United **Malacca** Berhad
(1319-V)

ANNUAL REPORT 2007

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-third 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 Tuesday, 11 September 2007 at 11.30 a.m. for the following business :-

AGENDA

1. To receive and adopt the Report of the Directors and Audited Accounts for the year ended 30 April 2007 and the Report of the Auditors thereon. ***Resolution 1***

2. To declare a final dividend of 10 sen and a special dividend of 15 sen, both less 27% tax per RM1.00 stock unit for the year ended 30 April 2007. ***Resolution 2***

3. To approve payment of Directors' fees. ***Resolution 3***

4. To re-elect the following Directors retiring in accordance with Article 124 of the Articles of Association of the Company:-

   (a) Tan Sri Dato' Ahmad Bin Mohd Don ***Resolution 4***

   (b) Mr. Tan Jiew Hoe ***Resolution 5***

5. To consider and, if thought fit, to pass the following resolutions pursuant to Section 129(6) of the Companies Act 1965:-

   (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***

   (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***

6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 8***

7. **As Special Business**

   To consider and, if thought fit, to pass the following resolutions with or without amendments as Ordinary Resolution and Special Resolution:-

   ORDINARY RESOLUTION

   - AUTHORISING DIRECTORS TO ALLOT AND ISSUE SHARES

   "THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals of the relevant Governmental or regulatory bodies, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company and upon allotment to convert the same into stock units transferable in amounts and multiples of RM1.00 each, at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided always that the aggregate number of shares to be issued pursuant to this Resolution shall not exceed ten per centum of the issued share capital of the Company for the time being and that the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." ***Resolution 9***

SPECIAL RESOLUTION

- Proposed amendments to the Articles of Association of the Company

"THAT the alterations, modifications, additions and deletions of the Articles of Association of the Company as set out below be and are hereby approved:-

Article 2 Definitions

The definition of "Approved Market Place" as set out below, be wholly deleted:-

~~"Approved Market Place — A stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998"~~

Article 34 Closing of Register

Article 34 be amended as follows:-

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty day (30) days in any year. The Company shall give the Stock Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purposes thereof, which notice shall be ~~eighteen (18)~~ **ten (10)** market days or such number of days as may be prescribed by the Stock Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.

Article 40 Transmission of shares from Foreign Register

Article 40 be amended as follows:-

Where :-

(a) the securities of the Company are listed on ~~an Approved Market Place~~ **another stock exchange;** and
(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998 as the case may be, under the Rules in respect of such securities:-

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the ~~Approved Market Place (hereinafter referred to as "the Foreign Register")~~ **other stock exchange**, to the register of holders maintained by the registrar of the Company in Malaysia ~~(hereinafter referred to as "the Malaysian Register")~~ **and vice versa** subject to the following conditions:-

(i) there shall be no change in the ownership of such securities; and
(ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.

~~Where (a) and (b) are fulfilled, the Company shall not allow any transmission of shares from the Malaysian Register into the Foreign Register."~~ ***Resolution 10***

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 10 sen and a special dividend of 15 sen both less 27% tax per RM1.00 stock unit in respect of the financial year ended 30 April 2007, if approved by the Stockholders at the forthcoming Annual General Meeting, be paid on 1 October 2007 to Stockholders whose names appear in the Record of Depositors and Register of Members at the close business at 5.00 p.m. on 19 September 2007.

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

(a) Stocks transferred into the Depositor's Securities Account before 4.00 p.m. on 19 September 2007 in respect of transfers;
(b) Stocks deposited into the Depositor's Securities Account before 12.30 p.m. on 17 September 2007 in respect of stocks which are exempted from mandatory deposit;
(c) Stocks 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
Company Secretary
Melaka
Date: 9 August 2007

NOTE:

(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 stocks 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.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

Resolution No. 9

The proposed Ordinary Resolution 9 if passed, will empower the Directors to issue and allot shares in the Company at any time and for such purposes as the Directors consider would be in the interests of the Company up to an aggregate not exceeding 10% of the issued capital of the Company without convening a general meeting. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

Resolution No. 10

The rationale for the proposed amendments to the Company's Articles of Association under Special Resolution No. 10 are as follows:-

- Article 2 and Article 40 – Bursa Malaysia Securities Berhad requires listed issuers to remove the prohibition for transmission of securities from the share register in Malaysia to the share register in another stock exchange to allow a two-way fungibility of securities of a company listed on more than one stock exchange.
- Article 34 – In order to bring the notice period for book closure to be in line with that prescribed by Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF NINETY-THIRD ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.28(2), APPENDIX 8A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Directors who are standing for re-appointment or re-election are as follows:-

(1) Choi Siew Hong
(2) Boon Weng Siew
(3) Tan Sri Dato' Ahmad Bin Mohd Don
(4) Tan Jiew Hoe

Further details of individual Directors standing for re-appointment or re-election can be found in the Profile of Directors in pages 8 to 10 of this Annual Report. The holding of stocks, direct or indirect in United Malacca Berhad by the Directors can be found in the Analysis of Stockholdings in page 98 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 2007 are as follows:-

Directors	Attendance
Choi Siew Hong	4 of 4 Meetings
Tan Sri Dato' Abdul Aziz Bin Haji Taha *(retired on 22/9/2006)*	1 of 2 Meetings
Tan Sri Dato Ahamad Bin Mohd Don *(appointed on 1/10/2006)*	2 of 2 Meetings
Tan Siok Choo	4 of 4 Meetings
Boon Weng Siew	4 of 4 Meetings
Datuk Fong Weng Phak	4 of 4 Meetings
Chua Ngoh Chuan *(resigned on 29/1/2007)* *(or represented by his alternate Tan Jiew Hoe)*	3 of 3 Meetings
Tan Jiew Hoe *(ceased as alternative to Chua Ngoh Chuan on 29/1/2007 and appointed as director on 30/3/2007)*	3 of 4 Meetings

GROUP HIGHLIGHTS

PRODUCTION	2007	2006
Crude palm oil (tonne)	**65,639**	65,628
Palm kernel (tonne)	**16,106**	17,434
Fresh fruit bunches (tonne)	**208,657**	172,707

FINANCIAL	RM'000	RM'000
Revenue	**129,645**	114,007
Profit:-		
Before tax	**63,076**	29,418#
After tax	**51,903**	24,095#
Earnings per stock unit:-	sen	sen
Basic	**38.7**	18.0#
Fully diluted	**38.7**	18.0#
Dividend per stock unit:-	sen	sen
Gross	**31.00**	13.00
Net	**22.63**	9.36
	RM'000	RM'000
Total assets	**633,296**	592,544#
	RM	RM
Net tangible assets per stock unit	**4.31**	4.01#

Comparative figures for the preceding financial year have been restated due to the adoption of new and revised FRSs.

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

AUDIT COMMITTEE

Tan Sri Dato' Ahmad bin Mohd Don *
(Chairman)

Ms. Tan Siok Choo **

Datuk Fong Weng Phak *

*   Independent non-executive director
** 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 : 03-20877000

SENIOR MANAGEMENT

Dr. Leong Tat Thim
Chief Executive Officer/General Manager

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

Ms. Susan Lai Swee Kee
Group Financial Controller

Mr. Chong Seong Hoe
Plantation Controller (Sabah)

Mr. Tay Chuan Chan
Plantation Controller (Peninsular)

Mr. Toh Tau Book
Mill Controller

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, 2823412, 2823548, 2827415, 2881412
Fax : 06-2834599
Email : umre@po.jaring.my

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-27212222
Fax : 03-27212530/31

DATE AND PLACE OF INCORPORATION

Incorporated on 27 April 1910 in Malaysia

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Sector : Plantation
Stock Short Name : UMCCA
Stock Code : 2593

BOARD OF DIRECTORS

from left to right

Mr. Tan Jiew Hoe	*(Independent Non-Executive Director)*
Tan Sri Dato' Ahmad Bin Mohd Don	*(Independent Non-Executive Director)*
Mr. Choi Siew Hong	*(Chairman and Executive Director)*
Ms. Tan Siok Choo	*(Non-Executive Director)*
Mr. Boon Weng Siew	*(Independent Non-Executive Director)*
Datuk Fong Weng Phak	*(Independent Non-Executive Director)*

PROFILE OF DIRECTORS

MR. CHOI SIEW HONG *(Chairman and Executive Director)*

Mr. Choi Siew Hong, aged 86 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, a member of the Remuneration Committee, the Nomination Committee and also sits on the Boards of several subsidiaries of the Group, one of which is South-East Pahang Oil Palm Berhad.

He is currently the Chairman of PacificMas Berhad (formerly known as The Pacific Bank Berhad) and also the Chairman of The Pacific Insurance Berhad, Pacific Mutual Fund Berhad and Malaysian Trustees Berhad besides being on the Board of Malaysia Smelting Corporation Berhad.

He holds a First Class Honours Degree in Economic from the University of Malaya and has vast experience in banking, financial services and management derived from appointments in public service and public companies. After serving eight years as a teacher and three years in the Malayan Civil Service (now known as the Administrative and Diplomatic Service), he joined the then newly established Bank Negara Malaysia where he served from December 1958 to October 1972 in various positions including that of Deputy Governor for more than six years. He was an Executive Director of the World Bank representing 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 the General Manager of the Malaysia Division of Oversea-Chinese Banking Corporation Limited from 1976 to 1986.

He was a Director of the then The Pacific Bank Berhad from 1976 to 1995 and Chairman from 1988 to 1994. Prior to his re-appointment as Chairman of The Pacific Bank Berhad in October 1997, he was the Chairman of OCBC Bank (Malaysia) Berhad.

He is not related to any Director/major stockholder of United Malacca Berhad and has attended all the four Board meetings held in the financial year ended 30 April 2007. 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, aged 60 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 in January 1991, appointed as 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 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/major stockholder of United Malacca Berhad and has attended two out of two Board Meetings held in the financial year ended 30 April 2007 as he was appointed on 1 October 2006. He has never been convicted of any offence.

DATUK FONG WENG PHAK *(Independent Non-Executive Director)*

Datuk Fong Weng Phak, aged 66, a Malaysian, is an Independent, Non-Executive Director who joined the Board since 1 October 1998. He is the Chairman of Remuneration Committee and a member of the Audit Committee, the Board Tender Committee, the Nomination Committee and also sits on the Boards of several subsidiaries of the Group, one of which is South-East Pahang Oil Palm Berhad.

He holds a Bachelor of Arts (Honours) degree in Economics from University of Malaya and obtained his Master in Public Administration from Harvard University.

He served Bank Negara Malaysia from 1964 to 1982, rising in ranks to his last position as Head of Economics Department. In 1983, he joined Oversea-Chinese Banking Corporation Ltd as Deputy General Manager and subsequently as General Manager of its Malaysian operations. On the incorporation of OCBC Bank (M) Berhad in 1994, he was appointed Director and Chief Executive Officer. In 1995, he left OCBC to serve as Deputy Governor of Bank Negara Malaysia on a 3 years contract until 1998. He is currently a Director of Fraser & Neave Holdings Berhad and Emas Kiara Industries Berhad which are public listed companies in Malaysia. He is also a Director of Pacific Mutual Fund Berhad, 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/major stockholder of United Malacca Berhad and has attended all the four Board Meetings held in the financial year ended 30 April 2007. He has never been convicted of any offence.

PROFILE OF DIRECTORS *(cont'd)*

MS. TAN SIOK CHOO *(Non-Executive Director)*

A Malaysian, Ms Tan Siok Choo, aged 55, is a Non-Executive Director who was appointed to the Board on 8 December 1988. She is a member of the Audit Committee and the Remuneration 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. She is currently a Director of several private companies.

She is a substantial stockholder by virtue of her interest as Director and family interest in Sinneo Sdn Bhd, a major stockholder of United Malacca Berhad. She is not related to any other Director of the Company and has attended all the four Board Meetings held in the financial year ended 30 April 2007. She has never been convicted of any offence.

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

Mr. Boon Weng Siew, aged 83 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 Committee.

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/major stockholder of United Malacca Berhad and has attended all the four Board Meetings held in the financial year ended 30 April 2007. He has never been convicted of any offence.

MR. TAN JIEW HOE *(Independent Non-Executive Director)*

Mr. Tan Jiew Hoe, aged 60 and a Singaporean, joined the Board as Alternate Director to Mr. Chua Ngoh Chuan (an Independent Non-Executive Director) on 9 June 1997 and was subsequently appointed a Director on 30 March 2007.

He is currently a Director of several private companies in Malaysia and Singapore. He is a keen plantsman and not related to any major stockholder of United Malacca Berhad.

He has attended three out of four Board Meetings held in the financial year ended 30 April 2007. He has never been convicted of any offence.

MANAGEMENT TEAM

01 Dr. Leong Tat Thim Chief Executive Officer/General Manager
02 Madam Leong Yok Mui
Assistant General Manager (Administration & Corporate Affairs)
03 Ms. Susan Lai Swee Kee Group Financial Controller
04 Mr. Chong Seong Hoe Plantation Controller (Sabah)
05 Mr. Tay Chuan Chan Plantation Controller (Peninsular)
06 Mr. Toh Tau Book Mill Controller

Profile of Chief Executive Officer/General Manager

Dr. Leong Tat Thim

Dr. Leong Tat Thim, aged 63 and a Malaysian, is the Chief Executive Officer who joined the Company since 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 (Honours) degree, 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 The Malaysian Estate Owners' Association (MEOA) and 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 stockholding in the Company is 15,000 stock units and he does not have any stockholding in the Company's subsidiaries.

He is not related to any Director/major stockholder of United Malacca Berhad. He has never been convicted of any offence.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of United Malacca Berhad, it is my pleasure to present the Annual Report and Audited Accounts of the Company and the Group for the financial year ended 30 April 2007.

CHOI SIEW HONG
CHAIRMAN

CHAIRMAN'S STATEMENT *(cont'd)*

FINANCIAL PERFORMANCE

The Group recorded sterling performance in the year under review with pretax profit surging by 114% to RM63.08 million from RM29.42 million in the preceding year. This was due primarily to 21% increase respectively in ffb production to 208,657 tonnes from 172,707 tonnes and in the average crude palm oil (CPO) price to RM1,708 per tonnne from RM1,411 per tonne. Better investment income and higher contribution from the associated companies also contributed to the sterling performance.

At the Company level, revenue and pretax profit for the current financial year ended 30 April 2007 increased by 212% and 388% to RM78.89 million and RM80.04 million respectively over that of the preceding year mainly due to the special dividend of RM1.50 per share received from its associated company, PacificMas Berhad, totalling RM53.48 million in the current financial year. The special dividend from PacificMas Berhad was paid out of its retained profits realized from the sale of banking business in 2001 which had been equity accounted for in that year by the Group in its accounts.

Earnings per stock unit for the year rose by 2.15 times to 38.73 sen from 17.98 sen in the preceding year.

DIVIDENDS

The Board is recommending a final dividend of 10 sen and a special dividend of 15 sen, both less 27% tax per stock unit for approval by the stockholders at the forthcoming Annual General Meeting. Together with the interim dividend of 6 sen per stock unit less 27% tax paid on 7 February 2007, the total dividend for the financial year ended 30 April 2007 will amount to 31 sen gross or 22.63 sen net per stock unit totalling RM30,325,332 compared with 13 sen gross or 9.36 sen net totalling RM12,542,868 in the preceding financial year. The proposed dividend is payable on 1 October 2007.

PLANTATION OPERATIONS

As at end of financial year 2006/07, the Group has a planted acreage of 33,955 acres (13,742 hectares), comprising 21,855 acres (8,845 hectares) of matured oil palms and 12,100 acres (4,897 hectares) of immature palms.

Production of fresh fruit bunches (ffb) for financial year 2006/07 at 208,657 tonnes registered 21% increase from 172,707 tonnes ffb harvested in the previous financial year. The yield was 23.06 tonnes per hectare per annum which was commendable as it was 20% above the industry average of 19.22 tonnes per hectare per annum. The Sabah estates with young and prime yielding palms contributed 93,462 tonnes ffb or 44.8% of total production for the Group.

With increasing planted areas coming to maturity, the Group has begun to reap the benefits of economies of scale resulting in substantially lower all-in cost of production for ffb by as much as 9.2% during the year. The Group continues to be cost efficient and strive to lower further its production cost.

Overall, our two palm oil mills were performing well with production qualities for CPO and palm kernel well above the required market standards. This was mainly due to good maintenance of the oil mills resulting in the low breakdown hours of less than 1.0% of the total processing hours as compared to the normal industry maximum limit of 5.0%.

Total ffb processed by the two mills amounted to 313,077 tonnes, recording a marginal decrease of 1% as compared with 316,534 tonnes ffb processed in the preceding financial year. This marginal drop in crop processed resulted from the cessation of ffb supply from one supplier in Sabah who started operating its own oil mill in the later part of the financial year.

The two mills recorded a total production of 65,639 tonnes of CPO and 16,106 tonnes of palm kernel as compared with 65,628 tonnes of CPO and 17,434 tonnes of palm kernel produced in the preceding financial year.

CHAIRMAN'S STATEMENT *(cont'd)*


Official Opening of the new Head Office Building by the Chairman Mr. Choi Siew Hong on 27 June 2007

PLANTATION OPERATIONS *(cont'd)*

Our group estates supplied 66.5% of the ffb to the oil mills while the remaining 33.5% were from other estates, ffb dealers and smallholders. The purchase of outside ffb contributed to the mill profitability by increasing capacity utilization, thereby lowering operating overhead. As more young oil palm areas come into maturity, especially from the Sabah estates, more ffb will be available to the two mills to enable them to operate at higher capacity utilization resulting in reduction in the unit cost of operation.

CURRENT YEAR PROSPECTS

The year 2007 promises to be another robust one for the oil palm industry due to a combination of factors. The new trans-fatty acid labelling law which came into effect on 1st January 2006 had shown a positive effect on the demand for palm oil in the United States and demand is expected to escalate significantly from 2007 onwards. The exciting developments shaping up in the oil palm industry arising from the biofuels initiatives further increased the demand for palm oil which is competitively cheaper than most other vegetable oils. The demand for palm oil arising from sustained income growth in China, India and other developing countries will continue to increase. Both China and India have reduced restrictions to the import of palm oil. The increase in demand for land for the planting of corn and sugar cane for ethanol production will reduce supply of soya oil and result in higher soya oil prices that will indirectly benefit palm oil.

The outlook for the oil palm industry is therefore expected to continue to be favourable in 2007 and beyond. From these positive factors, the average palm oil price is expected to be at a range of RM2,200 per tonne to RM2,500 per tonne in the current financial year.

The age profile of the Group's palms comprise 36% immature palms and 40% young mature palms of 4 – 7 years. With this favourable age profile, the Group's ffb production will continue to increase significantly, especially with contribution from the Sabah estates where most of the young matured palms are in the prime yield profile. In addition, substantial young plantings are coming into maturity in one to two years' time from estates in both Sabah and Peninsular Malaysia.

Fuel oil price increase, higher fertiliser cost and higher labour cost will no doubt put greater pressure on the production cost. However, the Group will face these challenges by continuing to improve the existing good agricultural practices and agronomic inputs so that the yield per hectare and oil extraction rate (OER) will be higher than the average of 23.06 tonne per hectare per annum and 20.97% OER achieved in financial year 2006/07. With an efficient management team in place, the Group is confident of better results in the coming year.

CHAIRMAN'S STATEMENT *(cont'd)*

EXPANSION PROGRAMME

As at 30 April 2007,the Group has acquired a total of 16,924 acres (6,849 hectares) of land in Sabah, out of which 16,388 acres (6,632 hectares) have been developed and cultivated with elite high yielding planting materials. Acquiring and developing neighbouring land is in progress. With another 1,737 acres (703 hectares) being declared matured and 1,399 acres (566 hectares) of young palms coming into bearing to supply additional amounts of ffb to our palm oil mill in the financial year 2007/08, we are confident that the Sabah estates and the palm oil mill will continue to contribute significantly to the Group's profitability.

With prospects for oil palm business remaining strong, the Group is always on the alert to explore investment opportunities to expand its core oil palm cultivation and milling business either by acquisition of established estates or of suitable agriculture land for oil palm cultivation besides investment in other agro-based businesses.

NEW HEAD OFFICE

A significant event that occurred during the year was that on 14 March 2007, the Company's Head Office was relocated from 8H Jalan Laksamana Cheng Ho which it had occupied since 1 January 1991 to its new building at Taman Melaka Raya. This is an eight storey building with two floors for car parking. Occupying the two top floors the Head Office is spacious enough to accommodate foreseeable increase in staff in the medium term. With another two and half floors tenanted only one and a half floors are yet to be rented out.

DIRECTORATE

It is with sadness that we record the demise of Mr. Chua Ngoh Chuan on 1 March 2007, shortly after his resignation as an Independent Non-Executive Director on 29 January 2007, after serving on the Board since 1980. On behalf of the Board of Directors, I wish to place on record our appreciation for his long service, support and invaluable contributions to the Group. To his family, we wish to convey our heartfelt condolences.

During the year, two new Independent Non-Executive Directors were appointed. Tan Sri Dato Ahmad Bin Mohd Don, the former Governor of Bank Negara, was appointed on 1 October 2006. Mr. Tan Jiew Hoe who was formerly the Alternate Director to the late Mr. Chua Ngoh Chuan was appointed on 30 March 2007. On behalf of the Board of Directors, I would like to welcome both Tan Sri Dato Ahmad Bin Mohd Don and Mr. Tan Jiew Hoe to our Board. They bring with them a wealth of experience that will no doubt be invaluable to the Group.

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 continued efforts and commitment in delivering another year of exceptionally good results that have surpassed our expectation. I also wish to extend my gratitude and thanks to my fellow Directors for their wise counsel and guidance and active participation at Board deliberations.

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

CHOI SIEW HONG
Chairman

PENYATA PENGERUSI

Penyata Pengerusi

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 2007.

Prestasi Kewangan

Kumpulan telah mencatatkan prestasi yang membanggakan bagi tahun kewangan semasa dengan keuntungan sebelum cukai telah melonjak sebanyak 114% kepada RM63.08 juta daripada RM29.42 juta tahun sebelumnya. Ini disebabkan oleh peningkatan pengeluaran buah tandan segar (BTS) sebanyak 21% iaitu 208,657 tan berbanding 172,707 tan serta peningkatan harga purata minyak sawit mentah (MSM) kepada RM1,708 setan berbanding RM1,411 setan tahun sebelumnya. Pendapatan dari pelaburan dan sumbangan yang lebih tinggi dari syarikat bersekutu turut menyumbang kepada prestasi yang membanggakan ini.

Di peringkat Syarikat, hasil dan keuntungan sebelum cukai pada tahun kewangan berakhir 30 April 2007 telah meningkat sebanyak 212% dan 388% kepada RM78.89 juta dan RM80.04 juta berbanding tahun sebelumnya disebabkan oleh dividen istimewa sebanyak RM1.50 sesaham yang diterima daripada syarikat bersekutu PacificMas Berhad iaitu sejumlah RM53.48 juta pada tahun kewangan semasa. Pembayaran dividen istimewa daripada PacificMas Berhad ini adalah dari keuntungan terkumpul yang direalisasikan dari penjualan perniagaan bank pada tahun 2001 yang mana ekuitinya telah diambilkira di dalam akaun oleh Kumpulan tersebut pada tahun itu.

Pendapatan sesaham untuk tahun semasa meningkat sebanyak 2.15 kali kepada 38.73 sen berbanding 17.98 sen pada tahun sebelumnya.

Dividen

Lembaga Pengarah mencadangkan dividen akhir 10 sen dan dividen istimewa sebanyak 15 sen yang mana kedua-duanya selepas ditolak cukai 27% setiap unit stok untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan datang ini. Bersama-sama dengan dividen interim 6 sen sesaham ditolak cukai 27% yang dibayar pada 7 Februari 2007, jumlah dividen untuk tahun kewangan berakhir 30 April 2007 adalah 31 sen kasar atau 22.63 sen bersih setiap unit stok dengan jumlah keseluruhan RM30,325,332 berbanding dengan 13 sen kasar atau 9.36 sen bersih berjumlah RM12,542,868 pada tahun kewangan sebelumnya. Dividen yang dicadangkan itu akan dibayar pada 1 Oktober 2007.

Operasi Perladangan

Pada akhir tahun kewangan 2006/2007, Kumpulan mempunyai kawasan perladangan seluas 33,955 ekar (13,742 hektar) merangkumi 21,855 ekar (8,845 hektar) kawasan kelapa sawit matang sementara 12,100 ekar (4,897 hektar) kawasan kelapa sawit yang belum matang.

Penghasilan BTS pada tahun kewangan 2006/2007 adalah sebanyak 208,657 tan iaitu peningkatan sebanyak 21% dari 172,707 tan BTS yang dituai pada tahun kewangan sebelumnya. Kejayaan memperolehi hasil sehektar setahun sebanyak 23.06 tan perlu dipuji memandangkan ia adalah 20% lebih tinggi daripada purata industri iaitu 19.22 tan sehektar setahun. Estet Sabah dengan pokok muda yang berhasilan tinggi telah menyumbang 93,462 tan atau 44.8% dari jumlah keseluruhan pengeluaran Kumpulan.

Dengan peningkatan kawasan muda yang akan matang, Kumpulan telah mula mengambil kesempatan dari skala ekonomi dengan mengurangkan kos pengeluaran BTS sebanyak 9.2% pada tahun ini. Kumpulan berterusan akan mengurangkan kos secara berkesan serta bertekad untuk mengurangkan lagi kos pengeluaran.

PENYATA PENGERUSI *(samb.)*

Lawatan Pengerusi dan Ketua Pegawai Eksekutif ke estet Sabah.

Operasi Perladangan *(samb.)*

Secara umum, kedua-dua kilang kelapa sawit telah mencatatkan prestasi yang baik dengan kualiti pengeluaran MSM dan isirong sawit melebihi piawai pasaran yang ditetapkan. Ini disebabkan oleh penyelenggaraan yang baik di kedua-dua kilang kelapa sawit dengan masa tidak beroperasi kurang dari 1.0% daripada jumlah masa pemprosesan berbanding paras maksimum industri iaitu 5.0%.

Jumlah keseluruhan BTS yang diproses oleh kedua-dua kilang kelapa sawit adalah sebanyak 313,077 tan. Jumlah ini adalah lebih rendah sebanyak 1% berbanding dengan 316,534 tan yang diproses pada tahun sebelumnya. Kejatuhan marginal dalam jumlah pemprosesan adalah disebabkan pemberhentian penghantaran BTS dari pembekal di Sabah yang mempunyai kilang kelapa sawit sendiri yang mula beroperasi pada penghujung tahun kewangan semasa.

Kedua-dua kilang kelapa sawit telah mencatatkan pengeluaran MSM sebanyak 65,639 tan dan isirong sawit sebanyak 16,106 tan berbanding 65,628 tan MSM dan 17,434 tan isirong sawit pada tahun sebelumnya.

Estet-estet Kumpulan menyumbang 66.5% BTS kepada kedua-dua kilang kelapa sawit sementara baki sebanyak 33.5% adalah dari lain-lain estet, pembekal dan peniaga kecil BTS. Pembelian BTS dari pihak luar telah menyumbang kepada keuntungan kilang dengan meningkatkan keupayaan pemprosesan bagi mengurangkan kos operasi. Dengan semakin banyak kawasan muda yang akan matang terutama dari estet Sabah, semakin banyak BTS yang boleh dibekalkan kepada kedua-dua kilang kelapa sawit bagi membolehkan mereka beroperasi dengan keupayaan pemprosesan yang tinggi bagi mengurangkan lagi unit kos operasi.

Prospek Tahun Semasa

Tahun 2007 bakal memberikan cabaran yang hebat kepada industri kelapa sawit berdasarkan kepada beberapa faktor. Akta baru perlabelan asid berlemak yang mulai berkuatkuasa pada 1 Januari 2006 telah memberi kesan positif kepada permintaan minyak kelapa sawit di Amerika Syarikat, dan permintaan ini dijangka akan meningkat secara mendadak pada tahun 2007 dan seterusnya. Pembangunan yang menarik dalam industri kelapa sawit bermula dengan dayausaha biofuel telah meningkatkan lagi permintaan terhadap minyak kelapa sawit memandangkan harganya yang lebih rendah berbanding harga minyak sayuran lain. Permintaan terhadap minyak kelapa sawit akan terus meningkat terutama dengan peningkatan pendapatan yang ketara di Negara China, India dan beberapa negara membangun. Kedua-dua Negara China dan India telah mengurangkan sekatan terhadap impot minyak kelapa sawit. Peningkatan terhadap pemintaan untuk tanah bagi menanam jagung dan tebu untuk penghasilan ethanol akan mengurangkan penawaran minyak soya yang mana akan meninggikan harga minyak soya. Ini secara tidak langsung memberi kelebihan kepada minyak kelapa sawit.

PENYATA PENGERUSI *(samb.)*

Permerhatian Pengerusi ke atas kualiti buah kelapa sawit.

Prospek Tahun Semasa *(samb.)*

Industri kelapa sawit dijangka akan bertambah baik dan cerah pada tahun 2007 dan seterusnya. Dengan faktor-faktor yang positif, harga purata minyak kelapa sawit dijangka akan berada pada tahap RM2,200 hingga RM2,500 setan pada tahun kewangan semasa.

Profil umur pokok-pokok kelapa sawit milik Kumpulan terdiri daripada 36% pokok muda dan 40% pokok muda ini berumur antara 4–7 tahun. Dengan profil umur yang baik ini, pengeluaran BTS Kumpulan dijangka akan meningkat dengan mendadak terutama sumbangan dari estet Sabah yang mana kebanyakan pokok-pokok muda yang matang adalah terdiri daripada profil berhasilan tinggi. Tambahan pula, banyak pokok muda yang akan matang dari estet Semenanjung Malaysia dan Sabah dalam tempoh setahun atau dua ini.

Peningkatan harga minyak, kos baja dan buruh sudah pasti akan meningkatkan lagi kos pengeluaran. Walaubagaimanapun, Kumpulan akan cuba mengatasi cabaran di atas dengan memperbaiki dan meningkatkan lagi amalan pertanian yang baik dan input agronomi supaya hasil sehektar dan kadar perahan minyak (OER) akan meningkat lagi berbanding 23.06 tan sehektar setahun dan kadar perahan minyak 20.97% yang diperolehi pada tahun kewangan 2006/2007. Dengan barisan pengurusan yang cekap, Kumpulan yakin akan memperolehi keputusan yang lebih memberangsangkan lagi pada tahun-tahun akan datang.

Program Pengembangan

Setakat 30 April 2007, Kumpulan telah membeli sejumlah 16,924 ekar (6,849 hektar) tanah di Sabah yang mana 16,388 ekar (6,632 hektar) telah dibangunkan dan ditanam dengan pokok-pokok yang berhasilan tinggi. Memiliki dan membangun tanah berjiranan masih sedang dijalankan. Dengan 1,737 ekar (703 hektar) yang telah diisytiharkan matang serta 1,399 ekar (566 hektar) pokok-pokok muda yang akan matang, ini akan menyumbang tambahan BTS kepada kilang kelapa sawit pada tahun kewangan 2007/2008. Oleh yang demikian, kami yakin yang estet Sabah dan kilang kelapa sawit akan memberi sumbangan yang ketara kepada keuntungan Kumpulan.

Dengan prospek perniagaan kelapa sawit yang semakin kukuh, Kumpulan akan lebih berwaspada bila menceburi peluang pelaburan untuk mengembangkan lagi aktiviti penanaman kelapa sawit dan perniagaan pengilangan sama ada melalui pembelian estet atau tanah-tanah pertanian bagi penanaman kelapa sawit di samping pelaburan di dalam perniagaan berasaskan agro.

PENYATA PENGERUSI *(samb.)*

Pemungutan buah kelapa sawit di ladang dengan menggunakan kerbau.

Pejabat Baru

Tarikh 14 Mac 2007 mencatat satu peristiwa yang signifikan pada tahun ini yang mana pemindahan Ibu Pejabat Syarikat dari 8H, Jalan Laksamana Cheng Ho yang mula diduduki semenjak 1 Januari 1991 ke bangunan baru di Taman Melaka Raya. Bangunan lapan tingkat ini termasuk dua tingkat untuk tempat meletak kenderaan. Penggunaan dua tingkat teratas di bangunan Ibu Pejabat Syarikat adalah cukup luas dan selesa bagi menampung pertambahan pekerja dalam jangkamasa sederhana. Dengan penyewaan dua setengah tingkat maka terdapat satu setengah tingkat lagi yang masih belum disewakan.

Direktorat

Dengan rasa sedih, kami memaklumkan yang En Chua Ngoh Chuan telah meninggal dunia pada 1 Mac 2007 yang lalu sejurus selepas beliau meletakkan jawatan sebagai Pengarah Bebas Bukan Eksekutif pada 29 Januari 2007 iaitu selepas berkhidmat sebagai ahli Lembaga Pengarah semenjak 1980. Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan di atas segala sokongan dan sumbangan beliau yang tidak ternilai kepada Kumpulan sepanjang tempoh perkhidmatan beliau. Kami juga ingin mengambil kesempatan mengucapkan ucapan takziah kepada keluarga beliau.

Sepanjang tahun semasa, dua Pengarah Bebas Bukan Eksekutif yang baru telah dilantik. Tan Sri Dato' Ahmad bin Mohd Don, bekas Gabenor Bank Negara telah dilantik pada 1 October 2006. En Tan Jiew Hoe iaitu Pengarah Alternatif kepada En Chua Ngoh Chuan telah dilantik pada 30 Mac 2007. Bagi pihak Lembaga Pengarah, saya ingin mengalu-alukan perlantikan Tan Sri Dato' Ahmad bin Mohd Don dan En Tan Jiew Hoe sebagai ahli Lembaga Pengarah. Mereka membawa bersama pengalaman yang berharga dan tidak ternilai kepada Kumpulan.

Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan kepada pihak pengurusan dan semua kakitangan di atas usaha dan komitmen yang berterusan bagi mencatat prestasi yang membanggakan dan melepasi jangkaan kami pada tahun kewangan semasa. Saya juga ingin merakamkan penghargaan dan berterima kasih kepada rakan–rakan Pengarah atas nasihat dan sumbangan bernas mereka semasa perbincangan Lembaga Pengarah.

Akhir sekali kepada semua rakan–rakan sekutu perniagaan dan pihak–pihak berkuasa, saya menghargai keyakinan dan bantuan yang diberikan sepanjang tahun ini.

Choi Siew Hong
Pengerusi

FIVE YEARS' FINANCIAL STATISTICS

	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
REVENUE					
Oil palm products	**125,408**	110,337	96,155	30,953	15,305
Rubber	**-**	-	-	473	3,215
Fruits orchard	**-**	1	2	5	6
Plantation	**125,408**	110,338	96,157	31,431	18,526
Investment holding	**4,237**	3,669	3,856	6,055	7,109
	129,645	114,007	100,013	37,486	25,635

	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
GROUP PROFIT					
Oil palm products	**44,721**	26,204	26,603	10,887	6,231
Rubber	**-**	-	-	53	918
Other activities	**-**	-	-	1,983	2,320
	44,721	26,204	26,603	12,923	9,469
Amortisation of goodwill	**-**	(1,049)	(1,049)	(262)	-
Replanting expenses	**(6,050)**	(6,785)	(5,324)	(4,204)	(2,350)
Profit from plantation activities	**38,671**	18,370	20,230	8,457	7,119
Investment income	**12,183**	2,163	1,190	2,848	(821)
Interest income	**2,716**	2,251	2,426	4,851	5,975
	53,570	22,784	23,846	16,156	12,273
Compensation arising from land acquired	**-**	-	-	-	3,863
Operating profit	**53,570**	22,784	23,846	16,156	16,136
Share of profit of associates	**9,506**	6,634#	5,761#	7,264#	5,672#
Profit before tax	**63,076**	29,418#	29,607#	23,420#	21,808#
Income tax expense	**(11,173)**	(5,323)#	3,614#*	(4,400)#	(4,226)#
Profit after tax	**51,903**	24,095#	33,221#	19,020#	17,582#

Comparative figures for the prior financial years have been restated due to the adoption of new and revised FRSs.

* *Inclusive of RM8,595,000 being deferred tax assets recognised by the Group in financial year 2005, arising from unabsorbed capital allowances and unutilised tax losses carried forward by a subsidiary.*

FIVE YEARS' FINANCIAL STATISTICS *(cont'd)*

	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
ASSETS					
Property, plant and equipment	**194,388**	185,439#	180,824#	177,417#	73,896#
Biological assets	**78,152**	72,723#	64,044#	53,946#	37,261#
Development expenditure	**1,264**	1,264	1,264	1,264	1,264
Investments in associates	**166,629**	198,891#	196,605#	194,773#	190,108#
Other investments	**15,447**	5,902	7,500	7,500	7,972
Goodwill	**18,628**	18,628	19,677	20,726	-
Deferred tax assets	**-**	5,710	8,595	-	-
Current assets	**158,788**	103,987	105,130	107,008	211,997
Total assets	**633,296**	592,544#	583,639#	562,634#	522,498#
EQUITY AND LIABILITIES					
Equity attributable to equity holders					
Issued and paid-up capital	**134,005**	134,005	134,005	134,005	131,793
Capital reserves	**48,832**	48,346	48,501	48,715	44,255
Revenue reserves	**412,886**	373,559#	362,173#	341,602#	332,904#
Shareholders' equity	**595,723**	555,910#	544,679#	524,322#	508,952#
Liabilities					
Deferred tax liabilities	**21,536**	23,118	23,352	23,717	2,745
Retirement benefit obligations	**-**	-	948	800	1,408
Current liabilities	**16,037**	13,516	14,660	13,795	9,393
Total equity and liabilities	**633,296**	592,544#	583,639#	562,634#	522,498#
PER STOCK UNIT STATISTICS					
Earnings - net (sen)	**38.7**	18.0#	24.8#*	14.2#	13.3#
Dividend - gross (sen)	**31.0**	13.0	11.0	10.0	10.0
Dividend - net of tax (sen)	**22.6**	9.4	9.6	8.9	8.0
Dividend cover (number of times)	**1.7**	1.9#	2.6#	1.6#	1.7#
Net tangible assets (RM)	**4.3**	4.0#	3.9#	3.8#	3.9#

\# *Comparative figures for the prior financial years have been restated due to the adoption of new and revised FRSs.*

* *Inclusive of RM8,595,000 being deferred tax assets recognised by the Group in financial year 2005, arising from unabsorbed capital allowances and unutilised tax losses carried forward by a subsidiary.*

GROUP TITLED AREA STATEMENT

AS AT 30 APRIL 2007

	HECTARAGE	%
OIL PALM		
Mature	8,845	64
Immature	4,897	36
TOTAL OIL PALM PLANTED AREA	13,742	100

Development in progress	111
Reserve land, building sites, etc	173
TOTAL GROUP TITLED AREA	14,026

FIVE YEARS' PLANTATION STATISTICS

	2007	2006	2005	2004	2003
ESTATES					
OIL PALM					
FFB production (tonne)	**208,657**	172,707	169,395	79,854	56,144
Yield per mature hectare (tonne)	**23.06**	21.06	21.02	21.00	21.44
RUBBER					
Production (tonne)	**-**	-	-	129	1,186
Yield per mature hectare (kg)	**-**	-	-	827	2,001
MILLS					
FFB processed (tonne)	**313,077**	316,534	260,252	30,414 *	-
Production					
- Crude palm oil (tonne)	**65,639**	65,628	52,414	5,937 *	-
- Palm kernel (tonne)	**16,106**	17,434	14,899	1,689 *	-
Oil extraction rate (%)	**20.97**	20.73	20.14	19.52	-
Kernal extraction rate (%)	**5.14**	5.51	5.72	5.55	-

** 3 months production only.*

AUDIT COMMITTEE REPORT

1. Introduction

The Board of Directors of United Malacca Berhad is pleased to present the Audit Committee Report for the financial year ended 30 April 2007 in accordance with Paragraph 15.16 of the Bursa Malaysia Securities Berhad's Listing Requirement.

2. Composition

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

Chairman: Tan Sri Dato' Abdul Aziz bin Hj Taha
(Independent Non - Executive Director)
- Retired on 22 September 2006

Tan Sri Dato' Ahmad bin Mohd Don
(Independent Non - Executive Director)
- Appointed as Chairman on 20 December 2006

Members: Ms Tan Siok Choo
(Non - Executive Director)

Datuk Fong Weng Phak
(Independent Non - Executive Director)

Mr Chua Ngoh Chuan
(Independent Non - Executive Director)
- Resigned on 29 January 2007

On 22 September 2006, Tan Sri Dato' Abdul Aziz bin Hj Taha retired as Chairman of the Audit Committee whilst Mr Chua Ngoh Chuan resigned as member of the Committee on 29 January 2007. On 20 December 2006, Tan Sri Dato' Ahmad bin Mohd Don was appointed as Chairman of the Audit Committee.

(i) The Audit Committee shall be appointed by the Board from amongst the Directors and comprise not less than three (3) members. The majority of the Audit Committee members must be Independent Directors of the Company.

(ii) The members of the Audit Committee shall elect the Chairman from among its members who is an Independent Non - Executive Director.

(iii) If the number of members for any reason falls below three (3), the Board 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 the MIA, he or she must have at least 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 by the Bursa Malaysia Securities Berhad.

AUDIT COMMITTEE REPORT *(cont'd)*

3. Objectives

(i) The Audit Committee is to serve as a focal point for communication between Directors, the External Auditors, Internal Auditor and the Management on matters in connection with financial accounting, reporting and controls.

(ii) The Audit Committee is to assist the Board 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's principal agent in ensuring the independence of the Company's External Auditors and the adequacy of disclosures to shareholders.

4. 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 both the Internal and External Auditors as well as to all employees of the Group.

(iii) To obtain external legal or other independent professional advice as necessary.

5. 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 Auditor 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 prior to submission to the Board for approval. The review should focus primarily on the 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 for approval of the Board the appointment and dismissal of the External Auditors and the audit fees.

(v) To approve the appointment of the Group Internal Auditor and ensure that the Group Internal Audit function is adequately supported by audit resources and has an independent status within the Group.

(vi) To review financial information and press releases relating to financial matters of importance.

(vii) 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.

(viii) To perform any other related duties as directed by the Board.

6. Meetings

The Audit Committee met on four (4) occasions during the financial year 2006/2007 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' Abdul Aziz bin Hj Taha *(retired on 22/9/2006)*	1 out of 2 meetings
Tan Sri Dato' Ahmad bin Mohd Don *(appointed as Director on 1/10/2006)*	2 out of 2 meetings
Ms Tan Siok Choo	4 out of 4 meetings
Datuk Fong Weng Phak	4 out of 4 meetings
Mr Chua Ngoh Chuan *(resigned on 29/1/2007)*	2 out of 3 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. The Chairman of the Audit Committee reports on key issues discussed at each meeting to the Board of Directors.

(i) Quorum

The quorum of the Audit Committee is two (2) members and the majority of members present must be Independent Directors.

(ii) 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.

7. Summary of Activities

Activities undertaken by the Audit Committee during the financial year 2006/2007 were:

(i) Reviewing and recommending for Board 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.

(iii) Reviewing and recommending for Board 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 shareholders to have a better insight into the operations of the Group.

(iv) Reviewing and approving the Annual Internal Audit Plan for the financial year 2006/2007 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 the financial year 2006/2007.

(vi) Reviewing the impact of new or proposed changes in accounting standards and regulatory requirements to the Company.

AUDIT COMMITTEE REPORT *(cont'd)*

7. **Summary of Activities** *(cont'd)*

(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 approval the draft Audit Committee Report for disclosure in the Group's Annual Report.

(ix) Reviewing and recommending for Board adoption the Group Risk Management Committee quarterly report on the risk profiles and Management action plans.

8. **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 inappropriately 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 recommendations for continuous improvement.

The Internal Audit Department, which is presently headed by a Manager and supported by two (2) Executives, undertakes the overall internal audit function of the Group. The Department reports directly to the Audit Committee to ensure its independence status within the Group.

Internal Audit Department assists the Audit Committee in discharging its duties and responsibilities with respect to the adequacy and integrity of the system of internal controls within the Group. For the financial year 2006/2007, Internal Audit Department had undertaken the following activities in accordance with the approved Annual Internal 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 improvements.

(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 system by reviewing the implementation of the risk assessment action plans by Management.

(v) Drafting the Audit Committee Report and Statement on Internal Control 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 27 June 2007.

CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors recognizes that the practice of good corporate governance is fundamental to the Group's continued success. To this, 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 ("the Code") are applied in all aspects of the Group's business with the objective of safeguarding and enhancing long-term stockholders' value and investors' interests.

The Board of Directors is pleased to report to the stockholders 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 2007.

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 Balance

The Board composition is annually reviewed by the Nomination Committee. The Board continued to be well balanced in which the substantial stockholders are adequately represented and the interests of minority stockholders are represented by the independent Directors.

The Board currently has six substantive Directors. The Board comprises the Chairman who is the Executive Director and five Non-Executive Directors of whom four are Independent. The Board composition complies with the requirements of the Code and paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad. The Directors of the Company are professionals from diverse backgrounds with experience in plantation business, financial, corporate, economics, legal and accounting which collectively, enable them to bring broader perpectives and depth in the Board's decision making.

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 stockholders, 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 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 8 to 10.

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. The Board meets at least quarterly with additional meetings convened as and when necessary. The Board held four Meetings during the financial year ended 30 April 2007. With the exception of Tan Sri Dato' Ahmad Bin Mohd Don and Mr. Tan Jiew Hoe who were appointed during the year, all other Directors have complied with the minimum 50% attendance as required by Paragraph 15.05 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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 and approval of the Group's quarterly and annual financial statements for announcement to Bursa Malaysia Securities Berhad. All matters arising, 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 will 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 also briefed the Board on progress of the Group's operations and updates on developments in the plantation industry. In addition, monthly reports on financial performance of the Company and Group, updates on new statutory and regulatory requirements are circulated to the Directors.

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 and the Remuneration Committee and the Tender 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.

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 ensures 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 two Independent Non-Executive Directors and one Executive Director. 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. An assessment of the effectiveness of the Board as a whole is also carried out annually by the Committee.

The Nomination Committee comprises the following Directors:-

Chairman	Tan Sri Dato' Ahmad Bin Mohd Don *Independent Non-Executive Director*
Members	Mr. Choi Siew Hong *Executive Director*
	Datuk Fong Weng Phak *Independent Non-Executive Director*

The Company Secretary ensures all appointments are properly effected and 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 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. Tan Sri Dato' Ahmad Bin Mohd Don and Mr. Tan Jiew Hoe who being appointed during the year, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

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 stockholders for approval at the company's Annual General Meeting.

CORPORATE GOVERNANCE *(cont'd)*

1. BOARD OF DIRECTORS *(cont'd)*

1.8 Directors' Training

Board members have attended training courses and seminars under the Continuous Education Programmes as required by Bursa Malaysia. During the year, the Directors have attended a talk on the recent development in the Roundtable on Sustainable Palm Oil by Malaysian Palm Oil Association and 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 one of its Board members who also sits 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 remuneration 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 stockholders at the Annual General Meeting.

Remuneration Committee comprises the following Directors: -

Chairman	Datuk Fong Weng Phak *Independent Non-Executive Director*
Members	Mr. Choi Siew Hong *Executive Director*
	Ms. Tan Siok Choo *Non-Executive Director*

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 2007.

The remuneration of the Directors for the financial year ended 30 April 2007 categorised into appropriate components and the number of Directors whose remuneration falls into each band of RM50,000 are set out on page 66 of this Annual Report.

3. SHAREHOLDERS

The Board recognizes the importance of accurate and timely dissemination of information to stockholders 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 stockholders and investing public with an overview of the Group's performance and operations.

The Annual General Meeting is the principal forum for dialogue between the Company and the stockholders. At the Annual General Meeting, stockholders are given the opportunity to participate

3. SHAREHOLDERS *(cont'd)*

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 stockholders. Upon requests from institutional investors and research analysts, Senior Management also meets them to explain the Group's performance and prospects 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 understandable assessment of the Group's financial position and prospects in its release of quarterly and annual financial statements to stockholders. In discharging the Board's responsibility to ensure quality financial reporting to its stockholders, 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 which enable them to ensure 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 prevent and detect 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 the regular reviews of the adequacy and integrity of those systems in order to safeguard stockholders' 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 present throughout the financial year.

The Statement on Internal Control as set out in pages 33 to 35 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 and highlighting thereat 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 24 to 27 of this Annual Report.

This statement is made in accordance with the resolution of the Board of Directors dated 27 June 2007.

STATEMENT ON INTERNAL CONTROL

1. Introduction

The Board of Directors of United Malacca Berhad is pleased to present the Statement on Internal Control of the Group comprising United Malacca Berhad and its wholly owned subsidiary companies, which outline the key elements of systems of internal control for the financial year ended 30 April 2007.

2. Board Responsibility

The Board has an overall responsibility for maintaining a sound system of internal controls 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 systems is designed to manage rather than eliminate the risk of failure to achieve 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 reviewed regularly 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 information for timely decision making on the continuity of the Group's investment in its associated companies.

3. Key Elements of Internal Controls System

3.1 Risk Management Framework

The Group has adopted a formal risk management framework since 2002 with the objective to facilitate the management of high impact risks at various levels within the organisation. 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.

As part of the risk management framework, a Group Risk Management Committee has been established and is headed by the Chief Executive Officer with the responsibility to continuously identify and communicate regularly to the Board the critical risks the Group faces, 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 register. 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.

(iii) Identifiying and assessing new risks faced by the Group's business in view of more stringent regulatory requirements. Mitigating plan and controls measures have been formulated and implemented to address these risks.

STATEMENT ON INTERNAL CONTROL *(cont'd)*

3. Key Elements of Internal Controls System *(cont'd)*

3.2 Internal Audit

The Group has in place an Internal Audit Department which 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 annual internal audit plan approved 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.

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 to the Audit Committee, which reviews the findings with Management during its meetings.

In addition, the External Auditors' management letters, recommendations and the response of Management provide added assurance that appropriate control procedures are in place and are being followed. In assessing the adequacy and effectiveness of the 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 Controls System

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

(i) Organisational Structure

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

(ii) 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 accountabilities and control procedures are in place for all operating units.

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

- *Authorisation Level 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.

- *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.

- *Tender Committee*

  Major purchases of goods and/or services and contract works are required to be tendered out and submitted to the Board Tender Committee for review and approval.

STATEMENT ON INTERNAL CONTROL *(cont'd)*

4. **Other Key Elements of Internal Controls System** *(cont'd)*

(iii) 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 team also monitor operational and financial performance as well as formulates action plans to focus on areas of concern.

Monthly financial and performance reports are submitted to the Board which includes the monitoring of results against budget, with major variances being explained. Quarterly financial results and 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 the Board meetings.

(iv) Estates 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.

(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.

5. **Conclusion**

The Board believes that the Group's system of internal controls only provides reasonable but 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 systems 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 27 June 2007.

OTHER INFORMATION

PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. **Utilisation of Proceeds**

   There were no issuance of new stock units, rights issue or issuance of bonds carried out during the year ended 30 April 2007 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 2007.

4. **American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")**

   The Company has not sponsored any ADR or GDR programme for the year ended 30 April 2007.

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 RM69,700 (please refer to page 65 of the audited financial statements).

7. **Variation in Results**

   There is no material variance between the results for the financial year ended 30 April 2007 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 year ended 30 April 2007.

9. **Revaluation Policy**

   The Company has not adopted a policy on regular revaluations on landed properties. This is disclosed in the financial statements under page 52.

10. **Material Contracts Involving Directors and Major Stockholders**

    There is no material contract involving the Company and its subsidiaries with directors and major stockholders of the Company either still subsisting at the end of the financial year ended 30 April 2007 or entered into since the end of that financial year.

FINANCIAL STATEMENTS

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 2007.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are described in Note 14 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	51,903	61,557

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 other than:

a) the effects arising from the changes in accounting policies due to the adoption of the new and revised FRSs which have resulted in an increase in the Group's profit for the year by RM759,000 as disclosed in Note 2.3(d)(i) to the financial statements; and

b) the effects arising from the changes in estimates where the estimated useful lives of property, plant and equipment were revised resulting in a decrease in the depreciation charges of the Group and of the Company by RM2,080,000 and RM167,000 respectively as disclosed in Note 2.5 to the financial statements.

DIVIDENDS

The amounts of dividends paid or declared by the Company since 30 April 2006 were as follows:

	RM'000
In respect of the financial year ended 30 April 2006 as reported in the directors' report of that year:	
Final dividend of 8% less 28% taxation, on 134,005,001 ordinary shares, declared on 22 September 2006 and paid on 13 October 2006	7,719

DIVIDENDS *(cont'd)*

	RM'000
In respect of the financial year ended 30 April 2007:	
Interim dividend of 6% less 27% taxation, on 134,005,001 ordinary shares, declared on 20 December 2006 and paid on 7 February 2007	5,869

At the forthcoming Annual General Meeting, a final dividend and a special dividend in respect of the financial year ended 30 April 2007, of 10% and 15% respectively, both less 27% taxation on 134,005,001 ordinary shares, amounting to total dividends payable of RM24,455,913 (18.25 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2008.

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	(appointed on 1 October 2006)
Tan Siok Choo	
Boon Weng Siew	
Datuk Fong Weng Phak	
Tan Sri Dato' Abdul Aziz bin Hj. Taha	(retired on 22 September 2006)
Chua Ngoh Chuan	(resigned on 29 January 2007)
Tan Jiew Hoe	(ceased as alternate to Chua Ngoh Chuan on 29 January 2007 and appointed as director of the Company on 30 March 2007)

In accordance with the Company's Article of Association, Tan Sri Dato' Ahmad bin Mohd Don and Tan Jiew Hoe retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Choi Siew Hong and Boon Weng Siew having already attained the age of seventy, retire 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 28 to the financial statements.

DIRECTORS' REPORT *(cont'd)*

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 May 2006	**Acquired**	**Sold**	**30 April 2007**
Company				
Direct Interest:				
Choi Siew Hong	225,937	-	-	225,937
Tan Siok Choo	378,354	-	-	378,354
Boon Weng Siew	11,250	-	-	11,250
Tan Jiew Hoe	114,750	-	-	114,750
Indirect Interest:				
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.

DIRECTORS' REPORT *(cont'd)*

OTHER STATUTORY INFORMATION *(cont'd)*

(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.

(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.

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 27 June 2007.

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 44 to 95 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable 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 2007 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 27 June 2007.

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 44 to 95 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 27 June 2007 **Lai Swee Kee**

Before me,
Lim How Cheong
Commissioner for Oaths
Melaka, Malaysia

REPORT OF THE AUDITORS

TO THE MEMBERS OF UNITED MALACCA BERHAD
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 44 to 95. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:

   (i) the financial position of the Group and of the Company as at 30 April 2007 and of the results and the cash flows of the Group and of the Company for the year then ended; and

   (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

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.

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.

Ernst & Young
AF: 0039
Chartered Accountants

Pushpanathan a/l S.A. Kanagarayar
No. 1056/03/09(J/PH)
Partner

Kuala Lumpur, Malaysia
30 June 2007

INCOME STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2007

	Note	Group 2007 RM'000	Group 2006 RM'000 (restated)	Company 2007 RM'000	Company 2006 RM'000
Revenue	3	**129,645**	114,007	**78,886**	25,248
Cost of sales	4	**(74,848)**	(78,599)	**(5,570)**	(5,004)
Gross profit		**54,797**	35,408	**73,316**	20,244
Other income		**11,228**	1,876	**10,975**	1,679
Administrative expenses		**(3,723)**	(3,595)	**(1,113)**	(773)
Selling and distribution expenses		**(2,427)**	(2,406)	**(565)**	(474)
Other expenses		**(255)**	(1,714)	**(100)**	(580)
Replanting expenses		**(6,050)**	(6,785)	**(2,475)**	(3,701)
Operating profit		**53,570**	22,784	**80,038**	16,395
Share of profit of associates		**9,506**	6,634	**-**	-
Profit before tax	5	**63,076**	29,418	**80,038**	16,395
Income tax expense	8	**(11,173)**	(5,323)	**(18,481)**	(2,355)
Profit for the year		**51,903**	24,095	**61,557**	14,040
Basic earnings per share (sen)	9(a)	**38.7**	18.0		

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

BALANCE SHEETS

AS AT 30 APRIL 2007

	Note	Group 2007 RM'000	Group 2006 RM'000 (restated)	Company 2007 RM'000	Company 2006 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**194,388**	185,439	**48,795**	40,952
Biological assets	12	**78,152**	72,723	**-**	-
Development expenditure	13	**1,264**	1,264	**-**	-
Investments in subsidiaries	14	**-**	-	**158,911**	158,911
Investments in associates	15	**166,629**	198,891	**72,699**	71,199
Other investments	16	**15,447**	5,902	**15,447**	5,902
Goodwill	17	**18,628**	18,628	**-**	-
Deferred tax assets	24	**-**	5,710	**-**	-
		474,508	488,557	**295,852**	276,964
Current assets					
Inventories	18	**5,351**	4,384	**218**	341
Trade and other receivables	19	**12,036**	12,375	**47,006**	55,810
Marketable securities	20	**8,986**	7,367	**8,986**	7,367
Cash and bank balances	21	**132,415**	79,861	**103,445**	65,549
		158,788	103,987	**159,655**	129,067
TOTAL ASSETS		**633,296**	592,544	**455,507**	406,031
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	22	**134,005**	134,005	**134,005**	134,005
Share premium		**6,346**	6,346	**6,346**	6,346
Revaluation reserve		**42,486**	41,129	**47,103**	46,349
Reserve on consolidation		**-**	871	**-**	-
Retained earnings	23	**412,886**	373,559	**261,996**	213,886
Total equity		**595,723**	555,910	**449,450**	400,586
Non-current liabilities					
Deferred tax liabilities	24	**21,536**	23,118	**1,140**	2,010
Current liabilities					
Trade and other payables	25	**14,468**	13,436	**3,967**	3,435
Current tax payable		**1,569**	80	**950**	-
		16,037	13,516	**4,917**	3,435
Total liabilities		**37,573**	36,634	**6,057**	5,445
TOTAL EQUITY AND LIABILITIES		**633,296**	592,544	**455,507**	406,031

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2007

		Non-distributable			Distributable	
	Share capital (Note 22) RM'000	Share premium RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Retained earnings (Note 23) RM'000	Total RM'000
At 1 May 2005						
As previously stated	134,005	6,346	41,284	871	363,766	546,272
Effects of adopting FRS 140 by an associate (Note 2.3(c)(ii))	-	-	-	-	(1,593)	(1,593)
At 1 May 2005 (restated)	134,005	6,346	41,284	871	362,173	544,679
Realisation of revaluation reserve upon depreciation	-	-	(155)	-	155	-
Profit for the year (restated)	-	-	-	-	24,095	24,095
Dividends (Note 10)	-	-	-	-	(12,864)	(12,864)
At 30 April 2006 (restated)	134,005	6,346	41,129	871	373,559	555,910
At 1 May 2006						
As previously stated	134,005	6,346	41,129	871	375,508	557,859
Effects of adopting FRS 140 by an associate (Note 2.3(c)(ii))	-	-	-	-	(1,949)	(1,949)
At 1 May 2006 (restated)	134,005	6,346	41,129	871	373,559	555,910
Effects of adopting FRS 3 (Note 2.3(a)(ii))	-	-	-	(871)	871	-
	134,005	6,346	41,129	-	374,430	555,910
Realisation of revaluation reserve upon depreciation	-	-	(136)	-	136	-
Realisation of revaluation reserve upon assets written off	-	-	(5)	-	5	-
Reversal of revaluation reserve upon abolishment of Real Property Gain Tax ("RPGT") (Note 24)	-	-	1,498	-	-	1,498
Profit for the year	-	-	-	-	51,903	51,903
Dividends (Note 10)	-	-	-	-	(13,588)	(13,588)
At 30 April 2007	134,005	6,346	42,486	-	412,886	595,723

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2007

		Non-distributable		Distributable	
	Share capital (Note 22) RM'000	Share premium RM'000	Revaluation reserve RM'000	Retained earnings (Note 23) RM'000	Total RM'000
At 1 May 2005	134,005	6,346	46,477	212,582	399,410
Realisation of revaluation reserve upon depreciation	-	-	(128)	128	-
Profit for the year	-	-	-	14,040	14,040
Dividends (Note 10)	-	-	-	(12,864)	(12,864)
At 30 April 2006	134,005	6,346	46,349	213,886	400,586
At 1 May 2006	134,005	6,346	46,349	213,886	400,586
Realisation of revaluation reserve upon depreciation	-	-	(136)	136	-
Realisation of revaluation reserve upon assets written off	-	-	(5)	5	-
Reversal of revaluation reserve upon abolishment of RPGT (Note 24)	-	-	895	-	895
Profit for the year	-	-	-	61,557	61,557
Dividends (Note 10)	-	-	-	(13,588)	(13,588)
At 30 April 2007	134,005	6,346	47,103	261,996	449,450

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2007

	Note	Group 2007 RM'000	Group 2006 RM'000 (restated)	Company 2007 RM'000	Company 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**63,076**	29,418	**80,038**	16,395
Adjustments for:					
Amortisation of goodwill	5	**-**	1,049	**-**	-
Depreciation	5	**4,722**	6,025	**603**	754
(Gain)/loss on disposal of marketable securities	5	**(1,632)**	384	**(1,632)**	384
Gain on disposal of other investments	5	**(7,609)**	(98)	**(7,609)**	(98)
Gain on disposal of property, plant and equipment	5	**(68)**	(128)	**(58)**	(57)
Property, plant and equipment written off	5	**176**	89	**27**	13
Provision for diminution in value of other investments	5	**-**	113	**-**	113
Provision of retirement benefit obligations	6	**-**	651	**-**	382
Reversal of provision for diminution in value of investment in an associate	5	**(1,500)**	(1,000)	**(1,500)**	(1,000)
Reversal of provision for diminution in value of marketable securities	5	**-**	(223)	**-**	(223)
Dividend income	3	**(1,521)**	(1,418)	**(60,456)**	(11,913)
Interest income	3	**(2,716)**	(2,251)	**(2,085)**	(1,748)
Share of profit of associates		**(9,506)**	(6,634)	**-**	-
Operating profit before working capital changes		**43,422**	25,977	**7,328**	3,002
(Increase)/decrease in inventories		**(967)**	463	**123**	(11)
(Increase)/decrease in receivables		**(213)**	(205)	**654**	(364)
Increase/(decrease) in payables		**1,032**	(82)	**532**	1,073
Decrease in retirement benefit obligations		**-**	(1,667)	**-**	(1,112)
Cash generated from operations		**43,274**	24,486	**8,637**	2,588
Dividend received from subsidiaries		**-**	-	**-**	8,581
Dividend received from associates		**43,268**	5,427	**43,268**	5,427
Dividend received from other investments		**1,235**	1,156	**1,235**	1,156
Interest received		**2,445**	2,329	**1,848**	1,820
Taxes paid		**(3,326)**	(4,420)	**(1,420)**	(1,746)
Taxes refunded		**481**	-	**-**	-
Net cash generated from operating activities		**87,377**	28,978	**53,568**	17,826

CASH FLOW STATEMENTS *(cont'd)*

FOR THE YEAR ENDED 30 APRIL 2007

	Note	Group 2007 RM'000	Group 2006 RM'000 (restated)	Company 2007 RM'000	Company 2006 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of biological assets		**(4,959)**	(7,904)	**-**	-
Proceeds from disposal of marketable securities		**17,059**	8,273	**17,059**	8,273
Proceeds from disposal of other investments		**8,064**	1,583	**8,064**	1,583
Proceeds from disposal of property, plant and equipment		**201**	204	**192**	74
Purchase of marketable securities		**(17,150)**	(8,835)	**(17,150)**	(8,835)
Purchase of other investment		**(10,000)**	-	**(10,000)**	-
Purchase of property, plant and equipment		**(14,450)**	(11,610)	**(8,607)**	(2,579)
Net cash used in investing activities		**(21,235)**	(18,289)	**(10,442)**	(1,484)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in deposits pledged		**(93)**	-	**-**	-
Repayment of advances to subsidiaries		**-**	-	**8,358**	149
Dividends paid		**(13,588)**	(12,864)	**(13,588)**	(12,864)
Net cash used in financing activities		**(13,681)**	(12,864)	**(5,230)**	(12,715)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**52,461**	(2,175)	**37,896**	3,627
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**79,454**	81,629	**65,549**	61,922
CASH AND CASH EQUIVALENTS AT END OF YEAR	21	**131,915**	79,454	**103,445**	65,549

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2007

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board 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 palms and investment holding. The principal activities of the subsidiaries are described in Note 14. 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 27 June 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2006 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical basis, except for the revaluation of certain freehold and leasehold lands and buildings included within property, plant and equipment.

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, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts 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.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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)*

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.

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.

Investments in associates are 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

(b) Associates *(cont'd)*

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

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(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 certain freehold and leasehold lands, and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Certain freehold and leasehold lands, 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 professionally qualified valuers.

The above mentioned freehold and leasehold lands, and buildings of the Group have not been revalued since the last revaluation in 1991. The directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of IAS 16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their 1991 valuation less accumulated depreciation and any accumulated impairment losses.

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. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

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

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. Leasehold land is depreciated on a straight-line basis over the period of the respective leases which range from 30 years to 99 years whilst 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% - 20%

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 comprise new planting expenditure on oil palm, which were previously classified under property, plant and equipment, and are now reclassified as biological assets in accordance with FRS 101.

New planting expenditure consisting of cost of land clearing, upkeep of trees to maturity and attributable depreciation charge is capitalised. The cost of new planting is not amortised. The normal period to maturity after the month of planting is 48 months. Net income from scout harvesting in immature areas is credited against new planting expenditure.

(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) Development Expenditure

Development expenditure comprise principally professional fees incurred in connection with the submission of development plans to the local land authorities in respect of the proposed development projects on freehold, long term and short term leasehold estates owned by the Company.

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

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

(h) Impairment of Non-financial Assets

The carrying amounts of the Group's assets, other than deferred tax assets 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.

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 a subsequent period. 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.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

(i) 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.

(j) 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, associates and investment property are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(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) Trade Receivables

Trade 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, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of deposits pledged.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

(j) Financial Instruments *(cont'd)*

(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) Trade Payables

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

(k) 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 negative 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.

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.

(l) 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.2 Summary of Significant Accounting Policies *(cont'd)*

(m) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense 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

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

(iii) Defined Benefit Plan

The Group operated an unfunded defined benefit scheme (the "Scheme") for those executives and staff eligible under the Scheme. The benefits payable were determined based on the length of service at a rate of one month's salary for each year of service upon retirement.

The liability in respect of the Scheme was calculated using the projected unit credit valuation method determined by an actuarial valuation carried out every two years by a professional actuarial firm.

Current service costs, past service costs and experience adjustments in respect of the Scheme are dealt with through the income statement.

However, during the previous financial year, the Group had discontinued the Scheme by transferring all the outstanding benefits payable to entitled executives and staff, to their respective Employees Provident Fund accounts before 30 April 2006.

(n) 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 currency 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 carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. 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.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

The MASB has issued a number of new and revised FRS and Interpretations that are effective for financial periods beginning on or after 1 January 2006. The Group has not early adopted FRS 117: Leases and FRS 124: Related Party Disclosures for its financial period beginning 1 May 2006.

Except for the changes in accounting policies and their effects as discussed below, the other new and revised FRSs and Interpretations do not have any other significant impact on the financial statements of the Group and of the Company.

(a) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138. In accordance with the transitional provisions, FRS 3 has been applied for business combinations for which the agreement date is on or after 1 January 2006.

(i) Goodwill

Prior to 1 May 2006, goodwill was amortised on a straight-line basis over its estimated useful life of 20 years and at each balance sheet date, the Group assessed if there was any indication of impairment of the cash-generating unit in which the goodwill is attached to. The adoption of FRS 3 and the revised FRS 136 has resulted in the Group ceasing annual goodwill amortisation. Goodwill is now carried at cost less accumulated impairment losses and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

In accordance with the transitional provisions of FRS 3, the Group has applied the revised accounting policy for goodwill prospectively from 1 May 2006. The transitional provisions of FRS 3 also required the Group to eliminate the carrying amount of the accumulated amortisation at 1 May 2006 amounting to RM2,361,000 against the carrying amount of goodwill. The net carrying amount of the goodwill as at 1 May 2006 of RM18,628,000 ceased to be amortised thereafter.

Because the revised accounting policy has been applied prospectively, the change has had no impact on amounts reported for the year ended 30 April 2006 or prior years. The effects on the consolidated income statement for the year ended 30 April 2007 and consolidated balance sheet as at 30 April 2007 are set out in Note 2.3(d)(i) and Note 2.3.(d)(ii) respectively. This change has no impact on the Company's financial statements.

(ii) Excess of Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as negative goodwill)

Prior to 1 May 2006, negative goodwill was credited to equity as reserve on consolidation and not amortised. Under FRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisitions, after reassessment, is now recognised immediately in profit or loss. In accordance with transitional provisions of FRS 3, the negative goodwill as at 1 May 2006 of RM871,000 was derecognised with a corresponding increase in retained earnings.

Because the revised accounting policy has been applied prospectively, the change has had no impact on amounts reported for the year ended 30 April 2006 or prior years. The effects on the consolidated balance sheet as at 30 April 2007 are set out in Note 2.3(d)(ii). This change has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs *(cont'd)*

(b) FRS 101: Presentation of Financial Statements

(i) Biological Assets

New planting expenditure which was previously classified under property, plant and equipment is now disclosed separately in the consolidated balance sheet as biological assets. The Group maintains its existing accounting policy on biological assets and will comply with the provisions of MASB Exposure Draft 50: Agriculture, the equivalent of International Accounting Standard 41, once it becomes effective for application in Malaysia. The current financial year's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with comparatives restated to conform with the current financial year's presentation.

This change in presentation has been applied retrospectively and as disclosed in Note 2.3(e), certain comparatives have been restated. The effects on the consolidated balance sheet as at 30 April 2007 are set out in Note 2.3(d)(ii). This change in presentation has no impact on the Company's financial statements.

(ii) Share of Profit of Associates

Prior to 1 May 2006, the Group's share of taxation of associates accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement. Upon the adoption of the revised FRS 101, the share of taxation of associates accounted for using the equity method are now included in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

This change in presentation has been applied retrospectively and as disclosed in Note 2.3(e), certain comparatives have been restated. The effects on the consolidated income statement for the year ended 30 April 2007 are set out in Note 2.3(d)(i). This change in presentation has no impact on the Company's financial statements.

(c) New and Revised FRSs adopted by Associates

During the current financial year, the associates of the Group have also adopted the new and revised FRSs. The adoption of these new and revised FRSs by the associates do not have significant impact on the Group's results other than as discussed below:

(i) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

Prior to adoption of FRS 3, goodwill of an associate was amortised on a straightline basis over its estimated useful life of 25 years and at each balance sheet date, the associate assessed if there was any indication of impairment of the cash generating unit in which the goodwill is attached to. The adoption of FRS 3 and the revised FRS 136 has resulted in the associate ceasing annual goodwill amortisation. Goodwill is now carried at cost less accumulated impairment losses and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Because the revised accounting policy has been applied prospectively, the change has had no impact on amounts reported for the year ended 30 April 2006 or prior years. The effects on the consolidated income statement for the year ended 30 April 2007 and consolidated balance sheet as at 30 April 2007 are set out in Note 2.3(d)(i) and Note 2.3(d)(ii) respectively. This change has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs *(cont'd)*

(c) New and Revised FRSs adopted by Associates *(cont'd)*

(ii) FRS 140: Investment Property

Prior to adoption of FRS 3, investment properties of an associate were not depreciated and stated at cost less any accumulated impairment losses. The associate has now adopted the cost model of FRS 140 for investment properties which requires investment properties to be stated at cost less accumulated depreciation and any accumulated impairment losses. This change in accounting policy requires depreciation and the consequential deferred tax adjustments to be applied retrospectively by the associate.

The impact of this change in accounting policy by the associate has been accounted for retrospectively by the Group and as disclosed in Note 2.3(e), certain comparatives have been restated. The effects on the consolidated income statement for the year ended 30 April 2007 and consolidated balance sheet as at 30 April 2007 are set out in Note 2.3(d)(i) and Note 2.3(d)(ii) respectively. This change has no impact on the Company's financial statements.

(d) Summary of effects of adopting new and revised FRSs on the current year's financial statements

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement for the year ended 30 April 2007 and consolidated balance sheet at as 30 April 2007 is higher or lower than it would have been had the previous policies been applied in the current year:

(i) Effects on consolidated income statement for the year ended 30 April 2007

	Increase/(Decrease)			
Description of change	**FRS 3 Note 2.3(a)(i) and 2.3(c)(i) RM'000**	**FRS 101 Note 2.3(b)(ii) RM'000**	**FRS 140 Note 2.3(c)(ii) RM'000**	**Total RM'000**
Other expenses	(1,049)	-	-	(1,049)
Operating profit	1,049	-	-	1,049
Share of profit of associates	90	(3,332)	(380)	(3,622)
Profit before tax	1,139	(3,332)	(380)	(2,573)
Income tax expense	-	(3,332)	-	(3,332)
Profit for the year	1,139	-	(380)	759

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs *(cont'd)*

(d) Summary of effects of adopting new and revised FRSs on the current year's financial statements *(cont'd)*

(ii) Effects on consolidated balance sheet as at 30 April 2007

	Increase/(Decrease)			
Description of change	**FRS 3 Note 2.3(a) and 2.3(c)(i) RM'000**	**FRS 101 Note 2.3(b)(i) RM'000**	**FRS 140 Note 2.3(c)(ii) RM'000**	**Total RM'000**
Property, plant and equipment	-	(78,152)	-	(78,152)
Biological assets	-	78,152	-	78,152
Investments in associates	90	-	(380)	(290)
Goodwill	1,049	-	-	1,049
Reserve on consolidation	(871)	-	-	(871)
Retained earnings	2,010	-	(380)	1,630
Total equity	1,139	-	(380)	759

(e) Restatement of comparatives

The following comparative amounts have been restated as a result of adopting the new and revised FRSs:

		Increase/(Decrease)		
Description of change	**Previously stated RM'000**	**FRS 101 Note 2.3(b)(ii) RM'000**	**FRS 140 Note 2.3(c)(ii) RM'000**	**Restated RM'000**
Consolidated income statement for the year ended 30 April 2006				
Share of profit of associates	9,846	(2,856)	(356)	6,634
Profit before tax	32,630	(2,856)	(356)	29,418
Income tax expense	8,179	(2,856)	-	5,323
Profit for the year	24,451	-	(356)	24,095

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs *(cont'd)*

(e) Restatement of comparatives *(cont'd)*

Description of change	Previously stated RM'000	Increase/(Decrease) FRS 101 Note 2.3(b)(i) RM'000	Increase/(Decrease) FRS 140 Note 2.3(c)(ii) RM'000	Restated RM'000
Consolidated balance sheet as at 30 April 2006				
Property, plant and equipment	258,162	(72,723)	-	185,439
Biological assets	-	72,723	-	72,723
Investments in associates	200,840	-	(1,949)	198,891
Retained earnings	375,508	-	(1,949)	373,559

2.4 Standards and Interpretation Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRSs, amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRS, Amendment to FRS and Interpretations	Effective for financial period beginning on or after
FRS 117: Leases	1 October 2006
FRS 124: Related Party Disclosures	1 October 2006
FRS 139: Financial Instruments: Recognition and Measurement	Deferred
FRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119_{2004}: Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Change in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Liabilities	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 117, FRS 124 and FRS 139.

The other FRSs, amendments to FRS and Interpretations are not expected to have significant impacts on the financial statements of the Group and of the Company upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.5 Changes in Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual values and the remaining useful life of property, plant and equipment at least at each financial year end. The Group revised the estimated useful lives of property, plant and equipment with effect from 1 May 2006. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges of the Group and of the Company for the current financial year have been reduced by RM2,080,000 and RM167,000 respectively.

2.6 Significant Accounting Estimates and Judgements

(a) Critical Judgement Made in Applying Accounting Policies

The following is the judgement 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 judgement 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 2007 was RM18,628,000 (2006: RM18,628,000). Further details are disclosed in Note 17.

(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) 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 judgement 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.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.6 Significant Accounting Estimates and Judgements *(cont'd)*

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

(iv) Income tax

Judgement 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 recognises 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

Revenue of the Group and of the Company consist of the following:

	Group		**Company**	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sale of oil palm products	**125,408**	110,337	**16,345**	11,586
Sale of other crops	**-**	1	**-**	1
	125,408	110,338	**16,345**	11,587
Dividend income from subsidiaries	**-**	-	**-**	5,147
Dividend income from associates	**-**	-	**58,935**	5,348
Dividend income from other investments	**1,521**	1,418	**1,521**	1,418
Interest income	**2,716**	2,251	**2,085**	1,748
	129,645	114,007	**78,886**	25,248

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 2007

5. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Employee benefits expense (Note 6)	**16,853**	16,321	**3,120**	3,186
Non-executive directors' remuneration (Note 7)	**157**	150	**152**	145
Auditors' remuneration:				
- Statutory audits	**84**	84	**33**	33
- Other services	**70**	31	**53**	16
Amortisation of goodwill (Note 17)	**-**	1,049	**-**	-
Depreciation	**4,722**	6,025	**603**	754
Loss on foreign exchange	**1**	5	**1**	5
Property, plant and equipment written off	**176**	89	**27**	13
Provision for diminution in value of other investments	**-**	113	**-**	113
(Gain)/loss on disposal of marketable securities	**(1,632)**	384	**(1,632)**	384
Gain on disposal of other investments	**(7,609)**	(98)	**(7,609)**	(98)
Gain on disposal of property, plant and equipment	**(68)**	(128)	**(58)**	(57)
Rental income	**(64)**	(47)	**(42)**	(27)
Reversal of provision for diminution in value of investment in an associate	**(1,500)**	(1,000)	**(1,500)**	(1,000)
Reversal of provision for diminution in value of marketable securities	**-**	(223)	**-**	(223)

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Wages and salaries	**15,237**	14,113	**2,760**	2,441
Employees Provident Fund	**1,065**	1,051	**208**	247
Social security costs	**103**	98	**25**	22
Retirement costs - defined benefit plan	**-**	651	**-**	382
Other staff related expenses	**448**	408	**127**	94
	16,853	16,321	**3,120**	3,186

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM191,000 (2006: RM186,000) and RM188,000 (2006: RM183,000) respectively as further disclosed in Note 7.

The Group operated an unfunded defined benefit scheme (the "Scheme") for those executives and staff eligible under the Scheme. The benefits payable were determined based on the length of service at a rate of one month's salary for each year of service upon retirement.

The liability in respect of the Scheme was calculated using the projected unit credit valuation method determined by an actuarial valuation carried out every two years by a professional actuarial firm.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

6. EMPLOYEE BENEFITS EXPENSE *(cont'd)*

Current service costs, past service costs and experience adjustments in respect of the Scheme are dealt with through the income statement.

However, during the previous financial year, the Group had discontinued the Scheme by transferring all the outstanding benefits payable to entitled executives and staff, to their respective Employees Provident Fund accounts before 30 April 2006.

The amounts recognised in the income statement are as follows:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Current service cost	**-**	438	**-**	237
Interest cost	**-**	213	**-**	145
Total, included in staff costs	**-**	651	**-**	382

7. DIRECTORS' REMUNERATION

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Executive directors' remuneration (Note 6):				
Fees	**43**	43	**40**	40
Other emoluments	**148**	143	**148**	143
	191	186	**188**	183
Non-executive directors' remuneration (Note 5):				
Fees	**105**	105	**100**	100
Other emoluments	**52**	45	**52**	45
	157	150	**152**	145
Total directors' remuneration	**348**	336	**340**	328
Estimated money value of benefits-in-kind	**17**	17	**17**	17
Total directors' remuneration including benefits-in-kind	**365**	353	**357**	345

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

	Number of directors	
	2007	**2006**
Executive director:		
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	1	-
Non-executive directors:		
Below RM50,000	7	5

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

8. INCOME TAX EXPENSE

	Group		Company	
	2007 RM'000	**2006 RM'000 (restated)**	**2007 RM'000**	**2006 RM'000**
Current income tax:				
Current year	**5,850**	2,702	**18,730**	2,355
Overprovision in prior years	**(303)**	(30)	**(274)**	-
	5,547	2,672	**18,456**	2,355
Deferred tax (Note 24):				
Recognition of deferred tax assets	**-**	-	**(187)**	-
Utilisation of deferred tax assets	**4,894**	1,983	**-**	147
Recognition of deferred tax liabilities	**732**	668	**212**	-
Reversal of deferred tax liabilities	**-**	-	**-**	(147)
	5,626	2,651	**25**	-
	11,173	5,323	**18,481**	2,355

Current income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008. The computation of deferred tax as at 30 April 2007 has reflected this change.

The concessionary income tax applicable to subsidiaries with paid-up capital of RM2,500,000 and below is 20% on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the tax rate of 27% is applicable.

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	
	2007 RM'000	**2006 RM'000 (restated)**	**2007 RM'000**	**2006 RM'000**
Profit before tax	**63,076**	29,418	**80,038**	16,395
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	**17,031**	8,237	**21,610**	4,591
Effect of different tax rate for first RM500,000 at 20%	**(70)**	(80)	**-**	-
Effect of changes in tax rates on deferred tax	**41**	-	**(88)**	-
Effect of expenditure capitalised allowable for tax deduction	**(307)**	(905)	**-**	-
Effect of income not subject to tax	**(2,713)**	(420)	**(2,975)**	(2,549)
Effect of expenses not deductible for tax purpose	**182**	862	**91**	313
Effect of utilisation of current year reinvestment allowance	**(244)**	(477)	**-**	-
Overprovision of current income tax in prior years	**(303)**	(30)	**(274)**	-
Under/(over)provision of deferred tax in prior years	**123**	(6)	**117**	-
Effect of share of profit of associates	**(2,567)**	(1,858)	**-**	-
Income tax expense for the year	**11,173**	5,323	**18,481**	2,355

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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 2007	Group 2006
Profit for the year (RM'000)	**51,903**	24,095
Number of ordinary shares in issue ('000)	**134,005**	134,005
Basic earnings per share (sen)	**38.7**	18.0

The comparative basic earnings per share has been restated to take into account the effects of the changes in accounting policies (Note 2.3(e)) on profit for that year.

(b) Diluted earnings per share

For the current and previous financial year, there are no shares in issuance which will have a dilutive effect to the earnings per share of the Group.

10. DIVIDENDS

	Group and Company				
	Dividends in respect of Year			Dividends Recognised in Year	
	2007 RM'000	2006 RM'000	2005 RM'000	2007 RM'000	2006 RM'000
Recognised during the year:					
Final dividend for 2005: 6% tax exempt, on 134,005,001 ordinary shares (6.0 sen net per ordinary share)	**-**	-	8,040	**-**	8,040
Interim dividend for 2006: 5% less 28% taxation, on 134,005,001 ordinary shares (3.6 sen net per ordinary share)	**-**	4,824	-	**-**	4,824
Final dividend for 2006: 8% less 28% taxation, on 134,005,001 ordinary shares (5.76 sen net per ordinary share)	**-**	7,719	-	**7,719**	-
Interim dividend for 2007: 6% less 27% taxation, on 134,005,001 ordinary shares (4.38 sen net per ordinary share)	**5,869**	-	-	**5,869**	-

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

10. DIVIDENDS *(cont'd)*

	Group and Company				
	Dividends in respect of Year			Dividends Recognised in Year	
	2007 RM'000	2006 RM'000	2005 RM'000	2007 RM'000	2006 RM'000
Proposed for approval at AGM (not recognised as at 30 April 2007):					
Final dividend for 2007: 10% less 27% taxation, on 134,005,001 ordinary shares (7.3 sen net per ordinary share)	**9,782**	-	-	**-**	-
Special dividend for 2007: 15% less 27% taxation, on 134,005,001 ordinary shares (10.95 sen net per ordinary share)	**14,674**	-	-	**-**	-
	30,325	12,543	8,040	**13,588**	12,864

At the forthcoming Annual General Meeting, a final dividend and a special dividend in respect of the financial year ended 30 April 2007, of 10% and 15% respectively, both less 27% taxation on 134,005,001 ordinary shares, amounting to total dividends payable of RM24,455,913 (18.25 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2008.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

11. PROPERTY, PLANT AND EQUIPMENT

	*Land and Buildings RM'000	Plant and Machinery RM'000	Office Equipment, Furniture and Fittings RM'000	Motor Vehicles, Tractors, Trailers and Boats RM'000	Capital Work-In-Progress RM'000	Total RM'000
Group						
At 30 April 2007						
Cost or valuation						
At 1 May 2006						
At cost	115,696	26,500	1,733	10,867	3,052	157,848
At valuation	53,464	-	-	-	-	53,464
	169,160	26,500	1,733	10,867	3,052	211,312
Additions	4,049	125	96	1,386	8,794	14,450
Disposals	-	-	-	(358)	-	(358)
Write off	(247)	(279)	(102)	(407)	-	(1,035)
Reclassifications	7,165	2,883	986	-	(11,034)	-
At 30 April 2007	180,127	29,229	2,713	11,488	812	224,369
Representing:						
At cost	126,746	29,229	2,713	11,488	812	170,988
At valuation (Note 11(a))	53,381	-	-	-	-	53,381
At 30 April 2007	180,127	29,229	2,713	11,488	812	224,369
Accumulated depreciation						
At 1 May 2006	13,370	6,066	1,067	5,370	-	25,873
Depreciation charge for the year (Note 11(b))	2,711	1,643	157	681	-	5,192
Disposals	-	-	-	(225)	-	(225)
Write off	(149)	(219)	(96)	(395)	-	(859)
At 30 April 2007	15,932	7,490	1,128	5,431	-	29,981
Net carrying amount						
At cost	116,850	21,739	1,585	6,057	812	147,043
At valuation	47,345	-	-	-	-	47,345
At 30 April 2007	164,195	21,739	1,585	6,057	812	194,388

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

	*Land and Buildings RM'000	Plant and Machinery RM'000	Office Equipment, Furniture and Fittings RM'000	Motor Vehicles, Tractors, Trailers and Boats RM'000	Capital Work-In-Progress RM'000	Total RM'000
Group *(cont'd)*						
At 30 April 2006						
Cost or valuation						
At 1 May 2005						
At cost	111,874	23,304	1,763	9,726	1,633	148,300
At valuation	53,464	-	-	-	-	53,464
	165,338	23,304	1,763	9,726	1,633	201,764
Additions	1,882	407	70	2,219	7,032	11,610
Disposals	-	-	(6)	(927)	-	(933)
Write off	(68)	(782)	(128)	(151)	-	(1,129)
Reclassifications	2,008	3,571	34	-	(5,613)	-
At 30 April 2006	169,160	26,500	1,733	10,867	3,052	211,312
Representing:						
At cost	115,696	26,500	1,733	10,867	3,052	157,848
At valuation	53,464	-	-	-	-	53,464
At 30 April 2006	169,160	26,500	1,733	10,867	3,052	211,312
Accumulated depreciation						
At 1 May 2005	10,622	4,250	966	5,102	-	20,940
Depreciation charge for the year (Note 11(b))	2,798	2,557	212	1,263	-	6,830
Disposals	-	-	(3)	(854)	-	(857)
Write off	(50)	(741)	(108)	(141)	-	(1,040)
At 30 April 2006	13,370	6,066	1,067	5,370	-	25,873
Net carrying amount						
At cost	108,123	20,434	666	5,497	3,052	137,772
At valuation	47,667	-	-	-	-	47,667
At 30 April 2006	155,790	20,434	666	5,497	3,052	185,439

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

* LAND AND BUILDINGS

	Freehold Land RM'000	Long Term Leasehold Land RM'000	Short Term Leasehold Land RM'000	Buildings RM'000	Total RM'000
Group *(cont'd)*					
At 30 April 2007					
Cost or valuation					
At 1 May 2006					
At cost	1,491	84,765	5,079	24,361	115,696
At valuation	41,218	1,307	8,062	2,877	53,464
	42,709	86,072	13,141	27,238	169,160
Additions	-	8	547	3,494	4,049
Write off	-	-	-	(247)	(247)
Reclassifications	-	-	-	7,165	7,165
At 30 April 2007	42,709	86,080	13,688	37,650	180,127
Representing:					
At cost	1,491	84,773	5,626	34,856	126,746
At valuation	41,218	1,307	8,062	2,794	53,381
At 30 April 2007	42,709	86,080	13,688	37,650	180,127
Accumulated Depreciation					
At 1 May 2006	-	3,365	3,728	6,277	13,370
Depreciation charge for the year	-	1,141	404	1,166	2,711
Write off	-	-	-	(149)	(149)
At 30 April 2007	-	4,506	4,132	7,294	15,932
Net carrying amount					
At cost	1,491	80,570	4,912	29,877	116,850
At valuation	41,218	1,004	4,644	479	47,345
At 30 April 2007	42,709	81,574	9,556	30,356	164,195

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

*** LAND AND BUILDINGS**

	Freehold Land RM'000	Long Term Leasehold Land RM'000	Short Term Leasehold Land RM'000	Buildings RM'000	Total RM'000
Group *(cont'd)*					
At 30 April 2006					
Cost or valuation					
At 1 May 2005					
At cost	1,491	84,745	4,493	21,145	111,874
At valuation	41,218	1,307	8,062	2,877	53,464
	42,709	86,052	12,555	24,022	165,338
Additions	-	20	586	1,276	1,882
Write off	-	-	-	(68)	(68)
Reclassifications	-	-	-	2,008	2,008
At 30 April 2006	42,709	86,072	13,141	27,238	169,160
Representing:					
At cost	1,491	84,765	5,079	24,361	115,696
At valuation	41,218	1,307	8,062	2,877	53,464
At 30 April 2006	42,709	86,072	13,141	27,238	169,160
Accumulated Depreciation					
At 1 May 2005	-	2,225	3,357	5,040	10,622
Depreciation charge for the year	-	1,140	371	1,287	2,798
Write off	-	-	-	(50)	(50)
At 30 April 2006	-	3,365	3,728	6,277	13,370
Net carrying amount					
At cost	1,491	81,681	4,551	20,400	108,123
At valuation	41,218	1,026	4,862	561	47,667
At 30 April 2006	42,709	82,707	9,413	20,961	155,790

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

	*Land and 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 2007						
Cost or valuation						
At 1 May 2006						
At cost	5,102	1,186	630	1,975	3,052	11,945
At valuation	38,308	-	-	-	-	38,308
	43,410	1,186	630	1,975	3,052	50,253
Additions	177	-	47	429	7,954	8,607
Disposals	-	-	-	(286)	-	(286)
Write off	(114)	(20)	(12)	(56)	-	(202)
Reclassifications	7,165	2,856	985	-	(11,006)	-
At 30 April 2007	50,638	4,022	1,650	2,062	-	58,372
Representing:						
At cost	12,413	4,022	1,650	2,062	-	20,147
At valuation	38,225	-	-	-	-	38,225
At 30 April 2007	50,638	4,022	1,650	2,062	-	58,372
Accumulated depreciation						
At 1 May 2006	6,353	970	522	1,456	-	9,301
Depreciation charge for the year	398	72	39	94	-	603
Disposals	-	-	-	(152)	-	(152)
Write off	(91)	(20)	(12)	(52)	-	(175)
At 30 April 2007	6,660	1,022	549	1,346	-	9,577
Net carrying amount						
At cost	10,985	3,000	1,101	716	-	15,802
At valuation	32,993	-	-	-	-	32,993
At 30 April 2007	43,978	3,000	1,101	716	-	48,795

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

	*Land and 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 *(cont'd)*						
At 30 April 2006						
Cost or valuation						
At 1 May 2005						
At cost	4,940	1,303	633	2,163	792	9,831
At valuation	38,308	-	-	-	-	38,308
	43,248	1,303	633	2,163	792	48,139
Additions	192	-	31	96	2,260	2,579
Disposals	-	-	(6)	(267)	-	(273)
Write off	(30)	(117)	(28)	(17)	-	(192)
At 30 April 2006	43,410	1,186	630	1,975	3,052	50,253
Representing:						
At cost	5,102	1,186	630	1,975	3,052	11,945
At valuation	38,308	-	-	-	-	38,308
At 30 April 2006	43,410	1,186	630	1,975	3,052	50,253
Accumulated depreciation						
At 1 May 2005	5,925	1,003	506	1,548	-	8,982
Depreciation charge for the year	451	82	46	175	-	754
Disposals	-	-	(3)	(253)	-	(256)
Write off	(23)	(115)	(27)	(14)	-	(179)
At 30 April 2006	6,353	970	522	1,456	-	9,301
Net carrying amount						
At cost	3,761	216	108	519	3,052	7,656
At valuation	33,296	-	-	-	-	33,296
At 30 April 2006	37,057	216	108	519	3,052	40,952

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

* LAND AND BUILDINGS

	Freehold Land RM'000	Long Term Leasehold Land RM'000	Short Term Leasehold Land RM'000	Buildings RM'000	Total RM'000
Company *(cont'd)*					
At 30 April 2007					
Cost or valuation					
At 1 May 2006					
At cost	1,491	1,106	-	2,505	5,102
At valuation	27,035	1,306	8,062	1,905	38,308
	28,526	2,412	8,062	4,410	43,410
Additions	-	-	-	177	177
Write off	-	-	-	(114)	(114)
Reclassifications	-	-	-	7,165	7,165
At 30 April 2007	28,526	2,412	8,062	11,638	50,638
Representing:					
At cost	1,491	1,106	-	9,816	12,413
At valuation	27,035	1,306	8,062	1,822	38,225
At 30 April 2007	28,526	2,412	8,062	11,638	50,638
Accumulated depreciation					
At 1 May 2006	-	310	3,200	2,843	6,353
Depreciation charge for the year	-	34	218	146	398
Write off	-	-	-	(91)	(91)
At 30 April 2007	-	344	3,418	2,898	6,660
Net carrying amount					
At cost	1,491	1,064	-	8,430	10,985
At valuation	27,035	1,004	4,644	310	32,993
At 30 April 2007	28,526	2,068	4,644	8,740	43,978

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

*** LAND AND BUILDINGS**

	Freehold Land RM'000	Long Term Leasehold Land RM'000	Short Term Leasehold Land RM'000	Buildings RM'000	Total RM'000
Company *(cont'd)*					
At 30 April 2006					
Cost or valuation					
At 1 May 2005					
At cost	1,491	1,106	-	2,343	4,940
At valuation	27,035	1,306	8,062	1,905	38,308
	28,526	2,412	8,062	4,248	43,248
Additions	-	-	-	192	192
Write off	-	-	-	(30)	(30)
At 30 April 2006	28,526	2,412	8,062	4,410	43,410
Representing:					
At cost	1,491	1,106	-	2,505	5,102
At valuation	27,035	1,306	8,062	1,905	38,308
At 30 April 2006	28,526	2,412	8,062	4,410	43,410
Accumulated depreciation					
At 1 May 2005	-	266	3,000	2,659	5,925
Depreciation charge for the year	-	44	200	207	451
Write off	-	-	-	(23)	(23)
At 30 April 2006	-	310	3,200	2,843	6,353
Net carrying amount					
At cost	1,491	1,076	-	1,194	3,761
At valuation	27,035	1,026	4,862	373	33,296
At 30 April 2006	28,526	2,102	4,862	1,567	37,057

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

(a) In 1991, the properties were revalued by a firm of professional valuers based on the open market values on an existing use basis and the details of independent professional valuation of properties owned by the Group as at 30 April 2007 are as follows:

Description of Property	Valuation Amount RM'000
Awana Condominium at Genting Highlands	267
Land and buildings at Batu Anam	10,984
Land and buildings at Machap	9,381
Land and buildings at Malaka Pinda	3,397
Land and buildings at Masjid Tanah	4,667
Land and buildings at Pelin	2,700
Land and buildings at Rantau	15,156
Land and buildings at Selandar	3,007
Land and buildings at Tampin	3,822
	53,381

Had the revalued properties been carried under the cost model, the carrying amounts of each class of properties that would have been included in the financial statements of the Group and of the Company would be as follows:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Freehold land	**11,252**	11,252	**9,130**	9,130
Long term leasehold land	**409**	418	**409**	418
Short term leasehold land	**1,778**	1,854	**1,778**	1,854
Buildings	**39**	47	**26**	34
	13,478	13,571	**11,343**	11,436

(b) Included in the depreciation charge for the year of the Group is an amount of RM470,000 (2006: RM805,000) which has been capitalised in additions of biological assets during the financial year as disclosed in Note 12.

(c) Government land acquisitions

Year	Location	Hectarage	Quantum Awarded RM'000	Quantum Received as at 30 April 2007 RM'000
1995 *	Malaka Pinda Division	64.89	4,925	4,925
1996 *	Malaka Pinda Division	337.51	30,692	29,883
2001 *	Pelin Division	21.11	2,013	2,013

* The Company has filed appeals against the quantum of the compensation awarded on the above acquisitions and the cases are pending adjudication by the High Court and Federal Court.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

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

(d) Included in the land and building of the Company are freehold, long term and short term leasehold lands with carrying value amounting to RM13,164,000 (2006: RM13,395,000) which will be sold to the subsidiaries upon approval of the development and layout plan by the local land authorities as set out in the sale and purchase agreements as disclosed to in Note 13.

12. BIOLOGICAL ASSETS

	Group	
	2007	**2006**
	RM'000	**RM'000**
At cost:		
At beginning of financial year	**72,723**	64,044
Additions	**5,429**	8,679
At end of financial year	**78,152**	72,723

Included in additions of biological assets of the Group is an amount of RM470,000 (2006: RM805,000) being depreciation of assets which has been capitalised during the financial year as disclosed in Note 11(b).

13. DEVELOPMENT EXPENDITURE

	Group	
	2007	**2006**
	RM'000	**RM'000**
Development expenditure, at cost	**1,752**	1,752
Compensation received from government land acquisition	**(488)**	(488)
	1,264	1,264

Development expenditure comprises principally professional fees incurred by two subsidiaries in connection with the submission of development plans to the local land authorities in respect of the proposed development projects on freehold, long term and short term leasehold lands owned by the Company.

Upon approval of the development and layout plan by the local land authorities, as set-out in the sale and purchase agreements, the Company will sell the freehold, long term and short term leasehold lands to the subsidiaries concerned at a purchase consideration to be determined based on an independent valuation to be done on those freehold, long term and short term leasehold lands as disclosed in Note 11(d).

14. INVESTMENTS IN SUBSIDIARIES

	Company 2007 RM'000	Company 2006 RM'000
Unquoted shares:		
At cost	**141,780**	141,780
At 1991 valuation	**17,131**	17,131
	158,911	158,911

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest (%) 2007	Proportion of Ownership Interest (%) 2006	Principal Activities
Leong Hin San Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palms
Meridian Plantations Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palms and palm oil milling
Syarikat Penanaman Bukit Senorang Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palms and palm oil milling
South East Pahang Oil Palm Berhad	Malaysia	**100**	100	Cultivation of oil palms
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

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

15. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2007 RM'000	**2006 RM'000 (restated)**	**2007 RM'000**	**2006 RM'000**
Quoted shares:				
At cost	**43,058**	43,058	**43,058**	43,058
At 1991 valuation	**18,853**	18,853	18,853	18,853
	61,911	61,911	**61,911**	61,911
Unquoted shares:				
At cost	**19,841**	19,841	**19,841**	19,841
	81,752	81,752	**81,752**	81,752
Share of post acquisition reserves	**84,877**	117,139	**-**	-
Total investments in associates	**166,629**	198,891	**81,752**	81,752
Less: Accumulated impairment losses	**-**	-	**(9,053)**	(10,553)
	166,629	198,891	**72,699**	71,199
Market value of quoted shares	**123,355**	208,563	**123,355**	208,563

(a) The share of results of the associates for the current financial year are for the twelve months period ended 31 March 2007, incorporating the nine months period ended 31 December 2006 based on the latest audited financial statements for the financial year ended 31 December 2006 and the management financial statements for the three months period ended 31 March 2007.

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

Name of Associates	Country of Incorporation	Proportion of Ownership Interest (%) 2007	2006	Principal Activities	Financial Year End
PacificMas Berhad	Malaysia	**20.85**	20.85	Investment holding and provision of management services	31 December
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

* Associate not audited by Ernst & Young.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

15. INVESTMENTS IN ASSOCIATES *(cont'd)*

(c) The Group's interest in the associates is analysed as follows:

	2007 RM'000	2006 RM'000 (restated)
Assets and liabilities		
Current assets	**159,290**	192,976
Non-current assets	**115,425**	116,389
Total assets	**274,715**	309,365
Current liabilities	**100,301**	101,304
Non-current liabilities	**6,808**	4,834
Total liabilities	**107,109**	106,138
Results		
Revenue	**84,919**	79,521
Profit for the year	**9,506**	6,634

16. OTHER INVESTMENTS

	Group and Company 2007 RM'000	2006 RM'000
Quoted investments, at cost:		
In Malaysia		
- shares	**955**	1,410
- unit trusts	**14,000**	4,000
Outside Malaysia		
- unit trusts	**312**	312
	15,267	5,722
Unquoted investments, at cost:		
Outside Malaysia		
- shares	**293**	293
Total other investments	**15,560**	6,015
Less: Accumulated impairment losses	**(113)**	(113)
	15,447	5,902

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

16. OTHER INVESTMENTS *(cont'd)*

	Group and Company	
	2007	**2006**
	RM'000	**RM'000**
Market value of quoted investments:		
In Malaysia		
- shares	**19,317**	18,753
- unit trusts	**16,133**	4,367
Outside Malaysia		
- unit trusts	**690**	700
	36,140	23,820

17. GOODWILL

	Group	
	2007	**2006**
	RM'000	**RM'000**
Cost		
At 1 May 2006/2005	**20,989**	20,989
Effect of adopting FRS 3 (Note 2.3 (a)(i))	**(2,361)**	-
At 30 April	**18,628**	20,989
Accumulated amortisation		
At 1 May 2006/2005	**2,361**	1,312
Amortisation for the year (Note 5)	**-**	1,049
Effect of adopting FRS 3 (Note 2.3 (a)(i))	**(2,361)**	-
At 30 April	**-**	2,361
Net carrying amount	**18,628**	18,628

<u>Impairment test for goodwill</u>

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 converting 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.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

17. GOODWILL *(cont'd)*

Impairment test for goodwill

Key assumptions used in value-in-use calculations *(cont'd)*

(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.

18. INVENTORIES

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
At cost:				
Produce stocks	**3,452**	1,549	**-**	-
Nursery stocks	**360**	585	**152**	122
Estate and palm oil mill stores	**1,539**	2,250	**66**	219
	5,351	4,384	**218**	341

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Trade receivables				
Subsidiary	**-**	-	**744**	642
Third parties	**5,738**	4,884	**109**	164
	5,738	4,884	**853**	806
Other receivables				
Amounts due from subsidiaries				
- current account	**-**	-	**363**	924
- loan	**-**	-	**44,321**	52,120
Advances for acquisition of land *	**3,605**	3,919	**-**	-
Deposits, prepayments and other receivables	**2,693**	3,572	**1,469**	1,960
	6,298	7,491	**46,153**	55,004
	12,036	12,375	**47,006**	55,810

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

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

19. TRADE AND OTHER RECEIVABLES *(cont'd)*

(a) Credit risk

Trade receivables are non-interest bearing and the credit period is generally for 15 days to 30 days (2006: 15 days to 30 days).

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

(b) Amounts due from subsidiaries

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

20. MARKETABLE SECURITIES

	Group and Company	
	2007	**2006**
	RM'000	**RM'000**
Shares quoted in Malaysia, at cost	**8,986**	7,367
Market value of quoted shares	**9,615**	7,507

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash on hand and at banks	**1,195**	673	**372**	188
Deposits with:				
Licensed banks	**73,203**	44,876	**53,445**	31,049
Licensed discount houses	**16,801**	3,746	**14,512**	3,746
Money market funds placed with fund managers	**41,216**	30,566	**35,116**	30,566
Cash and bank balances	**132,415**	79,861	**103,445**	65,549

The deposits with licensed banks amounting to RM500,000 (2006: RM407,400) of certain subsidiaries were pledged to banks for bank guarantee facilities granted to those subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

21. CASH AND CASH EQUIVALENTS *(cont'd)*

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	**132,415**	79,861	**103,445**	65,549
Less: Deposits pledged with banks for bank guarantee facilities	**(500)**	(407)	**-**	-
Cash and cash equivalents	**131,915**	79,454	**103,445**	65,549

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

	Group		Company	
	2007	**2006**	**2007**	**2006**
	%	**%**	**%**	**%**
Licensed banks	**3.55**	3.12	**3.63**	3.09
Licensed discount houses	**3.23**	3.24	**3.49**	3.24
Money market funds placed with fund managers *	**3.23**	2.28	**3.09**	2.28

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

	Group		Company	
	2007	**2006**	**2007**	**2006**
	days	**days**	**days**	**days**
Licensed banks	**189**	124	**190**	87
Licensed discount houses	**23**	19	**26**	19

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

22. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2007	**2006**	**2007**	**2006**
	'000	**'000**	**RM'000**	**RM'000**
Authorised:				
At 1 May 2006/2005 and 30 April	**500,000**	500,000	**500,000**	500,000
Issued and fully paid:				
At 1 May 2006/2005 and 30 April	**134,005**	134,005	**134,005**	134,005

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

23. RETAINED EARNINGS

As at 30 April 2007, the Company has tax exempt profits available for distribution of approximately RM932,000 (2006: RM907,000).

As at 30 April 2007, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends amounting to RM121,592,000 (2006: RM78,573,000) out of its retained earnings. If the balance of the retained earnings of approximately RM140,404,000 (2006: RM135,313,000) were to be distributed as gross dividends prior to there being sufficient tax credit, the Company would have a Section 108 shortfall of approximately RM37,909,000 (2006: RM37,888,000).

24. DEFERRED TAX

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
At 1 May 2006/2005	**17,408**	14,757	**2,010**	2,010
Recognised in income statement (Note 8)	**5,626**	2,651	**25**	-
Reversal of revaluation reserve upon abolishment of RPGT	**(1,498)**	-	**(895)**	-
At 30 April	**21,536**	17,408	**1,140**	2,010
Presented after appropriate offsetting as follows:				
Deferred tax assets	**-**	(5,710)	**-**	-
Deferred tax liabilities	**21,536**	23,118	**1,140**	2,010
	21,536	17,408	**1,140**	2,010

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:

	Retirement Benefit Obligations RM'000	**Other Payables RM'000**	**Unused Tax Losses and Unabsorbed Capital Allowances RM'000**	**Total RM'000**
At 1 May 2005	(293)	(265)	(11,695)	(12,253)
Recognised in income statement	293	(182)	1,872	1,983
At 30 April 2006	-	(447)	(9,823)	(10,270)
At 1 May 2006	-	(447)	(9,823)	(10,270)
Recognised in income statement	-	(70)	4,964	4,894
At 30 April 2007	-	(517)	(4,859)	(5,376)

24. DEFERRED TAX *(cont'd)*

Deferred Tax Liabilities of the Group:

	Property, Plant and Equipment RM'000	Revaluation Reserve on Freehold and Leasehold Lands and Buildings RM'000	Total RM'000
At 1 May 2005	4,442	22,568	27,010
Recognised in income statement	1,027	(359)	668
At 30 April 2006	5,469	22,209	27,678
At 1 May 2006	5,469	22,209	27,678
Recognised in income statement	1,192	(460)	732
Reversal of revaluation reserve upon abolishment of RPGT	-	(1,498)	(1,498)
At 30 April 2007	6,661	20,251	26,912

Deferred Tax Assets of the Company:

	Retirement Benefit Obligations RM'000	Other Payables RM'000	Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 May 2005	(204)	(144)	-	(348)
Recognised in income statement	204	(57)	-	147
At 30 April 2006	-	(201)	-	(201)
At 1 May 2006	-	(201)	-	(201)
Recognised in income statement	-	(54)	(133)	(187)
At 30 April 2007	-	(255)	(133)	(388)

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

24. DEFERRED TAX *(cont'd)*

Deferred Tax Liabilities of the Company:

	Property, Plant and Equipment RM'000	Revaluation Reserve on Freehold and Leasehold Lands and Buildings RM'000	Total RM'000
At 1 May 2005	338	2,020	2,358
Recognised in income statement	(99)	(48)	(147)
At 30 April 2006	239	1,972	2,211
At 1 May 2006	239	1,972	2,211
Recognised in income statement	362	(150)	212
Reversal of revaluation reserve upon abolishment of RPGT	-	(895)	(895)
At 30 April 2007	601	927	1,528

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade payables	**4,046**	3,016	**270**	277
Other payables				
Directors' fees and other emoluments	**204**	200	**196**	192
Amount due to a subsidiary	**-**	-	**446**	448
Balance payments on acquisition of land	**1,479**	1,478	**-**	-
Accruals and sundry payables	**8,739**	8,742	**3,055**	2,518
	10,422	10,420	**3,697**	3,158
	14,468	13,436	**3,967**	3,435

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 60 days (2006: 30 days to 60 days).

(b) Amount due to a subsidiary

The amount due to a subsidiary is unsecured, non-interest bearing, repayable on demand and to be settled in cash.

26. CAPITAL COMMITMENTS

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Capital expenditure approved and contracted for:				
Construction of building	**-**	6,497	**-**	6,497
Biological assets	**218**	308	**-**	-
	218	6,805	**-**	6,497
Capital expenditure approved but not contracted for:				
Acquisition of land	**2,385**	2,423	**-**	-
Expenditure for oil palm mill	**2,668**	1,965	**-**	-
Biological assets	**9,453**	9,819	**-**	-
Purchase of property, plant and equipment	**6,681**	5,724	**983**	216
	21,187	19,931	**983**	216
	21,405	26,736	**983**	6,713

27. 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. The case management is fixed for 30 July 2007 and the Company's application to strike out the Plaintiff's claim is fixed for mention on 30 July 2007.

28. SIGNIFICANT TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sales of oil palm fresh fruit bunches to a subsidiary:				
- Syarikat Penanaman Bukit Senorang Sdn. Bhd.	**-**	-	**13,310**	9,586
Gross dividend income from subsidiaries:				
- Leong Hin San Sdn. Bhd.	**-**	-	**-**	1,404
- Syarikat Penanaman Bukit Senorang Sdn. Bhd.	**-**	-	**-**	1,800
- South East Pahang Oil Palm Berhad	**-**	-	**-**	1,943
Administrative expenses charged to subsidiaries:				
- Leong Hin San Sdn. Bhd.	**-**	-	**234**	276
- Meridian Plantations Sdn. Bhd.	**-**	-	**1,151**	1,027
- Syarikat Penanaman Bukit Senorang Sdn. Bhd.	**-**	-	**548**	661
- South East Pahang Oil Palm Berhad	**-**	-	**365**	441

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

28. SIGNIFICANT TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(cont'd)*

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Gross dividend income from associates:				
- PacificMas Berhad	**-**	-	**58,825**	5,348
- Malaysian Trustees Berhad	**-**	-	**110**	-
Insurance premium paid to a subsidiary of an associate:				
- The Pacific Insurance Berhad	**322**	398	**72**	60
Trade amount due from a subsidiary:				
- Syarikat Penanaman Bukit Senorang Sdn. Bhd.	**-**	-	**744**	642
Loan due from a subsidiary:				
- Meridian Plantations Sdn. Bhd.	**-**	-	**44,321**	52,120
Current accounts with:				
- Leong Hin San Sdn. Bhd.	**-**	-	**24**	198
- Meridian Plantations Sdn. Bhd.	**-**	-	**223**	-
- Syarikat Penanaman Bukit Senorang Sdn. Bhd.	**-**	-	**74**	611
- South East Pahang Oil Palm Berhad	**-**	-	**32**	108
- Masjid Tanah Properties Sdn. Bhd.	**-**	-	**(446)**	(448)
- Melaka Pindah Properties Sdn. Bhd.	**-**	-	**10**	7
Balance with a subsidiary of an associate:				
- Pacific Mutual Fund Berhad:				
Investment in unit trusts	**14,000**	4,000	**14,000**	4,000
Placement in money market fund	**20,259**	10,000	**20,259**	10,000
Marketable securities managed by a subsidiary of an associate:				
- PacificMas Asset Management Sdn. Bhd.	**8,986**	7,367	**8,986**	7,367

The directors are of the opinion that all the transactions above 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.

29. 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.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

29. SEGMENT INFORMATION *(cont'd)*

(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.

(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 segment:

30 April 2007

	Plantation RM'000	Investment Holding RM'000	Property Development RM'000	Consolidated RM'000
Revenue				
Total Revenue	151,551	4,237	-	155,788
Inter-segment sales	(26,143)	-	-	(26,143)
External Sales	125,408	4,237	-	129,645
Results				
Segment results	38,671	14,906	(7)	53,570
Share of profit of associates				9,506
Profit before tax				63,076
Income tax expense				(11,173)
Profit for the year				51,903
Assets				
Segment assets	309,072	156,295	1,300	466,667
Investments in associates				166,629
Consolidated total assets				633,296
Liabilities				
Segment liabilities	37,335	-	4	37,339
Unallocated corporate liabilities				234
Consolidated total liabilities				37,573
Other segment information				
Capital expenditure	19,409	-	-	19,409
Depreciation	4,722	-	-	4,722
Reversal of provision for diminution in value of an associate	-	(1,500)	-	(1,500)

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

30 APRIL 2007

29. SEGMENT INFORMATION *(cont'd)*

(c) Business segments *(cont'd)*

30 April 2006

	Plantation RM'000	Investment Holding RM'000	Property Development RM'000	Consolidated RM'000
Revenue				
Total Revenue	129,441	3,669	-	133,110
Inter-segment sales	(19,103)	-	-	(19,103)
External Sales	110,338	3,669	-	114,007
Results				
Segment results	18,365	4,426	(7)	22,784
Share of profit of associates				6,634
Profit before tax				29,418
Income tax expense				(5,323)
Profit for the year				24,095
Assets				
Segment assets	299,623	92,729	1,301	393,653
Investments in associates				198,891
Consolidated total assets				592,544
Liabilities				
Segment liabilities	36,419	-	4	36,423
Unallocated corporate liabilities				211
Consolidated total liabilities				36,634
Other segment information				
Capital expenditure	19,484	-	-	19,484
Amortisation of goodwill	1,049	-	-	1,049
Depreciation	6,025	-	-	6,025
Reversal of provision for diminution in value of an associate	-	(1,000)	-	(1,000)

The comparative business segment information for 30 April 2006 has been restated to take into account the effects of the changes in accounting policies as disclosed in Note 2.3(e).

30. 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, price fluctuation 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 2007. 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 Group 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) Price Fluctuation Risk

The Group is exposed to price fluctuation risk on palm oil. The Group mitigates its risk to the price volatility by taking necessary steps to contain production cost and to increase crop production so that the Group is more resilient and will be able to withstand unfavourable crude palm oil price levels.

(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 2007

30. 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:

	Note	2007 Carrying Amount RM'000	2007 Fair Value RM'000	2006 Carrying Amount RM'000	2006 Fair Value RM'000
Group and Company					
Financial Assets					
Other investments:					
Quoted:					
- shares	16	**955**	**19,317**	1,410	18,753
- unit trusts	16	**14,312**	**16,823**	4,312	5,067
Unquoted shares	16	**180**	*****	180	*
Marketable securities	20	**8,986**	**9,615**	7,367	7,507

* 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.

It is not practical to estimate the fair values of the amounts due from/(to) related companies due principally to a lack of fixed repayment term entered into by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at balance sheet date to be significantly different from the values that would eventually be received or settled.

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.

LIST OF PROPERTIES HELD

AS AT 30 APRIL 2007

Location	Tenure	Titled Hectarage	Description	Year of Acquisition/ Revaluation*	Carrying Amount of Properties as at 30 April 2007 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	1991*	4,531
Machap Estate 76100 Durian Tunggal Melaka	Freehold Leasehold (expiring on: 20-12-2024 25-04-2025 21-03-2038)	244.5 221.9 156.4 240.2	Oil palm estate	1991*	6,500
Malaka Pindah Estate Alor Gajah P.O. 78000 Alor Gajah Melaka	Freehold Leasehold (expiring on: 21-03-2038 22-10-2048 25-10-2053)	70.2 112.1 20.3 126.2	Oil palm estate	1991*	2,758
Selandar Estate Selandar P.O. 77500 Jasin Melaka	Freehold Leasehold (expiring on: 31-07-2025)	194.5 22.1	Oil palm estate	1991*	2,730
Tampin Estate 73300 Batang Melaka Negeri Sembilan	Freehold	298.9	Oil palm estate	1991*	3,568
Pelin Estate 71300 Rembau Negeri Sembilan	Freehold	154.3	Oil palm estate	1991*	2,647
Batu Anam Estate Batu Anam P.O. 85100 Batu Anam Segamat, Johor	Freehold	864.9	Oil palm estate	1991*	12,863
Leong Hin San Estate 71200 Rantau Negeri Sembilan	Freehold	845.5	Oil palm estate	1991*	14,532
Mamahat Estate Labuk Sugut Beluran District 90000 Sabah	Lease land (expiring between 2031 and 2032 2097 and 2099)	 24.0 1,396.5	Oil palm estate	 2001-2002 1997-2000	22,663
Paitan Estate 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	1999-2003 2001-2007 1998-2001	50,098

LIST OF PROPERTIES HELD *(cont'd)*

AS AT 30 APRIL 2007

Location	Tenure	Titled Hectarage	Description	Year of Acquisition/ Revaluation*	Carrying Amount of Properties as at 30 April 2007 RM'000
Tengkarasan Estate Labuk Sugut Beluran District 90000 Sabah	Leasehold expiring on 2100 Lease land (expiring between 2031 and 2035 2098 and 2100)	68.0 948.0 1,291.9	Oil palm estate	2001 2001-2007 1999-2001	30,190
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	2004	43,564
South East Pahang Estate 28380 Kemayan Pahang	Leasehold (expiring on: 06-09-2066 18-09-2084)	 202.3 1,416.4	Oil palm estate	2004	36,860
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: 6 years)	2001	269
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: 7 years)	2000	193
Office Building 8H, Jalan Laksamana Cheng Ho 75000 Melaka	Freehold	3,460 sq. ft.	Office building (Age of building: 29 years)	1990	113
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: 1 year)	2007	8,217
Awana Condominium Unit 5542 Awana Condominium 8th Mile, Genting Highlands 89000 Genting Highlands Pahang	Freehold	1,258 sq. ft.	Holiday condominium (Age of building: 20 years)	1991*	51
				TOTAL	**242,347**

STOCKHOLDING ANALYSIS

AS AT 29 JUNE 2007

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

VOTING RIGHTS OF STOCKHOLDERS

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 stock unit of which he/she is the holder.

DISTRIBUTION SCHEDULE

Holdings	No. of Holders	Total Holdings	%
Less than 100	143	5,921	0.00
100 to 1000	1,265	1,070,547	0.80
1001 to 10000	5,691	21,251,873	15.86
10001 to 100000	1,038	27,723,960	20.69
100,001 to less than 5% of issued stocks	97	45,648,464	34.07
5% and above of issued stocks	4	38,304,236	28.58
	8,238	134,005,001	100

DIRECTORS' STOCKHOLDINGS

Name of Directors	Direct stockholdings	Percentage of issued stock	Indirect stockholdings	Percentage of issued stock
Choi Siew Hong	225,937	0.17	-	-
Tan Sri Dato'Ahmad B Mohd Don	-	-	-	-
Tan Siok Choo	378,354	0.28	6,990,133	5.21
Boon Weng Siew	11,250	0.01	-	-
Datuk Fong Weng Phak	-	-	-	-
Tan Jiew Hoe	114,750	0.09	1,662,348	1.24

STOCKHOLDING ANALYSIS *(cont'd)*

AS AT 29 JUNE 2007

SUBSTANTIAL STOCKHOLDERS (5% and above)

Name	Stockholdings registered in the name of the substantial stockholders		Stockholdings in which the substantial stockholders are deemed to be interested		Total	Percentage of issued stock
Oversea-Chinese Banking Corporation Ltd	-		22,934,593	*1	22,934,593	17.11
Great Eastern Life Assurance (Malaysia) Bhd	18,790,468		3,208,500	*2	21,998,968	16.41
Lee Foundation	-		10,957,309	*3	10,957,309	8.17
Tan Kim Lwi	9,367,258	*4	-		9,367,258	6.99
Sinneo Sdn. Bhd.	6,990,133		-		6,990,133	5.21
Ms. Tan Siok Choo	378,354		6,990,133	*5	7,368,487	5.50
Selat (Pte) Limited	7,246,496	*6	-		7,246,496	5.41

*1. *Oversea-Chinese Banking Corporation Ltd is deemed interested in the stockholdings registered in the following names:-*
- *Malaysia Nominees (Tempatan) Sendirian Berhad - for Great Eastern Life Assurance (Malaysia) Berhad - 18,790,468*
- *CitiCorp Nominees (Asing) Sdn. Bhd. CB Singapore GW for Eastern Realty Company Limited - 928,125*
- *Baxterley Holdings Pte Limited - 67,500*
- *Sword Investments Pte Limited - 3,141,000*
- *Apex Pharmacy Holdings Sdn. Bhd. - 7,500*

*2. *Great Eastern Life Assurance (Malaysia) Berhad is deemed interested in the stockholdings registered in the following names:-*
- *Baxterley Holdings Pte Ltd - 67,500*
- *Sword Investments Pte Ltd - 3,141,000*

*3. *Lee Foundation is deemed interested in the following stockholdings 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
TCL Nominees (Asing) Sdn Bhd
-for Singapore Investment Pte Ltd - 1,323,000

*4. *Held via HSBC Nominees (Asing) Sdn. Bhd.*

*5. *Deemed interested in these stockholdings registered in the name of Sinneo Sdn. Bhd.*

*6. *Held via HSBC Nominees (Asing) Sdn. Bhd.*

STOCKHOLDING ANALYSIS *(cont'd)*

AS AT 29 JUNE 2007

LIST OF TOP 30 STOCKHOLDERS AS AT 29/6/2007

		No. of stock unit	%
(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. HSBC SG for Selat Pte Ltd	7,246,496	5.41
(4)	Sinneo Sdn. Bhd.	6,990,133	5.22
(5)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for Credit Suisse (SG BR-TST-ASING)	4,079,100	3.04
(6)	Mayban Nominees (Asing) Sdn. Bhd. - Sword Investments Private Limited	3,141,000	2.34
(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)	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - icapital.biz Berhad	1,726,500	1.29
(10)	Mayban Securities Nominees (Asing) Sdn. Bhd. - OCBC Securities Private Limited for Tecity Management Pte Ltd	1,378,101	1.03
(11)	TCL Nominees (Asing) Sdn Bhd - OCBC Securities Private Limited for Singapore Investments (Pte) Limited	1,323,000	0.99
(12)	TCL Nominees (Asing) Sdn Bhd - OCBC Securities Private Limited for Tan Proprietary (Private) Ltd	1,319,532	0.98
(13)	Klebang Investments Pte Ltd	1,290,064	0.96
(14)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC-FS for Aberdeen Malaysia Equity Fund	1,160,000	0.87
(15)	Mayban Securities Nominees (Asing) Sdn. Bhd. OCBC Securities Private Limited for - Raffles Investments (Singapore) Pte Limited	1,125,000	0.84

STOCKHOLDING ANALYSIS *(cont'd)*

AS AT 29 JUNE 2007

LIST OF TOP 30 STOCKHOLDERS AS AT 29/6/2007 *(cont'd)*

		No. of stock unit	%
(16)	Mayban Norminees (Tempatan) Sdn. Bhd. - Aberdeen Asset Management Sdn. Bhd. for The Employees' Provident fund Board	1,020,000	0.76
(17)	Citigroup Nominees (Asing) Sdn. Bhd. CB Singapore GW for Eastern Realty Company Limited	928,125	0.69
(18)	Dipang Mines Sdn Bhd	843,750	0.63
(19)	Chee Bay Hoon & Co. Sdn. Bhd.	692,786	0.52
(20)	The Federal Oil Mills Berhad	641,250	0.48
(21)	Tan Jin Tuan	562,507	0.42
(22)	Alros Sendirian Berhad	528,000	0.39
(23)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Lee Rubber Company Pte Ltd	503,077	0.38
(24)	Nora Ee Siong Chee	479,250	0.36
(25)	Chee Swee Cheng & Co Sdn. Bhd.	476,028	0.36
(26)	Swee Cheng Investments Private Limited	472,969	0.35
(27)	Employees Provident fund Board	465,900	0.35
(28)	Citigroup Nominees (Asing) Sdn. Bhd. - CBNY for DFA Emerging Markets Fund	450,100	0.34
(29)	Tan Siok Choo	378,354	0.28
(30)	Loo Geok Eng	335,000	0.25
		72,475,585	**54.09**

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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...
(FULL NAME IN CAPITAL)
of..
(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-Third Annual General Meeting of the Company to be held on Tuesday, 11 September 2007 at 11.30 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 Reports and Accounts	☐	☐
No. 2	Declaration of final and special dividends	☐	☐
No. 3	Approval of Directors' fees	☐	☐
	Re-election of Directors pursuant to Article 124 of the Company's Articles of Association		
No. 4	Tan Sri Dato' Ahmad Bin Mohd Don	☐	☐
No. 5	Mr. Tan Jiew Hoe	☐	☐
	Re-appointment of Directors pursuant to Section 129(6) of the Companies Act, 1965		
No. 6	Mr. Choi Siew Hong	☐	☐
No. 7	Mr. Boon Weng Siew	☐	☐
No. 8	Re-appointment and remuneration of Auditors	☐	☐
	Special Business :-		
No. 9	Authorising Directors to allot and issue shares	☐	☐
No. 10	Proposed Amendments to the Articles of Association of the Company	☐	☐

As Witness my hand this .... day of 2007

No. of Stock Units Held

Signed by the said: ....
(Signature of Member)

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

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 stocks 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 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.*
3. *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.*
4. *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 later than 48 hours before the time set for the meeting.*
5. *The proxy will vote or abstain at his discretion if no indication is given.*

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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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