dividend of 11 sen per share less tax of 25%, tax-exempt dividend of 4.5 sen per share and single-tier dividend of 9.5 sen per share) for approval by the shareholders at the forthcoming Annual General Meeting. Together with the interim dividend of 10 sen per share less 25% tax paid on 18 January 2010, the total dividend per share for the financial year ended 30 April 2010 will amount to 35 sen gross or 29.75 sen net compared with 40 sen gross or 30 sen net in the preceding financial year. The proposed dividend will amount to RM39,866,488 (compared with RM40,201,500 in the preceding financial year) and is payable on 26 October 2010.

Proposed Bonus Issue of 1 for 2

In conjunction with the Company's celebration of its 100th Anniversary, Board the is proposing a bonus issue of one bonus share for every two existing shares held, by capitalizing an amount of up to a maximum of RM67,621,500 from the Share Premium account of RM15,073,000 and Retained Earnings account of RM52,548,500.

The bonus shares will rank pari passu in all respects with the existing share of the Company except that they shall not be entitled to dividends declared in respect of the financial year ended 30 April 2010 nor any right, allotment or other distribution which may be declared prior to the date of allotment of such bonus shares.

The Proposed Bonus Issue is subject to approvals being obtained from shareholders at the forthcoming Extraordinary General Meeting and Bursa Malaysia Securities Berhad for the listing of and quotation for the bonus shares on the Main Market of Bursa Malaysia Securities Berhad.

Plantation Operations

The Group had a planted area of 45,258 acres (18,316 hectares) at the close of financial year 2009/2010. The planted area comprised 33,452 acres (13,538 hectares) or 74% of matured oil palms and 11,806 acres (4,778 hectares) or 26% of immature palms of less than 4 years old.

Production of fresh fruit bunches for financial year 2009/10 at 255,037 tonnes registered 2.3% decrease from 260,922 tonnes ffb harvested in the previous financial year. The lower yield was due to the Parthenocarpic effect experienced in Sabah from June to August 2009, and the "El-Nino" effect experienced in Sabah and the Peninsular from February to April 2010.

Nevertheless, the yield per hectare of 20.33 tonnes ffb was satisfactory compared with the industry annual average of 19.20 tonnes ffb per hectare.



Testing oil quality in oil mill laboratory

CHAIRMAN'S STATEMENT (cont'd)



A scenic waterfall at Millian Labau Estate in Sabah

The Group continued to benefit from its expansion programme initiated in Sabah in 1997. The Sabah estates with young and prime yielding palms contributed 128,381 tonnes ffb or 50.3% of total production for the Group.

It is gratifying to note that on 12 December 2009, the Group successfully concluded the acquisition of this partially planted Millian Labau Plantations, resulting in the Group's area being increased by about 25,000 acres (10,117 hectares) or 70% to almost 60,000 acres (24,282 hectares). With this acquisition, the Group's estate area is comparable to that of many medium-size plantations. Aggressive planting is in progress to plant up the remaining unplanted area. In addition, good agronomic practices are being introduced to bring the estate to United Malacca standard. This new property is expected to contribute significantly to the Group's ffb production in the years to come.

The Group's palm oil mills continued to produce high quality CPO and palm kernel oil well above market specifications. With proper maintenance the mills experienced an average breakdown hours of less than 3.2% of the total processing hours which was relatively low in comparison to the industry.

For the financial year 2009/2010, own crop accounted for 86.6% of the total crop processed with the balance from outside suppliers. The Group's two mills recorded a total production of 63,132 tonnes of CPO and 14,472 tonnes of palm kernel oil and achieved an average of 21.3% OER and 5.0% KER in financial year 2009/2010 as against the industry's average of 20.2% OER and 5.2% KER respectively.

Current Year Prospects

As a result of the Group's active replanting carried out since 2002 and also the inclusion of the newly acquired Millian Labau Plantations, a very good age profile of palms has been achieved. The Group's total planted are consists of 2% old palms (> 26 years), 5% middle-age palms (16 – 25 years), 25% prime production palms (8 – 15 years), 42% young mature palms (4 – 7 years) and 26% immature palms (< 4 years). With this favourable age profile, the Group's ffb production will continue to increase significantly over the years.

However, the Group as with the case of other industry players continues to face the problems of high fertilizer cost, rising labour cost and wages and intense competition from other vegetable oil producers. The standards set for industry compliance for environmental and other considerations have also become increasingly stringent. The government taxes and levies imposed for various purposes have further burdened the industry which has been contributing significantly to export earning and value added GDP growth of the country.

To face up with these challenges, the United Malacca Berhad Group will endeavour to improve efficiency and productivity and reduce production cost in order to remain profitable and competitive. In addition, the Group will continue to produce palm oil in a sustainable manner.

Employee Share Scheme

In regards to United Malacca Berhad Employee Share Scheme comprising the Employee Share Option Scheme (ESOS) and the Executive Share Incentive Plan (ESIP) approved by the shareholders at the last Extraordinary General Meeting held on 29 August 2009, the Board has decided to launch the ESOS by offering options to existing Directors and eligible employees with the view to motivate and retain skills within the Group. In July 2010, pursuant to the ESOS the Company has granted 6,190,000 options to eligible Directors and employees which are exercisable over 5 years at 20% per year. The ESIP is being held in abeyance until the circumstances are appropriate.



Oil palm nursery

CHAIRMAN'S STATEMENT (cont'd)

Centenary Celebrations

It is with great pride that, on behalf of the Board of Directors, I record herewith that United Malacca Berhad celebrated its 100th Year Anniversary on 27 April 2010 with a gala dinner attended by substantial shareholders, family members of some founding shareholders, well wishers, business associates and staff of the Group.

To commemorate the occasion, a donation of RM250,000 at RM50,000 a year over 5 years was made to the Assunta Palliative Care Centre to be established by the Assunta Hospital to provide palliative care for terminally ill patients in the Klang Valley. Negotiation has been initiated with the Agricultural Faculty, Putra University Malaysia to establish a Professorial Chair in Oil Palm Plantation to carry out research on various aspects of oil palm plantation management.

A small monetary gift had been presented to every member of the staff and every worker for them to celebrate the centenary in a meaningful manner. In addition, a centenary bonus of half a month's salary is paid to the staff over and above their normal bonus.

To reward the shareholders of the Company for their loyalty and continuing support and as noted earlier under the item Bonus Issue, a proposed bonus issue of one share for every two shares held has been recommended to the shareholders for approval at the forthcoming Extraordinary General Meeting. This issue will increase the share capital base of the Company to a level to reflect the current scale of operations and assets employed by the Group and is also expected to improve the liquidity and marketability of the share on Bursa Securities.

The celebration also included the publication of a Coffee Table Book "The United Malacca Story: Thriving Through a Century of Changes" tracing the major events throughout the Company's 100 years of existence.

Starting as a small rubber growing company with a mere 460 acres (186 hectares), United Malacca Berhad has grown to become a medium-size oil palm plantation company having a total of 60,000 acres (24,282 hectares) of oil palm land, with 17,000 acres (6,880 hectares) in Peninsular Malaysia and the rest in Sabah.



Watering oil palm seedlings using sprinkler system

CHAIRMAN'S STATEMENT (cont'd)

It has survived two World Wars and the Great Depression, and suffered through the Japanese Occupation and the Communist Insurgency. Its recent growth started with its venture in Sabah in 1997, followed by the acquisition of two estates measuring a total of 8,000 acres (3,238 hectares) in Pahang in 2004 and its recent acquisition of 25,000 acres (10,117 hectares) of estate land in the Kinabatangan area in Sabah at the end of last year.

The core values of integrity, hard work, good corporate governance and financial prudence, embraced by the founders, have continued to be the guiding principles of the Company. These core values have withstood the test of time and will remain relevant for the continuing success of the Company in the years to come.



Ripe oil palm fruit bunch

Acknowledgement

On behalf of the Board of Directors, I wish to express our sincere appreciation to the Management and staff at all levels for their continuing efforts and commitment to deliver yet another year of good results. I also wish to thank my fellow Directors for their wise counsel and guidance and active participation at Board deliberations.

Lastly, to our valued shareholders, business associates and the regulatory authorities, our sincere thanks for their confidence and support throughout the year.

CHOI SIEW HONG, KMN, JMN
Chairman

PENYATA PENERUS

Penyata Penerus

Bagi pihak Lembaga Pengarah United Malacca Berhad, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Syarikat dan Kumpulan yang telah diaudit bagi tahun kewangan berakhir 30 April 2010.

Prestasi Kewangan

Dengan ketidaktentuan keadaan cuaca yang mempengaruhi pengeluaran buah tandan segar (BTS) selain peningkatan kos baja dan upah buruh, Kumpulan masih berupaya mencatat prestasi yang membanggakan bagi tahun kewangan berakhir 30 April 2010. Jumlah perolehan tahunan dan keuntungan sebelum cukai menurun sebanyak 7% dan 10 % kepada RM 178.53 juta dan RM 82.59 juta daripada RM 192.65 juta dan RM 91.84 juta pada tahun sebelumnya.

Pengeluaran BTS pada tahun semasa dipengaruhi oleh taburan hujan yang tinggi di Sabah semasa musim monson iaitu dari Disember 2008 hingga Mac 2009 yang mengakibatkan peningkatan buah tandan "parthenocarpic" (keadaan buah tandan yang tidak sempurna), berat tandan yang rendah serta kadar perahan minyak yang rendah (OER) dari buah tandan dan isirong sawit. Musim kemarau dari Februari hingga April 2010 juga menjejaskan penghasilan BTS di Sabah dan Semenanjung Malaysia.

Pada tahun semasa, harga purata minyak sawit mentah (MSM) sebanyak RM 2,390 setan iaitu kurang sedikit berbanding RM 2,420 setan tahun sebelumnya.

Pada peringkat Syarikat, keuntungan sebelum cukai bagi tahun kewangan berakhir 30 April 2010 juga menurun sebanyak 10% kepada RM 71.46 juta daripada RM 79.02 juta tahun sebelumnya.

Dengan keuntungan yang rendah, perolehan sesaham Kumpulan bagi tahun kewangan semasa menurun kepada 47.9 sen daripada 53.2 sen tahun sebelumnya.



Kerbau membantu dalam pengutipan buah tandan

Dividen

Lembaga Pengarah mencadangkan dividen akhir 25 sen (merangkumi dividen kasar 11 sen sebelum ditolak cukai 25%, dividen tanpa cukai sebanyak 4.5 sen sesaham dan dividen "single-tier" 9.5 sen sesaham) untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan datang. Bersama-sama dengan dividen interim 10 sen sesaham ditolak cukai 25% yang telah dibayar pada 18 Januari 2010, jumlah dividen bagi tahun kewangan semasa berakhir 30 April 2010 adalah 35 sen kasar atau 29.75 sen bersih setiap unit saham berbanding dengan 40 sen kasar atau 30 sen bersih tahun sebelumnya. Dividen yang dicadangkan berjumlah RM 39,866,488 (berbanding dengan RM 40,201,500 tahun sebelumnya) dan akan dibayar pada 26 Oktober 2010.

Cadangan "Bonus Issue" 1 untuk 2

Sempena menyambut ulangtahun Syarikat yang ke 100, pada 14 Jun 2010 Lembaga Pengarah telah mengumumkan cadangan "Bonus Issue" satu unit saham bonus untuk setiap 2 unit saham yang dipegang bagi mempermodal RM 67,621,500 melalui penggunaan RM 15,073,000 dari Akaun Saham Premium dan RM 52,548,500 dari Akaun Perolehan Berkumpul.

Saham bonus ini akan meletakkan pari passu mengenai semua perkara berkaitan dengan unit saham semasa Syarikat kecuali ia tidak berhak kepada dividen yang diisytiharkan pada tahun semasa berakhir 30 April 2010 termasuk hak dan pengagihan yang akan diumumkan sebelum tarikh pembahagian saham bonus.

"Bonus Issue" yang dicadangkan adalah bergantung kepada kelulusan yang akan diperolehi daripada para pemegang saham pada Mesyuarat Agung Luarbiasa yang akan datang serta penyenaraian dan sebut harga saham bonus di Papan Utama Bursa Malaysia.



Pengutipan buah tandan menggunakan treler 'scissor lift'

PENYATA PENGERUSI (samb.)

Operasi Perladangan

Pada akhir tahun kewangan 2009/2010, Kumpulan mempunyai kawasan perladangan seluas 45,258 ekar (18,316 hektar). Jumlah kawasan perladangan merangkumi 33,452 ekar (13,538 hektar) atau 74% kawasan kelapa sawit matang dan 11,806 ekar (4,778 hektar) atau 26% kawasan kelapa sawit belum matang yang mana usia pokok di bawah 4 tahun.

Penghasilan BTS pada tahun kewangan 2009/2010 sebanyak 255,037 tan mencatatkan penurunan daripada 260,922 tan BTS yang dituai pada tahun kewangan sebelumnya. Pengurangan hasil adalah disebabkan kesan Parthenocarpic di Sabah dari Jun hingga Ogos 2009 serta kesan El-Nino yang dialami di Sabah serta Semenanjung Malaysia dari Februari hingga April 2010.

Walaubagaimanapun, penghasilan BTS sebanyak 20.33 tan sehektar setahun adalah baik berbanding dengan purata industri iaitu 19.20 tan sehektar setahun.

Kumpulan terus menikmati faedah dari program pengembangan di Sabah semenjak 1997. Estet-estet di Sabah menyumbang sebanyak 128,381 tan BTS atau 50.3% daripada jumlah keseluruhan hasil BTS Kumpulan yang terdiri daripada pokok muda dan pokok berhaslatinggi.

Sukacita dimaklumkan bahawa pada 12 Disember 2009, Kumpulan telah mencapai persetujuan pembelian Millian Labau Plantations yang mana sebahagian kawasannya telah ditanam. Dengan pembelian ini, kawasan perladangan Kumpulan telah meningkat 25,000 ekar (10,117 hektar) atau 70 % kepada lebih kurang 60,000 ekar (24,282 hektar) dan setanding dengan syarikat perladangan kelas medium. Penanaman secara agresif sedang berjalan untuk menanam kawasan yang belum ditanam lagi. Selain itu, amalan agronomik terbaik sedang diusahakan bagi memastikan estet-estet di sana mencapai piawaian perladangan United Malacca. Kawasan baru ini dijangka memberi sumbangan yang signifikan kepada penghasilan BTS Kumpulan pada tahun-tahun akan datang.

Kedua-dua kilang kelapa sawit Kumpulan terus menghasilkan produk MSM dan isirong sawit yang berkualiti melebihi piawai pasaran yang ditetapkan. Melalui penyelenggaraan yang sempurna, kedua-dua kilang kelapa sawit mencatat masa purata kerosakan kurang dari 3.2% daripada jumlah keseluruhan masa pemprosesan dan juga adalah rendah berbanding paras industri.

Pada tahun kewangan 2009/2010, BTS Kumpulan menyumbang 86.6% daripada jumlah keseluruhan pemprosesan dan bakinya sumbangan oleh pembekal luar. Kedua-dua kilang kelapa sawit Kumpulan telah menghasilkan MSM sebanyak 63,132 tan dan isirong sawit sebanyak 14,472 tan serta mencatat kadar perahan purata MSM 21.3% dan isirong sawit 5% bagi tahun kewangan 2009/2010 berbanding kadar perahan purata industri MSM sebanyak 20.2% dan 5.2% untuk isirong sawit.

Prospek Tahun Semasa

Profil umur pokok yang baik telah dihasilkan melalui program penanaman semula oleh Kumpulan serta pengambilalihan Millian Labau Plantations. Kini, kawasan perladangan Kumpulan terdiri daripada 2% pokok kelapa sawit tua (> 26 tahun), 5% pokok kelapa sawit peringkat pertengahan (16 – 25 tahun), 25% adalah pokok berhaslatinggi (8 – 15 tahun), 42% adalah pokok kelapa sawit matang muda (4 – 7 tahun) dan 26% pokok kelapa sawit belum matang (< 4 tahun). Dengan profil umur pokok yang baik, pengeluaran BTS Kumpulan dijangka meningkat secara signifikan pada tahun-tahun akan datang.

Walaubagaimanapun, sepertimana syarikat-syarikat perladangan yang lain, Kumpulan juga mengalami masalah peningkatan harga baja dan kos upah buruh serta persaingan sengit dari pengeluar minyak sayuran. Selain itu, piawaian industri yang ditetapkan untuk dipatuhi bagi alam sekitar dan sebagainya semakin ketat. Cukai dan levi yang dikenakan oleh Kerajaan juga menambah beban kepada industri yang telah menyumbangkan kepada perolehan eksport dan menambahnilai Keluaran Negara Kasar, negara.

Bagi mengatasi cabaran-cabaran tersebut, Kumpulan United Malacca Berhad akan berusaha untuk meningkatkan kecekapan dan produktiviti selain mengurangkan kos pengeluaran untuk kekal bersaing dan menjana keuntungan. Selain itu, Kumpulan juga akan menghasilkan MSM secara berterusan.



Keratan rentas buah kelapa sawit

PENYATA Pengerusi (samb.)

Skim Saham Pekerja

Berdasarkan kepada Skim Saham Pekerja United Malacca Berhad yang terdiri daripada Skim Saham Opsyen Pekerja (ESOS) dan Pelan Insentif Saham Pekerja (ESIP) yang telah diluluskan oleh para pemegang saham pada Mesyuarat Agung Luarbiasa yang diadakan pada 29 Ogos 2009, Lembaga Pengarah telah mengambil keputusan untuk melaksanakan ESOS dengan menawarkan opsyen kepada para Pengarah sedia ada dan pekerja yang layak untuk meningkatkan motivasi dan mengekalkan khidmat mereka dengan Kumpulan. Berdasarkan kepada skim Saham Pekerja, pada Julai 2010 syarikat telah menawarkan 6,190,000 opsyen yang layak kepada Pengarah dan pekerja yang boleh dilaksanakan untuk tempoh 5 tahun iaitu 20% setahun. ESIP telah ditunda untuk sementara waktu sehingga masa yang sesuai.

Sambutan Ulangtahun Ke 100

Dengan rasa bangga, bagi pihak Lembaga Pengarah, saya mengumumkan bahawa United Malacca Berhad telah menyambut ulangtahun ke 100 pada 27 April 2010 dengan mengadakan makan malam gala yang dihadiri oleh para pemegang saham terbesar, kaum keluarga pemegang saham tokoh pengasas, rakan-rakan perniagaan serta kakitangan Kumpulan.

Bagi memperingati majlis tersebut, sumbangan sebanyak RM 250,000 pada kadar RM 50,000 setahun untuk tempoh 5 tahun telah disalurkan kepada Assunta Palliative Care Centre yang akan ditubuhkan oleh Hospital Assunta bagi menyediakan rawatan paliatif kepada pesakit kanser serius di Lembah Klang. Rundingan juga sedang berjalan dengan Fakulti Pertanian, Universiti Putra Malaysia untuk mengwujudkan "Professorial Chair" dalam bidang perladangan kelapa sawit bagi menjalankan penyelidikan dalam bidang berkaitan pengurusan perladangan kelapa sawit.

Sumbangan wang tunai juga diberikan kepada semua kakitangan dan pekerja Syarikat bagi meraikan sambutan ulangtahun ke 100 dengan lebih bermakna. Sebagai tambahan, bonus centenari sebanyak setengah bulan gaji telah dibayar kepada semua kakitangan sebagai tambahan kepada bonus tahunan.

Bagi membalas kesetiaan dan sokongan berterusan daripada para pemegang saham seperti yang dinyatakan sebelumnya di bawah perenggan "Bonus Issue", "bonus issue" satu unit saham untuk setiap dua unit saham telah dicadangkan untuk kelulusan para pemegang saham pada Mesyuarat Agung Luarbiasa yang akan datang. Cadangan "bonus issue" ini akan meningkatkan modal saham Syarikat bagi menampung skala operasi semasa dan aset yang dimiliki oleh Kumpulan serta untuk meningkatkan kecairan dan kebolehpayaan pasaran saham Syarikat di Bursa Malaysia.

Sambutan tersebut termasuk pelancaran buku "Coffee Table Book – The United Malacca Berhad: Thriving Through a Century of Changes" yang merintis peristiwa-peristiwa utama sepanjang penubuhan 100 tahun Syarikat.



Pembajaan



Penuaian buah kelapa sawit



Memungut tandan buah kelapa sawit

PENYATA Pengerusi (samb.)

Bermula dengan kawasan penanaman getah lebih kurang 460 ekar (186 hektar), United Malacca Berhad telah berkembang menjadi Syarikat perladangan bersaiz medium dengan kawasan perladangan kelapa sawit seluas 60,000 ekar (24,282 hektar) yang mana 17,000 ekar (6,880 hektar) di terletak Semenanjung Malaysia dan bakinya di Sabah.

Syarikat telah berjaya melepasi 2 Perang Dunia dan Tempoh Kemelesetan serta penaklukan Tentera Jepun dan akhirnya pemberontakan komunis. Perkembangan Syarikat bermula bila mula melebar sayap ke Sabah pada tahun 1997, dan diikuti dengan pembelian 2 estet di Pahang seluas 8,000 ekar (3,238 hektar) pada tahun 2004 serta pembelian terkini 25,000 ekar (10,117 hektar) kawasan estet di Kinabatangan, Sabah pada tahun lalu.

Nilai-nilai asas integriti, kerja kuat, tadbir urus korporat yang baik serta kewangan yang cermat yang diasaskan oleh pengasas akan senantiasa dijadikan panduan Syarikat. Asas-asas tersebut telah terbukti berjaya melalui peredaran masa and sentiasa relevan kepada Syarikat untuk kejayaan berterusan pada masa hadapan.

Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan kepada pihak pengurusan dan semua kakitangan di semua peringkat di atas usaha dan komitmen yang berterusan untuk sekali lagi mencatat prestasi yang baik pada tahun semasa. Saya juga ingin merakamkan penghargaan dan berterima kasih kepada rakan-rakan Pengarah atas nasihat , sumbangan idea yang bernas dan penglibatan secara aktif semasa perbincangan Lembaga Pengarah.

Akhirnya, kepada para pemegang saham, rakan – rakan sekutu perniagaan dan pihak – pihak berkuasa, saya mengucapkan terima kasih di atas keyakinan dan sokongan yang diberikan sepanjang tahun ini.

CHOI SIEW HONG, KMN, JMN
Pengerusi



Penghantaran buah kelapa sawit ke kilang



Buah kelapa sawit menunggu untuk diproses



United Malacca Berhad

(1319 V)

Centennial Celebration Events



"The core values of integrity, hard work, good corporate governance & financial prudence, embraced by the founders, have continued to be the guiding principles of the company. These core values have withstood the test of time & I have no doubt they will remain relevant for the continuing success of the company in the years to come."

by **CHOI SIEW HONG**

Chairman, United Malacca Berhad
2010



CHAIRMAN'S SPEECH AT THE CENTENNIAL DINNER HELD ON 27 APRIL 2010

Honoured Guests, Fellow Directors, Management & Staff, Ladies & Gentlemen,



On behalf of the Board of Directors, I extend to you all a very warm welcome to tonight's Centennial Dinner for United Malacca Berhad. Today is a very special day for us all in United Malacca because it marks the 100 years of the Company's existence.

It was on 27 April 1910 that our Company was established by Tun Tan Cheng Lock with just 460 acres of rubber land. Since then the Company has witnessed some of the most significant events of the past century : the Great Depression of the 1930's, the First and Second World Wars, the Japanese Occupation, the Communist Insurgency and numerous cyclical downturns in the national and global economy. It also saw the country gaining independence in 1957 and the growth and development of the country that followed.

Despite these various challenges, United Malacca found the means to survive and evolve. In the mid 60's, we began our transition from cultivating rubber to oil palm, as a response to trends in the plantation industry as well as the Government's call to diversify away from rubber to other crops. Eventually the Company adopted the policy of having 60% oil palm, 30% rubber and 10% cocoa under Tun Tan Siew Sin's Chairmanship. However, because of the persistent depressed price of rubber in the 90's, the remaining rubber areas were replanted with oil palm.

In the late 1990's, we ventured into the Paitan and the nearby areas in Sabah where we now have 17,000 acres of oil palm estates and a 45 tonne per hour crude palm oil mill which we built from scratch. In 2004, we acquired 8,000 acres of oil palm estate together with a 35 tonne per hour palm oil mill in Kemayan, Pahang. The most exciting acquisition for United Malacca is the purchase in December 2009 of 25,000 acres of estate land in Kinabatangan area in Sabah, with half of the area already planted with palms of one to five years old. This estate is the biggest single piece of land in our holdings. This acquisition brings our total land size to 60,000 acres, thus qualifying us to be regarded as a medium sized plantation company.

Besides plans to continue growing our land size, we are also exploring the possibility of venturing into research, particularly into plant-breeding, converting biomass from our mills to organic fertilisers, and the planting of other crops, such as rubber trees for latex and timber.

As we continue to grow, we also pledge to maintain the principles of integrity, good corporate governance, hard work and financial prudence which were put in place by United Malacca's founding fathers. United Malacca was started by Tun Tan Cheng Lock, who went on to found and become the first President of the MCA. Other personalities who have shaped our story include Tun Tan Siew Sin, who served in the first Cabinet as Commerce and Industry Minister, and subsequently as Finance Minister for 15 years. The membership of our Board of Directors has also included former Governors and Deputy Governors of Bank Negara, in addition to other prominent personalities namely Datuk Loke Wan Tho and Tan Sri Tan Chin Tuan.

Their stewardship is part of what we believe makes United Malacca unique as a company. Our longevity, the constant involvement of the founding family in the business, the underlying principles of our corporate philosophy, and our steady profitability are all elements that we are proud of.

CHAIRMAN'S SPEECH AT THE CENTENNIAL DINNER HELD ON 27 APRIL 2010

United Malacca is also unique in four other aspects:-

- (i) It is the only listed plantation company founded, owned and managed by Malaysians, which has survived and prospered for a hundred years. There are other plantation companies listed in Bursa Malaysia, which are bigger and as older as or even older than United Malacca, but these companies were originally founded, owned and managed by the British or other foreigners and were subsequently acquired by Malaysian enterprises after Malaysia's Independence.
- (ii) United Malacca has been profitable throughout its hundred years of existence, except in 1921, when it lost \$1,519 and in the Great Depression years of 1931, 1932 and 1933 when it incurred a total loss of \$21,195 in the three years. The estates were confiscated by the Japanese Administration and were therefore not in operation during Japanese Occupation.
- (iii) United Malacca has not gone back to the shareholders for any additional capital, that is, there has been no rights issues.
- (iv) The Company has not incurred any bank borrowings in line with the founder's philosophy that the Company should not spend beyond its means.

As part of our commemoration of our centenary, we are making a donation of RM250,000 at RM50,000 a year over 5 years to the Assunta Palliative Care Centre, which is being established by the Assunta Hospital to provide palliative care for terminally ill patients in Klang Valley. We are also in negotiation with the Agricultural Faculty, Putra University to establish a Professorial Chair in Oil Palm Plantation to carry out research on various aspects of oil palm plantation management.

As a token of the Company's appreciation of the contribution of the staff and workers to its success, a small monetary gift will be presented to every member of the staff and every worker in the Company for them to celebrate the centenary in a meaningful manner.

We have also published a Coffee Table Book "The United Malacca Story: Thriving Through A Century of Changes" as a fitting tribute to all the men and women who have been part of our growth and history and as a record of the decisions and guiding principles that have allowed us to come this far.

I am very honoured and proud to be associated with such a remarkable company as United Malacca Berhad since 1976 and much more closely associated with it since 1988. I would like to thank the shareholders for their unwavering and loyal support, all the staff for their full hearted dedication to their responsibilities by giving of their very best for the well being and success of the Company and my fellow directors for their wise counsel, close co-operation and active participation in Board deliberations, without all of which the Company would not have attained its present position.

In conclusion, I wish to thank our honoured guests, some of whom have travelled from Australia, Singapore and other parts of Malaysia, for their presence in our celebration. A very big "Thank You" to the members of the Centenary Celebration Committee for all the work involved in our celebration and in particular, the excellent arrangements made for tonight's Dinner.

21 April 2010



Press Launch of Coffee Table Book



Launching of
Coffee Table Book



Chairman and Chief Executive
Officer at the Book Interview



Board of Directors at the Book Launching



Media representatives attending
Book Launching

27 April 2010

*C*entennial *D*inner *h*eld *a*t *R*enaissance *H*otel *M*elaka



*D*irectors and Senior Management giving a toast to the guests at the Dinner



Cutting 100th Anniversary cake



*R*ecipients of Long Service Award



*P*resenting a lucky draw prize to the winner

20 June 2010

Centennial Celebration at Batu Anam Estate



Presenting an Award to an estate employee



Presenting Centennial Gift of RM200 each to estate employees



Estate employees enjoying lunch at the celebration



Prizes & Awards for estate employees

27 June 2010

Centennial Celebration at
Bukit Senorang Estate



Cross country winners with their Trophies



Cake cutting at the estate celebration



Registration of estate employees for the
Centennial Gift



Presenting Centennial Gift of RM200 each
to estate employees



Estate employees enjoying lunch at the
Centennial Celebration

16 July 2010

Centennial Celebration at
Millian Labau Plantations, Sabah



Millian Labau Estate staffs with Chairman and Chief Executive Officer



Cultural dance show at the Centennial Celebration



Chairman meeting the staffs at the Millian Labau Estate's new office



Chairman presenting Centennial Gift to employees at Millian Labau Estate

17 July 2010

Centennial Celebration at
Meridian Plantations, Sabah



Centennial dinner at
Meridian Plantations, Sabah



Group photo of Meridian Plantations' staffs with Chairman,
Chief Executive Officer and Senior Management



Cake Cutting



Chairman giving a speech at the
Meridian Plantations in Sabah

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to Corporate Social Responsibility (CSR) by integrating it into the way the business is run. The key CSR initiatives undertaken by United Malacca Berhad Group in 2009/2010 are as follow:-

At the workplace, safety-related programmes for employees and training programmes to upgrade employees' skills and competency were conducted. The Group provides as its employees and families in the estates with quality facilities and amenities to live and work comfortably. Medical care and hospitalization insurance cover for employees and families are also provided.

The Group's contributions to the community are by way of donations to charitable organizations, offer of scholarships for higher education and providing job opportunities offered to local community particular in Sabah.



Training workers on the use of protective attire by Safety Officer



Providing health care at our estate clinic



Health talk by a representative from Mahkota Medical Centre, Melaka



Blood donation at United Malacca Head Office Building in Melaka



Donation to the Assunta Palliative Care Centre



Chairman presenting scholarship award to university students

CORPORATE SOCIAL RESPONSIBILITY (cont'd)

The Group is aware of the importance of conserving and preserving our natural environment. The Group's business responsibility, while geared towards increasing profitability, is also to implement good agricultural practices in an endeavour to protect the environment and adhere to the national environmental policies. Proper soil and water conservation measures coupled with sound agronomic practices will ensure the sustainability and environmental friendly nature of oil palm cultivation.



Training provided to tractor drivers on proper care maintenance of vehicle



Worker's quarters in Bukit Senorang Estate



Official opening of estate office in Millian Labau Estate in Sabah



Prize presentation to a worker in Batu Anam Estate



Presenting a souvenir to Mahkota Medical Centre's representatives



Employees' family outing at Pulau Besar, Johor

FIVE YEARS' FINANCIAL STATISTICS

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
REVENUE					
Plantation	170,609	178,304	214,367	125,408	110,338
Investment holding	7,918	14,348 *	7,819	4,237	3,669
	178,527	192,652	222,186	129,645	114,007
GROUP PROFIT					
Oil palm products	71,642	81,430 *	109,647	44,721	26,204
Amortisation of goodwill on consolidation	-	-	-	-	(1,049)
Replanting expenses	(5,400)	(7,492)	(4,449)	(6,050)	(6,785)
Profit from plantation activities	66,242	73,938	105,198	38,671	18,370
Deficit on disposal of an associate	-	-	(8,173)	-	-
Development expenditure written off	(1,295)	-	-	-	-
Investment income	5,534	1,155	7,507	12,183	2,163
Interest income	6,695	12,351 *	5,841	2,716	2,251
Operating profit	77,176	87,444	110,373	53,570	22,784
Share of profit of associates	5,413	4,393	7,738	9,506	6,634
Profit before tax	82,589	91,837	118,111	63,076	29,418
Income tax expense	(18,442)	(20,497)	(21,534)	(11,173)	(5,323)
Profit after tax	64,147	71,340	96,577	51,903	24,095

* Reclassification has been made to conform with the current year's presentation. Please refer to Note 35 to the Financial Statements (page 102) for the details.

FIVE YEARS' FINANCIAL STATISTICS (cont'd)

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
ASSETS					
Property, plant and equipment	173,381	165,446	159,458	103,009	93,067
Biological assets	392,049	274,831	272,200	78,152	72,723
Prepaid land lease payments	215,507	88,438	89,962	91,379	92,372
Development expenditure	-	1,295	1,295	1,264	1,264
Interest in associates	24,798	20,376	16,874	166,629	198,891
Other investments	15,822	15,962	15,962	15,447	5,902
Goodwill on consolidation	18,628	18,628	18,628	18,628	18,628
Deferred tax assets	-	-	-	-	5,710
Current assets	154,752	382,281	379,198	158,788	103,987
Non-current asset held for sale	-	-	113	-	-
Total assets	994,937	967,257	953,690	633,296	592,544
EQUITY AND LIABILITIES					
Equity attributable to equity holders					
Issued and paid-up share capital	134,005	134,005	134,005	134,005	134,005
Capital reserves	243,592	243,890	244,212	48,832	48,346
Revenue reserves	525,837	501,593	485,208	412,886	373,559
Total equity	903,434	879,488	863,425	595,723	555,910
Liabilities					
Deferred tax	71,066	69,896	68,224	21,536	23,118
Current liabilities	20,437	17,873	22,041	16,037	13,516
Total liabilities	91,503	87,769	90,265	37,573	36,634
Total equity and liabilities	994,937	967,257	953,690	633,296	592,544
PER SHARE STATISTICS					
Earnings - net (sen)	47.9	53.2	72.1	38.7	18.0
Dividend - gross (sen)	35.0	40.0	55.0	31.0	13.0
Dividend - net of tax (sen)	29.8	30.0	41.2	22.6	9.4
Dividend cover (number of times)	1.6	1.8	1.8	1.7	1.9
Net assets (RM)	6.7	6.6	6.4	4.4	4.1

GROUP TITLED AREA STATEMENT

As At 30 April 2010

	HECTARAGE	%
OIL PALM		
Mature		
4 to 7 years	7,643	42
8 to 15 years	4,673	25
16 to 20 years	680	4
21 to 25 years	195	1
> 26 years	347	2
	<hr/>	
	13,538	74
Immature		
< 4 years	4,777	26
	<hr/>	
TOTAL OIL PALM PLANTED AREA	18,315	100
Unplanted area	5,579	
Reserve land, building sites, etc	216	
	<hr/>	
TOTAL GROUP TITLED AREA	24,110	
	<hr/>	

FIVE YEARS' PLANTATION STATISTICS

	2010	2009	2008	2007	2006
<u>ESTATES</u>					
FFB production (tonne)	255,037	260,922	240,102	208,657	172,707
Yield per weighted average mature hectare (tonne/ha)	20.33	25.41	24.13	23.06	21.06

<u>MILLS</u>					
FFB processed (tonne)	294,289	292,111	311,490	313,077	316,534
Production					
- Crude palm oil (tonne)	63,133	62,251	65,938	65,639	65,628
- Palm kernel (tonne)	14,472	15,095	15,661	16,106	17,434
Oil extraction rate (%)	21.45	21.31	21.17	20.97	20.73
Kernel extraction rate (%)	4.92	5.17	5.03	5.14	5.51

<u>AVERAGE SELLING PRICE</u>					
Crude palm oil (RM/tonne)	2,390	2,420	2,857	1,669	1,413
Palm kernel (RM/tonne)	1,256	1,234	1,722	956	997
FFB (RM/tonne)	477	477	609	334	255

AUDIT COMMITTEE REPORT

1.0 Introduction

Pursuant to Paragraph 15.15 of the Bursa Malaysia Securities Berhad's Listing Requirement, the Board of Directors of United Malacca Berhad is pleased to present the Audit Committee Report for the financial year ended 30 April 2010.

2.0 Composition

The Audit Committee of the Board of Directors was established since January 1991 and comprises the following members:

Chairman: Tan Sri Dato' Ahmad bin Mohd Don
(Independent Non - Executive Director)

Members: Ms Tan Siok Choo
(Independent Non - Executive Director)
Datuk Fong Weng Phak
(Independent Non - Executive Director)
Mr Teo Leng **
(Independent Non - Executive Director)

*** Appointed as Member of the Audit Committee on 14 December 2009.*

- (i) The Audit Committee shall be appointed by the Board of Directors from amongst the Directors and comprise not less than three (3) members. All the Audit Committee members must be Non - Executive Directors, with a majority of them being Independent Directors.
- (ii) The members of the Committee shall elect the Chairman, who is an Independent Director from among the members.
- (iii) If the number of members for any reason falls below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members required to fulfil the minimum requirement.
- (iv) At least one (1) member of the Audit Committee:
 - a. Must be a member of The Malaysian Institute of Accountants (MIA); or
 - b. If he or she is not a member of MIA, he or she must have at least three (3) years' working experience and;
 - i. must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - ii. must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
 - c. Fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

AUDIT COMMITTEE REPORT (cont'd)

3.0 Objectives

- (i) The Audit Committee is to serve as a focal point for communication between Directors, External Auditors, Internal Auditors and the Senior Management on matters pertaining to financial accounting, reporting and controls.
- (ii) The Audit Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries, and the sufficiency of auditing of the Group.
- (iii) It is to be the Board of Directors principal agent in ensuring the independence of the Company's External Auditors and the adequacy of disclosures to shareholders.

4.0 Authority

The Audit Committee shall have the following authority as empowered by the Board of Directors:

- (i) To investigate any activity within its objectives and functions.
- (ii) Unrestricted access to all information and documents relevant to its activities as well as direct communication to External Auditors, Internal Auditors and the Senior Management of the Group.
- (iii) To obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- (iv) The Audit Committee shall have the resources which are required to perform its duties.
- (v) The Audit Committee shall have direct communication channels with the auditors.
- (vi) The Audit Committee shall have the authority to convene meetings with the External Auditors, the Internal Auditors or both excluding the attendance of others Directors and employees of the Company, whenever deemed necessary.

5.0 Functions

The functions of the Audit Committee shall be:

- (i) To keep under review the quality and effectiveness of the accounting and systems of internal control as well as the efficiency of the Group's operations.
- (ii) To review the audit plan, scope of examination and audit observations of the External and Internal Auditors, and ensure that appropriate action is taken by Management in respect of the audit observations and the Audit Committee's recommendations.
- (iii) To review the quarterly and annual consolidated financial statement of the Group before submit to the Board of Directors for approval. The review should focus primarily on compliance with accounting standards as well as other regulatory requirements and the adequacy of information disclosure for a fair and full presentation of the financial affairs of the Group.
- (iv) To recommend to the Board the appointment of the External Auditors, the audit fees, other terms of engagement and to consider any letter of resignation from the External Auditors (if any).
- (v) To consider whether there is reason (supported by grounds) to believe that the External Auditors are not suitable for re-appointment.

AUDIT COMMITTEE REPORT (cont'd)

5.0 Functions (cont'd)

- (vi) To approve the appointment of Head of Internal Audit and ensure the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work.
- (vii) To review financial information and press releases relating to financial matters of importance.
- (viii) To review any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management integrity.
- (ix) To ensure employees of the Company extend their assistance to the External Auditors.
- (x) To meet at least twice a year with the External Auditors in a private session to discuss any matters without the presence of Management and any executive members of the Board of Directors.
- (xi) To perform any other related duties as directed by the Board of Directors.

6.0 Meetings

The Audit Committee met on four (4) occasions during the FY 2009/2010 and the attendance of each member of the Audit Committee is as follows:

Directors	No of Meetings Attended During Director's Tenure In Office
Tan Sri Dato' Ahmad bin Mohd Don	4 out of 4 meetings
Ms Tan Siok Choo	4 out of 4 meetings
Datuk Fong Weng Phak	4 out of 4 meetings
Mr Teo Leng	1 out of 1 meetings

The Company Secretary acts as Secretary to the Audit Committee. Minutes of each meeting are circulated to the Audit Committee members and to all other members of the Board of Directors. The Chairman may call for additional meeting at any time at his discretion. The Chairman of the Audit Committee reports on key issues discussed at each meeting to the Board of Directors.

(i) Meeting

Meetings shall be held not less than four (4) times a year. The Chairman may call for additional meeting at any time at his discretion.

(ii) Quorum

The quorum for a meeting shall be two (2) members and the majority of members present must be Independent Directors.

(iii) Attendance At Meeting

The Chief Executive Officer, Group Financial Controller, Company Secretary, Internal Auditor and External Auditors shall attend meetings by invitation of the Audit Committee.

AUDIT COMMITTEE REPORT (cont'd)

7.0 Summary of Activities

Activities undertaken by the Audit Committee during FY 2009/2010 were:

- (i) Reviewing and recommending for Board of Directors approval the quarterly financial statements for announcement to the Bursa Malaysia Securities Berhad in compliance with the Revamped Quarterly Reports pursuant to Bursa Malaysia Listing Requirements.
- (ii) Reviewing the audit report and observations made by the External Auditors on the audited financial statements that require appropriate actions and the Management's response thereon and reporting them to the Board of Directors.
- (iii) Reviewing and recommending for Board of Directors approval the overall presentation of the annual audited accounts in line with the spirit of the new framework for corporate governance to promote greater transparency and disclosure to enable the interested public and especially the stockholders to have a better insight into the operations of the Group.
- (iv) Reviewing and approving the Audit Plan for FY 2009/2010 and appraising the audit scope, audit reports and recommended actions to be taken by the Management.
- (v) Reviewing the scope of work and audit plan of the External Auditors for FY 2009/2010.
- (vi) Reviewing the impact of new or proposed changes in accounting standards and regulatory requirements to the Company.
- (vii) Reviewing any related party transactions and conflict of interest situation that may arise within the Company or Group.
- (viii) Reviewing and recommending for Board of Directors approval the draft Audit Committee Report for disclosure in the Group's Annual Report.
- (ix) Reviewing and recommending for Board of Directors adoption the Group Risk Management Committee quarterly report on the risk profiles and Management action plans.

For the financial year under review, the Audit Committee held two (2) meetings with the External Auditors without the presence of the Management to discuss any issues or significant matters, which the External Auditors wished to raise.

8.0 Internal Audit

The main role of the internal audit function is to review the effectiveness of the Group's systems of internal control and this is performed with impartiality, proficiency and due professional care. Internal Audit adopts a risk based auditing approach by focusing on reviewing identified high risk areas for compliance with control policies and procedures, identifying business risk which have not been appropriately addressed and evaluating the adequacy and integrity of controls.

Submission of the audit results to the Management and Audit Committee would ensure that the Management is implementing the value added recommendations for continuous improvement.

AUDIT COMMITTEE REPORT (cont'd)

8.0 Internal Audit (cont'd)

In compliance with Paragraph 30, Appendix 9C of the Bursa Malaysia Securities Berhad's Listing Requirement, the Group has in place an Internal Audit Department headed by a Senior Manager and supported by an Assistant Manager and two (2) Executives. The Senior Manager and Assistant Manager is registered member of The Institute of Internal Auditors Malaysia. The Internal Audit Department is responsible for the overall internal audit function of the Group, and reports directly to the Audit Committee to ensure its independence status within the Group. Total staff cost incurred in respect of the internal audit function during the financial year ended 30 April 2010 was RM 232,755.

Internal Audit Department assists the Audit Committee in discharging its duties and responsibilities with respect to the adequacy and integrity of the systems of internal control within the Group. For FY 2009/2010, Internal Audit Department had undertaken the following activities in accordance with the approved Audit Plan.

- (i) Carrying out the audit of the Group's operating units including its subsidiaries by reviewing the unit's business activities and processes to ensure compliance with internal control procedures, highlighting control weaknesses and proposing appropriate value added recommendations for continuous improvements and to strengthen controls.
- (ii) Facilitating the improvement of business processes within the Group and its subsidiary companies.
- (iii) Establishing a follow up process in monitoring the implementation of audit recommendations by Management.
- (iv) Monitoring the effectiveness of the Group's risk management systems by reviewing the implementation of the risk assessment action plans by Management.
- (v) Preparing the Audit Committee Report and Statement on Internal Controls for disclosure in the Group's Annual Report.
- (vi) Conducting investigation audits or special assignments from time to time as requested by the Management.

This report is made in accordance with a resolution of the Board of Directors dated 14 June 2010.

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors recognizes that the practice of good corporate governance is fundamental to the Group's continued success. The Board remains fully committed to ensuring the highest standards of corporate governance based on the Principles and Best Practices set out in the Malaysian Code on Corporate Governance (Revised 2007) ("the Code") issued by the Securities Commission on 1 October 2007 are applied in all aspects of the Group's business with the objective of safeguarding and enhancing long-term shareholders value and investors' interests.

The Board of Directors is pleased to report to the Shareholders the manner in which the Company has applied the Principles of the Code and complied with the Best Practices of the Code throughout the financial year ended 30 April 2010.

1. BOARD OF DIRECTORS

1.1 Board Responsibilities

The Board recognises the key role it plays in charting the strategic direction and development of the Group and assumes the six primary responsibilities prescribed in the Code to facilitate the effective discharge of its responsibilities. This includes the responsibility for reviewing and adopting strategic plans for the Group, overseeing the corporate governance and conduct of the Group's business, ensuring the implementation of appropriate systems to manage principal risks, reviewing the adequacy and integrity of the Group's internal control systems and the implementation of an investor relations programme. Established structures and procedures are in place to facilitate the Board in carrying out its stewardship responsibility.

1.2 Board Composition

On 1 September 2009, an addition to the Board was made with the appointment of Mr. Teo Leng as Independent, Non-Executive Director. The new composition of the Board continues to provide the Group with a wealth of knowledge and experience to draw from a comprehensive mix of skills which includes financial, corporate, economic, legal, accounting and plantation expertise that is important for the continued successful direction of the Group.

The Board currently has seven Directors and its composition and mixed of skills are annually reviewed by the Nomination Committee and comprises the Chairman who is the Executive Director and six Independent Non-Executive Directors. The Board composition complies with the requirements of the Code and paragraph 15.02 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The Board is satisfied that the current Board size is appropriate for the complexity and scale of operations of the Company.

The balance between Executive and Independent Non-Executive Directors together with the support from Management, is to ensure that there is an effective representation for the shareholders.

The roles of the Chairman and Chief Executive Officer are segregated and each has clearly accepted division of responsibilities. The Chairman is responsible for representing the Board to shareholders, ensuring the integrity and effectiveness of the governance process of the Board and overseeing Management in the conduct of the Group's operation. The Chief Executive Officer is responsible for the day to day Management of the Group's operation and effective implementation of strategic business plan, annual operating plan, budget, policies and decisions as approved by the Board.

The presence of Independent Non-Executive Directors who form a majority of the Board provide a broader view and independent judgement to the decision making of the Board and Board Committees. The role of these Independent Non-Executive Directors is important in ensuring that all business strategies proposed by Management are fully deliberated and take into account the long term interest, not only of shareholders but also employees and the local communities in which the Group operates. The Board is thus ensured of a balanced and independent view at all Board deliberations. Datuk Fong Weng Phak, is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

The profiles of the Directors are set out in this Annual Report on pages 6 to 9.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1. BOARD OF DIRECTORS (cont'd)

1.3 Board Meetings

All Board meetings for the year are scheduled in advance at the beginning of each calendar year to enable Directors to fit the year's meetings into their own schedule. During the financial year, the Board had held seven meetings. The details of attendance are disclosed in the Profile of Directors on pages 6 to 9 of this Annual Report. All the Directors have complied with the minimum 50% attendance as required by Paragraph 15.05 of the Bursa Malaysia Securities Berhad's Listing Requirements.

The Board has a formal schedule of matters reserved to itself for decision, which includes approval of strategic business plans and budgets, acquisitions and disposal of material assets, major investments, evaluation of the Group's performance against budgets, authority limits and approval of the Group's quarterly and annual financial statements for announcement to Bursa Malaysia Securities Berhad. All matters arising from and deliberations and conclusions of the meetings of the Board are clearly and accurately recorded in minutes of meetings by the Company Secretary, confirmed by the Board and signed as a correct record by the Chairman.

1.4 Supply of Information

Board meetings are structured with a pre-set Agenda. Prior to the meetings, all Directors receive a set of Board papers which include reports and information relevant to the issues in the Agenda to give Directors sufficient time to consider and deliberate on the issues to be discussed at the meetings. At each Board meeting, the Chief Executive Officer briefed the Board on the progress of the Group's operations and updates on developments in the plantation industry. Senior management staff or external advisors may be invited to attend the Board Meetings to advise the Board and to furnish the Directors with information and clarification needed on relevant issues on the agenda to enable them to arrive at a considered decision. In addition, monthly reports on financial performance of the Company and Group, updates on new statutory and regulatory requirements are circulated to the Directors.

In between Board meetings, the Chief Executive Officer and Senior Management meets regularly with the Chairman to review the performance of the Group's various operating units and to keep him informed of current developments affecting the Group. The Directors also visit operating centers to allow them to have better assessments of the operational progress.

Directors have full access to all information and records of the Company and also have direct access to the advice and services of the Company Secretaries and the Senior Management. It is the Company's practice that Directors, whether as a full board or in their individual capacity, who wish to seek independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, may do so at the Company's expense.

1.5 Board Committees

In discharging its fiduciary duties, the Board is assisted by Board Committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee, the Tender Committee and the Employee Share Scheme Committee. The Board has delegated specific responsibilities to these Board Committees which operate within clearly defined terms of reference that comply with the recommendations of the Code. The Chairman of the respective Committees will report to the Board on matters discussed at the Committee meetings and minutes of these meetings are circulated to the full Board. In addition the Group Risk Management Committee consisting of Senior Executives reports to the Board through the Audit Committee.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1. BOARD OF DIRECTORS (cont'd)

1.6 Appointments to the Board

There is in place a formal and transparent procedure for appointment of new Directors to the Board. The Nomination Committee is responsible for making recommendations for new appointments to the Board and ensuring that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfill the duties of a Director appropriately. On appointment, the new Director is provided with information about the Group and is encouraged to visit the Group's estates and meet with Senior Management.

The Nomination Committee comprises three Independent Non-Executive Directors. The Committee meets annually to review the Board structure, size and composition and the mix of skills and core competencies required for the Board to discharge its duties effectively. The Nomination Committee also assess the effectiveness of the Board as a whole, the various Committees and the contribution of each individual Director as well as the annual performance of the Chief Executive Officer.

The Nomination Committee comprises the following Directors:-

Chairman	Tan Sri Dato' Ahmad Bin Mohd Don <i>Independent Non-Executive Director</i>
Members	Ms. Tan Siok Choo <i>Independent Non-Executive Director</i>
	Datuk Fong Weng Phak <i>Independent Non-Executive Director</i>

The Company Secretary ensures all appointments are properly effected and the necessary information is obtained from the Directors, both for the Company's records and in compliance with relevant regulatory and statutory obligations.

1.7 Re-election of Directors and Re-appointment of Directors

Article 118 of the Company's Articles of Association provides that at least one - third of the Directors or the number nearest to but not exceeding one third, are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire once in every three years. Article 124 also provides that a Director who is appointed by the Board during the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act 1965. Currently there are two Directors who are subject to such re-appointment.

The Nomination Committee reviews the suitability, competencies and contributions of Directors for re-election and re-appointment before recommending them to the Board for submission to shareholders for approval at the Company's Annual General Meeting.

1.8 Directors' Training

All Directors had attended and successfully completed the Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad. Directors are encouraged to continue to attend other education programmes and seminars to keep abreast with developments in the plantation industry and the Malaysian economy.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1. BOARD OF DIRECTORS (cont'd)

1.8 Directors' Training (cont'd)

Among the training programmes attended by the Directors were the Annual Palm & Lauric Oils Conference & Exhibition Price Outlook 2010/2011 organised by Bursa Malaysia Berhad, Seminars on The Non-Executive Director Development Series: Is it worth the risk? and Corporate Governance Guide: Towards Boardroom Excellence, Financial Reporting during Financial Turbulence Forum by The Malaysian Institute of Accountants and Reach & Teach Friends of the Industry: challenges and opportunities 2010 by Malaysia Palm Oil Council.

During the years, the Directors have visited the Meridian estates and Palm Oil Mill in Sabah to view their operation and also received regular briefings by Ernst & Young on updates in financial reporting and new accounting standards affecting the Group. The Board is kept informed on new developments affecting the plantation industry by two of its Board members who also sit on the Council of the Malaysian Palm Oil Association.

The Board will continue to assess the training need of its Directors to ensure that they are equipped with the requisite knowledge and competencies to make effective contribution to the board's functioning and to keep abreast with the relevant changes and developments in the industry and regulatory requirements.

2. DIRECTOR'S REMUNERATION

The objective of the Company's framework for Directors' remuneration is to attract and retain Directors of the calibre needed to successfully manage the Group's business. In this regard, the Remuneration Committee is responsible for reviewing annually and recommending to the Board the remuneration framework, policy and packages of the Executive Director, the Chief Executive Officer and key senior management officers of the Group. Such recommendations take into consideration the level of responsibilities and contribution to the respective Boards within the Group.

The Board as a whole determines the remuneration of Non-Executive Directors and individuals concerned are required to abstain from discussion of their own remuneration at the Board level. The Directors' fees payable are subject to approval of shareholders at the Annual General Meeting.

Remuneration Committee comprises the following Directors: -

Chairman	Datuk Fong Weng Phak <i>Independent Non-Executive Director</i>
Members	Mr. Boon Weng Siew <i>Independent Non-Executive Director</i>
	Ms. Tan Siok Choo <i>Independent Non-Executive Director</i>

As recommended by the Remuneration Committee, the Board had decided that the current Remuneration Structure and quantum of fees for Directors be retained for the financial year ended 30 April 2010.

The remuneration of the Directors for the financial year ended 30 April 2010 categorised into appropriate components and the number of Directors whose remuneration falls into each band of RM50,000 are set out on page 77 of this Annual Report.

3. SHAREHOLDERS

The Board recognizes the importance of accurate and timely dissemination of information to shareholders on all material business affecting the Group. Announcements on various disclosures and timely release of quarterly financial results to the Bursa Malaysia Securities Berhad and distribution of interim and annual reports provide the shareholders and investing public with an overview of the Group's performance and operations.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

3. SHAREHOLDERS (cont'd)

The Annual General Meeting is the principal forum for dialogue between the Company and the shareholders. At the Annual General Meeting, shareholders are given the opportunity to participate effectively and vote on matters in the Agenda. Members of the Board, Senior Management and the Auditors of the Company are present at the meeting to respond to questions from shareholders. Upon requests from institutional investors and research analysts, Senior Management also meets them to explain to them the Group's operations so as to give them a better understanding of the Group's business.

4. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board takes responsibility for presenting a balanced and clear assessment of the Group's financial position and prospects in its release of quarterly and annual financial statements to shareholders. In discharging the Board's responsibility to ensure quality financial reporting to its shareholders, investors and regulatory authorities, the Audit Committee assists the Board in scrutinizing information for disclosure to ensure compliance with accounting standards, accuracy, adequacy and completeness.

Statement of Director's responsibility in respect of audited financial statements

The Companies Act 1965 requires Directors to prepare financial statements which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year. In preparing the Group's financial statements, the Directors have ensured that appropriate accounting policies are consistently applied, supported by reasonable and prudent judgment and estimates, all applicable approved accounting standards have been followed and any material departures have been disclosed and explained in the financial statements.

The Directors are responsible for ensuring that the Company and Group keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and that the financial statements comply with the Companies Act 1965.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

Internal Control

The Board is responsible for ensuring that the Group maintains a sound system of Internal Control and risk management framework including regular reviews of the adequacy and integrity of those systems in order to safeguard shareholders' investment and the Group's assets.

The Group has in place an internal audit unit and a risk management committee to assist the Board in ensuring that the ongoing process for identifying, evaluating and managing the significant risks faced by the Group is in place throughout the financial year.

The Statement on Internal Control as set out in pages 46 to 48 in this Annual Report provides an overview of the state of internal controls within the Group.

Relationship with Auditors

The Company has established a transparent and appropriate relationship with the Group's internal and external auditors through the Audit Committee. Both the internal and external auditors attend all the Audit Committee meetings to present their audit plans and reports, findings and recommendations in respect of their audit of the Group, highlighting matters that require the attention of the Audit Committee and the Board.

A summary of the activities of the Audit Committee during the year, including evaluation of the independent audit process, is set out in the Audit Committee Report on pages 35 to 39 of this Annual Report.

OTHER INFORMATION

PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

1. Utilisation of Proceeds

There were no issuance of new shares, rights issue or issuance of bonds carried out during the financial year ended 30 April 2010 to raise any cash proceeds.

2. Share Buy-Backs

There was no share buy-back by the Company during the financial year under review.

3. Options, Warrants, or Convertible Securities Exercised

There were no other options, warrants, or convertible securities exercised in respect of the financial year ended 30 April 2010.

4. American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR")

The Company has not sponsored any ADR or GDR programme for the financial year ended 30 April 2010.

5. Sanctions and/or Penalties

The Company and its subsidiaries, Directors and management have not been imposed with any sanctions and/or penalties.

6. Non-Audit Fees

During the financial period under review, the Group's non-audit fees paid or payable to the external auditors amounted to RM 44,500 (please refer to page 76 of the audited financial statements)

7. Variation in Results

There is no material variance between the results for the financial year ended 30 April 2010 and the unaudited results previously announced by the Company.

8. Profit Guarantee

The Company did not issue any profit forecast or profit guarantee for the financial year ended 30 April 2010.

9. Revaluation Policy

Revaluations are performed with sufficient regularity to ensure that the fair value of landed properties does not differ materially from that which would be determined using fair value at the balance sheet date.

10. Material Contracts Involving Directors and Major Shareholders

There is no material contract involving the Company and its subsidiaries with directors and major shareholders of the Company either still subsisting at the end of the financial year ended 30 April 2010 or entered into since the end of that financial year.

STATEMENT ON INTERNAL CONTROL

1. Introduction

The Board of Directors of United Malacca Berhad is pleased to present the Statement on Internal Control pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Listing Requirements, which outlines the Group's key elements of internal control system for the financial year ended 30 April 2010.

2. Board Responsibility

The Board acknowledges its responsibility in maintaining a sound system of internal controls and risk management practices to safeguard shareholders' investment and the Group's assets, and for reviewing the adequacy and integrity of the system. However, the Board recognises that reviewing of the Group's system of internal controls is a concerted and on-going process whereby such system is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. In pursuing these objectives, the system of internal controls, can only provide reasonable and not absolute assurance against any material misstatement or loss.

The Board confirms that there is a continuous process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives. This process is being regularly reviewed by the Board.

The Board does not review the internal control systems of its associated companies, as the Board does not have any direct control over their operations. Notwithstanding the above, the Group's interests are served through representation on the Board of the respective associated companies and review of their management accounts, and enquiries thereon. These processes provide the Board with relevant information for timely decision making on the continuity of the Group's investment in its associated companies.

3. Key Elements of Internal Control Systems

3.1 Risk Management Framework

A formal risk management framework has been in place since 2002 to facilitate the management of high impact risks at various levels within the Group. With the establishment and adoption of Risk Management Policies and Procedures Manual, the framework ensures that significant risks are continuously identified and that instituted controls are appropriate and effectively applied by the Management to address the exposures consistent with risk profiles acceptable to the Group.

The Management has set up a Group Risk Management Committee led by the Chief Executive Officer with the responsibility to continuously identify and communicate regularly to the Board the critical risks faced by the Group, their changes and the Management action plans to mitigate these risks.

During the financial year under review, the following risk management activities have been carried out:

- (i) Maintaining an updated inventory of all business risks and controls in the form of a detailed risk management report. The likelihood of the risks occurring and the magnitude of impact are periodically monitored and risk mitigation action plans are drawn up.
- (ii) Reviewing and assessing all business risks identified and preparing quarterly reports on the Group's risk profiles and Management action plans for the review of the Audit Committee prior to submission to the Board for approval.

3.2 Internal Audit

The Group's Internal Audit Department provides support to the Audit Committee in discharging its duties regarding the adequacy and effectiveness of risk management, system of internal controls and governance processes. During the financial year under review, the Internal Auditors conduct independent reviews of the key activities within the Group's operating units based on an approved annual internal audit plan as well as ad-hoc audits requested by the Audit Committee.

Further, the Internal Audit Department also monitors the Group's risk management system by reviewing the risk action plans implemented by the Management and communicating the results of the review to the Audit Committee.

STATEMENT ON INTERNAL CONTROL (cont'd)

3. Key Elements of Internal Control Systems (cont'd)

3.2 Internal Audit (cont'd)

The Internal Audit Department advises the Management on areas for improvement and subsequently reviews the extent to which their recommendations have been implemented. The reports are submitted regularly to the Audit Committee, who reviews the findings with Management during its meetings.

In addition, the External Auditors' management letters, if any, recommendations and the responses of Management provide added assurance that appropriate control procedures are in place and being followed. In assessing the adequacy and effectiveness of the Group's system of internal controls, the Audit Committee in turn reports to the Board of Directors its assessment and recommendations.

4. Other Key Elements of Internal Control Systems

Apart from risk management and internal audit, the Group's system of internal controls also comprises the following key elements:

(i) Organisational Structure

The Group has a well-defined organisational structure with clear line of responsibilities and accountability.

(ii) Centralised Functions

The Group has various support functions comprising finance, treasury, administration, human resource, agronomic, marketing and purchasing which are centralised to ensure that uniform policies and procedures are implemented throughout the Group.

(iii) Control Procedures

A Policy and Procedures Operating Manual setting out the policies, procedures and practices that have been adopted by all companies in the Group, ensures clear accountability and control procedures are in place for all operating units.

These policies and procedures are reviewed regularly and updated by Management when necessary. The control procedures cover the following key activities:

a. Authorisation Levels and Approval Limits

The Group has established authorisation levels and approval limits for the Management to follow and those requiring the Board approval in line with changing risks or to resolve operational deficiencies.

b. Budgeting

Each operating unit prepares its own annual budget for the forthcoming year based on guidelines issued by the head office. The Chief Executive Officer reviews the annual budgets and thereafter presents them to the Board for final review and approval.

c. Tender Committee

Major purchases of goods and/or services and contract works are required to be tendered out. In this respect, the Management Tender Committee comprising senior management staff carries out the tendering exercise according to the approved terms of reference and submits recommendations to the Chief Executive Officer for tenders below RM200,000 and to the Board Tender Committee for tenders above RM200,000 for review and approval.

(iv) Performance Review and Reporting

The Group's management teams carry out monthly monitoring and review of financial results and forecasts for all businesses within the Group, including monitoring and reporting thereon, of performance against the operating plans and annual budgets. The Group's management teams also monitor operations including marketing and the financial performance as well as formulating action plans to focus on areas of concern.

STATEMENT ON INTERNAL CONTROL (cont'd)

4. Other Key Elements of Internal Control Systems (cont'd)

(iv) Performance Review and Reporting (cont'd)

Scheduled management meetings between senior management and heads of operating units are carried out to discuss various operational issues with the aim to continuously improving quality of produce, cost effectiveness, efficiency of operations and profitability.

Monthly financial and performance reports are submitted to the Board which includes the monitoring of results against budgets, with major variances being explained. Quarterly and annual financial statements with detailed analysis of financial results are reviewed by the Audit Committee and recommended to the Board for approval prior to submission to Bursa Malaysia. Reports on the performance of the estates and palm oil mills, financial position of the Group, as well as treasury and fund management are presented to the Board at their meetings.

(v) Investment Appraisal

Investment proposals covering the acquisition of property and long term investments are thoroughly appraised by the Board. Post implementation reviews on these investments are conducted by the Management and reported to the Board on a regular basis.

(vi) Estate Visits

Regular visits to the estates and palm oil mills are made by the Executive Director, Chief Executive Officer and Senior Management to observe the state of affairs of the operations. In addition, during the year, the Group has also engaged independent plantation and palm oil mill advisors to assess and evaluate the operational and managerial status of the estates and the mills and to recommend appropriate corrective measures on areas that require improvement or enhancement.

In ensuring good standards of agronomic practices are consistently carried out throughout the Group, an in-house agriculture policy has been established to guide the estate management to better manage the estate operations.

(vii) Coverage and Safeguarding of Major Assets

Yearly review of insurance risk and adequacy of coverage is carried out by the senior management and physical safeguarding of major assets are in place to ensure these assets are sufficiently covered against any mishap that may result in material losses to the Group.

5. Review by the External Auditors

The External Auditors have reviewed this statement pursuant to Paragraph 15.23 of the Listing Requirements and in accordance with the Recommended Practice Guide ("RPG") 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control.

6. Conclusion

The Board believes that the Group's system of internal controls only provides reasonable and not absolute assurance that weaknesses or deficiencies are identified on a timely basis and dealt with appropriately. The Board affirms its responsibility for maintaining a sound system of internal controls and therefore recognises that the system is to be enhanced continuously to support the Group's operations.

The Board confirms that it has reviewed the effectiveness of the system of internal controls through the monitoring process set out above and is not aware of any significant weakness or deficiency in the Group's system of internal controls for the year under review and to the date of this statement.

This statement is made in accordance with the resolution of the Board of Directors dated 14 June 2010.

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of cultivation of oil palm and investment holding.

The principal activities of the subsidiaries are described in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	64,147	65,341

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amounts of dividends paid or declared by the Company since 30 April 2009 were as follows:

	RM'000
In respect of the financial year ended 30 April 2009 as reported in the directors' report of that year:	
Final dividend of 30% less 25% taxation, on 134,005,001 ordinary shares, declared on 29 August 2009 and paid on 28 September 2009	30,151
In respect of the financial year ended 30 April 2010:	
Interim dividend of 10% less 25% taxation, on 134,005,001 ordinary shares, declared on 14 December 2009 and paid on 18 January 2010	10,050

At the forthcoming Annual General Meeting, the final dividend of 25% (consisting of gross dividend of 11% less 25% taxation, tax exempt dividend of 4.5% and single tier dividend of 9.5%) on 134,005,001 ordinary shares in respect of the financial year ended 30 April 2010, amounting to dividends payable of RM29,816,000 (22.25 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2011.

DIRECTORS' REPORT (cont'd)

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Choi Siew Hong
Tan Sri Dato' Ahmad bin Mohd Don
Tan Siok Choo
Boon Weng Siew
Datuk Fong Weng Phak
Tan Jiew Hoe
Teo Leng (Appointed on 1 September 2009)

In accordance with the Article 118 of Company's Article of Association, Tan Sri Dato' Ahmad bin Mohd Don retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with the Article 124 of the Company's Article of Association, Teo Leng retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Choi Siew Hong and Boon Weng Siew, having already attained the age of seventy, retire at the forthcoming Annual General Meeting pursuant to Section 129(2) of the Companies Act, 1965 and a resolution is being proposed for their re-appointment as directors under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 30 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1.5.2009	Acquired	Sold	30.4.2010
Company				
Direct Interest:				
Choi Siew Hong	225,937	-	-	225,937
Tan Siok Choo	378,354	1,873,767	-	2,252,121
Boon Weng Siew	11,250	-	-	11,250
Tan Jiew Hoe	114,750	-	-	114,750

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS (cont'd)

Company (cont'd)	Number of Ordinary Shares of RM1 Each			
	1.5.2009	Acquired	Sold	30.4.2010
Indirect Interest:				
Choi Siew Hong	10,000	-	-	10,000
Tan Siok Choo	6,990,133	-	(6,990,133)	-
Tan Jiew Hoe	1,662,348	-	-	1,662,348

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

Details of the significant event are disclosed in Note 33 to the financial statements.

SUBSEQUENT EVENT

Details of the subsequent event are disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 June 2010.

Choi Siew Hong

Fong Weng Phak

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Choi Siew Hong and Fong Weng Phak, being two of the directors of United Malacca Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 57 to 102 are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2010 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 June 2010.

Choi Siew Hong

Fong Weng Phak

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Lai Swee Kee, being the Group Financial Controller primarily responsible for the financial management of United Malacca Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 57 to 102 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed Lai Swee Kee)
at Melaka in the State of Melaka)
on 14 June 2010)

Lai Swee Kee

Before me,

Tan Mock Kow
Commissioner of Oath
Melaka, Malaysia

INDEPENDENT AUDITORS' REPORT

to the Members of United Malacca Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of United Malacca Berhad, which comprise the balance sheets as at 30 April 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 57 to 102.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2010 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT (cont'd)

to the Members of United Malacca Berhad (Incorporated in Malaysia)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young

AF: 0039

Chartered Accountants

Gloria Goh Ewe Gim

1685/04/11(J)

Chartered Accountant

Kuala Lumpur, Malaysia

Dated: 14 June 2010

INCOME STATEMENTS

For The Year Ended 30 April 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
Revenue	3	178,527	192,652	80,920	87,673
Cost of sales	4	(90,357)	(92,268)	(12,802)	(10,871)
Gross profit		88,170	100,384	68,118	76,802
Other income		6,711	5,103	10,887	8,361
Administrative expenses		(7,014)	(5,625)	(3,271)	(2,317)
Selling and distribution expenses		(2,897)	(3,212)	(995)	(915)
Other expenses		(2,394)	(1,714)	(2,359)	(1,478)
Replanting expenses		(5,400)	(7,492)	(925)	(1,437)
Operating profit		77,176	87,444	71,455	79,016
Share of profit of associates		5,413	4,393	-	-
Profit before tax	5	82,589	91,837	71,455	79,016
Income tax expense	8	(18,442)	(20,497)	(6,114)	(11,462)
Profit for the year		64,147	71,340	65,341	67,554
Earnings per share (sen):					
Basic	9(a)	47.9	53.2		
Diluted	9(b)	47.9	53.2		

BALANCE SHEETS

As At 30 April 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	173,381	165,446	87,726	80,525
Biological assets	12	392,049	274,831	161,460	45,935
Prepaid land lease payments	13	215,507	88,438	134,616	6,245
Development expenditure	14	-	1,295	-	-
Investment in subsidiaries	15	-	-	140,954	142,288
Interest in associates	16	24,798	20,376	23,216	18,963
Other investments	17	15,822	15,962	15,822	15,962
Goodwill on consolidation	18	18,628	18,628	-	-
		840,185	584,976	563,794	309,918
Current assets					
Inventories	19	11,326	9,436	2,764	330
Trade and other receivables	20	19,969	14,124	10,037	5,347
Marketable securities	21	-	8,926	-	8,926
Cash and bank balances	22	123,457	349,795	103,220	324,418
		154,752	382,281	116,021	339,021
TOTAL ASSETS		994,937	967,257	679,815	648,939
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	23	134,005	134,005	134,005	134,005
Share premium		6,346	6,346	6,346	6,346
Revaluation reserve	24	237,246	237,544	99,297	99,425
Retained earnings	25	525,837	501,593	424,410	399,142
Total equity		903,434	879,488	664,058	638,918
Non-current liability					
Deferred tax	26	71,066	69,896	6,320	5,670
Current liabilities					
Trade and other payables	27	16,191	12,904	7,961	2,807
Current tax payable		4,246	4,969	1,476	1,544
		20,437	17,873	9,437	4,351
Total liabilities		91,503	87,769	15,757	10,021
TOTAL EQUITY AND LIABILITIES		994,937	967,257	679,815	648,939

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 April 2010

	Share capital (Note 23) RM'000	Share premium RM'000	Revaluation reserve (Note 24) RM'000	Retained earnings (Note 25) RM'000	Total RM'000
At 1 May 2008	134,005	6,346	237,866	485,208	863,425
Realisation of revaluation reserve upon depreciation	-	-	(310)	310	-
Realisation of revaluation reserve upon property, plant and equipment written off	-	-	(12)	12	-
Net income recognised directly in equity	-	-	(322)	322	-
Profit for the year	-	-	-	71,340	71,340
Total recognised income and expense for the year	-	-	(322)	71,662	71,340
Dividends (Note 10)	-	-	-	(55,277)	(55,277)
At 30 April 2009	134,005	6,346	237,544	501,593	879,488
At 1 May 2009	134,005	6,346	237,544	501,593	879,488
Realisation of revaluation reserve upon depreciation	-	-	(298)	298	-
Net income recognised directly in equity	-	-	(298)	298	-
Profit for the year	-	-	-	64,147	64,147
Total recognised income and expense for the year	-	-	(298)	64,445	64,147
Dividends (Note 10)	-	-	-	(40,201)	(40,201)
At 30 April 2010	134,005	6,346	237,246	525,837	903,434

The accompanying notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 April 2010

	Share capital (Note 23) RM'000	Share premium RM'000	← Non distributable → Revaluation reserve (Note 24) RM'000	→ Distributable Retained earnings (Note 25) RM'000	Total RM'000
At 1 May 2008	134,005	6,346	99,564	386,726	626,641
Realisation of revaluation reserve upon depreciation	-	-	(127)	127	-
Realisation of revaluation reserve upon property, plant and equipment written off	-	-	(12)	12	-
Net income recognised directly in equity	-	-	(139)	139	-
Profit for the year	-	-	-	67,554	67,554
Total recognised income and expense for the year	-	-	(139)	67,693	67,554
Dividends (Note 10)	-	-	-	(55,277)	(55,277)
At 30 April 2009	134,005	6,346	99,425	399,142	638,918
At 1 May 2009	134,005	6,346	99,425	399,142	638,918
Realisation of revaluation reserve upon depreciation	-	-	(128)	128	-
Net income recognised directly in equity	-	-	(128)	128	-
Profit for the year	-	-	-	65,341	65,341
Total recognised income and expense for the year	-	-	(128)	65,469	65,341
Dividends (Note 10)	-	-	-	(40,201)	(40,201)
At 30 April 2010	134,005	6,346	99,297	424,410	664,058

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS

For The Year Ended 30 April 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		82,589	91,837	71,455	79,016
Adjustments for:					
Amortisation of prepaid land lease payments	5	1,792	1,468	525	234
Bad debt written off	5	-	174	-	-
Depreciation of property, plant and equipment	5	5,822	5,336	905	774
Development expenditure written off	5	1,295	-	-	-
Expenses incurred on aborted Indonesian joint venture project written off	5	-	621	-	621
(Gain)/loss on disposal of marketable securities	5	(5,366)	818	(5,366)	818
Impairment losses on investment in subsidiaries	5	-	-	1,334	-
Loss on redemption of other investment	5	120	-	120	-
Loss/(gain) on disposal of property, plant and equipment	5	12	(696)	-	(695)
Property, plant and equipment written off	5	32	77	3	22
Reversal of provision for diminution in value of investment in an associate	5	-	-	(4,253)	(3,300)
Dividend income	3	(1,223)	(1,997)	(42,502)	(44,946)
Interest income	3	(6,695)	(12,351)	(5,928)	(10,753)
Share of profit of associates		(5,413)	(4,393)	-	-
Operating profit before working capital changes		72,965	80,894	16,293	21,791
(Increase)/decrease in inventories		(1,890)	6,611	(2,434)	(86)
(Increase)/decrease in receivables		(1,955)	5,457	(490)	348
Increase/(decrease) in payables		3,287	(3,847)	5,154	(1,533)
Cash generated from operations		72,407	89,115	18,523	20,520
Dividend received from subsidiaries		-	-	40,200	37,736
Dividend received from associates		991	891	991	891
Dividend received from other investments		1,147	1,633	1,147	1,633
Interest received		10,302	10,135	9,226	8,522
Taxes paid		(17,902)	(18,801)	(5,352)	(7,159)
Net cash generated from operating activities		66,945	82,973	64,735	62,143

CASH FLOW STATEMENTS (cont'd)

For The Year Ended 30 April 2010

	Note	Group 2010 RM'000	2009 RM'000 (Restated)	Company 2010 RM'000	2009 RM'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of biological assets		(116,527)	(1,758)	(115,129)	-
Prepaid land lease payments		(129,209)	(12)	(129,209)	-
Proceeds from disposal of marketable securities		20,055	4,111	20,055	4,111
Proceeds from disposal of property, plant and equipment		124	818	65	812
Proceeds from redemption of other investment		20	-	20	-
Purchase of marketable securities		(13,277)	(9,422)	(13,277)	(9,422)
Purchase of property, plant and equipment		(14,268)	(12,215)	(8,257)	(1,837)
Repayment of advances due from subsidiaries		-	-	-	7,563
Net cash (used in)/generated from investing activities		(253,082)	(18,478)	(245,732)	1,227
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid		(40,201)	(55,277)	(40,201)	(55,277)
Net cash used in financing activity		(40,201)	(55,277)	(40,201)	(55,277)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(226,338)	9,218	(221,198)	8,093
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		349,795	340,577	324,418	316,325
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	123,457	349,795	103,220	324,418

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 April 2010

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka.

The principal activities of the Company consist of cultivation of oil palm and investment holding. The principal activities of the subsidiaries are described in Note 15. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 June 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company comply with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRS") in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical cost basis, unless otherwise indicated in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities.

In the Company's financial statements, investment in subsidiaries is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(a) Subsidiaries and Basis of Consolidation (cont'd)

(ii) Basis of Consolidation (cont'd)

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Adjustments are made for the effects of any significant events or transactions that occur between the date of the associates' financial statements and the date of the Group's financial statements.

In the Company's financial statements, investment in associates is stated at cost less impairment losses.

On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(c) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(d) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are stated at revalued amounts, which are the fair values at the date of the revaluation less accumulated depreciation and any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by an independent professional valuer.

Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Revaluation reserve may be realised as the asset is used by the Group; in such case, the amount of the revaluation reserve realised is the difference between depreciation based on the revalued amount of the asset and depreciation based on the asset's original cost. These differences are transferred directly from revaluation reserve to retained earnings. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is also not depreciated as this asset is not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 5%
Plant and machinery	5% - 10%
Office equipment, furniture and fittings	5% - 25%
Motor vehicles, tractors, trailers and boats	10% - 25%

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(d) Property, Plant and Equipment, and Depreciation (cont'd)

The useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(e) Biological Assets

Biological assets represent new planting expenditure on oil palm, which consist of cost of land clearing, upkeep of trees to maturity and attributable amortisation and depreciation charges capitalised. The normal period to maturity after the month of planting is 48 months. Net income from scout harvesting in immature areas is credited against the new planting expenditure.

Biological assets are stated at cost or revalued amounts and not amortised. Revalued amounts are the fair values at the date of the revaluation less any accumulated impairment losses. Fair value is determined based on existing use basis by appraisal that is undertaken by an independent professional valuer. The revaluation surplus arising is credited to the revaluation reserve included within equity.

Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date.

The Group will comply with the provision of Malaysian Accounting Standards Board ("MASB") Exposure Draft 50: Agriculture which is equivalent to International Financial Reporting Standard ("IFRS") 41: Agriculture once it becomes effective in Malaysia. Based on the provision of MASB Exposure Draft 50, the changes in carrying amount of biological assets will be recognised in the profit or loss in the year in which they arise.

(f) Replanting Expenditure

Replanting expenditure consists of expenses incurred from land clearing to the point of harvesting and is recognised in profit or loss in the year that it is incurred.

(g) Leases

(i) Classification

A lease is recognised as finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land element and building element of a lease are to be classified separately. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exception:

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(g) Leases (cont'd)

(ii) Operating Leases - the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(h) Development Expenditure

Development expenditure comprise principally professional fees incurred in connection with the submission of development plans to the relevant authorities in respect of the proposed development projects on freehold and leasehold lands owned by the Company.

Development expenditure is stated at cost less any accumulated impairment losses.

(i) Impairment of Non-financial Assets

The carrying amounts of the Group's non-financial assets, other than prepaid land lease payments and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of the non-financial assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(i) Impairment of Non-financial Assets (cont'd)

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(j) Inventories

Inventories comprise produce stocks, nursery stocks, estate and palm oil mill stores.

Produce stocks are valued at the lower of cost and net realisable value. Cost is determined on the weighted average ex-estate/mill production costs and includes transport charges, where appropriate. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Nursery stocks are valued at the lower of cost (determined on the weighted average basis) and net realisable value. Cost of nursery stocks includes where appropriate the cost of direct materials and direct labour.

Estate and palm oil mill stores are valued at the lower of cost (determined on the weighted average basis) and net realisable value.

(k) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangements. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Other Non-current Investments

Non-current investments other than investments in subsidiaries and associates are stated at cost less impairment losses, determined on an aggregate basis. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(k) Financial Instruments (cont'd)

(ii) Marketable Securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amounts of marketable securities are recognised in profit or loss.

On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(iii) Receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Cash and Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(vi) Payables

Trade and other payables are stated at fair value of the consideration to be paid in the future for goods and services received.

(l) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(l) Income Tax (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(m) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of Produce Crops, Crude Palm Oil and Palm Kernel

Proceeds from sale of produce crops, crude palm oil and palm kernel are recognised upon delivery.

(ii) Dividend Income

Dividend income is recognised when the Group's right to receive payment is established.

(iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(iv) Rental Income

Rental income is recognised on an accrual basis.

(n) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, the Group makes such contributions to the Employees Provident Fund ("EPF").

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(o) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss.

2.3 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of the financial statements, the following new FRSs, amendments to FRSs, new Issues Committee ("IC") Interpretations and amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group and the Company, which are:

Effective for financial periods beginning on or after 1 July 2009

- FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs 'Improvements to FRSs (2009)'
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards and Interpretations Issued but Not Yet Effective (cont'd)

Effective for financial periods beginning on or after 1 March 2010

- Amendments to FRS 132: Financial Instruments: Presentation – Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 7: Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial periods. However, FRS 1, 4 and 123, Amendments to FRS 1, 2 and 5, IC Interpretation 9, 11, 12, 13, 14, 15, and 16, Amendments to IC Interpretation 9 and TR i - 3 are currently not applicable to the Group and the Company.

Unless otherwise described below, the other pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

FRS 3: *Business Combinations (revised)* and FRS 127: *Consolidated and Separate Financial Statements (amended)*

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards and Interpretations Issued but Not Yet Effective (cont'd)

FRS 8: Operating Segment

FRS 8 replaces FRS 114²⁰⁰⁴: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement and Amendments to FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

Amendments to FRSs 'Improvements to FRSs (2009)'

FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings.

Upon the initial application of this amendment, the prepaid land lease payments will need to be reclassified as finance leases and disclosed as part of the Group's property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Significant Accounting Estimates and Judgments

(a) Critical Judgment Made in Applying Accounting Policies

The following is the judgment made by management in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements.

Classification between investment property and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgment whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Company owns an office building which comprises a portion that is held to earn rentals and another portion that is held for own use. Since the office building cannot be sold separately and the portion of the office building that is held for own use is not insignificant, the Group has classified the whole office building as property, plant and equipment.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

(i) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 30 April 2010 was RM18,628,000 (2009: RM18,628,000). Further details are disclosed in Note 18.

(ii) Depreciation of Property, Plant and Equipment

The cost of property, plant and equipment, except for freehold land and capital work-in-progress, is depreciated on a straight line basis over the assets' useful lives. Management reviews the remaining useful lives of property, plant and equipment at the end of each financial year and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives of property, plant and equipment may result in revision of future depreciation charges.

(iii) Estimation of Recoverable Amounts on Biological Assets

Management considers the carrying amounts relating to biological assets to closely reflect fair values determined based on their last acquisition date or their last valuation date as such revaluations are done with sufficient frequency.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Significant Accounting Estimates and Judgments (cont'd)

(b) Key Sources of Estimation Uncertainty (cont'd)

(iv) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(v) Income Tax

Judgment is involved in determining the provision for income taxes. There may be certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. REVENUE

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Sale of oil palm products	170,609	178,304	32,490	31,974
Dividend income from subsidiaries	-	-	40,200	41,903
Dividend income from associates	-	-	1,079	1,046
Dividend income from other investments	1,223	1,997	1,223	1,997
Interest income	6,695	12,351	5,928	10,753
	178,527	192,652	80,920	87,673

4. COST OF SALES

Cost of sales consists of cost of cultivation, raw materials, labour costs and production overheads.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

5. PROFIT BEFORE TAX

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

	Group		Company	
	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
Employee benefits expense (Note 6)	23,561	20,620	5,840	4,327
Non-executive directors' remuneration (Note 7)	225	205	225	205
Auditors' remuneration:				
- Statutory audits	128	98	65	40
- Other services	45	116	18	100
Additional compensation received from compulsory land acquisition	(931)	(3,979)	(931)	(3,979)
Amortisation of prepaid land lease payments	1,792	1,468	525	234
Bad debt written off	-	174	-	-
Depreciation of property, plant and equipment	5,822	5,336	905	774
Development expenditure written off	1,295	-	-	-
Expenses incurred on aborted Indonesian joint venture project written off	-	621	-	621
(Gain)/loss on disposal of marketable securities	(5,366)	818	(5,366)	818
Impairment losses on investment in subsidiaries	-	-	1,334	-
Loss on foreign exchange	-	3	-	3
Loss on redemption of other investment	120	-	120	-
Loss/(gain) on disposal of property, plant and equipment	12	(696)	-	(695)
Property, plant and equipment written off	32	77	3	22
Rental income	(584)	(591)	(581)	(572)
Reversal of provision for diminution in value of investment in an associate	-	-	(4,253)	(3,300)

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Wages and salaries	20,351	18,328	4,832	3,825
Employees Provident Fund	1,376	1,243	344	295
Social security costs	125	99	24	21
Other staff related expenses	1,709	950	640	186
	23,561	20,620	5,840	4,327

Included in employee benefits expense of the Group and of the Company is the executive director's remuneration amounting to RM425,000 (2009: RM364,000) as further disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

7. DIRECTORS' REMUNERATION

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Executive director's remuneration (Note 6):				
Fees	60	60	60	60
Other emoluments	365	304	365	304
	425	364	425	364
Non-executive directors' remuneration (Note 5):				
Fees	170	150	170	150
Other emoluments	55	55	55	55
	225	205	225	205
Total directors' remuneration (Note 30(c)):	650	569	650	569
Estimated money value of benefits-in-kind	24	21	24	21
Total directors' remuneration including benefits-in-kind	674	590	674	590

The number of directors of the Company whose total remuneration for the Group during the financial year fell within the following bands is analysed below:

	Number of directors	
	2010	2009
Executive director:		
RM350,001 - RM400,000	-	1
RM400,001 - RM450,000	1	-
Non-executive directors:		
Below RM50,000	6	5

8. INCOME TAX EXPENSE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current income tax:				
Current year	17,287	18,268	5,490	10,760
(Over)/underprovision in prior years	(15)	557	(26)	550
	17,272	18,825	5,464	11,310
Deferred tax (Note 26):				
Recognition of deferred tax assets	(152)	-	(16)	-
Utilisation of deferred tax assets	-	190	-	99
Recognition of deferred tax liabilities	1,322	1,482	666	53
	1,170	1,672	650	152
	18,442	20,497	6,114	11,462

Current income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

8. INCOME TAX EXPENSE (cont'd)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax	82,589	91,837	71,455	79,016
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	20,647	22,959	17,864	19,754
Effect of expenditure capitalised allowable for tax deduction	(866)	(537)	(291)	-
Effect of income not subject to tax	(787)	(1,936)	(12,082)	(9,177)
Effect of expenses not deductible for tax purpose	816	643	649	333
(Over)/underprovision of current income tax in prior years	(15)	557	(26)	550
(Over)/underprovision of deferred tax in prior years	-	(91)	-	2
Effect of share of profit of associates	(1,353)	(1,098)	-	-
	18,442	20,497	6,114	11,462

9. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year by the number of ordinary shares in issue during the financial year.

	Group	
	2010	2009
Profit for the year (RM'000)	64,147	71,340
Number of ordinary shares in issue ('000)	134,005	134,005
Basic earnings per share (sen)	47.9	53.2

(b) Diluted earnings per share

During the current and previous financial years, there were no shares in issuance which will have a dilutive effect to the earnings per share of the Group. Therefore, both of the basic earnings per share and diluted earnings per share of the Group are the same.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

10. DIVIDENDS

	Group and Company			Dividends	
	Dividends in respect of Year			Recognised in Year	
	2010	2009	2008	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000
Recognised during the year:					
Final dividend for 2008: 45% less 25% taxation, on 134,005,001 ordinary shares (33.75 sen net per ordinary share)	-	-	45,227	-	45,227
Interim dividend for 2009: 10% less 25% taxation, on 134,005,001 ordinary shares (7.50 sen net per ordinary share)	-	10,050	-	-	10,050
Final dividend for 2009: 30% less 25% taxation, on 134,005,001 ordinary shares (22.50 sen net per ordinary share)	-	30,151	-	30,151	-
Interim dividend for 2010: 10% less 25% taxation, on 134,005,001 ordinary shares (7.50 sen net per ordinary share)	10,050	-	-	10,050	-
	10,050	40,201	45,227	40,201	55,277

At the forthcoming Annual General Meeting, the final dividend of 25% (consisting of gross dividend of 11% less 25% taxation, tax exempt dividend of 4.5% and single tier dividend of 9.5%) on 134,005,001 ordinary shares in respect of the financial year ended 30 April 2010, amounting to dividends payable of RM29,816,000 (22.25 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2011.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

11. PROPERTY, PLANT AND EQUIPMENT

Group At 30 April 2010

Cost or valuation

At 1 May 2009

At cost	-	8,936	29,831	2,754	15,190	847	57,558
At valuation	84,512	45,723	-	-	-	-	130,235

	84,512	54,659	29,831	2,754	15,190	847	187,793
Additions	-	3,105	714	237	7,338	2,874	14,268
Disposals	-	-	-	-	(378)	-	(378)
Write off	-	(1)	(45)	(82)	(590)	-	(718)
Reclassifications	-	1,308	626	6	185	(2,125)	-

At 30 April 2010	84,512	59,071	31,126	2,915	21,745	1,596	200,965
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Representing:

At cost	-	13,349	31,126	2,915	21,745	1,596	70,731
At valuation	84,512	45,722	-	-	-	-	130,234

At 30 April 2010	84,512	59,071	31,126	2,915	21,745	1,596	200,965
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Accumulated depreciation

At 1 May 2009	-	3,295	10,855	1,406	6,791	-	22,347
Depreciation charge for the year	-	2,562	1,757	206	1,640	-	6,165
Disposals	-	-	-	-	(242)	-	(242)
Write off	-	(1)	(40)	(80)	(565)	-	(686)

At 30 April 2010	-	5,856	12,572	1,532	7,624	-	27,584
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Net carrying amount

At cost	-	12,513	18,554	1,383	14,121	1,596	48,167
At valuation	84,512	40,702	-	-	-	-	125,214
At 30 April 2010	84,512	53,215	18,554	1,383	14,121	1,596	173,381

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Capital work-in- progress RM'000	Total RM'000
Group (cont'd)							
At 30 April 2009							
Cost or valuation							
At 1 May 2008							
At cost	-	1,192	28,952	2,665	12,982	183	45,974
At valuation	84,512	46,107	-	-	-	-	130,619
	84,512	47,299	28,952	2,665	12,982	183	176,593
Additions	-	6,900	714	213	2,560	1,828	12,215
Disposals	-	-	(29)	(72)	(165)	-	(266)
Write off	-	(41)	(120)	(52)	(187)	-	(400)
Reclassifications	-	850	314	-	-	(1,164)	-
Reclassified to biological assets (Note 12)	-	(349)	-	-	-	-	(349)
At 30 April 2009	84,512	54,659	29,831	2,754	15,190	847	187,793
Representing:							
At cost	-	8,936	29,831	2,754	15,190	847	57,558
At valuation	84,512	45,723	-	-	-	-	130,235
At 30 April 2009	84,512	54,659	29,831	2,754	15,190	847	187,793
Accumulated depreciation							
At 1 May 2008	-	499	9,205	1,311	6,120	-	17,135
Depreciation charge for the year	-	2,803	1,780	214	995	-	5,792
Disposals	-	-	(28)	(71)	(158)	-	(257)
Write off	-	(7)	(102)	(48)	(166)	-	(323)
At 30 April 2009	-	3,295	10,855	1,406	6,791	-	22,347
Net carrying amount							
At cost	-	8,617	18,976	1,348	8,399	847	38,187
At valuation	84,512	42,747	-	-	-	-	127,259
At 30 April 2009	84,512	51,364	18,976	1,348	8,399	847	165,446

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Capital work-in- progress RM'000	Total RM'000
Company							
At 30 April 2010							
Cost or valuation							
At 1 May 2009							
At cost	-	1,220	3,412	1,688	2,476	-	8,796
At valuation	65,928	9,645	-	-	-	-	75,573
	65,928	10,865	3,412	1,688	2,476	-	84,369
Additions	-	2,987	344	96	4,457	373	8,257
Disposals	-	-	-	-	(281)	-	(281)
Write off	-	(1)	(4)	(58)	(18)	-	(81)
At 30 April 2010	65,928	13,851	3,752	1,726	6,634	373	92,264
Representing:							
At cost	-	4,207	3,752	1,726	6,634	373	16,692
At valuation	65,928	9,644	-	-	-	-	75,572
At 30 April 2010	65,928	13,851	3,752	1,726	6,634	373	92,264
Accumulated depreciation							
At 1 May 2009	-	423	1,267	660	1,494	-	3,844
Depreciation charge for the year	-	401	137	109	341	-	988
Disposals	-	-	-	-	(216)	-	(216)
Write off	-	(1)	(4)	(57)	(16)	-	(78)
At 30 April 2010	-	823	1,400	712	1,603	-	4,538
Net carrying amount							
At cost	-	4,071	2,352	1,014	5,031	373	12,841
At valuation	65,928	8,957	-	-	-	-	74,885
At 30 April 2010	65,928	13,028	2,352	1,014	5,031	373	87,726

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Total RM'000
Company (cont'd)						
At 30 April 2009						
Cost or valuation						
At 1 May 2008	-	52	3,455	1,611	2,116	7,234
At cost	-	52	3,455	1,611	2,116	7,234
At valuation	65,928	9,662	-	-	-	75,590
	65,928	9,714	3,455	1,611	2,116	82,824
Additions	-	1,168	12	174	483	1,837
Disposals	-	-	(29)	(72)	(99)	(200)
Write off	-	(17)	(26)	(25)	(24)	(92)
At 30 April 2009	65,928	10,865	3,412	1,688	2,476	84,369
Representing:						
At cost	-	1,220	3,412	1,688	2,476	8,796
At valuation	65,928	9,645	-	-	-	75,573
At 30 April 2009	65,928	10,865	3,412	1,688	2,476	84,369
Accumulated depreciation						
At 1 May 2008	-	75	1,175	639	1,447	3,336
Depreciation charge for the year	-	352	146	118	158	774
Disposals	-	-	(28)	(72)	(96)	(196)
Write off	-	(4)	(26)	(25)	(15)	(70)
At 30 April 2009	-	423	1,267	660	1,494	3,844
Net carrying amount						
At cost	-	1,187	2,145	1,028	982	5,342
At valuation	65,928	9,255	-	-	-	75,183
At 30 April 2009	65,928	10,442	2,145	1,028	982	80,525

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) Freehold land and buildings were revalued on 1 February 2008 by an independent professional valuer. Valuation was determined by reference to open market value on an existing use basis.

Had the revalued property, plant and equipment been carried under the cost model, the carrying amounts of each class of property, plant and equipment that would have been included in the financial statements of the Group and of the Company as at 30 April 2010 would be as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Freehold land	11,241	11,241	9,121	9,121
Buildings	36,663	38,349	8,370	8,625
	47,904	49,590	17,491	17,746

- (b) Depreciation charge for the year of the Group and of the Company amounting to RM343,000 (2009: RM456,000) and RM83,000 (2009: RM Nil) has been capitalised as additions of biological assets during the financial year as disclosed in Note 12(a).

- (c) Government land acquisitions

Year	Location	Hectarage	Quantum	
			Awarded RM'000	Received as at 30 April 2010 RM'000
2001 *	Pelin Estate	21.11	2,611	2,611

* The Company had received the award as increased compensation on the land.

- (d) Freehold land of the Company with carrying amount of RM18,467,000 (2009: RM18,467,000) was to be sold to the subsidiaries upon approval of the development and layout plan by the relevant authorities as disclosed in Note 14.

12. BIOLOGICAL ASSETS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At cost or valuation:				
At beginning of financial year	274,831	272,200	45,935	45,935
Additions	117,218	2,282	115,525	-
Reclassified from property, plant and equipment (Note 11)	-	349	-	-
At end of financial year	392,049	274,831	161,460	45,935

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

12. BIOLOGICAL ASSETS (cont'd)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Representing:				
At cost	119,500	2,282	115,525	-
At valuation	272,549	272,549	45,935	45,935
At end of financial year	392,049	274,831	161,460	45,935

(a) Included in additions of biological assets during the financial year are:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Depreciation of property, plant and equipment capitalised (Note 11(b))	343	456	83	-
Amortisation prepaid land lease payments capitalised (Note 13(b))	348	68	313	-
	691	524	396	-

(b) Biological assets were revalued on 1 February 2008 by an independent professional valuer. Valuation was determined by reference to open market value on an existing use basis.

13. PREPAID LAND LEASE PAYMENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At beginning of financial year	88,438	89,962	6,245	6,479
Additions	129,209	12	129,209	-
Amortisation for the year	(2,140)	(1,536)	(838)	(234)
At end of financial year	215,507	88,438	134,616	6,245
Analysed as:				
Long term leasehold land	206,097	78,612	129,632	1,039
Short term leasehold land	9,410	9,826	4,984	5,206
	215,507	88,438	134,616	6,245

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

13. PREPAID LAND LEASE PAYMENTS (cont'd)

- (a) Certain leasehold land of the Group and of the Company with carrying amount of RM4,984,000 (2009: RM5,206,000) was revalued by a firm of professional valuers in 1991 based on the open market value on an existing use basis.
- (b) Amortisation for the year of the Group and of the Company which amounting to RM348,000 (2009: RM68,000) and RM313,000 (2009: RM Nil) respectively has been capitalised as additions of biological assets during the financial year as disclosed in Note 12(a).
- (c) Certain leasehold land of the Company with carrying amount of RM4,863,000 (2009: RM5,076,000) was to be sold to the subsidiaries upon approval of the development and layout plan by the relevant authorities as disclosed in Note 14.

14. DEVELOPMENT EXPENDITURE

	Group	
	2010	2009
	RM'000	RM'000
At cost		
At beginning of financial year	1,295	1,295
Write off	(1,295)	-
At end of financial year	-	1,295

Development expenditure comprised principally professional fees incurred by two subsidiaries in connection with the submission of development plans to the relevant authorities in respect of the proposed development projects on freehold and leasehold lands owned by the Company.

Upon the approval of the development and layout plan by the relevant authorities, the Company was to sell the freehold and leasehold lands, as disclosed in Note 11(d) and Note 13(c) to the subsidiaries concerned at a purchase consideration to be determined based on an independent valuation to be done on those freehold and leasehold lands. However, the abovementioned development projects have been cancelled during the current financial year and therefore the development expenditure has been written off.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2010	2009
	RM'000	RM'000
Unquoted shares at cost	142,288	142,288
Impairment losses	(1,334)	-
	140,954	142,288

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

15. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest (%)		Principal Activities
		2010	2009	
Leong Hin San Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm
Meridian Plantations Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm and palm oil milling
Syarikat Penanaman Bukit Senorang Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm and palm oil milling
South East Pahang Oil Palm Berhad	Malaysia	100	100	Cultivation of oil palm
Masjid Tanah Properties Sdn. Bhd.	Malaysia	100	100	Property development
Melaka Pindah Properties Sdn. Bhd.	Malaysia	100	100	Property development
Vintage Plantations Sdn. Bhd.	Malaysia	100	100	Dormant

16. INTEREST IN ASSOCIATES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares at cost	21,528	20,685	21,528	20,685
Convertible redeemable loan stock at cost	1,688	2,531	1,688	2,531
	23,216	23,216	23,216	23,216
Share of post-acquisition reserves	1,582	1,330	-	-
	24,798	24,546	23,216	23,216
Less: Accumulated impairment losses	-	(4,170)	-	(4,253)
	24,798	20,376	23,216	18,963

- (a) The share of results of the associates for the current financial year are for the twelve months period ended 31 March 2010, incorporating the nine months period ended 31 December 2009 based on the latest audited financial statements for the financial year ended 31 December 2009 and the management financial statements for the three months period ended 31 March 2010.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

16. INTEREST IN ASSOCIATES (cont'd)

(b) The details of the associates are as follows:

Name of Associates	Country of Incorporation	Proportion of Ownership Interest (%)		Principal Activities	Financial Year End
		2010	2009		
Niro Ceramic (M) Sdn. Bhd.	Malaysia	25	25	Manufacturing and trading of ceramic tiles	31 December
Malaysian Trustees Berhad	Malaysia	20	20	Engaged in the business of trustee agents, executors and administrators	31 December

(c) The summarised financial information of the associates are as follows:

	2010 RM'000	2009 RM'000
Assets and liabilities		
Current assets	177,337	144,967
Non-current assets	53,575	45,589
Total assets	230,912	190,556
Current liabilities	107,430	73,844
Non-current liabilities	14,085	31,887
Total liabilities	121,515	105,731
Results		
Revenue	254,101	227,907
Profit for the year	22,057	18,014

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

17. OTHER INVESTMENTS

	Group and Company 2010 RM'000	2009 RM'000
Quoted investments, at cost:		
In Malaysia		
- shares	955	955
- unit trusts	14,515	14,515
Outside Malaysia		
- unit trusts	312	312
	15,782	15,782
Unquoted investments, at cost:		
Outside Malaysia		
- shares	40	293
Total other investments	15,822	16,075
Less: Accumulated impairment losses	-	(113)
	15,822	15,962
Market value of quoted investments:		
In Malaysia		
- shares	22,684	17,052
- unit trusts	14,886	12,578
Outside Malaysia		
- unit trusts	752	680
	38,322	30,310

18. GOODWILL ON CONSOLIDATION

	Group 2010 RM'000	2009 RM'000
At net carrying amount	18,628	18,628

Goodwill has been allocated to the Group's cash generating units identified according to the individual subsidiaries, namely South East Pahang Oil Palm Berhad and Syarikat Penanaman Bukit Senorang Sdn. Bhd., both of which are principally involved in plantation activities.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

18. GOODWILL ON CONSOLIDATION (cont'd)

Impairment test for goodwill on consolidation

Key assumptions used in value-in-use calculations

The recoverable amount is determined based on value-in-use calculations using cash flow projections based on a master plan covering a 20 years period. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Discount rate

The discount rate used is the management expected internal rate of return.

(iii) Raw materials price inflation

The basis used to determine the value assigned to the raw materials price inflation is the forecast price indices during the budget year for Malaysia where raw materials are sourced. Values assigned to key assumptions are consistent with external information sources.

19. INVENTORIES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
At cost:				
Produce stocks	5,395	4,325	-	-
Nursery stocks	3,376	351	2,508	230
Estate and palm oil mill stores	2,555	4,760	256	100
	11,326	9,436	2,764	330

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables				
Subsidiary	-	-	1,228	905
Third parties	8,283	6,344	382	284
	8,283	6,344	1,610	1,189
Other receivables				
Amounts due from subsidiaries	-	-	532	571
Amount due from an associate	10	17	10	17
Advances for acquisition of land *	5,253	5,289	-	-
Deposits, prepayments and other receivables	8,569	4,620	7,885	3,570
	13,832	9,926	8,427	4,158
Less: Provision for doubtful debts				
Advances for acquisition of land *	(2,146)	(2,146)	-	-
	11,686	7,780	8,427	4,158
	19,969	14,124	10,037	5,347

* These advances were paid to vendors in relation to the acquisition of land in Sabah.

(a) Credit risk

Trade receivables are non-interest bearing and the credit period is generally for 15 days to 30 days (2009: 15 days to 30 days).

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and to be settled in cash.

(c) Amount due from an associate

This represents interest receivable from an associate in respect of subscription of convertible redeemable loan stock in that associate by the Company and is to be settled by cash.

21. MARKETABLE SECURITIES

	Group and Company	
	2010 RM'000	2009 RM'000
Shares quoted in Malaysia, at cost	-	8,926
Market value of quoted shares	-	9,599

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash on hand and at banks	59	972	21	331
Deposits with:				
Licensed commercial banks	86,540	199,935	66,369	175,226
Licensed investment banks	13,250	10,000	13,250	10,000
Money market funds placed with fund managers	23,608	138,888	23,580	138,861
Cash and bank balances	123,457	349,795	103,220	324,418

The deposits with licensed commercial banks include an amount of RM38,000 (2009: RM96,000) of certain subsidiaries which are pledged to banks for bank guarantee facilities granted to those subsidiaries.

The weighted average effective interest rates of deposits and money market funds as at the balance sheet date were as follows:

	Group		Company	
	2010 %	2009 %	2010 %	2009 %
Deposits with:				
Licensed commercial banks	2.14	3.49	2.24	3.58
Licensed investment banks	2.30	3.66	2.30	3.66
Money market funds placed with fund managers *	2.98	2.18	2.98	2.18

The average maturities of deposits as at the balance sheet date were as follows:

	Group		Company	
	2010 days	2009 days	2010 days	2009 days
Deposits with:				
Licensed commercial banks	26	341	27	354
Licensed investment banks	31	365	31	365

* There is no maturity period for money market funds placed with fund managers as these monies are callable on demand.

23. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM1 Each		Amount	
	2010 '000	2009 '000	2010 RM'000	2009 RM'000
Authorised	500,000	500,000	500,000	500,000
Issued and fully paid	134,005	134,005	134,005	134,005

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

23. SHARE CAPITAL (cont'd)

At an Extraordinary General Meeting on 29 August 2009, the shareholders approved the establishment of a new employee share scheme involving the issue of up to 15% of the issued and paid up share capital of the Company. As of to-date, the scheme has yet to be implemented.

24. REVALUATION RESERVE

This represents the surplus arising from the revaluation of freehold and leasehold lands, buildings and biological assets, net of tax, in prior years.

25. RETAINED EARNINGS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act, 2007.

As at 30 April 2010, the Company has tax exempt profits available for distribution of approximately RM6,089,000 (2009: RM6,089,000).

As at 30 April 2010, the Company has sufficient credit in the Section 108 balance and the balance in the tax exempt income account to pay franked dividends amounting to RM17,404,000 (2009: RM57,605,000) out of its retained earnings. If the balance of the retained earnings of approximately RM407,006,000 (2009: RM341,537,000) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

26. DEFERRED TAX

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At beginning of financial year	69,896	68,224	5,670	5,518
Recognised in income statement (Note 8)	1,170	1,672	650	152
At end of financial year	71,066	69,896	6,320	5,670
Comprising:				
Deferred tax assets	(1,013)	(861)	(501)	(485)
Deferred tax liabilities	72,079	70,757	6,821	6,155
	71,066	69,896	6,320	5,670

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

26. DEFERRED TAX (cont'd)

The components and movements of deferred tax assets and liabilities during the current and previous financial years prior to offsetting are as follows:

Deferred Tax Assets of the Group:

	Other Payables RM'000	Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 May 2008	(914)	(137)	(1,051)
Recognised in income statement	152	38	190
At 30 April 2009	(762)	(99)	(861)
At 1 May 2009	(762)	(99)	(861)
Recognised in income statement	(64)	(88)	(152)
At 30 April 2010	(826)	(187)	(1,013)

Deferred Tax Liabilities of the Group:

	Property, Plant and Equipment RM'000	Revaluation Reserve RM'000	Total RM'000
At 1 May 2008	8,007	61,268	69,275
Recognised in income statement	1,848	(366)	1,482
At 30 April 2009	9,855	60,902	70,757
At 1 May 2009	9,855	60,902	70,757
Recognised in income statement	1,679	(357)	1,322
At 30 April 2010	11,534	60,545	72,079

Deferred Tax Assets of the Company:

	Other Payables RM'000	Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 May 2008	(448)	(136)	(584)
Recognised in income statement	62	37	99
At 30 April 2009	(386)	(99)	(485)
At 1 May 2009	(386)	(99)	(485)
Recognised in income statement	(50)	34	(16)
At 30 April 2010	(436)	(65)	(501)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

26. DEFERRED TAX (cont'd)

Deferred Tax Liabilities of the Company:

	Property, Plant and Equipment RM'000	Revaluation Reserve RM'000	Total RM'000
At 1 May 2008	631	5,471	6,102
Recognised in income statement	100	(47)	53
At 30 April 2009	731	5,424	6,155
At 1 May 2009	731	5,424	6,155
Recognised in income statement	708	(42)	666
At 30 April 2010	1,439	5,382	6,821

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables	3,375	3,754	1,388	156
Other payables				
Directors' fees and other emoluments	290	275	290	275
Balance outstanding on acquisition of land	183	183	-	-
Accruals and sundry payables	12,343	8,692	6,283	2,376
	12,816	9,150	6,573	2,651
	16,191	12,904	7,961	2,807

Trade and other payables are non-interest bearing and the normal credit terms granted to the Group range from 30 days to 60 days (2009: 30 days to 60 days).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

28. CAPITAL COMMITMENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Capital expenditure approved and contracted for:				
Building	744	-	744	-
Capital expenditure approved but not contracted for:				
Acquisition of land	5,097	5,097	-	-
Biological assets	13,391	4,961	10,275	-
Purchase of property, plant and equipment	18,835	12,072	8,652	838
	37,323	22,130	18,927	838
	38,067	22,130	19,671	838

29. CONTINGENT LIABILITY

On 16 January 2004, the Company was served with a writ of summons by Brilliant Team Management Sdn. Bhd., for finder's fees amounting to RM1.76 million in respect of acquisition of companies. The Company has filed a Defence and Counterclaim against the Plaintiff. The Company has also filed an application to strike out the claim. On 13 March 2009, the High Court struck out the Plaintiff's claim. The Company's Counterclaim was discontinued by the Company through the filing of a Notice of Discontinuance dated 7 April 2010 by the Company.

30. RELATED PARTY DISCLOSURES

(a) Transactions with Related Parties

The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Subsidiaries				
- Sale of oil palm fresh fruit bunches	-	-	29,062	25,022
- Administrative expenses charged	-	-	3,282	3,092
Associates				
- Dividend income	-	-	1,079	1,046
- Interest income	175	248	175	248
Companies in which certain directors of the Company have financial interests				
- Interest income	1,216	2,204	615	1,243
- Insurance commission earned	-	8	-	8
- Insurance premium paid	-	64	-	5
- Investment management fee paid	-	2	-	2

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

30. RELATED PARTY DISCLOSURES (cont'd)

(b) Balances with Related Parties

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Companies in which certain directors of the Company have financial interests				
- Placement in current accounts	24	801	10	317
- Placement in deposits	43,935	40,062	24,308	27,220

Information regarding other outstanding balances arising from related party transactions as at 30 April 2010 and 30 April 2009 are disclosed in Notes 20 and 27.

(c) Compensation of Key Management Personnel

The remuneration of directors and other members of key management (being the Chief Executive Officer, General Manager (Sabah), Group Financial Controller, Assistant General Manager (Administration and Corporate Affairs) and Plantation Controllers) during the financial year was as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short term employee benefits	2,170	2,080	1,846	1,816
Employees Provident Fund	226	229	177	194
	2,396	2,309	2,023	2,010

Included in the total compensation of key management personnel were:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors' remuneration (Note 7)	650	569	650	569

31. SEGMENT INFORMATION

- (a) Segment information is presented in respect of the Group's business segments. The primary format of business segments, is based on the Group's management and internal reporting structure. No geographical segment information is presented as the business operations of the Group are operated in Malaysia only.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

- (b) The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

31. SEGMENT INFORMATION (cont'd)

(c) Business segments

The Group is organised into three business segments as follows:

- (i) Plantation - Cultivation of oil palms and palm oil milling
- (ii) Investment holding
- (iii) Property development - Development of residential and commercial properties

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other segment information by business segments:

30 April 2010

	Plantation RM'000	Investment Holding RM'000	Others RM'000	Consolidated RM'000
Revenue				
Total revenue	212,230	7,918	-	220,148
Inter-segment sales	(41,621)	-	-	(41,621)
External sales	170,609	7,918	-	178,527
Results				
Segment results	66,243	12,260	(1,327)	77,176
Share of profit of associates				5,413
Profit before tax				82,589
Income tax expense				(18,442)
Profit for the year				64,147
Assets				
Segment assets	823,261	146,872	6	970,139
Interest in associates				24,798
Consolidated total assets				994,937
Liabilities				
Segment liabilities	91,167	-	4	91,171
Unallocated corporate liabilities				332
Consolidated total liabilities				91,503
Other segment information				
Capital expenditure	260,004	-	-	260,004
Amortisation of prepaid land lease payments	1,792	-	-	1,792
Depreciation of property, plant and equipment	5,822	-	-	5,822

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

31. SEGMENT INFORMATION (cont'd)

(c) Business segments (cont'd)

30 April 2009

	Plantation RM'000	Investment Holding RM'000	Others RM'000	Consolidated RM'000
Revenue				
Total revenue	222,828	14,348	-	237,176
Inter-segment sales	(44,524)	-	-	(44,524)
External sales	178,304	14,348	-	192,652
Results				
Segment results	73,945	13,506	(7)	87,444
Share of profit of associates				4,393
Profit before tax				91,837
Income tax expense				(20,497)
Profit for the year				71,340
Assets				
Segment assets	568,083	377,474	1,324	946,881
Interest in associates				20,376
Consolidated total assets				967,257
Liabilities				
Segment liabilities	87,444	-	4	87,448
Unallocated corporate liabilities				321
Consolidated total liabilities				87,769
Other segment information				
Capital expenditure	13,985	-	-	13,985
Amortisation of prepaid land lease payments	1,468	-	-	1,468
Depreciation of property, plant and equipment	5,336	-	-	5,336

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

32. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, credit, market and liquidity risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policies are not to engage in speculative transactions.

(b) Interest Rate Risk

The Group has no interest-bearing debt. However, the Group has short term interest bearing financial assets as at 30 April 2010. The investment in financial assets are mainly short term in nature and are not held for speculative purposes but have been mostly placed in fixed deposits and money market funds.

(c) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(d) Market Risk

Market risk arises from price fluctuations in the commodity market and the supply of fresh fruit bunches. Management reviews these risks and takes proactive measures to mitigate its effects by monitoring the market condition and maximising production and operational efficiencies on a regular basis.

(e) Liquidity Risk

The Group has no external borrowings and has adequate cash or cash convertible assets to meet all its working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

32. FINANCIAL INSTRUMENTS (cont'd)

(f) Fair Values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

		2010		2009	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Group and Company					
Financial Assets					
Other investments:					
Quoted:					
- shares	17	955	22,684	955	17,052
- unit trusts	17	14,827	15,638	14,827	13,258
Unquoted shares	17	40	*	180	*
Marketable securities	21	-	-	8,926	9,599

* It is not practical to estimate the fair value of the unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, the Group believes that the carrying amount of the unquoted shares represents the recoverable amount.

The methods and assumptions used to estimate the fair values of the following classes of financial instruments are:

(i) Cash and cash equivalents, trade and other receivables/payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Marketable securities

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

33. SIGNIFICANT EVENT

Acquisitions of two parcels of land in Sabah

On 24 December 2009, the Company announced that the acquisition of two adjoining parcels of land from Borneo Glow Sdn. Bhd. was completed.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 April 2010

33. SIGNIFICANT EVENT (cont'd)

Acquisitions of two parcels of land in Sabah (cont'd)

These are leasehold land held under title no. Country Lease 095332862 measuring approximately 14,961 acres (6,055 hectares) and title no. Country Lease 095331749 measuring approximately 10,000 acres (4,047 hectares), both located at Sungai Millian-Labau in the District of Kinabatangan, Sabah with leases expiring on 31 December 2098. The first parcel of land is being developed as an oil palm estate with palms of 1 to 5 years old together with fixtures, buildings and houses erected thereon. The second parcel of land is undeveloped and suitable for oil palm cultivation.

It has no significant impact on the Group's results as only 2,000 hectares of newly maturing palms are in harvesting and another 2,300 hectares consist of palms of 1 to 3 years.

34. SUBSEQUENT EVENT

On 14 June 2010, the Company announced a proposed bonus issue of 67,002,500 new ordinary shares of RM1.00 each to be credited as fully paid-up on the basis of 1 new bonus share for every 2 existing shares held on the entitlement date. The proposal is subject to the approval of the shareholders of the Company and Bursa Malaysia Securities Berhad for the listing of and quotation for the bonus shares to be issued pursuant to the proposal.

35. COMPARATIVES

The following amounts for the financial year ended 30 April 2009 were in respect of late payment charges on compensation received from compulsory acquisition of land in previous year. The amounts have been reclassified to conform with the current year's presentation:

	As Previously Stated RM'000	Reclassifications RM'000	As Restated RM'000
GROUP			
Income Statement			
Revenue	195,090	(2,438)	192,652
Other income	2,665	2,438	5,103
COMPANY			
Income Statement			
Revenue	90,111	(2,438)	87,673
Other income	5,923	2,438	8,361

The above reclassifications have no effect on the results and financial position of the Group and of the Company for the previous financial year.

LIST OF PROPERTIES HELD

As At 30 April 2010

Location	Tenure	Titled Hectarage	Description	Year of Acquisition */ Revaluation	Carrying Amount of Properties # as at 30 April 2010 RM'000
Masjid Tanah Estate 78300 Masjid Tanah Melaka	Freehold Leasehold (expiring on: 31-12-2033 20-11-2065)	355.3 2.8 0.2	Oil palm estate	2008	18,798
Pelin Estate 71300 Rembau Negeri Sembilan	Freehold	154.3	Oil palm estate	2008	6,470
Machap Estate 76100 Durian Tunggal Melaka	Freehold Leasehold (expiring on: 20-12-2024 25-04-2025 21-03-2038)	244.5 215.7 153.0 240.2	Oil palm estate	2008	25,521
Tampin Estate 73300 Batang Melaka Negeri Sembilan	Freehold	298.9	Oil palm estate	2008	11,809
Selandar Estate Selandar P.O. 77500 Jasin Melaka	Freehold Leasehold (expiring on: 31-07-2025)	194.5 22.1	Oil palm estate	2008	7,924
Batu Anam Estate Batu Anam P.O. 85100 Batu Anam Segamat, Johor	Freehold	864.9	Oil palm estate	2008	36,401
Malaka Pinda Estate Alor Gajah P.O. 78000 Alor Gajah Melaka	Freehold Leasehold (expiring on: 21-03-2038 22-10-2048 25-10-2053)	68.0 112.1 20.3 123.8	Oil palm estate	2008	11,616
Leong Hin San Estate 71200 Rantau Negeri Sembilan	Freehold	844.6	Oil palm estate	2008	30,568
Bukit Senorang Estate 28380 Kemayan Pahang	Leasehold (expiring on: 14-05-2066 11-01-2069 15-12-2072 04-03-2073)	196.1 403.0 604.5 425.3	Oil palm estate and palm oil mill	2008	72,160
South East Pahang Estate 28380 Kemayan Pahang	Leasehold (expiring on: 06-09-2066 18-09-2084)	202.3 1,416.4	Oil palm estate	2008	51,960
Mamahat Estate Labuk Sugut Beluran District 90000 Sabah	Lease land (expiring between: 2031 and 2032 2097 and 2099)	30.1 1,396.5	Oil palm estate	2008	45,746

LIST OF PROPERTIES HELD (cont'd)

As At 30 April 2010

Location	Tenure	Titled Hectarage	Description	Year of Acquisition */ Revaluation	Carrying Amount of Properties # as at 30 April 2010 RM'000
Paitan and Tanjong Nipis Estates Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring between: 2098 and 2102) Lease land (expiring between: 2031 and 2035 2098 and 2100)	918.1 979.2 1,222.8	Oil palm estate and palm oil mill	2008	90,206
Tengkarasan Estate Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring on 2100) Lease land (expiring between: 2031 and 2035 2098 and 2100)	68.2 938.1 1,291.9	Oil palm estate	2008	78,977
Millian-Labau Estate Sungai Millian-Labau Kinabatangan District 89950 Nabawan Sabah	Leasehold (expiring on: 31-12-2098)	10,102.0	Oil palm estate	2010*	246,808
Head Office Building No. 61, Jalan Melaka Raya 8 Taman Melaka Raya 75000 Melaka	Leasehold (expiring on: 07-07-2093)	93,972 sq. ft.	Office building (Age of building: 4 years)	2008	8,481
Office Building Suite 16.08 & 16.09, Level 16 Plaza 138, 138, Jalan Ampang 50450 Kuala Lumpur	Freehold	1,550 sq. ft.	Office building (Age of building: 2 years)	2009*	957
Awana Condominium Unit 5542 Awana Condominium 8th Mile, Genting Highlands 89000 Genting Highlands Pahang	Freehold	1,258 sq. ft.	Holiday condominium (Age of building: 23 years)	2008	247
Regional Office Building Lot 10, Block 19 Lorong Bandar Indah 5 Bandar Indah Mile 4, North Road 90000 Sandakan	Leasehold (expiring on 2882)	2,000 sq. ft.	Shophouse (Age of building: 9 years)	2008	381
Executive Bungalow MDLB 1849 Taman Khong Lok Jalan Airport Sandakan 90000 Sandakan	Leasehold (expiring on: 09-07-2887)	7,880 sq. ft.	Company bungalow (Age of building: 10 years)	2008	253
TOTAL					745,283

Include freehold land, leasehold land, buildings and biological assets.

SHAREHOLDING ANALYSIS

As At 30 July 2010

Authorised capital : RM500,000,000
 Issued & Paid-up capital : RM134,005,001
 Class of share : Ordinary shares of RM1.00 each

VOTING RIGHTS OF SHAREHOLDERS

Subject to the provisions of the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996, every entitled member of the Company present in person or by proxy shall have one vote on a show of hand and in the case of poll shall have one vote for every share of which he/she is the holder.

DISTRIBUTION SCHEDULE

No. of Holders	Holdings	Total Holdings	%
176	Less than 100	7,302	0.01
1,362	100 to 1000	1,128,461	0.84
4,599	1001 to 10000	16,953,056	12.65
848	10001 to 100000	22,718,745	16.95
88	100,001 to less than 5% of issued capital	53,383,334	39.84
4	5% and above of issued capital	39,814,103	29.71
7,077		134,005,001	100

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct shareholdings	Percentage of issued capital	Indirect shareholdings	Percentage of issued capital
Choi Siew Hong	225,937	0.17	10,000	0.01
Tan Sri Dato' Ahmad Bin Mohd Don	-	-	-	-
Tan Siok Choo	2,252,121	1.68	-	-
Boon Weng Siew	11,250	0.01	-	-
Datuk Fong Weng Phak	-	-	-	-
Tan Jiew Hoe	114,750	0.09	1,673,348	1.25
Teo Leng	-	-	-	-

SHAREHOLDING ANALYSIS (cont'd)

As At 30 July 2010

SUBSTANTIAL SHAREHOLDERS (5% and above)

Name	Shareholdings registered in the name of the substantial shareholders	Shareholdings in which the substantial shareholders are deemed to be interested	Total	Percentage of issued capital
Oversea-Chinese Banking Corporation Ltd	-	19,726,093 *1	19,726,093	14.72
Aberdeen Asset Management PLC and its subsidiaries	-	18,986,500 *2	18,986,500	14.17
Credit Suisse Group AG	-	18,986,500 *3	18,986,500	14.17
Mitsubishi UFJ Trust Financial Group	-	18,986,500 *4	18,986,500	14.17
Great Eastern Life Assurance (Malaysia) Bhd	18,790,468	-	18,790,468	14.02
Lee Foundation	-	10,957,309 *5	10,957,309	8.17
Aberdeen Asset Management Asia Ltd	-	12,510,000 *6	12,510,000	9.34
Tan Kim Lwi	9,367,258 *7	-	9,367,258	6.99
Selat (Pte) Limited	7,246,496 *8	-	7,246,496	5.41

- Oversea-Chinese Banking Corporation Ltd is deemed interested in the shareholdings registered in the following names:-
 - Malaysia Nominees (Tempatan) Sendirian Berhad- for Great Eastern Life Assurance (Malaysia) Berhad – 18,790,468
 - Citigroup Nominees (Asing) Sdn. Bhd. for CB Singapore GW for Eastern Realty Company Limited – 928,125
 - Apex Pharmacy Holdings Sdn. Bhd. – 7,500
- Aberdeen Asset Management PLC and its subsidiaries is deemed interested in the shareholdings registered in the following nominees:-
 - Aberdeen International Fund Managers Limited – 8,500,000
 - Aberdeen Asset Managers Limited – 260,000
 - Aberdeen Asset Management Sdn Bhd – 6,476,500
 - Aberdeen Asset Management Asia Limited – 12,510,000
- Deemed interested by virtue of its shareholdings in Aberdeen Asset Management PLC pursuant to Section 6 A (4) (c) of the Companies Act 1965.
- Deemed interested by virtue of the shareholdings of more than 15% held in Aberdeen Asset Management PLC by Mitsubishi UFJ Trust & Banking Corp, a wholly subsidiary of Mitsubishi UFJ Trust Financial Group.
- Lee Foundation is deemed interested in the following shareholdings held via nominees:-
 - HSBC Nominees (Asing) Sdn Bhd for
 - Selat Pte Ltd - 7,246,496
 - Singapore Investments Pte Ltd - 2,303,438
 - Lee Pineapple Company Pte Ltd - 84,375
 - Citigroup Nominees (Asing) Sdn Bhd
 - Exempt an for OCBC Securities Private Limited - 1,323,000 (for Singapore Investments Pte Ltd)
- Aberdeen Asset Management Asia Limited is deemed interested in the following shareholdings held via nominees:-
 - BPSS-BNP Paribas Security Services – 8,500,000
 - BNP Paribas Trust Service Singapore Limited – 1,950,000
 - State Street Bank & Trust Company – London – 1,800,000
 - UBS AG - Zurich – 260,000
- Held via HSBC Nominees (Asing) Sdn. Bhd.
- Held via HSBC Nominees (Asing) Sdn. Bhd.

SHAREHOLDING ANALYSIS (cont'd)

As At 30 July 2010

LIST OF TOP 30 SHAREHOLDERS AS AT 30/7/2010

	No. of shares	%
(1) Malaysia Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad	18,790,468	14.02
(2) HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Tan Kim Lwi	9,367,258	6.99
(3) HSBC Nominees (Asing) Sdn Bhd - BNP Paribas Secs Svs Lux for Aberdeen Global	8,500,000	6.34
(4) HSBC Nominees (Asing) Sdn. Bhd. HSBC SG for Selat Pte Ltd	7,246,496	5.41
(5) HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for Credit Suisse (SG BR-TST-ASING)	5,064,928	3.78
(6) Citigroup Nominees (Asing) Sdn. Bhd. Exempt an for OCBC Securities Private Limited (CLIENT A/C-NR)	3,492,521	2.61
(7) HSBC Nominees (Asing) Sdn. Bhd. - HSBC Trustee (s) Ltd for Tun Dato Sir Cheng Lock Tan Trust	2,458,399	1.83
(8) HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Singapore Investments Pte Ltd	2,303,438	1.72
(9) Tan Siok Choo	2,252,121	1.68
(10) Mayban Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for The Employees' Provident Fund Board (250416)	2,229,800	1.66
(11) Tan Siok Lee	2,074,148	1.55
(12) HSBC Nominees (Asing) Sdn Bhd - Exempt an for BNP Paribas Securities Services (Singapore - SGD)	1,950,000	1.46
(13) HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs Svs Paris for Aberdeen Asian Smaller Companies Investment Trust PLC	1,800,000	1.34
(14) Tan Siok Eng	1,746,642	1.30
(15) Lim Cheng Neo	1,737,033	1.30

SHAREHOLDING ANALYSIS (cont'd)

As At 30 July 2010

LIST OF TOP 30 SHAREHOLDERS AS AT 30/7/2010 (cont'd)

	No. of shares	%
(16) AMSEC Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	1,603,000	1.20
(17) Mayban Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for Kumpulan Wang Persaraan (Diperbadankan) (FD 1 – 280305)	1,498,200	1.12
(18) Klebang Investments Pte Ltd	1,287,000	0.96
(19) Citigroup Nominees (Asing) Sdn Bhd - CB Spore GW Eastern Realty Company Limited (OCB33678-000MIS)	928,125	0.69
(20) Dipang Mines Sdn Bhd	843,750	0.63
(21) Chee Bay Hoon & Co Sdn Bhd	701,000	0.52
(22) The Federal Oil Mills Berhad	641,250	0.48
(23) Tan Jin Tuan	602,007	0.45
(24) Mayban Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for Malaysian Timber Council (Endowment Fund)	579,000	0.43
(25) Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	577,100	0.43
(26) Alros Sendirian Berhad	528,000	0.39
(27) HSBC Nominees (Asing) Sdn Bhd - HSBC SG for Lee Rubber Company Pte Ltd	503,077	0.38
(28) Swee Cheng Investments Private Limited	500,000	0.37
(29) Seah Mok Khoo	500,000	0.37
(30) Nora Ee Siong Chee	479,250	0.36
	82,784,011	61.77



United Malacca Berhad
(1319 V)

FORM OF PROXY

I/We
(FULL NAME IN CAPITAL)

of
(FULL ADDRESS)

being a member of UNITED MALACCA BERHAD hereby appoint

.....
(FULL NAME IN CAPITAL)

of
(FULL ADDRESS)

or failing him/her

of
(FULL NAME IN CAPITAL)

.....
(FULL ADDRESS)

or the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Ninety-sixth Annual General Meeting of the Company to be held on Monday, 27 September 2010 at 11.00 a.m. and at any adjournment thereof.

My/our proxy is to vote on the Resolutions as indicated by an "X" in the appropriate spaces below:

Resolution	Relating to:	For	Against
No. 1	Adoption of Directors' Reports and Audited Financial Statements	<input type="checkbox"/>	<input type="checkbox"/>
No. 2	Declaration of final dividend	<input type="checkbox"/>	<input type="checkbox"/>
No. 3	Approval of Directors' fees	<input type="checkbox"/>	<input type="checkbox"/>
No. 4	Re-election of a Director retiring in accordance with Article 118 of the Company's Articles of Association Tan Sri Dato' Ahmad Bin Mohd Don	<input type="checkbox"/>	<input type="checkbox"/>
No. 5	Election of a Director retiring in accordance with Article 124 of the Company's Articles of Association Teo Leng	<input type="checkbox"/>	<input type="checkbox"/>
No. 6	Re-appointment of Directors pursuant to Section 129(6) of the Companies Act, 1965 Mr. Choi Siew Hong	<input type="checkbox"/>	<input type="checkbox"/>
No. 7	Mr. Boon Weng Siew	<input type="checkbox"/>	<input type="checkbox"/>
No. 8	Re-appointment and remuneration of Auditors	<input type="checkbox"/>	<input type="checkbox"/>

As Witness my hand thisday of2010

Signed by the said:
(Signature of Member)

in the presence of:
(Name & Signature of Witness)

No. of Shares Held

Notes:

- The right of foreign Depositors to vote in respect of their deposited securities with Malaysian Central Depository Sdn Bhd is subject to Section 41(1)(e) and Section 41(2) of the Securities Industry (Central Depositories) Act, 1991 and Securities Industry (Central Depositories)(Foreign Ownership) Regulations, 1996. The position of Depositors in this regard will be determined based on The General Meeting Record of Depositors. Depositors whose shares exceed the prescribed limit as at the date of The General Meeting Record of Depositors may attend the above Meeting but are not entitled to vote. Consequently, a proxy appointed by a Depositor who is not entitled to vote will also not be entitled to vote at the above meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. No person, however, who is not a member of the Company shall be appointed a proxy unless that person complies with the provisions of Section 149(1)(b) of the Companies, Act 1965.
- Where this proxy form is executed by a corporation, it must be either under its seal or under the hand of an officer or attorney duly authorized.
- The instrument appointing a proxy must be deposited at the registered office of the company at 6th floor, No.61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka not later than 48 hours before the time set for the meeting.
- The proxy will vote or abstain at his discretion if no indication is given.

please fold along this line (1)

Stamp

The Company Secretary
UNITED MALACCA BERHAD
(Company No. 1319-V)
6th Floor, No. 61, Jalan Melaka Raya 8,
Taman Melaka Raya,
75000 Melaka.

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