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

ANNUAL REPORT 2009

CONTENTS

ANNUAL REPORT 2009

NOTICE **OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Ninety-fifth 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 Saturday, 29 August 2009 at 11.00 a.m. for the following business :-

AGENDA

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 April 2009 and the Report of the Auditors thereon. **[Resolution 1]**

2. To declare a final dividend of 30 sen less 25% taxation per RM1.00 stock unit for the financial year ended 30 April 2009. **[Resolution 2]**

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

4. To re-elect a Director who is retiring by rotation in accordance with Article 118 of the Company's Articles of Association :-

   - Datuk Fong Weng Phak **[Resolution 4]**

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 5]**

   (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 6]**

6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 7]**

7. **As Special Business**

   To consider and, if thought fit, to pass the following resolution with or without amendment as Ordinary 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 8]**

8. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a final dividend of 30 sen less 25% taxation per RM1.00 stock unit in respect of the financial year ended 30 April 2009, if approved by the Stockholders at the forthcoming Annual General Meeting, be paid on 28 September 2009 to Stockholders whose names appear in the Record of Depositors and Register of Members at the close business at 5.00 p.m. on 11 September 2009.

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 11 September 2009 in respect of transfers;

(b) Stocks deposited into the Depositor's Securities Account before 12.30 p.m. on 9 September 2009 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
Yong Yoke Hiong
Company Secretaries
Melaka

Date: 6 August 2009

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 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. 8

The Special Business in the Agenda is to seek a renewal of the general mandate for the issue of new stock units which was approved by stockholders at last year's Annual General Meeting. There was no issuance of new stock units during the year.

The proposed Ordinary Resolution 8, if passed, will empower the Directors to issue and allot new stock units 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.

At this juncture there is no decision to issue new stock units. If there should be a decision to issue new stock units after the general mandate has been sought, the Company would make an announcement in respect of the purpose and utilization of proceeds arising from such issue.

STATEMENT ACCOMPANYING NOTICE OF NINETY-FIFTH ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2), APPENDIX 8A OF THE LISTING REQUIREMENTS OF THE 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) Datuk Fong Weng Phak

Further details of individual Directors standing for re-appointment or re-election can be found in the Profile of Directors in pages 6 to 8 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 94 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 2009 are as follows :-

Directors	**Attendance**
Choi Siew Hong	4 of 4 Meetings
Tan Sri Dato Ahmad Bin Mohd Don	4 of 4 Meetings
Tan Siok Choo	4 of 4 Meetings
Boon Weng Siew	4 of 4 Meetings
Datuk Fong Weng Phak	4 of 4 Meetings
Tan Jiew Hoe	4 of 4 Meetings

GROUP **HIGHLIGHTS**

PRODUCTION

	2009	2008
	tonne	tonne
Crude palm oil	**62,651**	65,938
Palm kernel	**15,095**	15,661
Fresh fruit bunches	**260,922**	240,102

FINANCIAL

	2009	2008
	RM'000	RM'000
Revenue	**195,090**	222,186
Profit:		
Before tax	**91,837**	118,111
After tax	**71,340**	96,577
	sen	sen
Earnings per stock unit:		
Basic/Fully diluted	**53.2**	72.1
Dividend per stock unit:		
Gross	**40.00**	55.00
Net	**30.00**	41.15
	RM'000	RM'000
Total assets	**967,257**	953,690
	RM	RM
Net assets per stock unit	**6.56**	6.44

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 : 03-74958000
Fax : 03-20955332

SENIOR MANAGEMENT

Dr. Leong Tat Thim
Chief Executive Officer/General Manager

Mr. Chong Seong Hoe
General Manager (Sabah)

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

Ms. Susan Lai Swee Kee
Group Financial Controller

Mr. Tan Chin Har
Plantation Controller (Peninsular)

HEAD OFFICE/REGISTERED OFFICE

6th Floor, No. 61, Jalan Melaka Raya 8
Taman Melaka Raya, 75000 Melaka
P.O.Box 117, 75720 Melaka
Tel : 06-2823700
Fax : 06-2834599
E-Mail : umb@unitedmalacca.com.my
Website : www.unitedmalacca.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 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

PROFILE OF DIRECTORS

MR. CHOI SIEW HONG
Chairman and Executive Director

Mr Choi Siew Hong, aged 88 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 and also sits on the Boards of several subsidiaries of the Group, one of which is South-East Pahang Oil Palm Berhad.

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

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

He also sits on the boards of Malaysia Smelting Corporation Bhd and Niro Ceramic (M) Sdn Bhd.

During the financial year ended 30 April 2009, he attended all the four meetings of the Board. He does not have any family relationship with any other director and/or major stockholder of the Company, nor any personal interest in any business arrangement involving the company. He has never been convicted of any offence.

TAN SRI DATO' AHMAD BIN MOHD DON
Independent Non-Executive Director

Tan Sri Dato' Ahmad Bin Mohd Don, aged 62 and a Malaysian was appointed as an Independent Non-Executive Director on 1 October 2006. He is the Chairman of the Audit Committee and the Nomination Committee.

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

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

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

He is not related to any Director/major stockholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the four Board Meetings held in the financial year ended 30 April 2009. He has never been convicted of any offence.

PROFILE OF DIRECTORS (cont'd)

DATUK FONG WENG PHAK
Independent Non-Executive Director

Datuk Fong Weng Phak, aged 68, 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.

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

He is not related to any Director/major stockholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the four Board Meetings held in the financial year ended 30 April 2009. He has never been convicted of any offence that would disqualify him from being a director of a listed company.

MS. TAN SIOK CHOO
Non-Executive Director

A Malaysian, Ms Tan Siok Choo, aged 57, is a Non-Executive Director who was appointed to the Board on 8 December 1988. She is a member of the Audit Committee, the Remuneration Committee and the Nomination 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 1 September 1998 and was appointed a Director of OCBC Bank (Malaysia) Berhad on 27 July 2000 and a Director of OCBC Al-Amin Berhad on 1 August 2008. 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 no personal interest in any business arrangement involving the Company. She has attended all the four Board Meetings held in the financial year ended 30 April 2009. She has never been convicted of any offence.

PROFILE OF DIRECTORS (cont'd)

MR. BOON WENG SIEW
Independent Non-Executive Director

Mr. Boon Weng Siew, aged 85 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 no personal interest in any business arrangement involving the Company. He has attended all the four Board Meetings held in the financial year ended 30 April 2009. He has never been convicted of any offence.

MR. TAN JIEW HOE
Independent Non-Executive Director

Mr. Tan Jiew Hoe, aged 62 and a Singaporean, joined the Board as Alternate Director on 9 June 1997 and was subsequently appointed as Director on 30 March 2007.

He is 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 no personal interest in any business arrangement involving the Company.

He has attended all the four Board Meetings held in the financial year ended 30 April 2009. He has never been convicted of any offence.

MANAGEMENT **TEAM**

Dr. Leong Tat Thim
Chief Executive Officer/ General Manager

Mr. Chong Seong Hoe
General Manager (Sabah)

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

Ms. Susan Lai Swee Kee
Group Financial Controller

Mr. Tan Chin Har
Plantation Controller (Peninsular)

PROFILE OF CHIEF EXECUTIVE OFFICER/GENERAL MANAGER

Dr. Leong Tat Thim

Dr. Leong Tat Thim, aged 65 and a Malaysian, is the Chief Executive Officer/General Manager. He joined the Company on 1 March 2001. He was a Guthrie scholar, obtained his Diploma in Agriculture from Serdang College (now known as University Putra Malaysia) and subsequently obtained his Bachelor of Agriculture Science degree (Honours), Master of Agriculture Science and Ph.D. from University Malaya.

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

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

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

His stockholding in the Company is 16,000 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 and also has no personal interest in any business arrangement involving the Company. 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 Financial Statements of the Company and the Group for the financial year ended 30 April 2009.

Financial Performance

The palm oil industry experienced wide price fluctuation in 2008. During the first financial quarter, the Group had enjoyed the strong CPO prices of above RM3,500 per tonne level. However CPO price started to plunge sharply in the second quarter by 29% to RM2,495 per tonne and dip further by another 35% to RM1,618 per tonne in the third quarter in tandem with the significant decline in crude oil price and reflecting the impact of growing problems endemic to the global financial system. In the fourth quarter, CPO price started to recover thereby enabling the Group to realise an average CPO price of RM2,420 per tonne for the financial year ended 30 April 2009, which was 15% lower than the preceding year of RM2,857 per tonne.

The much lower CPO price coupled with higher production cost arising from substantial increase in fertilizer cost adversely affected the Group's result despite having achieved a 9% increase in ffb production. The Group's pretax profit fell 22% to RM91.84 million from RM118.11 million in the preceding year.

At the Company level, pretax profit for the current financial year ended 30 April 2009 decreased by 53% to RM79.02 million from RM167.41 million in the preceding year which included a gain of RM90.82 million realised from the disposal of its 20.85% shareholding in the associated company, PacificMas Berhad. Excluding this one off gain, the pretax profit was 3% higher than in the preceding year mainly because of interest earned on the proceeds from this divestment.

The Group's earnings per stock unit for the current financial year were 26% lower at 53.2 sen when compared with the 72.1 sen in the preceding year.

CHAIRMAN'S **STATEMENT** **(cont'd)**

CHAIRMAN'S **STATEMENT** (cont'd)

Dividends

The Board is recommending a final dividend of 30 sen less 25% tax per stock unit for approval by the stockholders at the forthcoming Annual General Meeting. Together with the interim dividend of 10 sen per stock unit less 25% tax paid on 15 January 2009, the total dividend for the financial year ended 30 April 2009 will amount to 40 sen gross or 30 sen net per stock unit totalling RM40,201,500 compared with 55 sen gross or 41.15 sen net totalling RM55,143,058 in the preceding financial year. The proposed dividend is payable on 28 September 2009.

Plantation Operations

The Group had a planted acreage of 34,011 acres (13,764 hectares) at the close of financial year (FY) 2008/09. The planted area comprised 25,377 acres (10,270 hectares) or 74% of matured oil palms and 8,634 acres (3,494 hectares) or 26% of immature palms of less than 4 years old.

Production of fresh fruit bunches (ffb) for financial year 2008/09 at 260,922 tonnes registered 9% increase from 240,102 tonnes ffb harvested in the previous financial year. The yield was 25.41 tonnes ffb per hectare per annum which was commendable as it was 25.9% above the industry average of 20.18 tonnes ffb per hectare per annum. The Group continued to benefit from its expansion programme initiated in Sabah in 1998. The Sabah estates with young and prime yielding palms contributed 121,966 tonnes ffb or 46.7% of total production for the Group.

With more young palms coming into maturity, the Group has begun to reap the benefits of economies of scale. The cost of production in the FY 2008/09 was within budget. The Group will endeavour to be cost efficient and to increase productivity to cushion any rise in production cost in the coming years.

It is gratifying to note that our two palm oil mills continued to produce good quality CPO and palm kernel well above the required market standards. This was attributed to the good maintenance of the oil mills, with low breakdown hours of less than 2.6% of the total processing hours as compared to the industry maximum limit of 5.0%.

With more young palms maturing and together with increasing yield trend of young matured palms, more of the ffb to be processed by the Group's mills will be from own estates. For the FY2008/09, own crop accounted for 86% of the total crop processed as against 76% in the preceding year. The increasing supply of ffb from own estates is critical to the mills because of keen competition for third party crops and the tendency for estates to set up their own mills. In the FY 2008/09, the Group's mills registered a marginal decrease of 6% in ffb processed to 292,111 tonnes from 311,490 tonnes in the preceding year, reflecting the commissioning of the mill of one of the Group's major ffb suppliers.

High yielding palms.

FFB collection using "Bin System".

CHAIRMAN'S **STATEMENT** **(cont'd)**

The Group's two mills recorded a total production of 62,251 tonnes of CPO and 15,095 tonnes of palm kernel and achieved an average of 21.31% OER and 5.17% KER in FY 2008/09 as against industry's average of 20.21% OER and 5.22% KER respectively. The Meridian Palm Oil Mill was the winner of the 2007 Palm Oil Industry Award for achieving the highest OER in the state of Sabah.

Current Year Prospects

The year 2008 was really an extraordinary one when CPO prices traded at their historical high of RM4,486 per tonne in March and subsequently plunged to a year low of RM1,360 per tonne in November. This sharp plunge in CPO prices within a few months had disrupted the smooth flow of CPO export, resulting in high CPO stockpiles of 2.30 million tonnes, with storage tanks reaching full capacity, towards the end of the year.

The Government should be congratulated for responding quickly by announcing replanting incentives of RM1,000 per hectare for planters to replant old and low yielding palms as well as using biofuel (that is blending 5% palm oil with diesel) for all Government vehicles. The CPO price, after reaching its lowest in November 2008, started to rise gradually and exceeded the RM2,000 per tonne level in March 2009 and is currently trading at around RM2,500 per tonne, well supported by lower inventory of about 1.39 million tonnes.

In FY 2008/09 the MPOB average CPO price level of RM2,382 per tonne was 19% lower than the average CPO price of RM2,946 per tonne in FY 2007/08. For this current FY 2009/10, the average CPO price, at time of writing, is expected to remain above RM2,000/tonne CPO because of strong supporting factors, namely, higher crude oil prices, lower inventories and higher demand from China and India.

Starting from Year 2002, the Group had carried out an aggressive replanting programme for its estates, using high yielding planting materials. Not only has this programme resulted in very good age profile of palms for the Group, but also ensured that the estates would enjoy high productivity in their ffb yield. Currently, of the Group's total estate area, only 4% is planted with old palms (> 26 years), 7% middle-age palms (16 - 25 years), 31% palms at prime production age (8 - 15 years), 32% young mature palms (4 - 7 years) and 26% immature palms (< 4 years). With this favourable age profile, the Group's ffb production will continue to increase significantly in years to come.

However, the oil palm industry is faced with high fertilizer cost, higher labour cost, increasing wages and the imposition of additional Government taxes and cesses. The high fertilizer and transport costs have yet to come down significantly even though the CPO and crude oil prices had dropped drastically. The oil palm producers are burdened by various Government cess, sale taxes and cooking oil subsidies to support research, licensing, market promotion and social and infrastructure

Winner of the 2007 Palm Oil Industry Award.

Oil mill inspection.

Oil palm nursery.

CHAIRMAN'S **STATEMENT** (cont'd)

development. In addition, the industry still have to continue paying the windfall tax. At this period of uncertainty, it will be good for the oil palm industry if the Government abolish the windfall tax and Palm Oil Price Stabilization cess as well as allow deduction of foreign workers' levy from their wages to continue so as to reduce production cost. Indeed, the oil palm industry is one which has grown to become a global business on its own resources and has provided significant value added and employment opportunities and contributed much to the export economy of the country.

While the prospects for the oil palm industry remain good, the industry is facing increase input cost arising mainly from high fertilizer and labour costs. To face up with this challenge, the United Malacca Berhad Group will endeavour to improve efficiency and productivity so as to reduce production cost in order to remain profitable and competitive. In addition, the Group will continue to produce palm oil in a sustainable manner.

The Group is always on the look out to expand its land bank. As announced on 18 June 2009, United Malacca Berhad has entered into negotiations with Borneo Glow Sdn Bhd (herein known as "the Vendor") for the proposed acquisitions of two parcels of land adjoining each other. These are leasehold land held under title no. Country Lease 095332862 measuring approximately 14,961 acres (6,055 hectares) and title no. Country Lease 095331749 measuring approximately 10,000 acres (4,047 hectares) located in Sungai Millian-Labau in the District of Kinabatangan, Sabah, Malaysia with both leases expiring on 31 December 2098. The two parcels are being developed into an oil palm estate with palms of 1 to 5 years old together with fixtures, buildings and houses erected thereon. As at the date of announcement, 13,000 acres have been planted with oil palms.

The Company and the Vendor have agreed to negotiate in earnest towards finalising and entering into a formal Sale and Purchase agreement for the proposed acquisitions.

The proposed acquisitions shall be subject inter alia, to the approvals of the Foreign Investment Committee, the Director of Lands and Surveys, Sabah and any other relevant authorities as may be necessary, the stockholders of United Malacca Berhad in general meeting and the conducting of due diligence and valuation of the said lands. Further details on the outcome of the proposed acquisitions will be announced in due course.

If this acquisition is successful, the Group's estate area will increase by about 70% to about 60,000 acres.

Acknowledgement

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

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

CHOI SIEW HONG, *KMN, JMN*
Chairman

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 2009.

Prestasi Kewangan

Industri kelapa sawit mengalami ketidaktentuan harga pada tahun 2008. Pada suku pertama tahun kewangan semasa, Kumpulan menikmati harga minyak sawit mentah (MSM) yang kukuh melebihi paras RM3,500 setan metrik. Walaubagaimanapun, harga MSM telah turun dengan mendadak pada suku kedua sebanyak 29% kepada RM2,495 setan metrik dan terus jatuh sebanyak 35% pada suku ketiga kepada RM1,618 berikutan berlakunya penurunan harga minyak mentah yang disebabkan oleh kesan krisis kewangan global. Pada suku keempat, harga MSM telah kembali pulih bagi membolehkan Kumpulan merealisasi harga purata MSM pada RM2,420 setan metrik bagi tahun kewangan berakhir 30 April 2009 iaitu berkurangan sebanyak 15% berbanding tahun sebelumnya iaitu RM2,857 setan metrik.

Penurunan harga MSM dan ditambah pula dengan peningkatan kos pengeluaran berikutan peningkatan kos baja memberikan kesan yang ketara kepada pencapaian Kumpulan walaupun mencatat peningkatan 9% pengeluaran buah tandan segar (BTS). Keuntungan sebelum cukai Kumpulan mengalami penurunan sebanyak 22% kepada RM91.84 juta berbanding RM118.11 juta pada tahun sebelumnya.

Di peringkat Syarikat, keuntungan sebelum cukai bagi tahun kewangan berakhir 30 April 2009 telah menurun sebanyak 53% kepada RM79.02 juta berbanding RM167.41 juta pada tahun sebelumnya meliputi perolehan sebanyak RM90.82 juta melalui pelupusan 20.85% kepentingan dalam syarikat bersekutu PacificMas Berhad. Tanpa perolehan tersebut, keuntungan sebelum cukai adalah 3% lebih tinggi berbanding tahun sebelumnya berdasarkan kadar faedah yang diperolehi dari pelupusan kepentingan tersebut.

Perolehan Kumpulan untuk setiap unit saham bagi tahun kewangan semasa merosot sebanyak 26% pada 53.2 sen sesaham berbanding 72.1 sen sesaham tahun sebelumnya.

Dividen

Lembaga Pengarah mencadangkan dividen akhir 30 sen ditolak cukai 25% setiap unit saham untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan datang ini. Bersama-sama dengan dividen interim 10 sen setiap unit saham ditolak cukai 25% yang telah dibayar pada 15 Januari 2009, jumlah dividen bagi tahun kewangan semasa berakhir 30 April 2009 adalah 40 sen kasar atau 30 sen bersih setiap unit saham dengan jumlah keseluruhan RM40,201,500 berbanding dengan 55 sen kasar atau 41.15 sen bersih berjumlah RM55,143,058 pada tahun kewangan sebelumnya. Dividen yang dicadangkan akan dibayar pada 28 September 2009.

Operasi Perladangan

Pada akhir tahun kewangan 2008/2009, Kumpulan mempunyai kawasan perladangan seluas 34,011 ekar (13,764 hektar). Jumlah kawasan perladangan merangkumi 25,377 ekar (10,270 hektar) atau 74% kawasan kelapa sawit matang dan 8,634 ekar (3,494 hektar) atau 26% kawasan kelapa sawit belum matang yang mana usia pokok di bawah 4 tahun.

Penghasilan BTS pada tahun kewangan 2008/2009 sebanyak 260,922 tan mencatatkan peningkatan sebanyak 9% daripada 240,102 tan BTS yang dituai pada tahun kewangan sebelumnya. Penghasilan BTS sebanyak 25.41 tan sehektar setahun adalah pencapaian yang terpuji memandangkan ia adalah 25.9% melebihi purata industri iaitu 20.18 tan sehektar setahun. Kumpulan terus menikmati faedah dari program pengembangan di Sabah

PENYATA **PENGERUSI** (samb.)

semenjak 1998. Estet-estet di Sabah menyumbang sebanyak 121,966 tan BTS atau 46.7% daripada jumlah keseluruhan hasil BTS Kumpulan terdiri daripada pokok muda dan pokok berhasilan tinggi.

Dengan peningkatan kawasan pokok muda yang akan matang, Kumpulan telah mula mengambil kesempatan dari skala ekonomi sedia ada. Kos pengeluaran BTS bagi tahun kewangan 2008/2009 adalah dalam lingkungan bajet. Kumpulan akan terus mengamalkan pengurusan keberkesanan kos dan peningkatan produktiviti bagi mengurangkan kos pengeluaran pada masa akan datang.

Sukacita dimaklumkan bahawa kedua-dua kilang kelapa sawit telah berterusan menghasilkan produk MSM dan isirong sawit yang berkualiti melebihi piawai pasaran yang ditetapkan. Ini diperolehi melalui penyelenggaraan yang baik di kedua-dua kilang kelapa sawit dengan masa kerosakan kurang dari 2.6% daripada jumlah masa pemprosesan berbanding paras maksimum industri iaitu 5.0%.

Dengan penambahan pokok muda yang akan matang serta hasil BTS dari pokok muda matang, lebih banyak BTS dari estet-estet Kumpulan akan diproses oleh kilang kelapa sawit milik Kumpulan. Untuk tahun kewangan 2008/2009, hasil BTS Kumpulan adalah sebanyak 86% berbanding 76% pada tahun sebelumnya. Peningkatan bekalan BTS dari estet-estet Kumpulan adalah kritikal kepada kilang kelapa sawit berdasarkan persaingan yang sihat untuk BTS pihak ketiga serta kecenderungan estet lain untuk memiliki kilang kelapa sawit sendiri. Untuk tahun kewangan 2008/2009, kilang kelapa sawit Kumpulan mencatat penurunan pemprosesan BTS sebanyak 6% kepada 292,111 tan daripada 311,490 tan pada tahun sebelumnya memandangkan salah satu pembekal utama BTS telah mempunyai kilang kelapa sawit sendiri.

Kedua-dua kilang kelapa sawit Kumpulan telah menghasilkan MSM sebanyak 62,251 tan dan isirong sawit sebanyak 15,095 tan serta mencatat kadar perahan purata MSM sebanyak 21.31% dan isirong sawit sebanyak 5.17% bagi tahun kewangan 2008/2009 berbanding kadar perahan purata industri untuk MSM sebanyak 20.21% dan 5.22% untuk isirong sawit. Kilang Kelapa Sawit Meridian adalah pemenang bagi Anugerah Industri Kelapa Sawit 2007 berikutan pencapaian tertinggi kadar perahan MSM bagi seluruh Negeri Sabah.

Prospek Tahun Semasa

Tahun 2008 merupakan tahun yang luarbiasa dan bersejarah kerana harga MSM diniagakan tinggi pada RM4,486 setan metrik pada Mac dan kemudiannya turun serendah RM1,360 setan metrik pada November. Kejatuhan mendadak harga MSM dalam masa beberapa bulan telah menjejaskan aliran eksport MSM mengakibatkan stok simpanan MSM meningkat kepada 2.30 juta tan metrik yang mana stor simpanan mencapai kapasiti penuh pada penghujung 2008.

Tindakan segera pihak Kerajaan harus di puji dengan pengumuman insentif penanaman semula sebanyak RM1,000 sehektar bagi para penanam kelapa sawit untuk menanam semula bagi mengganti pokok tua dan yang berhasilan rendah serta penggunaan biofuel (dengan mencampurkan 5% MSM dengan diesel) untuk semua kenderaan milik Kerajaan. Selepas kejatuhan harga MSM di paras terendah pada November 2008, ia kembali meningkat semula dan melepasi paras harga RM2,000 setan metrik pada Mac 2009 and kini berada pada harga sekitar RM2,500 setan metrik dan disokong oleh stok yang rendah kira-kira 1.39 juta tan metrik.

PENYATA **PENGERUSI** (samb.)

Buah tandan segar dihantar ke kilang sawit.

Buah tandan segar sedia diproses di Kilang Sawit Meridian.

Kilang Sawit Meridian.

Tangki menyimpan minyak sawit.

Pada tahun kewangan 2008/2009, harga purata MSM MPOB adalah RM2,382 atau 19% lebih rendah berbanding dengan harga purata MSM pada tahun kewangan 2007/2008 iaitu RM2,946. Untuk tahun kewangan semasa 2009/2010, harga purata MSM semasa penyediaan laporan ini, adalah dijangka melebihi paras RM2,000 setan metrik disokong oleh beberapa faktor seperti peningkatan harga minyak mentah, pengurangan bekalan stok serta peningkatan permintaan dari negara China dan India.

Bermula tahun 2002, Kumpulan telah melaksanakan program penanaman semula secara agresif untuk estet-estet dengan penggunaan benih yang berhasilan tinggi. Program ini bukan hanya menghasilkan profil umur pokok yang baik untuk Kumpulan malah memastikan estet-estet menjana peningkatan produktiviti dalam pengeluaran BTS. Kini, daripada keseluruhan keluasan kawasan perladangan Kumpulan, hanya 4% adalah pokok kelapa sawit tua (> 26 tahun), 7% adalah pokok kelapa sawit peringkat pertengahan (16-25 tahun), 31% adalah pokok berhasilan tinggi (8-15 tahun), 32% adalah pokok kelapa sawit matang muda (4-7 tahun) dan 26% pokok belum matang (< 4 tahun). Dengan profil umur pokok yang baik, pengeluaran BTS Kumpulan dijangka meningkat pada tahun-tahun akan datang.

Walaubagaimanapun, industri kelapa sawit mengalami peningkatan harga baja dan kos upah buruh dan pekerja ditambah pula dengan penggenaan cukai dan ces yang perlu dibayar kepada pihak Kerajaan.

Harga baja dan kos pengangkutan yang tinggi belum lagi menunjukkan sebarang penurunan walaupun harga MSM dan minyak mentah telah turun dengan mendadak. Pengeluar MSM telah dibebani dengan pelbagai ces oleh pihak Kerajaan, cukai jualan dan subsidi minyak masak bagi menyokong usaha penyelidikan, perlesenan, promosi pasaran, sosial dan pembangunan infrastruktur.

Tambahan pula, pihak industri juga dikehendaki membayar Levi Keuntungan Luar Biasa. Untuk tempoh masa yang tidak menentu ini, adalah elok kepada industri kelapa sawit sekiranya pihak Kerajaan menghapuskan Levi Keuntungan Luar Biasa and ces Penstabilan Harga Minyak Kelapa Sawit serta membenarkan kembali pemotongan levi pekerja asing dari upah mereka bagi mengurangkan kos pengeluaran. Malah, industri kelapa sawit adalah satu-satunya industri yang berkembang menjadi perniagaan global dengan sumber sendiri serta memberi nilai tambah yang signifikan dan peluang pekerjaan seterusnya menyumbang kepada nilai eksport ekonomi negara.

Melihat kepada prospek industri kelapa sawit yang baik, industri mengalami peningkatan kos input terutamanya dari harga baja dan kos upah yang tinggi. Untuk mengatasi cabaran tersebut, United Malacca Berhad akan berusaha untuk meningkatkan kecekapan dan produktiviti selain mengurangkan kos pengeluaran untuk kekal bersaing dan menjana keuntungan. Selain itu, Kumpulan juga akan menghasilkan MSM dengan cara terbaik dan berterusan.

PENYATA **PENGERUSI** (samb.)

Kumpulan juga melihat potensi untuk mengembangkan keluasan kawasan perladangannya. Seperti pengumuman pada 18 June 2009, United Malacca Berhad telah berunding dengan Borneo Glow Sdn Bhd (sebagai "Penjual") untuk cadangan membeli 2 keping tanah yang bercantum antara satu sama lain. Pajakan tanah tersebut di bawah geran Pajakan Negeri bernombor 095332862 dengan keluasan 14,961 ekar (6,055 hektar) dan 095331749 berkeluasan 10,000 ekar (4,047 hektar) terletak di Sungai Millian-Labau dalam Daerah Kinabatangan, Sabah, Malaysia yang mana tempoh pajakan berakhir pada 31 Disember 2098. Kedua-dua keping tanah tersebut sedang dibangunkan dengan penanaman kelapa sawit berumur antara 1 hingga 5 tahun dan tersedia dengan perkakas, bangunan dan perumahan. Pada tarikh pengumuman dibuat, 13,000 ekar telah ditanam dengan kelapa sawit.

Pihak Syarikat dan Penjual telah bersetuju untuk berunding secara serius untuk melengkapkan dan menandatangani Perjanjian Jual Beli bagi cadangan pembelian tersebut.

Cadangan pembelian tersebut bergantung kepada kelulusan Jawatankuasa Pelaburan Luar, Pengarah Tanah dan Ukur, Sabah dan lain-lain pihak berkuasa yang relevan, jika perlu dan para pemegang saham United Malacca Berhad semasa Mesyuarat Agung Tahunan serta menjalankan penilaian dan kajian menyeluruh ("diligence") pada tanah tersebut.

Sekiranya pembelian ini berjaya, keluasan kawasan perladangan Kumpulan akan meningkat sebanyak 70% kepada 60,000 ekar.

Penghargaan

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

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

CHOI SIEW HONG, *KMN, JMN*
Pengerusi

Tandan sawit yang sempurna.

Kolam effluen di kilang sawit.

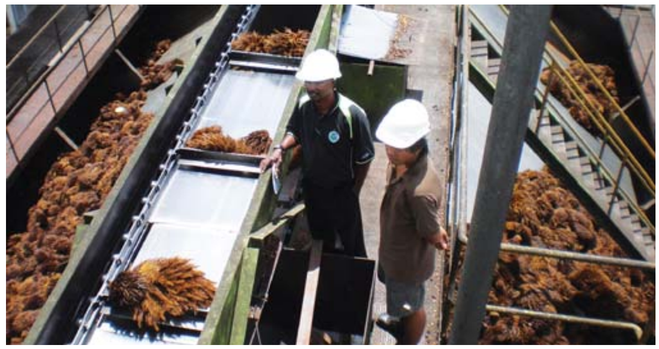
CORPORATE **SOCIAL RESPONSIBILITY**

The Group is committed to Corporate Social Responsibility (CSR) by integrating it into the way the business is run. The key CSR initiatives undertaken by United Malacca Berhad Group in 2008/2009 are as follows:-

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

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

Safety awareness in the oil mill.



Wearing safety helmets and shoes in the mill.

Transport for the children of staff and workers to school.

Medical care for estate's workers and their children.

Briefing by in-house safety officer to the workers.

Job opportunity offerred to local community.

CORPORATE **SOCIAL RESPONSIBILITY** (cont'd)

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

Grading work carried out for a school in Kampung Tengkarasan.

Briefing conducted by Malaysian Palm Oil Board (MPOB) Officer.

Land application of palm oil mill effluent.

New manager's bungalow in Tengkarasan Estate.

Employees' family outing at Cherating, Kuantan.

Chairman presenting donations to deserving charity organisations.

FIVE **YEARS' FINANCIAL STATISTICS**

	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
REVENUE					
Plantation	**178,304**	214,367	125,408	110,338	96,157
Investment holding	**16,786**	7,819	4,237	3,669	3,856
	195,090	222,186	129,645	114,007	100,013
GROUP PROFIT					
Oil palm products	**78,992**	109,647	44,721	26,204	26,603
Amortisation of goodwill on consolidation	**-**	-	-	(1,049)	(1,049)
Replanting expenses	**(7,492)**	(4,449)	(6,050)	(6,785)	(5,324)
Profit from plantation activities	**71,500**	105,198	38,671	18,370	20,230
Deficit on disposal of an associate	**-**	(8,173)	-	-	-
Investment income	**1,155**	7,507	12,183	2,163	1,190
Interest income	**14,789**	5,841	2,716	2,251	2,426
Operating profit	**87,444**	110,373	53,570	22,784	23,846
Share of profit of associates	**4,393**	7,738	9,506	6,634	5,761
Profit before tax	**91,837**	118,111	63,076	29,418	29,607
Income tax expense	**(20,497)**	(21,534)	(11,173)	(5,323)	3,614*
Profit after tax	**71,340**	96,577	51,903	24,095	33,221

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

FIVE YEARS' FINANCIAL STATISTICS (cont'd)

	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
ASSETS					
Property, plant and equipment	**165,446**	159,458	103,009	93,067	87,529
Biological assets	**274,831**	272,200	78,152	72,723	64,044
Prepaid land lease payments	**88,438**	89,962	91,379	92,372	93,295
Development expenditure	**1,295**	1,295	1,264	1,264	1,264
Interest in associates	**20,376**	16,874	166,629	198,891	196,605
Other investments	**15,962**	15,962	15,447	5,902	7,500
Goodwill on consolidation	**18,628**	18,628	18,628	18,628	19,677
Deferred tax assets	**-**	-	-	5,710	8,595
Current assets	**382,281**	379,198	158,788	103,987	105,130
Non-current asset held for sale	**-**	113	-	-	-
Total assets	**967,257**	953,690	633,296	592,544	583,639
EQUITY AND LIABILITIES					
Equity attributable to equity holders					
Issued and paid-up capital	**134,005**	134,005	134,005	134,005	134,005
Capital reserves	**243,890**	244,212	48,832	48,346	48,501
Revenue reserves	**501,593**	485,208	412,886	373,559	362,173
Total equity	**879,488**	863,425	595,723	555,910	544,679
Liabilities					
Deferred tax	**69,896**	68,224	21,536	23,118	23,352
Retirement benefit obligations	**-**	-	-	-	948
Current liabilities	**17,873**	22,041	16,037	13,516	14,660
Total liabilities	**87,769**	90,265	37,573	36,634	38,960
Total equity and liabilities	**967,257**	953,690	633,296	592,544	583,639
PER STOCK UNIT STATISTICS					
Earnings - net (sen)	**53.2**	72.1	38.7	18.0	24.8*
Dividend - gross (sen)	**40.0**	55.0	31.0	13.0	11.0
Dividend - net of tax (sen)	**30.0**	41.2	22.6	9.4	9.6
Dividend cover (number of times)	**1.8**	1.8	1.7	1.9	2.6
Net assets (RM)	**6.6**	6.4	4.4	4.1	4.1

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

GROUP **TITLED AREA STATEMENT**

AS AT 30 APRIL 2009

	HECTARAGE	%
OIL PALM		
Mature		
4 to 7 years	4,412	32
8 to 15 years	4,325	31
16 to 20 years	502	4
21 to 25 years	413	3
> 26 years	618	4
	10,270	74
Immature		
< 4 years	3,494	26
TOTAL OIL PALM PLANTED AREA	13,764	100
Reserve land, building sites, etc	244	
TOTAL GROUP TITLED AREA	**14,008**	

FIVE YEARS' PLANTATION STATISTICS

	2009	2008	2007	2006	2005
ESTATES					
FFB production (tonne)	**260,922**	240,102	208,657	172,707	169,395
Yield per weighted average mature hectare (tonne/ha)	**25.41**	24.13	23.06	21.06	21.02
MILLS					
FFB processed (tonne)	**292,111**	311,490	313,077	316,534	260,252
Production					
- Crude palm oil (tonne)	**62,251**	65,938	65,639	65,628	52,414
- Palm kernel (tonne)	**15,095**	15,661	16,106	17,434	14,899
Oil extraction rate (%)	**21.31**	21.17	20.97	20.73	20.14
Kernel extraction rate (%)	**5.17**	5.03	5.14	5.51	5.72
AVERAGE SELLING PRICE					
Crude palm oil (RM/tonne)	**2,420**	2,857	1,669	1,413	1,470
Palm kernel (RM/tonne)	**1,234**	1,722	956	997	1,080
FFB (RM/tonne)	**477**	609	334	255	274

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 2009 in accordance with Paragraph 15.15 of the Bursa Malaysia Securities Berhad's Listing Requirement.

2 Composition

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

Chairman:	Tan Sri Dato' Ahmad bin Mohd Don (Independent Non-Executive Director)
Members:	Ms Tan Siok Choo (Non-Executive Director)
	Datuk Fong Weng Phak (Independent Non-Executive Director)

(i) The Audit Committee shall be appointed by the Board of Directors from amongst the Directors and comprise not less than three (3) members. All the Audit Committee members must be Non - Executive Directors, with a majority of them being Independent Directors.

(ii) The members of the Committee must elect the Chairman, who is an Independent Director from among the members.

(iii) If the number of members for any reason falls below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members required to fulfil the minimum requirement.

(iv) At least one (1) member of the Audit Committee:

a. Must be a member of The Malaysian Institute of Accountants (MIA); or

b. If he or she is not a member of MIA, he or she must have at least three (3) years' working experience and;

i. must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

ii. must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

c. Fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

AUDIT COMMITTEE REPORT (cont'd)

3 Objectives

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

(ii) The Audit Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries, and the sufficiency of auditing of the Group.

(iii) It is to be the Board of Directors principal agent in ensuring the independence of the Company's External Auditors and the adequacy of disclosures to stockholders.

4 Authority

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

(i) To investigate any activity within its terms of reference.

(ii) Unrestricted access to all information and documents relevant to its activities as well as direct communication to External Auditors, Internal Auditors and the Senior Management of the Group.

(iii) To obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

(iv) The Audit Committee shall have the resources which are required to perform its duties.

(v) The Audit Committee shall have direct communication channels with the auditors.

(vi) The Audit Committee shall have the authority to convene meetings with the external auditors, the internal auditors or both excluding the attendance of others directors and employees of the Company, whenever deemed necessary.

5 Functions

The functions of the Audit Committee shall be:

(i) To keep under review the quality and effectiveness of the accounting and systems of internal control as well as the efficiency of the Group's operations.

(ii) To review the audit plan, scope of examination and audit observations of the External and Internal Auditors, and ensure that appropriate action is taken by Management in respect of the audit observations and the Audit Committee's recommendations.

(iii) To review the quarterly and annual consolidated financial statement of the Group before submission to the Board of Directors for approval. The review should focus primarily on compliance with accounting standards as well as other regulatory requirements and the adequacy of information disclosure for a fair and full presentation of the financial affairs of the Group.

(iv) To recommend to the Board the appointment of the external auditors, the audit fees, other terms of engagement and to consider any letter of resignation from the external auditors (if any).

(v) To consider whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.

AUDIT **COMMITTEE REPORT** (cont'd)

5 Functions (cont'd)

(vi) To approve the appointment of Head of Internal Audit and ensure the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work.

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

(viii) To review any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

(ix) To ensure employees of the Company extend their assistance to the external auditors.

(x) To meet at least twice a year with the external auditors in a private session to discuss any matters without the presence of management and any executive members of the Board of Directors.

(xi) To perform any other related duties as directed by the Board of Directors.

6 Meetings

The Audit Committee met on four (4) occasions during the FY 2008/2009 and the attendance of each member of the Audit Committee is as follows:

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

The Company Secretary acts as Secretary to the Audit Committee. Minutes of each meeting are circulated to the Audit Committee members and to all other members of the Board of Directors. The Chairman of the Audit Committee reports on key issues discussed at each meeting to the Board of Directors.

(i) Meeting

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

(ii) Quorum

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

(iii) Attendance At Meeting

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

AUDIT **COMMITTEE REPORT** (cont'd)

7 Summary of Activities

Activities undertaken by the Audit Committee during FY 2008/2009 were:

(i) Reviewing and recommending for Board of Directors approval the quarterly financial statements for announcement to the Bursa Malaysia Securities Berhad in compliance with the Revamped Quarterly Reports pursuant to Bursa Malaysia Listing Requirements.

(ii) Reviewing the audit report and observations made by the External Auditors on the audited financial statements that require appropriate actions and the Management's response thereon and reporting them to the Board of Directors.

(iii) Reviewing and recommending for Board of Directors approval the overall presentation of the annual audited accounts in line with the spirit of the new framework for corporate governance to promote greater transparency and disclosure to enable the interested public and especially the stockholders to have a better insight into the operations of the Group.

(iv) Reviewing and approving the Audit Plan for FY 2008/2009 and appraising the audit scope, audit reports and recommended actions to be taken by the Management.

(v) Reviewing the scope of work and audit plan of the External Auditors for FY 2008/2009.

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

(vii) Reviewing any related party transactions and conflict of interest situation that may arise within the Company or Group.

(viii) Reviewing and recommending for Board of Directors approval the draft Audit Committee Report for disclosure in the Group's Annual Report.

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

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

8 Internal Audit

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

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

AUDIT **COMMITTEE REPORT** (cont'd)

8 Internal Audit (cont'd)

In compliance with Paragraph 30, Appendix 9C of the Bursa Malaysia Securities Berhad's Listing Requirement, the Group has in place an Internal Audit Department headed by a Senior Manager and supported by three (3) Executives. The Senior Manager and one (1) of the Executive is a registered member of The Institute of Internal Auditors Malaysia. The Internal Audit Department is responsible for the overall internal audit function of the Group, and reports directly to the Audit Committee to ensure its independence status within the Group. Total staff cost incurred in respect of the internal audit function during the financial year ended 30 April 2009 was RM 284,394.

Internal Audit Department assists the Audit Committee in discharging its duties and responsibilities with respect to the adequacy and integrity of the systems of internal control within the Group. For FY 2008/2009, Internal Audit Department had undertaken the following activities in accordance with the approved Audit Plan.

(i) Carrying out the audit of the Group's operating units including its subsidiaries by reviewing the unit's business activities and processes to ensure compliance with internal control procedures, highlighting control weaknesses and proposing appropriate value added recommendations for continuous improvements and to strengthen controls.

(ii) Facilitating the improvement of business processes within the Group and its subsidiary companies.

(iii) Establishing a follow up process in monitoring the implementation of audit recommendations by Management.

(iv) Monitoring the effectiveness of the Group's risk management systems by reviewing the implementation of the risk assessment action plans by Management.

(v) Preparing the Audit Committee Report and Statement on Internal Controls for disclosure in the Group's Annual Report.

(vi) Conducting investigation audits or special assignments from time to time as requested by the Management.

This report is made in accordance with a resolution of the Board of Directors dated 24 June 2009.

STATEMENT **ON CORPORATE GOVERNANCE**

INTRODUCTION

The Board of Directors recognizes that the practice of good corporate governance is fundamental to the Group's continued success. 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 (Revised 2007) ("the Code") issued by the Securities Commission on 1 October 2007 are applied in all aspects of the Group's business with the objective of safeguarding and enhancing long-term 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 2009.

1. BOARD OF DIRECTORS

1.1 Board Responsibilities

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

1.2 Board Composition

The Board currently has six Directors and is annually reviewed by the Nomination Committee. The Board comprises the Chairman who is the Executive Director and five Non-Executive Directors four of whom 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 Board is satisfied that its current size and composition is sufficient and well balanced for the Company to carry out its duties effectively.

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

The Directors of the Company are professionals from diverse backgrounds with experience in plantation, financial, corporate, economic, legal and accounting matters, enabling them to bring broad perspective 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 role of these Independent Non-Executive Directors is important in ensuring that all business strategies proposed by Management are fully deliberated and take into account the long term interest, not only of stockholders but also employees and the local communities in which the Group operates. The Board is thus ensured of a balanced and independent view at all Board deliberations. Datuk Fong Weng Phak, is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

The Profiles of the Directors are set out in this Annual Report on pages 6 to 8.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1. BOARD OF DIRECTORS (cont'd)

1.3 Board Meetings

All Board meetings for the year are scheduled in advance at the beginning of each calendar year to enable Directors to fit the year's meetings into their own schedule. During the financial year, the Board had held four Meetings and the details of attendance are disclosed in the Profile of Directors on pages 6 to 8 of this Annual Report. All the 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, authority limits and approval of the Group's quarterly and annual financial statements for announcement to Bursa Malaysia Securities Berhad. All matters arising from and deliberations and conclusions of the meetings of the Board are clearly and accurately recorded in minutes of meetings by the Company Secretary, confirmed by the Board and signed as a correct record by the Chairman.

1.4 Supply of Information

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

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

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

1.5 Board Committees

In discharging its fiduciary duties, the Board is assisted by Board Committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee 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.

STATEMENT **ON CORPORATE GOVERNANCE (cont'd)**

1. BOARD OF DIRECTORS (cont'd)

1.6 Appointments to the Board

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

The Nomination Committee comprises two Independent Non-Executive Directors and one Non-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 a whole as well as the annual performance of the Chief Executive Officer 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	Ms. Tan Siok Choo *Non-Executive Director*
	Datuk Fong Weng Phak *Independent Non-Executive Director*

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

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

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

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

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

1.8 Directors' Training

All Directors had attended and successfully completed the Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad. Directors are encouraged to continue to attend other education programmes and seminars to keep abreast with developments in the plantation industry and the Malaysian economy. Among the training programmes attended by the Directors were the Annual Palm & Lauric Oils Conference & Exhibition Price Outlook 2009/2010 organised by Bursa Malaysia Berhad, Seminar on Global Availability and Sustainability of Oils and Fats by the Malaysian Oil Scientists and Technologists Association in collaboration with Oils and Fats International Asia 2008, Financial Reporting During Financial Turbulence Forum by The Malaysian Institute of Accountants.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1. BOARD OF DIRECTORS (cont'd)

1.8 Directors' Training (cont'd)

Directors also received regular briefings by Ernst & Young on updates in financial reporting and new accounting standards affecting the Group. The Board is kept informed on new developments affecting the plantation industry by 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 2009.

The remuneration of the Directors for the financial year ended 30 April 2009 categorised into appropriate components and the number of Directors whose remuneration falls into each band of RM50,000 are set out on pages 64 and 65 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 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 to them the Group's operations so as to give them a better understanding of the Group's business.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

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 that the financial statements comply with the Companies Act 1965.

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

Internal Control

The Board is responsible for ensuring that the Group maintains a sound system of Internal Control and risk management framework including regular reviews of the adequacy and integrity of those systems in order to safeguard 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 in place throughout the financial year.

The Statement on Internal Control as set out in pages 36 to 38 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 25 to 29 of this Annual Report.

OTHER INFORMATION

PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITES BERHAD

1. Utilisation of Proceeds

There were no issuance of new stock units, rights issue or issuance of bonds carried out during the financial year ended 30 April 2009 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 2009.

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 2009.

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 RM116,400 (please refer to page 63 of the audited financial statements.)

7. Variation in Results

There is no material variance between the results for the financial year ended 30 April 2009 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 2009.

9. Revaluation Policy

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

10. Material Contracts Involving Directors and Major 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 2009 or entered into since the end of that financial year.

STATEMENT ON INTERNAL CONTROL

1. Introduction

The Board of Directors of United Malacca Berhad is pleased to present the Statement on Internal Control pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Listing Requirements, which outlines the Group's key elements of internal control system for the financial year ended 30 April 2009.

2. Board Responsibility

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

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

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

3. Key Elements of Internal Control Systems

3.1 Risk Management Framework

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

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

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

(i) Maintaining an updated inventory of all business risks and controls in the form of a detailed risk 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) Identifying and assessing new risks faced by the Group's business in view of more stringent regulatory requirements. Mitigating plans and control measures have been formulated and implemented to address these risks.

STATEMENT ON INTERNAL CONTROL (cont'd)

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

3.2 Internal Audit

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

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

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

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

4. Other Key Elements of Internal Control Systems

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

(i) Organisational Structure

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

(ii) Control Procedures

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

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

a. Authorisation Levels and Approval Limits

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

b. Budgeting

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

c. Tender Committee

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

STATEMENT ON INTERNAL CONTROL (cont'd)

4. Other Key Elements of Internal Control Systems (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 teams also monitor operations including marketing and the financial performance as well as formulating action plans to focus on areas of concern.

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

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

(iv) 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.

(v) Estate Visits

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

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

5. Conclusion

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

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

This statement is made in accordance with the resolution of the Board of Directors dated 24 June 2009.

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 2009.

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 15 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	71,340	67,554

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

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

DIVIDENDS

The amounts of dividends paid or declared by the Company since 30 April 2008 were as follows:

	RM'000
In respect of the financial year ended 30 April 2008 as reported in the directors' report of that year:	
Final dividend of 45% less 25% taxation, on 134,005,001 ordinary shares, declared on 29 August 2008 and paid on 22 September 2008	45,227
In respect of the financial year ended 30 April 2009:	
Interim dividend of 10% less 25% taxation, on 134,005,001 ordinary shares, declared on 16 December 2008 and paid on 15 January 2009	10,050

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 April 2009, of 30% less 25% taxation on 134,005,001 ordinary shares, amounting to a dividend payable of RM30,151,125 (22.50 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2010.

DIRECTORS

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

Choi Siew Hong
Tan Sri Dato' Ahmad bin Mohd Don
Tan Siok Choo
Boon Weng Siew
Datuk Fong Weng Phak
Tan Jiew Hoe

DIRECTORS' **REPORT** (cont'd)

DIRECTORS (cont'd)

In accordance with the Company's Article of Association, Datuk Fong Weng Phak retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Choi Siew Hong and Boon Weng Siew having already attained the age of seventy, retire 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 31 to the financial statements.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			
	1.5.2008	**Acquired**	**Sold**	**30.4.2009**
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:				
Choi Siew Hong	10,000	-	-	10,000
Tan Siok Choo	6,990,133	-	-	6,990,133
Tan Jiew Hoe	1,662,348	-	-	1,662,348

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

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

(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) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

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

SUBSEQUENT EVENT

Details of the subsequent event are disclosed in Note 35 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 June 2009.

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 46 to 91 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 2009 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 24 June 2009.

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 46 to 91 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 24 June 2009.) **Lai Swee Kee**

Before me,
Tan Mock Kow
Commissioner for Oaths
Melaka, Malaysia

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF UNITED MALACCA BERHAD (INCORPORATED IN MALAYSIA)

Report on the financial statements

We have audited the financial statements of United Malacca Berhad, which comprise the balance sheets as at 30 April 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 91.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Report on other legal and regulatory requirements

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

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

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT **AUDITORS' REPORT** (cont'd)

TO THE MEMBERS OF UNITED MALACCA BERHAD (INCORPORATED IN MALAYSIA)

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Pushpanathan A/L S. A. Kanagarayar
1056/03/11 (J/PH)
Chartered Accountant

Kuala Lumpur, Malaysia
24 June 2009

INCOME **STATEMENTS**
FOR THE YEAR ENDED 30 APRIL 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Revenue	3	**195,090**	222,186	**90,111**	86,210
Cost of sales	4	**(92,268)**	(96,034)	**(10,871)**	(9,221)
Gross profit		**102,822**	126,152	**79,240**	76,989
Other income		**2,665**	7,081	**5,923**	3,447
(Deficit)/surplus on disposal of an associate		**-**	(8,173)	**-**	90,816
Administrative expenses		**(5,625)**	(5,400)	**(2,317)**	(2,200)
Selling and distribution expenses		**(3,212)**	(2,549)	**(915)**	(689)
Other expenses		**(1,714)**	(2,289)	**(1,478)**	(53)
Replanting expenses		**(7,492)**	(4,449)	**(1,437)**	(902)
Operating profit		**87,444**	110,373	**79,016**	167,408
Share of profit of associates		**4,393**	7,738	**-**	-
Profit before tax	5	**91,837**	118,111	**79,016**	167,408
Income tax expense	8	**(20,497)**	(21,534)	**(11,462)**	(18,373)
Profit for the year		**71,340**	96,577	**67,554**	149,035
Basic earnings per share (sen)	9(a)	**53.2**	72.1		

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

BALANCE SHEETS

AS AT 30 APRIL 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000 (restated)
ASSETS					
Non-current assets					
Property, plant and equipment	11	**165,446**	159,458	**80,525**	79,488
Biological assets	12	**274,831**	272,200	**45,935**	45,935
Prepaid land lease payments	13	**88,438**	89,962	**6,245**	6,479
Development expenditure	14	**1,295**	1,295	**-**	-
Investment in subsidiaries	15	**-**	-	**142,288**	142,288
Interest in associates	16	**20,376**	16,874	**18,963**	15,663
Other investments	17	**15,962**	15,962	**15,962**	15,962
Goodwill on consolidation	18	**18,628**	18,628	**-**	-
		584,976	574,379	**309,918**	305,815
Current assets					
Inventories	19	**9,436**	16,047	**330**	244
Trade and other receivables	20	**14,124**	18,141	**5,347**	11,629
Marketable securities	21	**8,926**	4,433	**8,926**	4,433
Cash and bank balances	22	**349,795**	340,577	**324,418**	316,325
		382,281	379,198	**339,021**	332,631
Non-current asset held for sale	23	**-**	113	**-**	113
		382,281	379,311	**339,021**	332,744
TOTAL ASSETS		**967,257**	953,690	**648,939**	638,559
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	24	**134,005**	134,005	**134,005**	134,005
Share premium		**6,346**	6,346	**6,346**	6,346
Revaluation reserve		**237,544**	237,866	**99,425**	99,564
Retained earnings	25	**501,593**	485,208	**399,142**	386,726
Total equity		**879,488**	863,425	**638,918**	626,641
Non-current liability					
Deferred tax	26	**69,896**	68,224	**5,670**	5,518
Current liabilities					
Trade and other payables	27	**12,904**	16,751	**2,807**	4,340
Current tax payable		**4,969**	5,290	**1,544**	2,060
		17,873	22,041	**4,351**	6,400
Total liabilities		**87,769**	90,265	**10,021**	11,918
TOTAL EQUITY AND LIABILITIES		**967,257**	953,690	**648,939**	638,559

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

CONSOLIDATED **STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 APRIL 2009

	<- Non distributable		->Distributable		
	Share capital (Note 24) RM'000	**Share premium RM'000**	**Revaluation reserve RM'000**	**Retained earnings (Note 25) RM'000**	**Total RM'000**
At 1 May 2007	134,005	6,346	42,486	412,886	595,723
Revaluation increase of property, plant and equipment, net of deferred tax	-	-	45,038	-	45,038
Revaluation increase of biological assets, net of deferred tax	-	-	160,459	-	160,459
Realisation of revaluation reserve upon depreciation	-	-	(123)	123	-
Realisation of revaluation reserve upon disposal of property, plant and equipment	-	-	(24)	24	-
Realisation of revaluation reserve upon disposal of an associate	-	-	(9,970)	9,970	-
Net income recognised directly in equity	-	-	195,380	10,117	205,497
Profit for the year	-	-	-	96,577	96,577
Total recognised income and expense for the year	-	-	195,380	106,694	302,074
Dividends (Note 10)	-	-	-	(34,372)	(34,372)
At 30 April 2008	134,005	6,346	237,866	485,208	863,425
At 1 May 2008	134,005	6,346	237,866	485,208	863,425
Realisation of revaluation reserve upon depreciation	-	-	(310)	310	-
Realisation of revaluation reserve upon property, plant and equipment written off	-	-	(12)	12	-
Net income recognised directly in equity	-	-	(322)	322	-
Profit for the year	-	-	-	71,340	71,340
Total recognised income and expense for the year	-	-	(322)	71,662	71,340
Dividends (Note 10)	-	-	-	(55,277)	(55,277)
At 30 April 2009	134,005	6,346	237,544	501,593	879,488

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

COMPANY **STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 APRIL 2009

	Share capital (Note 24) RM'000	<- Non distributable -> Share premium RM'000	Revaluation reserve RM'000	Distributable Retained earnings (Note 25) RM'000	Total RM'000
At 1 May 2007					
As previously stated	134,005	6,346	47,103	261,996	449,450
Effect of change in accounting policy (Note 29)	-	-	(16,623)	-	(16,623)
As restated	134,005	6,346	30,480	261,996	432,827
Revaluation increase of property, plant and equipment, net of deferred tax	-	-	37,724	-	37,724
Revaluation increase of biological assets, net of deferred tax	-	-	41,427	-	41,427
Realisation of revaluation reserve upon depreciation	-	-	(85)	85	-
Realisation of revaluation reserve upon disposal of property, plant and equipment	-	-	(12)	12	-
Realisation of revaluation reserve upon disposal of an associate	-	-	(9,970)	9,970	-
Net income recognised directly in equity	-	-	69,084	10,067	79,151
Profit for the year	-	-	-	149,035	149,035
Total recognised income and expense for the year	-	-	69,084	159,102	228,186
Dividends (Note 10)	-	-	-	(34,372)	(34,372)
At 30 April 2008	134,005	6,346	99,564	386,726	626,641
At 1 May 2008					
As previously stated	134,005	6,346	116,187	386,726	643,264
Effect of change in accounting policy (Note 29)	-	-	(16,623)	-	(16,623)
As restated	134,005	6,346	99,564	386,726	626,641
Realisation of revaluation reserve upon depreciation	-	-	(127)	127	-
Realisation of revaluation reserve upon property, plant and equipment written off	-	-	(12)	12	-
Net income recognised directly in equity	-	-	(139)	139	-
Profit for the year	-	-	-	67,554	67,554
Total recognised income and expense for the year	-	-	(139)	67,693	67,554
Dividends (Note 10)	-	-	-	(55,277)	(55,277)
At 30 April 2009	134,005	6,346	99,425	399,142	638,918

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**91,837**	118,111	**79,016**	167,408
Adjustments for:					
Amortisation of prepaid land lease payments	5	**1,468**	1,432	**234**	233
Bad debt written off	5	**174**	-	**-**	-
Deficit/(surplus) on disposal of an associate		**-**	8,173	**-**	(90,816)
Depreciation of property, plant and equipment	5	**5,336**	4,164	**774**	666
Expenses incurred on aborted Indonesian joint venture project written off	5	**621**	-	**621**	-
Gain on disposal of property, plant and equipment	5	**(696)**	(301)	**(695)**	(233)
Loss/(gain) on disposal of marketable securities	5	**818**	(681)	**818**	(681)
Property, plant and equipment written off	5	**77**	92	**22**	8
Provision for doubtful debts	5	**-**	2,146	**-**	-
Reversal of provision for diminution in value of investment in an associate	5	**-**	(4,883)	**(3,300)**	(1,500)
Dividend income	3	**(1,997)**	(1,978)	**(44,946)**	(48,379)
Interest income	3	**(14,789)**	(5,841)	**(13,191)**	(4,907)
Share of profit of associates		**(4,393)**	(7,738)	**-**	-
Operating profit before working capital changes		**78,456**	112,696	**19,353**	21,799
Decrease/(increase) in inventories		**6,611**	(10,696)	**(86)**	(26)
Decrease/(increase) in receivables		**5,457**	(7,475)	**348**	(643)
(Decrease)/increase in payables		**(3,847)**	2,283	**(1,533)**	373
Cash generated from operations		**86,677**	96,808	**18,082**	21,503
Dividend received from subsidiaries		**-**	-	**37,736**	29,359
Dividend received from associates		**891**	4,851	**891**	4,851
Dividend received from other investments		**1,633**	1,224	**1,633**	1,224
Interest received		**12,573**	4,855	**10,960**	4,069
Taxes paid		**(18,801)**	(12,150)	**(7,159)**	(5,068)
Net cash generated from operating activities		**82,973**	95,588	**62,143**	55,938

CASH **FLOW STATEMENTS** (cont'd)

FOR THE YEAR ENDED 30 APRIL 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of biological assets		**(1,758)**	(3,334)	**-**	-
Additions of development expenditure		**-**	(31)	**-**	-
Additions of prepaid land lease payments		**(12)**	(120)	**-**	-
Net proceeds from disposal of an associate		**-**	152,727	**-**	152,727
Proceeds from disposal of marketable securities		**4,111**	11,716	**4,111**	11,716
Proceeds from disposal of property, plant and equipment		**818**	335	**812**	254
Purchase of marketable securities		**(9,422)**	(6,378)	**(9,422)**	(6,378)
Purchase of property, plant and equipment		**(12,215)**	(4,594)	**(1,837)**	(388)
Repayment of advances due from subsidiaries		**-**	-	**7,563**	36,758
Subscription of convertible redeemable loan stock of an associate		**-**	(3,375)	**-**	(3,375)
Net cash (used in)/generated from investing activities		**(18,478)**	146,946	**1,227**	191,314
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid		**(55,277)**	(34,372)	**(55,277)**	(34,372)
Net cash used in financing activity		**(55,277)**	(34,372)	**(55,277)**	(34,372)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**9,218**	208,162	**8,093**	212,880
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**340,577**	132,415	**316,325**	103,445
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	**349,795**	340,577	**324,418**	316,325

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2009

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 June 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Basis of Consolidation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

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

(ii) Basis of Consolidation (cont'd)

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

(b) Associates

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

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

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

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

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

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

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, investment in associates is stated at cost less impairment losses.

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

(c) Goodwill

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

(d) Property, Plant and Equipment, and Depreciation

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

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

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

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

(f) Replanting Expenditure

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(g) Leases

(i) Classification

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

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

(ii) Operating Leases - the Group as Lessee

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

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

(h) Development Expenditure

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

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

(i) Impairment of Non-financial Assets

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

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

30 APRIL 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

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

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

(j) Inventories

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

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

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

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

(k) Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(k) Non-current Assets Held for Sale (cont'd)

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

(l) Financial Instruments

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

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

(i) Other Non-current Investments

Non-current investments other than investments in subsidiaries and associates are stated at cost less impairment losses. 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, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value.

(v) Equity Instruments

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(l) Financial Instruments (cont'd)

(vi) Trade Payables

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

(m) 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.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(o) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

(p) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the dates 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 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards and Interpretations Issued but Not Yet Effective

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

FRSs, Amendments to FRSs and IC Interpretations	Effective for financial periods beginning on or after
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 123: Borrowing Costs	1 January 2010
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

FRS 4, FRS 123, Amendments to FRS 2, IC Interpretation 9, IC Interpretation 11 and IC Interpretation 13 are not applicable to the Group and the Company.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

The other new FRSs, Amendments to FRSs and IC Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Significant Accounting Estimates and Judgements (cont'd)

(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 2009 was RM18,628,000 (2008: RM18,628,000). Further details are disclosed in Note 18.

(ii) Depreciation of Property, Plant and Equipment

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

(iii) 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.

(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 recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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

30 APRIL 2009

3. REVENUE

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sale of oil palm products	**178,304**	214,367	**31,974**	32,924
Dividend income from subsidiaries	**-**	-	**41,903**	40,217
Dividend income from associates	**-**	-	**1,046**	6,184
Dividend income from other investments	**1,997**	1,978	**1,997**	1,978
Interest income	**14,789**	5,841	**13,191**	4,907
	195,090	222,186	**90,111**	86,210

4. COST OF SALES

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

5. PROFIT BEFORE TAX

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Employee benefits expense (Note 6)	**20,742**	18,903	**4,913**	4,405
Non-executive directors' remuneration (Note 7)	**205**	199	**205**	199
Auditors' remuneration:				
- Statutory audits	**98**	98	**40**	40
- Other services	**116**	92	**100**	73
Additional compensation received from compulsory land acquisition	**(1,541)**	(854)	**(1,541)**	(854)
Amortisation of prepaid land lease payments	**1,468**	1,432	**234**	233
Bad debt written off	**174**	-	**-**	-
Depreciation of property, plant and equipment	**5,336**	4,164	**774**	666
Expenses incurred on aborted Indonesian joint venture project written off	**621**	-	**621**	-
Gain on disposal of property, plant and equipment	**(696)**	(301)	**(695)**	(233)
Loss on foreign exchange	**3**	7	**3**	7
Loss/(gain) on disposal of marketable securities	**818**	(681)	**818**	(681)
Property, plant and equipment written off	**77**	92	**22**	8
Provision for doubtful debts	**-**	2,146	**-**	-
Rental income	**(591)**	(392)	**(572)**	(370)
Reversal of provision for diminution in value of investment in an associate	**-**	(4,883)	**(3,300)**	(1,500)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages and salaries	**18,933**	17,186	**4,429**	3,887
Employees Provident Fund	**1,243**	1,021	**295**	227
Social security costs	**99**	107	**22**	29
Other staff related expenses	**467**	589	**167**	262
	20,742	18,903	**4,913**	4,405

Included in employee benefits expense of the Group and of the Company is the executive director's remuneration amounting to RM364,000 (2008: RM211,000) as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive director's remuneration (Note 6):				
Fees	**60**	60	**60**	60
Other emoluments	**304**	151	**304**	151
	364	211	**364**	211
Non-executive directors' remuneration (Note 5):				
Fees	**150**	150	**150**	150
Other emoluments	**55**	49	**55**	49
	205	199	**205**	199
Total directors' remuneration (Note 31(c)):	**569**	410	**569**	410
Estimated money value of benefits-in-kind	**21**	24	**21**	24
Total directors' remuneration including benefits-in-kind	**590**	434	**590**	434

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

30 APRIL 2009

7. DIRECTORS' REMUNERATION (cont'd)

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	
	2009	**2008**
Executive director:		
RM200,001 - RM250,000	**-**	1
RM350,001 - RM400,000	**1**	-
Non-executive directors:		
Below RM50,000	**5**	5

8. INCOME TAX EXPENSE

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Current income tax:				
Current year	**18,268**	16,251	**10,760**	18,660
Under/(over)provision in prior years	**557**	(34)	**550**	(57)
	18,825	16,217	**11,310**	18,603
Deferred tax (Note 26):				
Recognition of deferred tax assets	**-**	-	**-**	(196)
Utilisation of deferred tax assets	**190**	4,325	**99**	-
Recognition of deferred tax liabilities	**1,482**	992	**53**	-
Reversal of deferred tax liabilities	**-**	-	**-**	(34)
	1,672	5,317	**152**	(230)
	20,497	21,534	**11,462**	18,373

Current income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

During the previous financial year, 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 26% is applicable. However, in accordance with the Finance Act, 2009 which was gazetted on 8 January 2009, as subsidiaries of public listed company, the respective subsidiaries no longer qualify as small and medium enterprises, and are therefore restricted from enjoying the preferential tax rate of 20% on chargeable income of up to RM500,000 during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

8. INCOME TAX EXPENSE (cont'd)

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax	**91,837**	118,111	**79,016**	167,408
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	**22,959**	30,709	**19,754**	43,526
Effect of different tax rate for first RM500,000 at 20%	**-**	(60)	**-**	-
Effect of change in tax rate on deferred tax	**-**	(318)	**-**	(42)
Effect of capitalised income subject to tax	**-**	409	**-**	-
Effect of expenditure capitalised allowable for tax deduction	**(537)**	-	**-**	-
Effect of income not subject to tax	**(1,936)**	(634)	**(9,177)**	(25,314)
Effect of expenses not deductible for tax purpose	**643**	1,004	**333**	260
Effect of utilisation of previously unabsorbed agriculture allowances	**-**	(7,430)	**-**	-
Under/(over)provision of current income tax in prior years	**557**	(34)	**550**	(57)
(Over)/underprovision of deferred tax in prior years	**(91)**	(100)	**2**	-
Effect of share of profit of associates	**(1,098)**	(2,012)	**-**	-
	20,497	21,534	**11,462**	18,373

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	
	2009	2008
Profit for the year (RM'000)	**71,340**	96,577
Number of ordinary shares in issue ('000)	**134,005**	134,005
Basic earnings per share (sen)	**53.2**	72.1

(b) Diluted earnings per share

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

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

30 APRIL 2009

10. DIVIDENDS

	Group and Company				
	Dividends in respect of Year			Dividends Recognised in Year	
	2009 RM'000	2008 RM'000	2007 RM'000	2009 RM'000	2008 RM'000
Recognised during the year:					
Final dividend for 2007: 10% less 27% taxation, on 134,005,001 ordinary shares (7.30 sen net per ordinary share)	**-**	-	9,782	**-**	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	**-**	14,674
Interim dividend for 2008: 10% less 26% taxation, on 134,005,001 ordinary shares (7.40 sen net per ordinary share)	**-**	9,916	-	**-**	9,916
Final dividend for 2008: 45% less 25% taxation, on 134,005,001 ordinary shares (33.75 sen net per ordinary share)	**-**	45,227	-	**45,227**	-
Interim dividend for 2009: 10% less 25% taxation, on 134,005,001 ordinary shares (7.50 sen net per ordinary share)	**10,050**	-	-	**10,050**	-
Proposed for approval at AGM (not recognised as at 30 April 2009):					
Final dividend for 2009: 30% less 25% taxation, on 134,005,001 ordinary shares (22.50 sen net per ordinary share)	**30,151**	-	-	**-**	-
	40,201	55,143	24,456	**55,277**	34,372

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 April 2009, of 30% less 25% taxation on 134,005,001 ordinary shares, amounting to a dividend payable of RM30,151,125 (22.50 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2010.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
At 30 April 2009							
Cost or valuation							
At 1 May 2008							
At cost	-	1,192	28,952	2,665	12,982	183	45,974
At valuation	84,512	46,107	-	-	-	-	130,619
	84,512	47,299	28,952	2,665	12,982	183	176,593
Additions	-	6,900	714	213	2,560	1,828	12,215
Disposals	-	-	(29)	(72)	(165)	-	(266)
Write off	-	(41)	(120)	(52)	(187)	-	(400)
Reclassifications	-	850	314	-	-	(1,164)	-
Reclassified to biological assets (Note 12)	-	(349)	-	-	-	-	(349)
At 30 April 2009	84,512	54,659	29,831	2,754	15,190	847	187,793
Representing:							
At cost	-	8,431	29,831	2,754	15,190	847	57,053
At valuation	84,512	46,228	-	-	-	-	130,740
At 30 April 2009	84,512	54,659	29,831	2,754	15,190	847	187,793
Accumulated depreciation							
At 1 May 2008	-	499	9,205	1,311	6,120	-	17,135
Depreciation charge for the year	-	2,803	1,780	214	995	-	5,792
Disposals	-	-	(28)	(71)	(158)	-	(257)
Write off	-	(7)	(102)	(48)	(166)	-	(323)
At 30 April 2009	-	3,295	10,855	1,406	6,791	-	22,347
Net carrying amount							
At cost	-	8,131	18,976	1,348	8,399	847	37,701
At valuation	84,512	43,233	-	-	-	-	127,745
At 30 April 2009	84,512	51,364	18,976	1,348	8,399	847	165,446

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

30 APRIL 2009

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Capital work-in-progress RM'000	Total RM'000
Group (cont'd)							
At 30 April 2008							
Cost or valuation							
At 1 May 2007							
At cost	1,491	34,488	29,229	2,713	11,488	812	80,221
At valuation	41,218	2,794	-	-	-	-	44,012
	42,709	37,282	29,229	2,713	11,488	812	124,233
Additions	-	1,923	264	173	1,603	631	4,594
Revaluation adjustments	41,837	(3,840)	-	-	-	-	37,997
Disposals	(34)	-	-	-	-	-	(34)
Write off	-	(22)	(47)	(57)	(119)	-	(245)
Reclassifications	-	1,908	(494)	(164)	10	(1,260)	-
Reclassified from biological assets (Note 12)	-	10,577	-	-	-	-	10,577
Reclassified as held for sale *	-	(529)	-	-	-	-	(529)
At 30 April 2008	84,512	47,299	28,952	2,665	12,982	183	176,593
Representing:							
At cost	-	1,192	28,952	2,665	12,982	183	45,974
At valuation	84,512	46,107	-	-	-	-	130,619
At 30 April 2008	84,512	47,299	28,952	2,665	12,982	183	176,593
Accumulated depreciation							
At 1 May 2007	-	7,175	7,490	1,128	5,431	-	21,224
Depreciation charge for the year	-	1,851	1,759	222	756	-	4,588
Elimination of accumulated depreciation on revaluation	-	(8,108)	-	-	-	-	(8,108)
Write off	-	(4)	(40)	(33)	(76)	-	(153)
Reclassifications	-	1	(4)	(6)	9	-	-
Reclassified as held for sale *	-	(416)	-	-	-	-	(416)
At 30 April 2008	-	499	9,205	1,311	6,120	-	17,135

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Capital work-in-progress RM'000	Total RM'000
Group (cont'd)							
At 30 April 2008							
Net carrying amount							
At cost	-	1,186	19,747	1,354	6,862	183	29,332
At valuation	84,512	45,614	-	-	-	-	130,126
At 30 April 2008	84,512	46,800	19,747	1,354	6,862	183	159,458

* Building with carrying amount of RM113,000 has been reclassified to non-current asset held for sale (Note 23).

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Total RM'000
Company (cont'd)						
At 30 April 2009						
Net carrying amount						
At cost	-	1,187	2,145	1,028	982	5,342
At valuation	65,928	9,255	-	-	-	75,183
At 30 April 2009	65,928	10,442	2,145	1,028	982	80,525
At 30 April 2008						
Cost or valuation						
At 1 May 2007						
At cost	1,491	9,816	4,022	1,650	2,062	19,041
At valuation	27,035	1,822	-	-	-	28,857
	28,526	11,638	4,022	1,650	2,062	47,898
Additions	-	187	12	121	68	388
Revaluation adjustments	37,423	(2,308)	-	-	-	35,115
Disposals	(21)	-	-	-	-	(21)
Write off	-	(1)	(6)	(6)	(14)	(27)
Reclassifications	-	727	(573)	(154)	-	-
Reclassified as held for sale *	-	(529)	-	-	-	(529)
At 30 April 2008	65,928	9,714	3,455	1,611	2,116	82,824
Representing:						
At cost	-	52	3,455	1,611	2,116	7,234
At valuation	65,928	9,662	-	-	-	75,590
At 30 April 2008	65,928	9,714	3,455	1,611	2,116	82,824
Accumulated depreciation						
At 1 May 2007	-	2,898	1,022	549	1,346	5,815
Depreciation charge for the year	-	303	161	93	109	666
Elimination of accumulated depreciation on revaluation	-	(2,710)	-	-	-	(2,710)
Write off	-	(1)	(4)	(6)	(8)	(19)
Reclassifications	-	1	(4)	3	-	-
Reclassified as held for sale *	-	(416)	-	-	-	(416)
At 30 April 2008	-	75	1,175	639	1,447	3,336

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

30 APRIL 2009

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Total RM'000
Company (cont'd)						
At 30 April 2008						
Net carrying amount						
At cost	-	51	2,280	972	669	3,972
At valuation	65,928	9,588	-	-	-	75,516
At 30 April 2008	65,928	9,639	2,280	972	669	79,488

* Building with carrying amount of RM113,000 has been reclassified to non-current asset held for sale (Note 23).

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

Had the revalued property, plant and equipment been carried under the cost model, the carrying amounts of each class of property, plant and equipment that would have been included in the financial statements of the Group and of the Company as at 30 April 2009 would be as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Freehold land	**11,241**	11,241	**9,121**	9,121
Buildings	**38,349**	40,134	**8,625**	8,884
	49,590	51,375	**17,746**	18,005

(b) Included in the depreciation charge for the year of the Group is an amount of RM456,000 (2008: RM424,000) which has been capitalised as additions of biological assets during the financial year as disclosed in Note 12(a).

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

30 APRIL 2009

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

(c) Government land acquisitions

Year	Location	Hectarage	Awarded RM'000	Received as at 30 April 2009 RM'000
		<—— Quantum		——>
1995 ^	Malaka Pinda Estate	64.89	5,779	5,779
1996 ^	Malaka Pinda Estate	337.51	32,512	32,512
2001 *	Pelin Estate	21.11	2,013	2,013

^ The Company had received payments of all principal amounts due and owing pursuant to the Order of the High Court and the Order of the Court of Appeal.

* The Company had filed an appeal at the High Court to review the compensation awarded by the Pengarah Tanah dan Galian, Negeri Sembilan.

(d) Freehold land of the Company with carrying amount of RM18,467,000 (2008: RM18,467,000) will be sold to the subsidiaries upon approval of the development and layout plan by the relevant authorities as set out in the sale and purchase agreements as disclosed in Note 14.

12. BIOLOGICAL ASSETS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At cost or valuation:				
At beginning of financial year	**272,200**	78,152	**45,935**	-
Additions	**2,282**	3,863	**-**	-
Revaluation surplus	**-**	200,762	**-**	45,935
Reclassified from/(to) property, plant and equipment (Note 11)	**349**	(10,577)	**-**	-
At end of financial year	**274,831**	272,200	**45,935**	45,935
Representing:				
At cost	**2,282**	-	**-**	-
At valuation	**272,549**	272,200	**45,935**	45,935
At end of financial year	**274,831**	272,200	**45,935**	45,935

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

30 APRIL 2009

12. BIOLOGICAL ASSETS (cont'd)

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

	2009 RM'000	2008 RM'000
Depreciation of property, plant and equipment capitalised (Note 11(b))	**456**	424
Amortisation prepaid land lease payments capitalised (Note 13(b))	**68**	105
	524	529

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

13. PREPAID LAND LEASE PAYMENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At beginning of financial year	**89,962**	91,379	**6,479**	6,712
Additions	**12**	120	**-**	-
Amortisation for the year	**(1,536)**	(1,537)	**(234)**	(233)
At end of financial year	**88,438**	89,962	**6,245**	6,479
Analysed as:				
Long term leasehold land	**78,612**	79,732	**1,039**	1,052
Short term leasehold land	**9,826**	10,230	**5,206**	5,427
	88,438	89,962	**6,245**	6,479

(a) Certain leasehold land of the Group and of the Company with carrying amount of RM5,206,000 (2008: RM5,427,000) was revalued by a firm of professional valuers in 1991 based on the open market value on an existing use basis.

(b) Included in the amortisation for the year of the Group is an amount of RM68,000 (2008: RM105,000) which has been capitalised as additions of biological assets during the financial year as disclosed in Note 12(a).

(c) Certain leasehold land of the Company with carrying amount of RM5,076,000 (2008: RM5,290,000) will be sold to the subsidiaries upon approval of the development and layout plan by the relevant authorities as set out in the sale and purchase agreements as disclosed in Note 14.

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

30 APRIL 2009

14. DEVELOPMENT EXPENDITURE

	Group 2009 RM'000	Group 2008 RM'000
At cost:		
At beginning of financial year	**1,295**	1,264
Additions	**-**	31
At end of financial year	**1,295**	1,295

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

Upon the approval of the development and layout plan by the relevant authorities, as set-out in the sale and purchase agreements, the Company will sell the freehold and leasehold lands to the subsidiaries concerned at a purchase consideration to be determined based on an independent valuation to be done on those freehold and leasehold lands as disclosed in Note 11(d) and Note 13(c). However, the abovementioned development projects have been deferred during the current financial year.

15. INVESTMENT IN SUBSIDIARIES

	Company 2009 RM'000	Company 2008 RM'000 (restated)
Unquoted shares at cost	**142,288**	142,288

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest (%) 2009	Proportion of Ownership Interest (%) 2008	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 2009

16. INTEREST IN ASSOCIATES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted shares at cost	**20,685**	19,841	**20,685**	19,841
Convertible redeemable loan stock	**2,531**	3,375	**2,531**	3,375
	23,216	23,216	**23,216**	23,216
Share of post-acquisition reserves	**1,330**	(2,172)	**-**	-
	24,546	21,044	**23,216**	23,216
Less: Accumulated impairment losses	**(4,170)**	(4,170)	**(4,253)**	(7,553)
	20,376	16,874	**18,963**	15,663

(a) The share of results of the associates for the current financial year are for the twelve months period ended 31 March 2009, incorporating the nine months period ended 31 December 2008 based on the latest audited financial statements for the financial year ended 31 December 2008 and the management financial statements for the three months period ended 31 March 2009.

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

Name of Associates	Country of Incorporation	Proportion of Ownership Interest (%) 2009	2008	Principal Activities	Financial Year End
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.

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

	2009 RM'000	2008 RM'000
Assets and liabilities		
Current assets	**35,987**	31,797
Non-current assets	**11,165**	13,931
Total assets	**47,152**	45,728
Current liabilities	**18,334**	19,710
Non-current liabilities	**7,969**	5,553
Total liabilities	**26,303**	25,263
Results		
Revenue	**56,781**	95,321
Profit for the year	**4,393**	7,738

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

17. OTHER INVESTMENTS

	Group and Company	
	2009	2008
	RM'000	RM'000
Quoted investments, at cost:		
In Malaysia		
- shares	**955**	955
- unit trusts	**14,515**	14,515
Outside Malaysia		
- unit trusts	**312**	312
	15,782	15,782
Unquoted investments, at cost:		
Outside Malaysia		
- shares	**293**	293
Total other investments	**16,075**	16,075
Less: Accumulated impairment losses	**(113)**	(113)
	15,962	15,962
Market value of quoted investments:		
In Malaysia		
- shares	**17,052**	24,802
- unit trusts	**12,578**	15,158
Outside Malaysia		
- unit trusts	**680**	689
	30,310	40,649

18. GOODWILL ON CONSOLIDATION

	Group	
	2009	2008
	RM'000	RM'000
At net carrying amount	**18,628**	18,628

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

18. GOODWILL ON CONSOLIDATION (cont'd)

Impairment test for goodwill on consolidation

Key assumptions used in value-in-use calculations

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

(i) Budgeted gross margin

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

(ii) Discount rate

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

(iii) Raw materials price inflation

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

19. INVENTORIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At cost:				
Produce stocks	**4,325**	12,696	**-**	-
Nursery stocks	**351**	198	**230**	111
Estate and palm oil mill stores	**4,760**	3,153	**100**	133
	9,436	16,047	**330**	244

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

30 APRIL 2009

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables				
Subsidiary	**-**	-	**905**	1,421
Third parties	**6,344**	15,412	**284**	207
	6,344	15,412	**1,189**	1,628
Other receivables				
Amounts due from subsidiaries				
- current account	**-**	-	**571**	739
- loan	**-**	-	**-**	7,563
Amount due from an associate	**17**	22	**17**	22
Advances for acquisition of land *	**5,289**	2,286	**-**	-
Deposits, prepayments and other receivables	**4,620**	2,567	**3,570**	1,677
	9,926	4,875	**4,158**	10,001
Less: Provision for doubtful debts				
Advances for acquisition of land *	**(2,146)**	(2,146)	**-**	-
	7,780	2,729	**4,158**	10,001
	14,124	18,141	**5,347**	11,629

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

(a) Credit risk

Trade receivables are non-interest bearing and the credit period is generally for 15 days to 30 days (2008: 15 days to 30 days).

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

(b) Amounts due from subsidiaries

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

(c) Amount due from an associate

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

21. MARKETABLE SECURITIES

	Group and Company 2009 RM'000	Group and Company 2008 RM'000
Shares quoted in Malaysia, at cost	**8,926**	4,433
Market value of quoted shares	**9,599**	4,601

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash on hand and at banks	**972**	813	**331**	102
Deposits with:				
Licensed commercial banks	**199,935**	104,808	**175,226**	89,186
Licensed investment banks	**10,000**	21,178	**10,000**	13,285
Money market funds placed with fund managers	**138,888**	213,778	**138,861**	213,752
Cash and bank balances	**349,795**	340,577	**324,418**	316,325

The deposits with licensed commercial banks amounting to RM96,000 (2008: RM518,000) of certain subsidiaries were pledged to banks for bank guarantee facilities granted to those subsidiaries.

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

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Licensed commercial banks	**3.49**	3.60	**3.58**	3.62
Licensed investment banks	**3.66**	3.49	**3.66**	3.53
Money market funds placed with fund managers *	**2.18**	3.10	**2.18**	3.10

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

	Group		Company	
	2009 days	2008 days	2009 days	2008 days
Licensed commercial banks	**341**	276	**354**	266
Licensed investment banks	**365**	82	**365**	121

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

23. NON-CURRENT ASSET HELD FOR SALE

As at 30 April 2009, the non-current asset held for sale was as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
At carrying amount		
Property, plant and equipment - Building (Note 11)	-	113

There was no liability directly associated with the above non-current asset held for sale.

During the previous financial year, the Group had presented the above non-current asset as held for sale as the Group had entered into an agreement to dispose off such building which was previously classified as property, plant and equipment. The disposal was completed in January 2009.

24. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM1 Each		Amount	
	2009	2008	2009	2008
	'000	'000	RM'000	RM'000
Authorised	**500,000**	500,000	**500,000**	500,000
Issued and fully paid	**134,005**	134,005	**134,005**	134,005

25. RETAINED EARNINGS

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

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

As at 30 April 2009, the Company has tax exempt profits available for distribution of approximately RM6,079,000 (2008: RM2,374,000).

25. RETAINED EARNINGS (cont'd)

As at 30 April 2009, the Company has sufficient credit in the Section 108 balance and the balance in the tax exempt income account to pay franked dividends amounting to RM57,596,000 (2008: RM110,729,000) out of its retained earnings. If the balance of the retained earnings of approximately RM341,546,000 (2008: RM275,997,000) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

26. DEFERRED TAX

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At beginning of financial year	**68,224**	21,536	**5,518**	1,140
Recognised in income statement (Note 8)	**1,672**	5,317	**152**	(230)
Recognised in equity	**-**	41,371	**-**	4,608
At end of financial year	**69,896**	68,224	**5,670**	5,518
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(861)**	(1,051)	**(485)**	(584)
Deferred tax liabilities	**70,757**	69,275	**6,155**	6,102
	69,896	68,224	**5,670**	5,518

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

Deferred Tax Assets of the Group:

	Other Payables RM'000	Unused Tax Losses and Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 May 2007	(517)	(4,859)	(5,376)
Recognised in income statement	(397)	4,722	4,325
At 30 April 2008	(914)	(137)	(1,051)
At 1 May 2008	(914)	(137)	(1,051)
Recognised in income statement	152	38	190
At 30 April 2009	(762)	(99)	(861)

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

30 APRIL 2009

26. DEFERRED TAX (cont'd)

Deferred Tax Liabilities of the Group:

	Property, Plant and Equipment RM'000	Revaluation Reserve RM'000	Total RM'000
At 1 May 2007	6,661	20,251	26,912
Recognised in income statement	1,346	(354)	992
Recognised in equity	-	41,371	41,371
At 30 April 2008	8,007	61,268	69,275
At 1 May 2008	8,007	61,268	69,275
Recognised in income statement	1,848	(366)	1,482
At 30 April 2009	9,855	60,902	70,757

Deferred Tax Assets of the Company:

	Other Payables RM'000	Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 May 2007	(255)	(133)	(388)
Recognised in income statement	(193)	(3)	(196)
At 30 April 2008	(448)	(136)	(584)
At 1 May 2008	(448)	(136)	(584)
Recognised in income statement	62	37	99
At 30 April 2009	(386)	(99)	(485)

Deferred Tax Liabilities of the Company:

	Property, Plant and Equipment RM'000	Revaluation Reserve RM'000	Total RM'000
At 1 May 2007	601	927	1,528
Recognised in income statement	30	(64)	(34)
Recognised in equity	-	4,608	4,608
At 30 April 2008	631	5,471	6,102
At 1 May 2008	631	5,471	6,102
Recognised in income statement	100	(47)	53
At 30 April 2009	731	5,424	6,155

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables	**3,754**	4,694	**156**	240
Other payables				
Directors' fees and other emoluments	**275**	266	**275**	266
Amount due to a subsidiary	**-**	-	**-**	444
Balance payments on acquisition of land	**183**	209	**-**	-
Accruals and sundry payables	**8,692**	11,582	**2,376**	3,390
	9,150	12,057	**2,651**	4,100
	12,904	16,751	**2,807**	4,340

(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 (2008: 30 days to 60 days).

(b) Amount due to a subsidiary

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

28. CAPITAL COMMITMENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Capital expenditure approved and contracted for:				
Building	**-**	866	**-**	866
Capital expenditure approved but not contracted for:				
Acquisition of land	**5,097**	-	**-**	-
Expenditure for oil palm mill	**2,055**	2,072	**-**	-
Biological assets	**4,961**	3,857	**-**	-
Purchase of property, plant and equipment	**10,017**	8,698	**838**	950
	22,130	14,627	**838**	950
	22,130	15,493	**838**	1,816

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

30 APRIL 2009

29. CHANGE IN THE BASIS OF ACCOUNTING FOR INVESTMENT IN SUBSIDIARIES

An investment in a subsidiary was previously carried at revalued amount which was determined based on the net tangible asset value of the subsidiary. During the current financial year, the Company changed the accounting policy to account for such investment in subsidiary at cost. This change in accounting policy is accounted for retrospectively.

The effect on the Company's balance sheet as at 30 April 2009 is set out below:

	Decrease RM'000
Investment in subsidiaries	(16,623)
Revaluation reserve	(16,623)

There was no effect on the Company's income statement for the financial year ended 30 April 2009.

This change in accounting policy has been accounted for retrospectively and as such, certain comparatives have been restated, as follows:

	Previously stated RM'000	Effect of change in accounting policy RM'000	Restated RM'000
Company balance sheet as at 30 April 2008			
Investment in subsidiaries	158,911	(16,623)	142,288
Revaluation reserve	116,187	(16,623)	99,564

There was no effect on the Company's income statement for the financial year ended 30 April 2008.

30. CONTINGENT LIABILITY

On 16 January 2004, the Company was served with a writ of summons by Brilliant Team Management Sdn. Bhd., for finder's fees amounting to RM1.76 million in respect of acquisition of companies. The Company has filed a Defence and Counterclaim against the Plaintiff. The Company has also filed an application to strike out the claim. On 13 March 2009, the High Court struck out the Plaintiff's claim. The Company's Counterclaim is now fixed for case management on 28 August 2009.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

31. RELATED PARTY DISCLOSURES

(a) Transactions with Related Parties

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Subsidiaries				
- Sale of oil palm fresh fruit bunches	**-**	-	**25,022**	25,721
- Administrative expenses charged	**-**	-	**3,092**	2,843
Associates				
- Dividend income	**-**	-	**1,046**	6,184
- Interest income	**248**	197	**248**	197
Subsidiaries of associates				
- Dividend income	**-**	927	**-**	927
- Interest income	**-**	771	**-**	771
- Insurance commission earned	**-**	61	**-**	61
- Insurance premium paid	**-**	438	**-**	45
- Investment management fee paid	**-**	20	**-**	20
Companies in which certain directors of the Company have financial interests				
- Interest income	**2,204**	1,554	**1,243**	1,055
- Insurance commission earned	**8**	6	**8**	6
- Insurance premium paid	**64**	36	**5**	7
- Investment management fee paid	**2**	1	**2**	1

(b) Balances with Related Parties

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Companies in which certain directors of the Company have financial interests				
- Investment in unit trusts	**-**	14,515	**-**	14,515
- Marketable securities managed	**-**	4,433	**-**	4,433
- Placement in current accounts	**801**	698	**317**	89
- Placement in deposits	**40,062**	36,359	**27,220**	27,751
- Placement in money market fund	**-**	51,292	**-**	51,292

Information regarding other outstanding balances arising from related party transactions as at 30 April 2009 and 30 April 2008 are disclosed in Notes 20 and 27.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

31. RELATED PARTY DISCLOSURES (cont'd)

(c) Compensation of Key Management Personnel

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short term employee benefits	**2,080**	1,390	**1,816**	1,208
Employees Provident Fund	**229**	144	**194**	117
	2,309	1,534	**2,010**	1,325

Included in the total compensation of key management personnel were:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors' remuneration (Note 7)	**569**	410	**569**	410

32. SEGMENT INFORMATION

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

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

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

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

(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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 APRIL 2009

32. SEGMENT INFORMATION (cont'd)

(c) Business segments (cont'd)

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

30 April 2009

	Plantation RM'000	Investment Holding RM'000	Property Development RM'000	Consolidated RM'000
Revenue				
Total Revenue	222,828	16,786	-	239,614
Inter-segment sales	(44,524)	-	-	(44,524)
External Sales	178,304	16,786	-	195,090
Results				
Segment results	71,507	15,944	(7)	87,444
Share of profit of associates				4,393
Profit before tax				91,837
Income tax expense				(20,497)
Profit for the year				71,340
Assets				
Segment assets	568,083	377,474	1,324	946,881
Interest in associates				20,376
Consolidated total assets				967,257
Liabilities				
Segment liabilities	87,444	-	4	87,448
Unallocated corporate liabilities				321
Consolidated total liabilities				87,769
Other segment information				
Capital expenditure	13,985	-	-	13,985
Amortisation of prepaid land lease payments	1,468	-	-	1,468
Depreciation of property, plant and equipment	5,336	-	-	5,336

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

30 APRIL 2009

32. SEGMENT INFORMATION (cont'd)

(c) Business segments (cont'd)

30 April 2008

	Plantation RM'000	Investment Holding RM'000	Property Development RM'000	Consolidated RM'000
Revenue				
Total Revenue	259,545	7,819	-	267,364
Inter-segment sales	(45,178)	-	-	(45,178)
External Sales	214,367	7,819	-	222,186
Results				
Segment results	105,198	5,182	(7)	110,373
Share of profit of associates				7,738
Profit before tax				118,111
Income tax expense				(21,534)
Profit for the year				96,577
Assets				
Segment assets	573,829	361,687	1,300	936,816
Interest in associates				16,874
Consolidated total assets				953,690
Liabilities				
Segment liabilities	89,950	-	4	89,954
Unallocated corporate liabilities				311
Consolidated total liabilities				90,265
Other segment information				
Capital expenditure	8,048	-	-	8,048
Amortisation of prepaid land lease payments	1,432	-	-	1,432
Depreciation of property, plant and equipment	4,164	-	-	4,164
Provision for doubtful debts	2,146	-	-	2,146
Reversal of provision for diminution in value of an associate	-	(4,883)	-	(4,883)

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

30 APRIL 2009

33. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

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

(b) Interest Rate Risk

The Group has no interest-bearing debt. However, the Group has short term interest bearing financial assets as at 30 April 2009. The investment in financial assets are mainly short term in nature and are not held for speculative purposes but have been mostly placed in fixed deposits and money market funds.

(c) Credit Risk

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

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

(d) Market Risk

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

(e) Liquidity Risk

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

(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:

		2009		2008	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Group and Company					
Financial Assets					
Other investments:					
Quoted:					
- shares	17	**955**	**17,052**	955	24,802
- unit trusts	17	**14,827**	**13,258**	14,827	15,847
Unquoted shares	17	**180**	*****	180	*
Marketable securities	21	**8,926**	**9,599**	4,433	4,601

* 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.

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

30 APRIL 2009

33. FINANCIAL INSTRUMENTS (cont'd)

(f) Fair Values (cont'd)

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 terms 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.

34. SIGNIFICANT EVENT

Proposed acquisition of a subsidiary in Indonesia

On 28 December 2007, the Company entered into a Memorandum of Understanding ("MOU") with PT Bulungan Citra Agro Persada ("PT BCAP") and its shareholders (the "Shareholders") in respect of a proposed joint venture to develop 20,000 hectares of land into oil palm plantations and to operate oil palm businesses in Kalimantan Timur ("Proposed Joint Venture").

Pursuant to the Proposed Joint Venture, the Company intended to acquire a 75% equity interest in PT BCAP. Total consideration payable for the 75% equity interest was expected to be approximately RM33.18 million (USD10.5 million). The purpose of the MOU was to record the understanding of both parties in relation to the Proposed Joint Venture and to negotiate in earnest towards finalising and entering into a formal agreement. The MOU lapsed on 28 December 2008 as the parties were unable to agree on the terms of the proposed joint venture.

The lapsing of the MOU has no significant impact on the financial statements of the Group and of the Company except for the write off of the expenditure incurred on the aborted Indonesian joint venture project amounting to RM621,000 as disclosed in Note 5.

35. SUBSEQUENT EVENT

Proposed acquisitions of two parcels of land in Sabah

The Company has entered into negotiations with Borneo Glow Sdn. Bhd. (herein known as "the Vendor") for the proposed acquisitions of two parcels of land adjoining each other. These are leasehold land held under title no. Country Lease 095332862 measuring approximately 14,961 acres (6,055 hectares) and title no. Country Lease 095331749 measuring approximately 10,000 acres (4,047 hectares) located in Sungai Millian-Labau in the District of Kinabatangan, Sabah with both leases expiring on 31 December 2098. The first parcel of land is being developed as an oil palm estate with palms of 1 to 5 years old together with fixtures, buildings and houses erected thereon. The second parcel of land is undeveloped and suitable for oil palm cultivation.

The Company and the Vendor have agreed to negotiate in earnest towards finalising and entering into a formal Sale and Purchase agreement for the proposed acquisitions.

The proposed acquisitions shall be subject inter alia, to the approvals of the Foreign Investment Committee, the Director of Lands and Surveys, Sabah and any other relevant authorities as may be necessary, the stockholders of United Malacca Berhad in general meeting and the conducting of due diligence and valuation of the said lands.

LIST OF PROPERTIES HELD
AS AT 30 APRIL 2009

Location	Tenure	Titled Hectarage	Description	Year of Acquisition*/ Revaluation	Carrying Amount of Properties# as at 30 April 2009 RM'000
Masjid Tanah Estate 78300 Masjid Tanah Melaka	Freehold Leasehold (expiring on: 31-12-2033 20-11-2065)	355.3 2.8 0.2	Oil palm estate	2008	18,724
Machap Estate 76100 Durian Tunggal Melaka	Freehold Leasehold (expiring on: 20-12-2024 25-04-2025 21-03-2038)	244.5 215.7 153.0 240.2	Oil palm estate	2008	25,652
Malaka Pinda Estate Alor Gajah P.O. 78000 Alor Gajah Melaka	Freehold Leasehold (expiring on: 21-03-2038 22-10-2048 25-10-2053)	68.0 112.1 20.3 123.8	Oil palm estate	2008	11,672
Selandar Estate Selandar P.O. 77500 Jasin Melaka	Freehold Leasehold (expiring on: 31-07-2025)	194.5 22.1	Oil palm estate	2008	7,918
Tampin Estate 73300 Batang Melaka Negeri Sembilan	Freehold	298.9	Oil palm estate	2008	11,782
Pelin Estate 71300 Rembau Negeri Sembilan	Freehold	154.3	Oil palm estate	2008	6,480
Batu Anam Estate Batu Anam P.O. 85100 Batu Anam Segamat, Johor	Freehold	864.9	Oil palm estate	2008	36,441
Leong Hin San Estate 71200 Rantau Negeri Sembilan	Freehold	844.6	Oil palm estate	2008	30,595
Mamahat Estate Labuk Sugut Beluran District 90000 Sabah	Lease land (expiring between 2031 and 2032 2097 and 2099)	 30.1 1,396.5	Oil palm estate	2008	45,665
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	2008	89,302

LIST **OF PROPERTIES HELD** (cont'd)

AS AT 30 APRIL 2009

Location	Tenure	Titled Hectarage	Description	Year of Acquisition*/ Revaluation	Carrying Amount of Properties# as at 30 April 2009 RM'000
Tengkarasan Estate Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring on 2100) Lease land (expiring between 2031 and 2035 2098 and 2100)	 68.2 938.1 1,291.9	Oil palm estate	2008	79,029
Bukit Senorang Estate 28380 Kemayan Pahang	Leasehold (expiring on: 14-05-2066 11-01-2069 15-12-2072 04-03-2073)	 196.1 403.0 604.5 425.3	Oil palm estate and palm oil mill	2008	72,984
South East Pahang Estate 28380 Kemayan Pahang	Leasehold (expiring on: 06-09-2066 18-09-2084)	 202.3 1,416.4	Oil palm estate	2008	52,400
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: 8 years)	2008	362
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: 9 years)	2008	258
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: 3 years)	2008	8,649
Office Building Suite 16.08 & 16.09 Level 16, Plaza 138 138, Jalan Ampang 50450 Kuala Lumpur	Freehold	1,550 sq. ft.	Office building (Age of building: 1 year)	2009*	971
Awana Condominium Unit 5542 Awana Condominium 8th Mile, Genting Highlands 89000 Genting Highlands Pahang	Freehold	1,258 sq. ft.	Holiday condominium (Age of building: 22 years)	2008	261
				TOTAL	**499,145**

\# *Include freehold land, leasehold land, buildings and biological assets.*

STOCKHOLDING **ANALYSIS**

AS AT 22 JULY 2009

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

No. of Holders	No. of Holders	Total Holdings	%
179	Less than 100	7,406	0.01
1,372	100 to 1000	1,142,075	0.85
4,781	1001 to 10000	17,568,327	13.11
888	10001 to 100000	24,280,033	18.12
85	100,001 to less than 5% of issued stocks	52,702,924	39.33
4	5% and above of issued stocks	38,304,236	28.58
7,309		**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	10,000	0.01
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 22 JULY 2009

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	-	19,726,093 *1	19,726,093	14.72
Great Eastern Life Assurance (Malaysia) Bhd	18,790,468	-	18,790,468	14.02
Aberdeen Asset Management PLC and its subsidiaries	-	16,055,700 *2	16,055,700	11.98
Lee Foundation	-	10,957,309 *3	10,957,309	8.17
Aberdeen Asset Management Asia Ltd	-	9,913,700 *4	9,913,700	7.39
Tan Kim Lwi	9,367,258 *5	-	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 *6	7,368,487	5.50
Selat (Pte) Limited	7,246,496 *7	-	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*
   - *Citigroup Nominees (Asing) Sdn. Bhd. for CB Singapore GW for Eastern Realty Company Limited - 928,125*
   - *Apex Pharmacy Holdings Sdn. Bhd. - 7,500*

2. *Aberdeen Asset Management PLC and its subsidiaries is deemed interested in the stockholdings registered in the following nominees:-*
   - *Aberdeen International Fund Managers Limited - 5,300,300*
   - *Aberdeen Asset Managers Limited - 443,400*
   - *Aberdeen Asset Management Sdn Bhd - 6,142,000*
   - *Aberdeen Asset Management Asia Limited - 9,913,700*

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*

   Citigroup Nominees (Asing) Sdn Bhd
   - *Exempt an for OCBC Securities Private Limited (for Singapore Investments Pte Ltd) - 1,323,000*

4. *Aberdeen Asset Management Asia Limited is deemed interested in the following stockholdings held via nominees:-*
   - *BNP Paribas Security Services - Luxembourg - 5,300,300*
   - *HSBC Institutional Trust Services (Singapore) - 2,370,000*
   - *State Street Bank & Trust Company - London - 1,800,000*
   - *UBS AG - 443,400*

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

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

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

STOCKHOLDING **ANALYSIS** (cont'd)

AS AT 22 JULY 2009

LIST OF TOP 30 STOCKHOLDERS AS AT 22/7/2009

		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. - BNP Paribas Secs Svs Lux for Aberdeen Global	5,300,300	3.96
(6)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for Credit Suisse (SG BR-TST-ASING)	4,936,228	3.68
(7)	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt an for OCBC Securities Private Limited (CLIENT A/C-NR)	3,522,021	2.63
(8)	HSBC Nominees (Asing) Sdn Bhd - HSBC Trustee (s) Ltd for Tun Dato Sir Cheng Lock Tan Trust	2,458,399	1.83
(9)	HSBC Nominees (Asing) Sdn Bhd - HSBC-FS for Aberdeen Malaysia Equity Fund	2,370,000	1.77
(10)	HSBC Nominees (Asing) Sdn Bhd - HSBC SG for Singapore Investments Pte Ltd	2,303,438	1.72
(11)	Mayban Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for The Employees' Provident Fund Board	1,900,000	1.42
(12)	Cartaban Nominees (Asing) Sdn Bhd - State Street London Fund XCB9 for Aberdeen Asian Smaller Companies Investment Trust PLC	1,800,000	1.34
(13)	Mayban Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for Kumpulan Wang Persaraan (Diperbadankan)	1,530,000	1.14
(14)	AMSEC Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	1,523,000	1.14
(15)	Klebang Investments Pte Ltd	1,287,000	0.96

STOCKHOLDING **ANALYSIS** (cont'd)

AS AT 22 JULY 2009

LIST OF TOP 30 STOCKHOLDERS AS AT 22/7/2009 (cont'd)

		No. of stock unit	%
(16)	HSBC Nominees (Asing) Sdn Bhd - Exempt an for JPMorgan Chase Bank, National Association (Norges Bank)	1,200,000	0.90
(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.	701,000	0.52
(20)	Mayban Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for Malaysian Timber Council (Endowment Fund)	644,000	0.48
(21)	The Federal Oil Mills Berhad	641,250	0.48
(22)	Tan Jin Tuan	585,007	0.44
(23)	Alros Sendirian Berhad	528,000	0.39
(24)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Lee Rubber Company Pte Ltd	503,077	0.38
(25)	Swee Cheng Investments Private Limited	497,969	0.37
(26)	Nora Ee Siong Chee	479,250	0.36
(27)	Chee Swee Cheng & Co Sdn. Bhd.	476,028	0.36
(28)	Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	464,100	0.35
(29)	Gemas Bahru Estates Sdn. Bhd.	448,600	0.33
(30)	HSBC Nominees (Asing) Sdn. Bhd. - UBS AG Zurich for LGT Capital Management Ltd	443,400	0.33
		80,708,297	**60.24**

This page has been intentionally left blank

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-fifth Annual General Meeting of the Company to be held on Saturday, 29 August 2009 at 11.00 a.m. and at any adjournment thereof.

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

Resolution	Relating to:	For	Against
No. 1	Adoption of Directors' Reports and Audited Financial Statements	☐	☐
No. 2	Declaration of final dividend	☐	☐
No. 3	Approval of Directors' fees	☐	☐
	Re-election of a Director retiring in accordance with Article 118 of the Company's Articles of Association		
No. 4	Datuk Fong Weng Phak	☐	☐
	Re-appointment of Directors pursuant to Section 129(6) of the Companies Act, 1965		
No. 5	Mr. Choi Siew Hong	☐	☐
No. 6	Mr. Boon Weng Siew	☐	☐
No. 7	Re-appointment and remuneration of Auditors	☐	☐
No. 8	Special Business :- Authorising Directors to allot and issue shares	☐	☐

As Witness my hand this .... day of 2009

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

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

No. of Stock Units Held

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.*

please fold along this line (1)

Stamp

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

please fold along this line (2)

Master Alliance Communications (M) Sdn. Bhd.