United Malacca Berhad
(1319-V)

Annual Report 2012

CULTIVATING VIGOROUS GROWTH

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-eighth Annual General Meeting of members will be held at the United Malacca Berhad Building, 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka on Monday, 27 August 2012 at 11.00 a.m. for the following business:-

AGENDA

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 April 2012 and the Report of the Auditors thereon. **[Resolution 1]**

2. To declare a final single tier dividend of 16 sen per share in respect of the financial year ended 30 April 2012. **[Resolution 2]**

3. To approve payment of Directors' fees for the financial year ended 30 April 2012. **[Resolution 3]**

4. To approve payment of Directors' fees for the financial year ending 30 April 2013 to be payable on quarterly basis. **[Resolution 4]**

5. To re-elect Ms. Tan Siok Choo, a Director retiring by rotation in accordance with Article 118 of the Company's Articles of Association. **[Resolution 5]**

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

   "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]**

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

Special Business

8. To consider and, if thought fit, to pass the following resolution with or without amendment as Special Resolution:-

   SPECIAL RESOLUTION
   - **Proposed Amendments to the Articles of Association of the Company**

     "THAT the alterations, modifications, additions and deletions of the Articles of Association of the Company as set out in the Appendix A attached together with the Annual Report 2012 be and are hereby approved." **[Resolution 8]**

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

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

APPENDIX A

Proposed Amendments to the Articles of Association of the Company

Article No.	Existing Article	Amendments to Article
2	Insertion of New Definition.	**Exempt Authorized Nominee** - **An exempt authorized nominee refers to an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.**
88A	Appointment of Proxy - Where a Member is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	Appointment of Multiple Proxies - **Where a member of the Company is an exempt authorized nominee, as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.**
88	Appointment of Proxy The proxy appointed by any Entitled Member shall also be an Entitled Member of the Company unless he is an advocate or an approved company auditor or a person approved by the Registrar in a particular case or a person appointed by any corporation which is an Entitled Member of the Company. The instrument appointing a proxy shall be in writing in the form or to the effect as follows or in any other form which the Directors may approve.	Appointment of Proxy The proxy appointed by any Entitled Member **need not be an Entitled Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Entitled Member to speak at the meeting.** The instrument appointing a proxy shall be in writing in the form or to the effect as follows or in any other form which the Director may approve.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 16 sen per share in respect of the financial year ended 30 April 2012, if approved by the Shareholders at the forthcoming Annual General Meeting, be paid on 28 September 2012 to Shareholders whose names appear in the Record of Depositors and Register of Members at the close of business at 5.00p.m. on 14 September 2012.

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

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 14 September 2012 in respect of transfers;

(b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 12 September 2012 in respect of shares which are exempted from mandatory deposit;

(c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Leong Yok Mui (MAICSA 0809324)
Yong Yoke Hiong (MAICSA 7021707)
Company Secretaries
Melaka

Date: 3 August 2012

NOTES:

(1) The right of Foreign Depositors to vote in respect of their deposited securities with Bursa Malaysia Depository Sdn. Bhd. is subject to Section 41(1)(e) and Section 41(2) of the Securities Industry (Central Depositories) Act, 1991 and Securities Industry (Central Depositories)(Foreign Ownership) Regulations, 1996. The position of Depositors in this regard will be determined based on The General Meeting Record of Depositors. Depositors whose shares exceed the prescribed limit as at the date of The General Meeting Record of Depositors may attend the above Meeting but are not entitled to vote. Consequently, a proxy appointed by a Depositor who is not entitled to vote will also not be entitled to vote at the above meeting.

(2) 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.

(3) Only members whose names appear in the Register of Members or registered in the General Meeting Record of Depositors on or before 5.00 p.m. on 17 August 2012 shall be eligible to attend the Annual General Meeting.

EXPLANATORY NOTE ON RESOLUTION 4

Resolution 4, if passed, will allow the Company to pay Directors' fees in a timely manner on quarterly basis for services rendered during the course of the financial year ending 30 April 2013. The quantum of fees payable will be based on the existing remuneration structure for directors at RM80,000 per annum for the Chairperson and RM40,000 per annum for each of the Independent Non-Executive Directors.

EXPLANATORY NOTE ON SPECIAL BUSINESS:

Resolution No. 8

The proposed amendments to the Articles of Association of the Company is to align the Articles of Association of the Company with the recent amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF NINETY-EIGHTH ANNUAL GENERAL MEETING

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

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

(1) Mr. Boon Weng Siew
(2) Ms. Tan Siok Choo

Further details of individual Directors standing for re-appointment or re-election can be found in the Profile of Directors in pages 7 to 10 of this Annual Report. The holding of shares, direct or indirect in United Malacca Berhad by the Directors can be found in the Analysis of Shareholdings in page 124 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 2012 are as follows:-

Directors	Attendance
Ms. Tan Siok Choo	7 of 7 Meetings
Mr. Boon Weng Siew	7 of 7 Meetings
Tan Sri Dato' Ahmad bin Mohd Don	7 of 7 Meetings
Datuk Fong Weng Phak (Retired on 26/8/2011)	2 of 2 Meetings
Mr. Tan Jiew Hoe	7 of 7 Meetings
Mr. Teo Leng	7 of 7 Meetings
Dato' Tan Ang Meng	7 of 7 Meetings

GROUP HIGHLIGHTS

	2012	2011
PRODUCTION		
	tonne	**tonne**
Crude palm oil	**58,191**	55,512
Palm kernel	**13,801**	13,011
Fresh fruit bunches	**283,296**	254,915
FINANCIAL		
	RM'000	**RM'000**
Revenue	**231,382**	205,715
Profit:		
Before tax	**108,647**	105,709
Net of tax	**85,881**	81,445
	sen	**sen**
Earnings per share:		
Basic/Fully diluted	**42.4**	40.4
Dividend per share:		
Gross	**26.00**	25.00
Net	**26.00**	25.00
	RM'000	**RM'000**
Total assets	**1,162,775**	1,120,325
	RM	**RM**
Net assets per share	**5.20**	5.03

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Tan Siok Choo
(Chairperson)

Mr. Boon Weng Siew

Tan Sri Dato' Ahmad bin Mohd Don

Mr. Tan Jiew Hoe

Mr. Teo Leng

Dato' Tan Ang Meng

AUDIT COMMITTEE

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

Ms. Tan Siok Choo *

Mr. Teo Leng *

Dato' Tan Ang Meng *

* *Independent Non-Executive Director*

SECRETARIES

Madam Leong Yok Mui

Ms. Yong Yoke Hiong

AUDITORS

Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 03-74958000
Fax : 03-20955332

DATE AND PLACE OF INCORPORATION

Incorporated on 27 April 1910 in Malaysia

SENIOR MANAGEMENT

Dr. Leong Tat Thim
Chief Executive Officer

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. Sim Leong Teik
Senior Plantation Controller

HEAD OFFICE/REGISTERED OFFICE

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

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301
Petaling Jaya, Selangor
Tel : 03-78418000
Fax : 03-78418008

STOCK EXCHANGE LISTING

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

PROFILE OF DIRECTORS

MS. TAN SIOK CHOO
(Chairperson & Independent Non-Executive Director)

A Malaysian, Ms. Tan Siok Choo, aged 60, is the Chairperson and an Independent Non-Executive Director. She joined the Board on 8 December 1988 and was appointed as Chairperson in 2011. She is a member of the Audit Committee, Remuneration Committee, Nomination Committee, Employee Share Scheme Committee, Board Tender Committee and United Malacca University Scholarship Committee. She also sits on the Board of several subsidiaries of the Group, one of which is South-East Pahang Oil Palm Berhad.

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

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

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

She is not related to any Director of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. She has attended all the seven Board Meetings held during the financial year ended 30 April 2012. 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 88 and a Malaysian, is an Independent Non-Executive Director who joined the Board since 26 September 1989. He is the Chairman of the Board Tender Committee, a member of the Remuneration Committee, Employee Share Scheme Committee and Diversification & Strategic Investment Committee. He is also the Senior Independent Non-Executive Director to whom concerns may be conveyed.

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 and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held during the financial year ended 30 April 2012. He has never been convicted of any offence.

PROFILE OF DIRECTORS (cont'd)

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

Tan Sri Dato' Ahmad bin Mohd Don, aged 65 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.

He was the Governor of Bank Negara Malaysia from May 1994 to August 1998. He is currently a Director of Zurich Insurance Malaysia Berhad (formerly known as Malaysian Assurance Alliance Berhad), KAF Investment Bank Berhad, Hap Seng Plantations Holdings Berhad and J.P. Morgan Chase Bank Berhad.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held during the financial year ended 30 April 2012. He has never been convicted of any offence.

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

Mr. Tan Jiew Hoe, aged 65 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 the Chairman of the Employee Share Scheme Committee and Diversification & Strategic Investment Committee, a member of the Remuneration Committee and United Malacca University Scholarship Committee.

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

He has attended all the seven Board Meetings held during the financial year ended 30 April 2012. He has never been convicted of any offence.

PROFILE OF DIRECTORS (cont'd)

MR. TEO LENG
(Independent Non-Executive Director)

Mr. Teo Leng, aged 60 and a Malaysian, was appointed as an Independent Non-Executive Director on 1 September 2009. He is the Chairman of United Malacca University Scholarship Committee, a member of the Audit Committee, Nomination Committee, Board Tender Committee and Diversification & Strategic Investment Committee.

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

He joined the Malaysian Agricultural Research and Development Institute (MARDI) in 1976 as a Research Officer and began his career at EPA Management Sdn Bhd, a subsidiary of Kulim (Malaysia) Berhad, as an Agronomist in 1983, rising in ranks to the position of Director of Research and Development in January 1996, and in January 2002, he was appointed Estate Director (Malaysia), a position which he held until his retirement in April 2008. He was a Consulting Advisor (Plantations) with Kulim (Malaysia) Berhad until March 2011.

During his 28 years' career at EPA Management Sdn. Bhd., he was responsible for the full implementation of requirements pertaining to certification under Roundtable for Sustainable Palm Oil (RSPO) and also involved in the development and commercialization of Mill Integrated Waste Management System (MIWAMAS), a green technology converting empty fruit bunches and palm oil mill effluent to biocompost.

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

He is currently an Independent Non-Executive Director of Southern Acids (M) Berhad and several private companies in Malaysia.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held during the financial year ended 30 April 2012. He has never been convicted of any offence.

DATO' TAN ANG MENG
(Independent Non-Executive Director)

Dato' Tan Ang Meng, aged 56 and a Malaysian, was appointed as an Independent Non-Executive Director on 16 December 2010. He is the Chairman of Remuneration Committee, a member of the Audit Committee, Board Tender Committee and Diversification & Strategic Investment Committee. He also sits on the Board of an associate of the Group, Niro Ceramic (M) Sdn. Bhd..

He is a Certified Public Accountant and was admitted to the membership of the Malaysian Institute of Certified Public Accountants in 1980.

Dato' Tan started his career in 1975 with PriceWaterhouseCoopers, Kuala Lumpur in the audit division. He left the firm in 1981 to join UMW. In 1983, he joined Guinness Malaysia Bhd. Following the merger between Guinness Malaysia Berhad and Malayan Breweries (M) Sdn Bhd, he was transferred to Malayan Breweries Limited in 1991 (which later changed its name to Asia Pacific Breweries Ltd) and served within the Group until January 2001. During that period, he held various senior management positions with his last position as Regional Director based in Singapore with responsibility for the brewery operations in China, Vietnam, Cambodia and Myanmar.

In March 2001, he was appointed Chief Executive Officer of the Fraser and Neave Holdings Berhad (F&N) a position which he held until his retirement in 30 November 2010. Dato' Tan is also a director of Mega First Corporation Berhad, a company listed on Bursa Malaysia.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held during the financial year ended 30 April 2012. He has never been convicted of any offence.

MANAGEMENT TEAM

Dr. Leong Tat Thim
Chief Executive Officer

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. Sim Leong Teik
Senior Plantation Controller

Profile of Chief Executive Officer

Dr. Leong Tat Thim

Dr. Leong Tat Thim, aged 68 and a Malaysian, is the Chief Executive Officer. He joined the Company on 1 March 2001. He was a Guthrie scholar, obtained his Diploma in Agriculture from Serdang College in 1968 (now known as University Putra Malaysia) and subsequently obtained his Bachelor of Agriculture Science Degree (Honours) in 1972. He continued with his post graduate studies in University Malaya while working as a Research Officer with Guthrie Research Chemara and subsequently obtained his Master of Agriculture Science Degree and later his Ph.D. in 1982.

He started his career as a planting assistant in Kumpulan Guthrie estates, went on to become a Research Officer in Guthrie Research Chemara and was subsequently promoted as Head of Rubber Research. He also assisted the Company in providing rubber consultancy services to some Plantation Companies in Sri Lanka and Vietnam.

In 1995, he joined IOI as a Research Controller, overall in-charge of the IOI Research Station that was actively involved in oil palm breeding, DxP seed production, sale of elite DxP planting materials, tissue culture and clonal trials, rubber and oil palm advisory services, leaf sampling, fertilizer recommendation and monitoring, laboratory services in palm oil, latex and soil analysis.

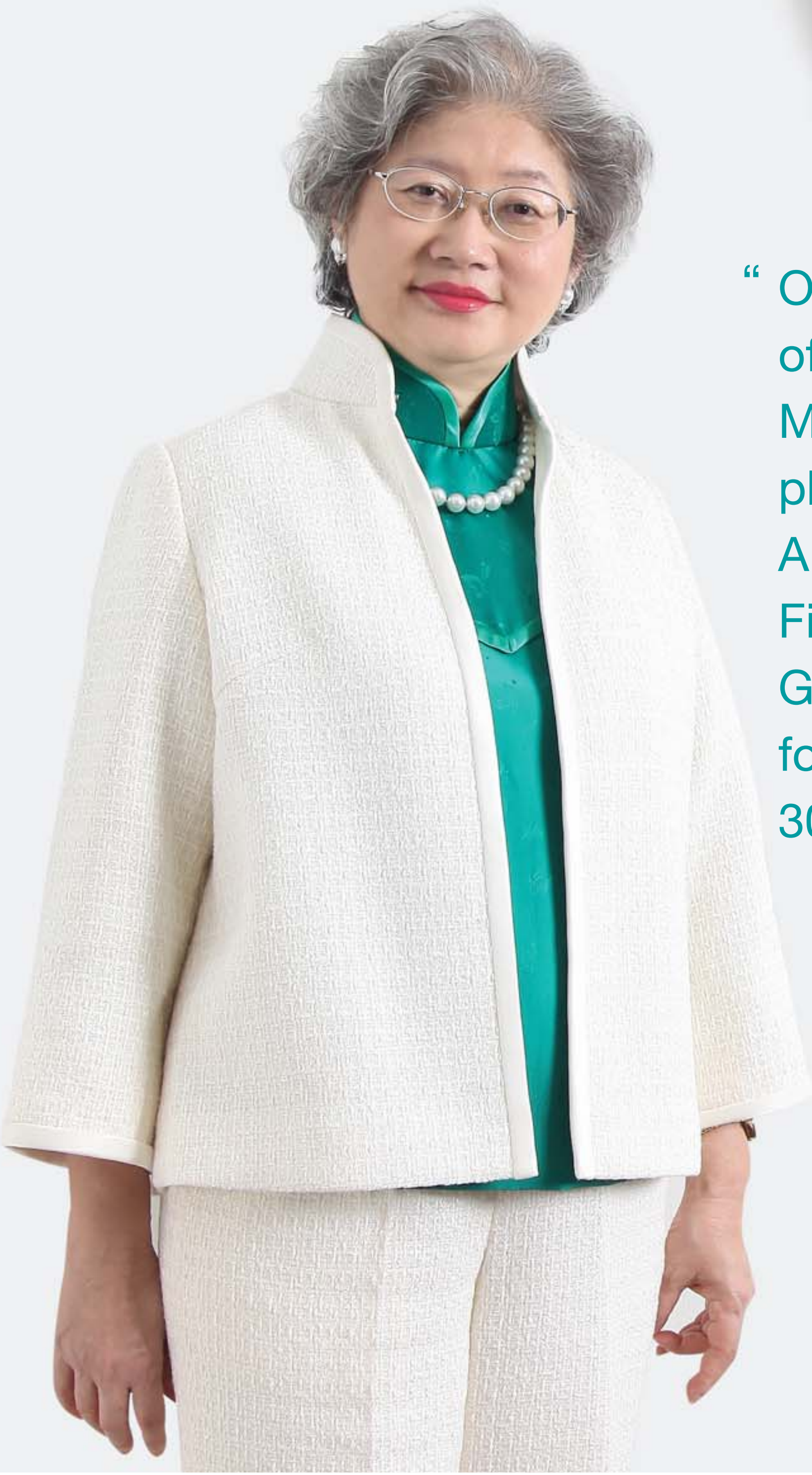
He has published and presented several research papers at local and international conferences and has patented two research findings.

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

His shareholding in the Company is 25,000 shares and he does not have any shareholding in the Company's subsidiaries.

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

CHAIRPERSON'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 Group and the Company for the financial year ended 30 April 2012. "

CHAIRPERSON'S STATEMENT (cont'd)

Financial Performance

At Group level, United Malacca recorded a 12% increase in revenue to RM231.38 million and a 3% rise in pre-tax profit to RM108.65 million compared with the preceding year. The increase in revenue was due to a 11% jump in the output of fresh fruit bunches (FFB) and higher crude palm oil (CPO) selling price of RM3,152 per tonne compared with RM2,971 per tonne in the preceding financial year.

At the Company level, pre-tax profit for the financial year ended 30 April 2012 climbed by 21% to RM98.41 million from RM81.55 million in the preceding year, mainly due to better dividends from subsidiaries.

In tandem with the increase in profit, Group's earnings per share for the financial year under review rose by 5% to 42.4 sen from 40.4 sen in the preceding year.

During the financial year, the Company's paid-up capital increased from RM202,358,251 to RM203,472,801 due to the issue of 1,114,550 ordinary shares of RM1 each for cash pursuant to the Company's Employee Share Scheme at a weighted average exercise price of RM5.47 per ordinary share.

Dividends

The Board is proposing a final single tier dividend of 16 sen per share for approval by the shareholders at the forthcoming Annual General Meeting. Together with the interim single tier dividend of 10 sen per share paid on 31 January 2012, the total dividend for the financial year ended 30 April 2012 will amount to 26 sen per share totalling RM52,869,000 compared with 25 sen per share totalling RM50,603,000 in the preceding financial year. The proposed dividend will be paid on 28 September 2012.

Plantation Operations

At end-April 2012, the Group had a planted area of 21,268 hectares, comprising 15,253 hectares (37,689 acres) of matured oil palms (72% of the total) and 6,015 hectares (14,864 acres) of immature palms of less than 4 years old (28% of the total).

Output of fresh fruit bunches for the financial year totalled 283,296 tonnes, a jump of 11% from the previous year. However, the surge in output from matured oil palm acreage was constrained by adverse weather conditions from December 2011 to April 2012.

Annual yield per hectare of 18.33 tonnes of FFB was 5% lower than the industry average of 19.24 tonnes FFB per hectare. However, excluding the low yield from newly matured oil palms in the Millian Labau Plantations, United Malacca's annual yield of 19.99 tonnes FFB per hectare is marginally higher than the industry average of 19.24 tonnes.

United Malacca's estates in Sabah – Meridian and Millian Labau purchased in 1997 and 2009 respectively – contributed 166,821 tonnes of FFB and accounted for 59% of the Group's total output.

Millian Labau is expected to be the biggest contributor to group profit in about 2020. To date, 7,532 hectares (18,612 acres) out of the 10,126 hectares have been planted with oil palm with the remaining 2,594 hectares (6,410 acres) scheduled to be planted by end-2012.

For the financial year ended 30 April 2012, the Group's two palm oil mills achieved output of 58,191 tonnes of CPO and 13,801 tonnes of palm kernel and an average oil extraction rate (OER) of 20.76% and a palm kernel extraction rate (KER) of 4.92% compared with the industry's average of 20.54% OER and 5.13% KER respectively.

CHAIRPERSON'S STATEMENT (cont'd)

Current Year Prospects

Although palm oil prices have fallen from a high of RM3,600 in April 2012, to RM3,100 as at 16 July 2012, there are grounds for optimism.

Malaysian Palm Oil Council (MPOC) expects palm oil exports to hit a record 19.8 million tonnes from last year's 18 million tonnes. CPO price is currently trading at a discount of US$150 a tonne to soybean oil while palm oil inventories in Malaysia are at a low of 1.785 million tonnes in May 2012. Both factors should help underpin demand in price sensitive importing countries like China and India.

However, three events – either individually or collectively – could undermine prospects for stronger palm oil prices – the United States slips into a recession, the Eurozone crisis continues to fester and China's economy decelerates sharply.

Like all plantation companies, United Malacca faces two major constraints – shortage of land and labour in this country. Foreign labour, while available, isn't a sustainable solution in the long term.

Furthermore, since rubber was replanted with oil palm in 1966, United Malacca's earnings now depend on a single commodity, a situation that needs to be rectified.

To overcome these challenges, the Group is considering expanding to neighbouring countries like Cambodia, Indonesia and Myanmar.

For the current FY 2012/13, operating costs are expected to rise, due to higher costs of recruiting foreign workers, wages and salaries as well as fertilizers and transportation.

However, the higher costs will be cushioned by rising yields. As 66% of the Group's planted palms are between the ages of 4 to 15 years, the yield is expected to increase substantially in the current financial year.

In line with the Group's policy of caring for the welfare of its employees, United Malacca is encouraging estates, particularly in Sabah, to set up childcare centres for the children of the estates' employees.

As a financially strong company with total assets of RM1.2 billion as at 30 April 2012 and a market capitalization surpassing one billion ringgit, United Malacca has a responsibility to share its success with all employees as well as shareholders.

Chairperson's visit to Batu Anam Estate (Johor).

Tree bearing black fruit bunches at Millian-Labau Plantation - Phase 2 (Sabah).

CHAIRPERSON'S STATEMENT (cont'd)

(From left) Dean of Faculty of Agriculture Prof. Dr. Mad Nasir Shamsudin, UPM Vice Chancellor Dato' Ir. Dr. Radin Umar Radin Sohadi, Chairperson Ms. Tan Siok Choo, Director Tan Sri Dato' Ahmad bin Mohd Don, Chief Executive Officer Dr. Leong Tat Thim and Director Mr. Teo Leng at the cheque presentation to Universiti Putra Malaysia.

United Malacca Professorial Chair

On 13 July 2012, United Malacca signed a Memorandum of Agreement with Universiti Putra Malaysia to establish the United Malacca Professorial Chair. This collaboration with Universiti Putra Malaysia (UPM) is aimed at promoting research and development (R&D) in oil palm plantation management. To facilitate this objective, United Malacca will provide UPM a RM2 million endowment fund over a 10-year period.

By setting up this Chair, United Malacca hopes to realise three major objectives:

First, the Chair will enable UPM to undertake more research in oil palm plantation management. United Malacca will have the right of first refusal to help UPM to commercialise any research findings. Through this Chair, United Malacca is effectively outsourcing its R&D to UPM.

Second, establishing the Chair underscores United Malacca's commitment to fulfilling its corporate social responsibility. By underwriting the cost of research and employing top researchers in palm oil, United Malacca hopes to benefit the University, the palm oil industry and the Malaysian economy.

Third, through this Chair, United Malacca hopes to create greater awareness among young Malaysians about the rapidly expanding career opportunities in palm oil. A career in palm oil isn't limited to field work in the plantations, it also involves cutting edge research and science.

Acknowledgement

On behalf of the Board of Directors, I would like to thank management and staff for their effort and commitment to ensuring United Malacca's continuing profitability. I also wish to thank my fellow Directors for their support and contribution in charting the Group's sustained trajectory of profitability and growth.

Lastly, I would also like to thank our shareholders, business associates and the regulatory authorities for their understanding and confidence in the Board of Directors.

Ms. Tan Siok Choo
Chairperson

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 2012.

Prestasi Kewangan

Perolehan dan keuntungan sebelum cukai Kumpulan meningkat sebanyak 12% dan 3% kepada RM231.38 juta dan RM108.65 juta berbanding tahun sebelumnya. Peningkatan perolehan disumbangkan oleh 11% peningkatan dalam pengeluaran buah tandan segar (BTS) dan juga peningkatan harga jualan minyak sawit mentah (MSM) iaitu RM3,152 setan metrik berbanding RM2,971 setan metrik pada tahun sebelumnya.

Pada peringkat Syarikat, keuntungan sebelum cukai bagi tahun berakhir 30 April 2012 bertambah sebanyak 21% kepada RM98.41 juta daripada RM81.55 juta tahun sebelumnya, terutamanya sumbangan dividen yang lebih baik daripada syarikat-syarikat subsidiari.

Seiring dengan peningkatan keuntungan, perolehan sesaham Kumpulan pada tahun kewangan semasa meningkat sebanyak 5% kepada 42.4 sen daripada 40.4 sen tahun sebelumnya.

Pada tahun kewangan semasa, modal berbayar Syarikat meningkat daripada RM202,358,251 kepada RM203, 472,801 melalui keluaran 1,114,550 saham biasa bernilai RM1.00 sesaham secara tunai di bawah Skim Saham Kakitangan Syarikat dengan purata harga belian sebanyak RM5.47 sesaham untuk saham biasa.

Dividen

Lembaga Pengarah mencadangkan dividen akhir “single-tier” sebanyak 16 sen sesaham untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan datang. Bersama dengan dividen interim “single-tier” sebanyak 10 sen yang telah dibayar pada 31 Januari 2012, jumlah dividen tanpa cukai “single-tier” bagi tahun kewangan semasa berakhir 30 April 2012 adalah 26 sen sesaham dengan jumlah keseluruhan RM52,869,000 berbanding 25 sen yang berjumlah RM50,603,000 pada tahun sebelumnya. Dividen yang dicadangkan akan dibayar pada 28 September 2012.

Operasi Perladangan

Setakat akhir April 2012, Kumpulan mempunyai kawasan perladangan seluas 21,268 hektar (52,553 ekar) yang merangkumi 15,253 hektar (37,689 ekar) atau 72% kawasan kelapa sawit matang dan 6,015 hektar (14,864 ekar) atau 28% kawasan kelapa sawit belum matang di mana usia pokok di bawah 4 tahun.

Pengeluaran BTS pada tahun kewangan semasa sebanyak 283,296 tan menunjukkan peningkatan sebanyak 11 % berbanding tahun sebelumnya. Namun demikian, peningkatan ketara dalam pengeluaran dari kawasan kelapa sawit matang dibatasi oleh kesan keadaan cuaca yang tidak menentu pada penghujung Disember 2011 sehingga April 2012.

Hasil tahunan BTS sebanyak 18.33 tan sehektar adalah 5% lebih rendah berbanding purata industri iaitu 19.24 tan sehektar. Walaubagaimanapun, jika tidak mengambil kira hasil dari kawasan perladangan muda yang mempunyai hasil yang rendah dari Milian Labau Plantations, hasil tahunan United Malacca sebanyak 19.99 tan sehektar setahun adalah 3.9% lebih tinggi dari purata industri 19.24 tan sehektar setahun.

Estet-estet United Malacca di Sabah iaitu Meridian Plantations dan Milian Labau Plantations yang masing-masing dibeli pada tahun 1997 dan 2009 – menyumbang sebanyak 166,821 tan BTS atau 59% daripada jumlah keseluruhan pengeluaran Kumpulan.

Milian Labau Plantations dijangka akan menjadi penyumbang terbesar kepada keuntungan Kumpulan pada tahun 2020. Ketika ini, 7,532 hektar (18,612 ekar) daripada kesuluruhan 10,126 hektar telah ditanam pokok kelapa sawit dengan baki 2,594 hektar (6,410 ekar) bakal ditanam sebelum akhir tahun 2012.

PENYATA PENGERUSI (samb.)

Pada tahun kewangan berakhir 30 April 2012, kedua-dua kilang kelapa sawit Kumpulan mencatat pengeluaran MSM sebanyak 58,191 tan dan 13,801 tan isirong sawit. Purata kadar perahan yang dicatatkan pada tahun kewangan 2011/2012 adalah 20.76% untuk minyak sawit mentah (MSM) manakala 4.92% untuk isirong sawit berbanding purata industri sebanyak 20.54% untuk MSM dan 5.13% untuk isirong sawit.

Prospek Tahun Semasa

Walaupun harga MSM telah menurun daripada RM3,600 setan metrik pada April 2012 kepada RM3,100 pada 16 Julai 2012, namun mempunyai alasan untuk bersifat optimistik.

Malaysian Palm Oil Council (MPOC) menjangkakan pengeksportan minyak sawit akan mencecah rekod 19.8 juta tan metrik berbanding 18 juta tanmetrik tahun sebelumnya. Kini, harga MSM didagangkan pada harga diskaun sebanyak US$ 150 setan metrik berbanding minyak kacang soya, manakala inventori stok minyak sawit di Malaysia berada di bawah paras 1.785 juta tan pada Mei 2012. Kedua-dua faktor tersebut akan membantu meningkatkan permintaan dari negara-negara pengimport seperti China dan India. Walaubagaimanapun, tiga senario, secara individu atau keseluruhan, yang mungkin akan menjejaskan prospek untuk harga minyak sawit yang lebih kukuh ialah sekiranya Amerika Syarikat mengalami kemelesetan ekonomi, krisis ekonomi di Eropah terus merebak dan penurunan ekonomi yang drastik di China.

United Malacca, sebagaimana industri kelapa sawit yang lain, menghadapi dua cabaran besar iaitu kekurangan tanah perladangan dan pekerja dalam negara. Manakala, pekerja asing yang sedia ada, bukanlah satu penyelesaian yang boleh dipertahankan untuk jangka masa panjang.

Dalam pada itu, semenjak getah digantikan dengan kelapa sawit pada tahun 1966, perolehan United Malacca hanya berpandukan pada komoditi tunggal sahaja. Situasi ini harus diberi perhatian dan diperbetulkan.

Sebagai penyelesaian kepada cabaran tersebut, Kumpulan kini sedang mempertimbangkan idea untuk mengembangkan lagi kawasan perladangan di negara-negara jiran seperti Kemboja, Indonesia dan Myanmar.

Untuk tahun kewangan 2012/2013, kos operasi dijangka akan meningkat disebabkan peningkatan kos pengambilan pekerja asing dan upah kerja yang tinggi disamping peningkatan kos baja dan kos pengangkutan. Walaubagaimanapun, kos operasi yang tinggi akan diserap dengan peningkatan hasil BTS. Hasil dijangka meningkat pada tahun semasa memandangkan 66% dari kawasan penanaman kelapa sawit berusia antara 4 – 15 tahun.

Bersesuaian dengan polisi Kumpulan yang prihatin kepada kebajikan pekerja, United Malacca menggalakkan estet terutamanya di Sabah, untuk menubuhkan pusat jagaan kanak-kanak kepunyaan pekerja- pekerja ladang.

Sebagai sebuah syarikat yang mepunyai kedudukan kewangan yang kukuh dengan jumlah aset RM1.2 bilion setakat 30 April 2012 dan modal pasaran terkini melebihi RM1 bilion, United Malacca mempunyai tanggungjawab untuk berkongsi kejayaan Syarikat bersama semua kakitangan dan para pemegang saham.

Pengurus Estet menjelaskan kepada Pengerusi and Ketua Pengawai Eksekutif berkenaan penanaman semula dengan menggunakan kaedah “platform”.

Millian-Labau Plantation - Fasa 4 dan 5 (Sabah).

PENYATA PENGERUSI (samb.)

Pengerusi dan Ahli Lembaga Pengarah melawat kilang kelapa sawit di Bukit Senorang, Pahang.

Tasik di Meridian Plantation (Sabah).

United Malacca Professorial Chair

Pada 13 Julai 2012, United Malacca menandatangani satu memorandum persefahaman dengan Universiti Putra Malaysia untuk menubuhkan ‘United Malacca Professorial Chair’. Kerjasama dengan Universiti Putra Malaysia (UPM) adalah untuk mempromosikan bahagian penyelidikan dan perkembangan dalam industri pengurusan perladangan kelapa sawit. Untuk mencapai objektif tersebut, United Malacca menyumbangkan RM2 juta kepada UPM sebagai dana permulaan untuk tempoh 10 tahun.

Dengan penubuhan tersebut, United Malacca berharap dapat merealisasikan tiga objektif utama:

Pertama, ‘Kerusi’ tersebut akan membolehkan UPM untuk menjalankan penyelidikan yang lebih dalam mengenai pengurusan perladangan kelapa sawit. United Malacca akan mempunyai hak utama keengganan bagi membantu UPM mengkomersialkan maklumat penyelidikan tersebut. Melalui ‘Kerusi’ tersebut, United Malacca telah menyalurkan perkhidmatan sektor penyelidikan dan perkembangan kepada UPM.

Kedua, penubuhan ‘Kerusi’ tersebut menunjukkan komitmen United Malacca untuk menunaikan tanggungjawab sosial terhadap masyarakat. Dengan penajaan kos penyelidikan dan pengambilan penyelidik terkemuka dalam bidang kelapa sawit, United Malacca berharap ia akan memberi manfaat kepada Universiti, industri kelapa sawit dan juga ekonomi Malaysia.

Ketiga, melalui ‘Kerusi’ tersebut, United Malacca berharap untuk mewujudkan kesedaran di antara golongan muda di Malaysia terhadap peluang pekerjaan yang berkembang pesat dalam sektor kelapa sawit. Karier di dalam sektor kelapa sawit tidak terhad hanya kepada kerja di ladang, malah ia juga melibatkan sains dan penyelidikan.

Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan dan terima kasih kepada pihak pengurusan dan pekerja di atas usaha dan komitmen bagi memastikan United Malacca menjana keuntungan berterusan. Saya juga mengucapkan jutaan terima kasih kepada rakan-rakan pengarah atas nasihat, sumbangan idea, sokongan berterusan dan penglibatan secara aktif semasa perbincangan dalam merangka keuntungan dan perkembangan yang berterusan.

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.

Tan Siok Choo
Pengerusi

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 2011/2012 were 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 provided.

Occupational safety and health training session for employees.

Providing healthcare at our estate clinic.

Children of employees attending classes at the pre-school in Millian-Labau Plantations.

Awards for long-serving employees at the 2012 Annual Dinner.

Employee receiving gift at Family Day event organized by Bukit Senorang Palm Oil Mill.

Chairperson inspecting a vegetables planting scheme at the estate.

CORPORATE SOCIAL RESPONSIBILITY (cont'd)

The Group's contributions to the community are by way of donations to charitable organizations, offer of scholarships for higher education, construction of road & electricity supply to villages, and providing job opportunities offered to local community particularly in Sabah.

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.

Donations presented to schools and charitable organizations by the Chairperson.


Beetle trap in use at Leong Hin San Estate, an alternative to pesticide spraying.


Legume cover to protect soil surface and to prevent soil erosion.

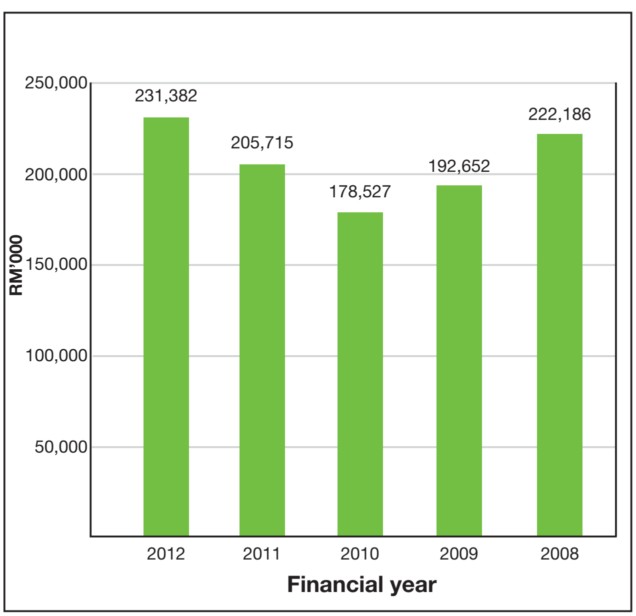
FIVE YEARS' FINANCIAL STATISTICS

	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000
REVENUE					
Plantation	**231,382**	205,715	170,609	178,304	214,367
Investment holding	**- #**	- #	7,918	14,348	7,819
	231,382	205,715	178,527	192,652	222,186
GROUP PROFIT					
Oil palm products	**102,061**	97,788	70,974	81,034	109,745
Replanting expenses	**(3,266)**	(3,798)	(5,675)	(7,962)	(4,552)
Profit from plantation activities	**98,795**	93,990	65,299	73,072	105,193
Gain/(deficit) on disposal of an associate	**365**	-	-	-	(8,173)
Development expenditure written off	**-**	-	(1,295)	-	-
Investment income	**1,634**	3,245	5,565	1,155	7,507
Interest income	**5,051**	3,754	6,695	12,351	5,841
Operating profit	**105,845**	100,989	76,264	86,578	110,368
Share of results of associates	**2,802**	4,720	5,413	4,393	7,738
Profit before tax	**108,647**	105,709	81,677	90,971	118,106
Income tax expense	**(22,766)**	(24,264)	(18,372)	(20,427)	(21,567)
Profit net of tax	**85,881**	81,445	63,305	70,544	96,539
Earnings per share (sen) ^	**42.4**	40.4	31.5	35.1	48.0

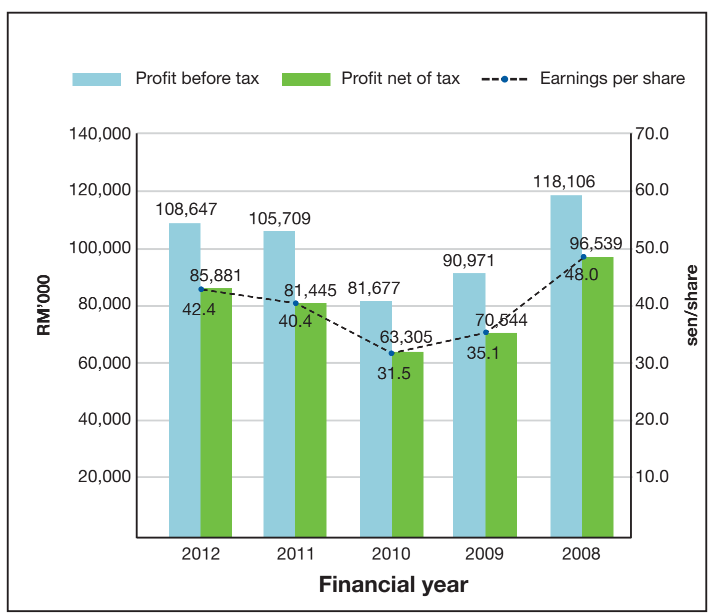
\# Effective from the beginning of the financial year ended 30 April 2011, interest and dividend income of the Group are classified as OTHER INCOME instead of REVENUE as such income have become insignificant.

^ Earnings per share is calculated based on the enlarged share capital after bonus issue of 1 for 2 which was completed on 2 November 2010.

Revenue



Profit and Earnings per Share



FIVE YEARS' FINANCIAL STATISTICS (cont'd)

	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000
ASSETS					
Property, plant and equipment	**446,825**	436,981	430,467	296,230	292,546
Biological assets	**427,981**	406,144	392,229	274,961	272,233
Prepaid land lease payments	**4,037**	4,231	4,426	4,621	4,803
Development expenditure	**-**	-	-	1,295	1,295
Goodwill on consolidation	**18,628**	18,628	18,628	18,628	18,628
Investment in associates	**28,403**	28,199	24,798	20,376	16,874
Available-for-sale investments	**41,756**	50,264	15,822	15,962	15,962
Current assets	**195,145**	174,203	154,752	382,281	379,198
Non-current asset held for sale	**-**	1,675	-	-	113
Total assets	**1,162,775**	1,120,325	1,041,122	1,014,354	1,001,652
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Issued and paid-up share capital	**203,473**	202,358	134,005	134,005	134,005
Capital reserves	**309,862**	301,357	276,791	278,016	279,266
Revenue reserves	**544,801**	513,361	529,026	504,697	488,179
Total equity	**1,058,136**	1,017,076	939,822	916,718	901,450
Liabilities					
Deferred tax liability	**81,872**	81,839	80,863	79,763	78,161
Current liabilities	**22,767**	21,410	20,437	17,873	22,041
Total liabilities	**104,639**	103,249	101,300	97,636	100,202
Total equity and liabilities	**1,162,775**	1,120,325	1,041,122	1,014,354	1,001,652
FINANCIAL STATISTICS ^					
Earnings per share (sen)	**42.4**	40.4	31.5	35.1	48.0
Gross dividend per share (sen)	**26.0**	25.0	23.3	26.7	36.7
Net dividend per share (sen)	**26.0**	25.0	19.8	20.0	27.4
Net dividend yield per share (%)	**3.4**	3.6	3.8	4.8	5.3
Return on average total assets (%)	**7.5**	7.5	6.2	7.0	11.8
Return on average equity (%)	**8.3**	8.3	6.8	7.8	12.9
Price earnings ratio (times)	**18.0**	17.4	16.6	11.9	10.8
Net assets per share (RM)	**5.2**	5.0	4.7	4.6	4.5
Share price as at financial year end (RM)	**7.64**	7.02	5.24	4.17	5.20

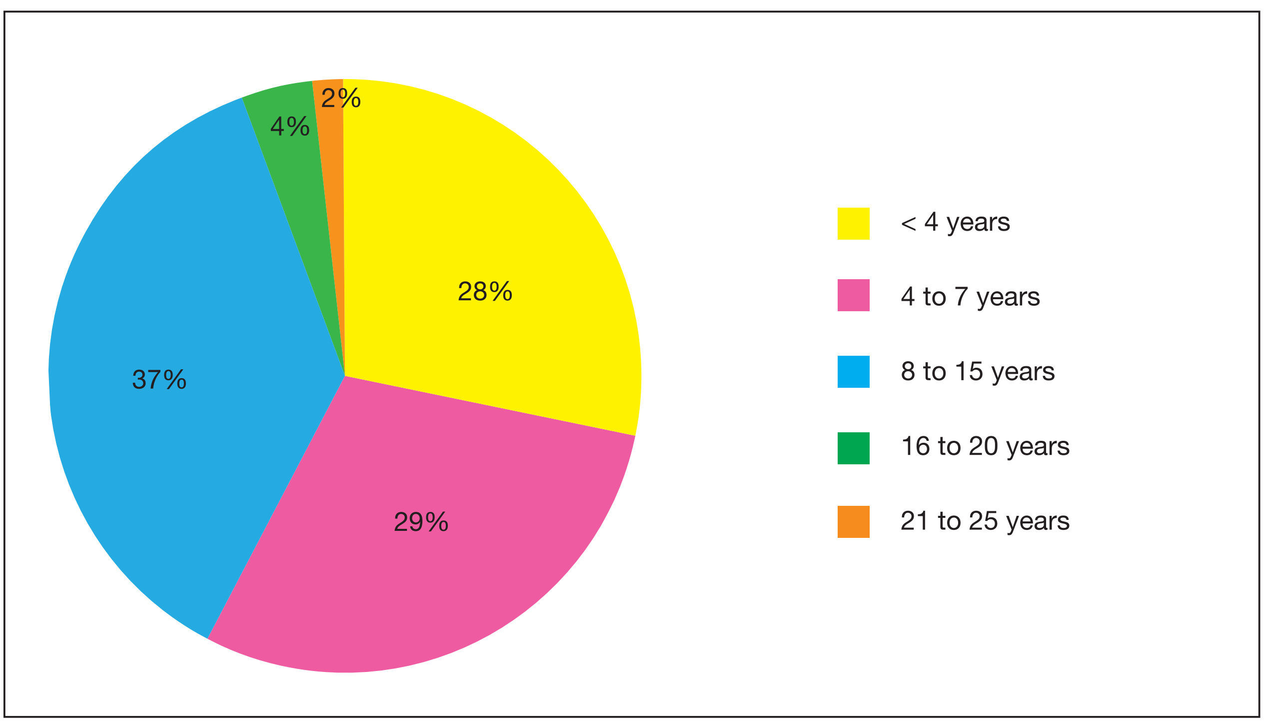
^ Financial statistics are calculated based on the enlarged share capital after bonus issue of 1 for 2 which was completed on 2 November 2010.

GROUP TITLED AREA STATEMENT

AS AT 30 APRIL 2012

	HECTARAGE	%
OIL PALM		
Mature		
4 to 7 years	6,234	29
8 to 15 years	7,814	37
16 to 20 years	868	4
21 to 25 years	337	2
	15,253	72
Immature		
< 4 years	6,015	28
TOTAL OIL PALM PLANTED AREA	21,268	100
Development in progress	1,861	
Unplanted area	89	
Reserve land, building sites, etc	916	
TOTAL GROUP TITLED AREA	24,134	

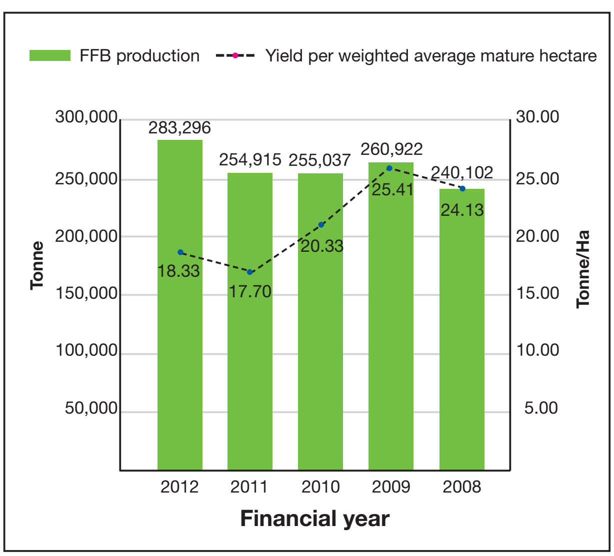
Oil Palm Planted Area by Age Profile



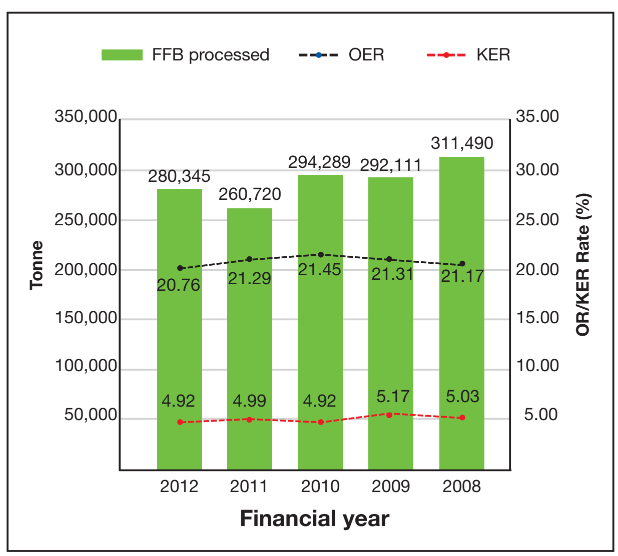
FIVE YEARS' PLANTATION STATISTICS

	2012	2011	2010	2009	2008
ESTATES					
FFB production (tonne)	**283,296**	254,915	255,037	260,922	240,102
Yield per weighted average mature hectare (tonne/ha)	**18.33**	17.70	20.33	25.41	24.13
MILLS					
FFB processed (tonne)	**280,345**	260,720	294,289	292,111	311,490
Production					
- Crude palm oil (tonne)	**58,191**	55,512	63,133	62,251	65,938
- Palm kernel (tonne)	**13,801**	13,011	14,472	15,095	15,661
Oil extraction rate (%)	**20.76**	21.29	21.45	21.31	21.17
Kernel extraction rate (%)	**4.92**	4.99	4.92	5.17	5.03
AVERAGE SELLING PRICE					
Crude palm oil (RM/tonne)	**3,152**	2,971	2,390	2,420	2,857
Palm kernel (RM/tonne)	**2,005**	2,195	1,256	1,234	1,722
FFB (RM/tonne)	**657**	640	477	477	609

FFB Statistics



Oil Mill Statistics



AUDIT COMMITTEE REPORT

1.0 Introduction

The Board of Directors of United Malacca Berhad is pleased to present the Audit Committee Report for the financial year ended 30th April 2012 in accordance with Paragraph 15.15 of the Bursa Malaysia Securities Berhad's Listing Requirement.

2.0 Composition

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

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

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

* Retired as Member of the Audit Committee on 26th August 2011.

** Appointed as Member of the Audit Committee on 26th August 2011.

(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 Audit Committee shall elect the Chairman, who is an Independent Director from among the members.

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

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

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

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

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

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

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

AUDIT COMMITTEE REPORT (cont'd)

3.0 Objectives

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

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

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

4.0 Authority

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

(i) To investigate any activity within its objectives and functions.

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

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

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

(v) The Audit Committee shall have direct communication channels with the External and Internal Auditors.

(vi) The Audit Committee shall have the authority to convene meetings with the External Auditors, Internal Auditors or both excluding the attendance of others Directors and employees of the Company, whenever deemed necessary.

5.0 Functions

In accordance with Paragraph 15.15 (3) (b) of the Bursa Malaysia Securities Berhad's Listing Requirement, the summary of key 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 Management takes appropriate action in respect of the audit observations and the Audit Committee's recommendations.

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

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

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

AUDIT COMMITTEE REPORT (cont'd)

5.0 Functions (cont'd)

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

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

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

(ix) To ensure employees of the Company extend their assistance to the External Auditors.

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

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

6.0 Meetings

The Audit Committee met on four (4) occasions during the FY 2011/2012 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
Ms. Tan Siok Choo	4 out of 4
Datuk Fong Weng Phak (Retired on 26/8/2011)	1 out of 1
Mr. Teo Leng	4 out of 4
Dato' Tan Ang Meng	3 out of 3

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

(i) Meeting

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

(ii) Quorum

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

(iii) Attendance At Meeting

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

AUDIT COMMITTEE REPORT (cont'd)

7.0 Summary of Activities

Activities undertaken by the Audit Committee during FY 2011/2012 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 2011/2012 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 2011/2012.

(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.

(x) Verifying and confirming the allocation of share options pursuant to the Employee Share Option Scheme (i.e. ESOS) as complying with the criteria established in the By-Laws of the ESOS.

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

8.0 Internal Audit

The main role of the internal audit function is to review the effectiveness of the Group's systems of internal control and this is performed with impartiality, proficiency and due professional care. Internal Audit Department 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 the Management is implementing the value added recommendations for continuous improvement.

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 four (4) Executives. The Senior Manager and one (1) Executive is registered member of The Institute of Internal Auditors Malaysia.

AUDIT COMMITTEE REPORT (cont'd)

8.0 Internal Audit (cont'd)

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 30th April 2012 was RM 296,542.

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 2011/2012, 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) Drafting the Audit Committee Report and Statement on Internal Controls for disclosure in the Group's Annual Report.

(vi) Reviewing and verifying the allocation of share options under the Employee Share Option Scheme (i.e. ESOS).

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

This report is made in accordance with a resolution of the Board of Directors dated 27 June 2012.

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

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

Pursuant to Paragraph 15.25 of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirement"), the Board of Directors is pleased to report to the Shareholders the manner in which the Company has applied the Principles of the Code and complied with the Best Practices of the Code throughout the financial year ended 30 April 2012.

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 responsibilities.

1.2 Board's Composition

The composition of the Board continues to provide the Group with a wealth of knowledge and experience to draw from a comprehensive mix of skills which includes financial, corporate, economic, legal, accounting and plantation expertise that is important for the continued successful direction of the Group.

The Board currently has six Directors and comprises the Chairperson who is an Independent Non-Executive Director and five other Independent Non-Executive Directors. The Board's composition complies with the requirements of the Code and paragraph 15.02 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The composition and size of the Board are reviewed by the Nomination Committee annually to ensure its appropriateness.

The Board is satisfied that the current Board's size and composition is appropriate for the complexity and scale of operations of the Company.

The independence of the Board together with the support from Management provides effective representation for the shareholders.

The roles of the Chairperson and Chief Executive Officer are segregated and each has clearly accepted division of responsibility. The Chairperson is responsible for ensuring Board effectiveness and conduct. She ensures the integrity and effectiveness of the governance process of the Board. Every Board resolution is put to vote, if necessary which would reflect the collective decision of the Board and not individuals or an interest group. She also maintains regular dialogues/meetings with the Chief Executive Officer, Senior Manager, Head of operating centres and Institutional investor and research analysts.

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.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1. BOARD OF DIRECTORS (cont'd)

1.2 Board's Composition (cont'd)

The presence of Independent Non-Executive Directors on the Board provides a broader view and independent judgement to the decision making of the Board and Board Committees. The role of these Independent Non-Executive Directors is important in ensuring that all business strategies proposed by Management are fully deliberated and take into account the long term interest, not only of shareholders but also employees and the local communities in which the Group operates. The Board is thus ensured of a balanced and independent view at all Board deliberations. Mr. Boon Weng Siew, 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 7 to 10.

1.3 Board Meetings

All Board meetings for the year are scheduled in advance at the beginning of each calendar year to enable Directors to fit the year's meetings into their own schedule. The Board holds at least four (4) regular scheduled meetings annually with additional meetings for special or major issues convened as and when deemed necessary. During the financial year, the Board had held seven meetings. The details of attendance are disclosed in the Profile of Directors on pages 7 to 10 of this Annual Report. All the Directors have complied with the minimum 50% attendance as required by Paragraph 15.05 of the Bursa Malaysia Securities Berhad's Listing Requirements.

In addition, there is 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 Chairperson.

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 briefs the Board on the progress of the Group's operations and provides 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 Chairperson to review the performance of the Group's various operating units and to keep her informed of current developments affecting the Group. The Directors also visit the Groups' estates and mills to allow them to have better assessments of the progress of the Group's operation.

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.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1. BOARD OF DIRECTORS (cont'd)

1.5 Board Committees

In discharging its fiduciary duties, the Board is assisted by Board Committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee, the Tender Committee, the Employee Share Scheme Committee, the Diversification and Strategic Investment Committee and the United Malacca Scholarship Committee.

The Board has delegated specific responsibilities to these Board Committees which operate within clearly defined terms of reference that comply with the recommendations of the Code. The Chairman of the respective Committees will report to the Board on matters discussed at the Committee meetings and minutes of these meetings are circulated to the full Board. In addition the Group Risk Management Committee consisting of Senior Executives reports to the Board through the Audit Committee.

1.6 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 fulfil 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 to familiarize with the Group's business.

The Nomination Committee meets annually to review the Board structure, size and composition and the mix of skills and core competencies required for the Board to discharge its duties effectively. The Nomination Committee is responsible for assessing the effectiveness of the Board as a whole, and all Board Committees, the contribution of each individual Director as well as the annual performance of the Chief Executive Officer.

The Nomination Committee comprises three Independent Non-Executive Directors. Presently, its members are as follow:-

Chairman	Tan Sri Dato' Ahmad bin Mohd Don *Independent Non-Executive Director*
Members	Ms. Tan Siok Choo *Independent Non-Executive Director*
	Mr. Teo Leng *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 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 election at the next Annual General Meeting to be held following his appointment.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1. BOARD OF DIRECTORS (cont'd)

1.7 Re-election and Re-appointment of Directors (cont'd)

Directors over seventy years of age are required to seek re-appointment annually in accordance with Section 129 (6) of the Companies Act 1965. Currently, there is one Director who is subject to such re-appointment.

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

The names of Directors seeking for re-appointment and re-election at the forthcoming Annual General Meeting are disclosed in the Notice of Annual General Meeting in this Annual Report.

1.8 Directors' Training

The Board will continue to assess the training needs 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 plantation industry and regulatory requirements.

During the year the training programmes attended by the Directors were FTSE Bursa Malaysia Index Series Liquidity Rule Enhancement by Bursa Malaysia Berhad, The Global Economy - A time of confusion by Kenanga Investment Bank Berhad, Talk on business of palm oil trading by Mr. Richard Cheang, International Palm Oil Congress 2011 organized by Malaysian Palm Oil Board, 23rd Annual Palm & Lauric Oils Conference & Exhibition Price Outlook 2012/2013 organized by Bursa Malaysia Berhad and Talk on Vitamin E by Dr. Kalanithi Nesaretnam, MPOB Director of Product Development & Technical Advisory Services.

During the year, Directors have visited the Bukit Senorang Estate & Palm Oil Mill in Pahang and Millian Labau Plantations in Sabah to view the operations and also received regular briefings by Ernst & Young on updates in financial reporting and new accounting standards affecting the Group. The Board is kept informed on new developments affecting the plantation industry by two of its Board members who also sit on the Council of the Malaysian Palm Oil Association.

The Board will continue to assess the training need of its Directors to ensure that they are equipped with the requisite knowledge and competency 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. DIRECTORS' 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 Chief Executive Officer and key senior management officers of the Group. Such recommendations take into consideration the level of responsibilities and contribution to the respective Boards within the Group.

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

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

2. DIRECTOR'S REMUNERATION (cont'd)

The Remuneration Committee comprises the following Directors: -

Chairman	Dato' Tan Ang Meng *Independent Non-Executive Director*
Members	Ms. Tan Siok Choo *Independent Non-Executive Director*
	Mr. Boon Weng Siew *Independent Non-Executive Director*
	Mr. Tan Jiew Hoe *Independent 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 2012.

The remuneration of the Directors for the financial year ended 30 April 2012 categorized into appropriate components and the number of Directors whose remuneration falls into each band of RM50,000 are set out on pages 80 to 82 of this Annual Report.

3. SHAREHOLDERS

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

The Annual General Meeting is the principal forum for dialogue between the Company and the shareholders. At the Annual General Meeting, shareholders are given the opportunity to participate effectively and vote on matters listed in the Agenda. Members of the Board, Senior Management and the Auditors of the Company are present at the meeting to respond to questions from shareholders.

Upon requests from institutional investors and research analysts, Senior Management also meets them to explain to them the Group's operations so as to give them a better understanding of the Group's business.

4. ACCOUNTABILITY AND AUDIT

Financial Reporting

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

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

4. ACCOUNTABILITY AND AUDIT (cont'd)

Statement of Directors' responsibility in respect of audited financial statements

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

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

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

Internal Control

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

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

The Statement on Internal Control as set out in pages 37 to 40 in this Annual Report provides an overview of the state of internal controls within the Group.

Relationship with Auditors

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

A summary of the activities of the Audit Committee during the year, including evaluation of the independent audit process, is set out in the Audit Committee Report on pages 25 to 29 of this Annual Report.

The Statement is made in accordance with the resolution of the Board of Directors passed on 27 June 2012.

OTHER INFORMATION

PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITES BERHAD

1. Utilisation of Proceeds

There were no rights issue or issuance of bonds carried out during the financial year ended 30 April 2012 to raise any cash proceeds. However, the Company has issued 1,114,550 ordinary shares under the Employee Share Scheme ("ESS") for a cash consideration of RM6,099,000 during the financial year. The Proceeds arising from the exercise of the share options pursuant to the ESS were utilised for working capital purposes.

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 2012.

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

The Company has not sponsored any ADR or GDR programme for the financial year ended 30 April 2012.

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 year under review, the Group's non-audit fees paid or payable to the external auditors amounted to RM58,000 (please refer to page 79 of the audited financial statements)

7. Variation in Results

There is no material variance between the results for the financial year ended 30 April 2012 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 2012.

9. Material Contracts Involving Directors and Major Shareholders

There is no material contract involving the Company and its subsidiaries with directors and major shareholders of the Company either still subsisting at the end of the financial year ended 30 April 2012 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 2012.

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 company, as the Board does not have any direct control over its operations. Notwithstanding the above, the Group's interests are served through representation on the Board of the respective associated company and review of its 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 company.

3. Key Elements of Internal Control Systems

3.1 Risk Management Framework

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

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

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

(i) Maintaining an updated inventory of all business risks and controls in the form of a detailed risk management report. The likelihood of the risks occurring and the magnitude of impact are periodically monitored and risk mitigation action plans are drawn up.

(ii) Reviewing and assessing all business risks identified and preparing quarterly reports on the Group's risk profiles and Management action plans for the review of the Audit Committee prior to submission to the Board for approval.

(iii) Identifying and assessing new risks faced by the Group's business in view of expansion of business operations and competitive business environment. 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, if any, recommendations and the responses of Management provide added assurance that appropriate control procedures are in place and being followed. In assessing the adequacy and effectiveness of the Group's system of internal controls, the Audit Committee in turn reports to the Board of Directors its assessment and recommendations.

4. Other Key Elements of Internal Control Systems

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

(i) Organisational Structure

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

(ii) Centralised Functions

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

(iii) Control Procedures

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

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

a. Authorisation Levels and Approval Limits

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

During the financial year under review, the Group has updated the authorisation levels and approval limits in line with the expanded operations for better efficiency.

STATEMENT ON INTERNAL CONTROL (cont'd)

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

(iii) Control Procedures (cont'd)

b. Budgeting

Each operating unit prepares its own annual budget which includes the financial and operating targets, capital expenditure proposals and performance indicators for the forthcoming year based on guidelines issued by the head office. Meetings are held between the heads of operating units, senior management and the Chief Executive Officer to finalise the draft budget. Thereafter, the annual budgets are presented 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 RM300,000 and to the Board Tender Committee for tenders above RM300,000 for review and approval.

d. Diversification and Strategic Investment Committee

During the financial year under review, the Board has formed the Diversification and Strategic Investment Committee which is responsible for determining the investment criteria of the Group for diversification and strategic investment, and recommending any new businesses for expansion and /or diversification of the current business of the Group.

(iv) Performance Review and Reporting

The Group's management teams carry out monthly monitoring and review of financial results and forecasts for all businesses within the Group, including monitoring and reporting thereon, of performance against the operating plans and annual budgets. Written queries are sent to heads of operating units to seek clarification for any exception noted. 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. Monthly marketing report is also submitted to the Board detailing crude palm oil and palm kernel price movement and sales contract committed. 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, progress report on development of newly acquired estate, financial position of the Group, as well as treasury and fund management are presented to the Board at their meetings.

(v) Estate Visits

Regular visits to the estates and palm oil mills are made by the Chairperson, 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. Besides the visit by the internal auditors, the Group Finance team also makes regular visit to estates and mills to enhance the compliance of procedures and proper record keeping.

STATEMENT ON INTERNAL CONTROL (cont'd)

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

(v) Estate Visits (cont'd)

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.

(vi) Coverage and Safeguarding of Major Assets

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

5. Review by the External Auditors

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

6. Conclusion

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

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

This statement is made in accordance with the resolution of the Board of Directors dated 27 June 2012.

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 2012.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are described in Note 16 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 net of tax	85,881	94,194

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 amount of dividends paid by the Company since 30 April 2011 were as follows:

	RM'000
In respect of the financial year ended 30 April 2011 as reported in the directors' report of that year:	
Final tax exempt (single-tier) dividend of 17.5%, on 202,458,001 ordinary shares, declared on 26 August 2011 and paid on 27 September 2011	35,430
In respect of the financial year ended 30 April 2012:	
Interim tax exempt (single-tier) dividend of 10%, on 203,043,801 ordinary shares, declared on 15 December 2011 and paid on 31 January 2012	20,305
	55,735

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 30 April 2012, of 16% on 203,523,901 ordinary shares, amounting to a dividend payable of RM32,564,000 (16 sen 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 2013.

DIRECTORS' REPORT (cont'd)

DIRECTORS

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

Tan Siok Choo
Boon Weng Siew
Tan Sri Dato' Ahmad bin Mohd Don
Tan Jiew Hoe
Teo Leng
Dato' Tan Ang Meng
Choi Siew Hong (demised on 18 July 2011)
Datuk Fong Weng Phak (retired on 26 August 2011)

In accordance with the Article 118 of the Company's Articles of Association, Tan Siok Choo retires at the forthcoming Annual General Meeting and, being eligible, offers herself for re-election.

Boon Weng Siew, having already attained the age of seventy, retires pursuant to Section 129(2) of the Companies Act, 1965 and a resolution is being proposed for his re-appointment as director 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, other than those arising from the share options granted under the Employee Share Scheme.

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 8 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 29 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 and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			
Name of director	**1.5.2011**	**Acquired**	**Sold**	**30.4.2012**
Direct Interest:				
Ordinary shares of the Company				
Tan Siok Choo	3,432,181	-	-	3,432,181
Boon Weng Siew	70,875	54,000 *	(16,875)	108,000
Tan Jiew Hoe	217,125	-	-	217,125
Teo Leng	-	54,000 *	-	54,000
Dato' Tan Ang Meng	-	11,000	-	11,000

* Exercised of employee share options.

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS (cont'd)

Name of director		Number of ordinary shares of RM1 each 1.5.2011	Acquired	Sold	30.4.2012
Indirect Interest:					
Ordinary shares of the Company					
Tan Siok Choo	#	2,605,549	-	-	2,605,549
Tan Jiew Hoe	@	2,510,021	-	-	2,510,021

\# Interest by virtue of shares held by parent.
@ Interest by virtue of shares held by the companies in which he is a director.

Name of director	Number of options over ordinary shares of RM1 each 1.5.2011	Granted	Exercised	30.4.2012
Share options of the Company				
Tan Siok Choo	216,000	-	-	216,000
Boon Weng Siew	216,000	-	(54,000)	162,000
Tan Sri Dato' Ahmad bin Mohd Don	270,000	-	-	270,000
Tan Jiew Hoe	225,000	-	-	225,000
Teo Leng	-	270,000	(54,000)	216,000

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM202,358,251 to RM203,472,801 by way of the issuance of 1,114,550 ordinary shares of RM1 each for cash pursuant to the Company's Employee Share Scheme at a weighted average exercise price of RM5.47 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEE SHARE SCHEME

The Company's Employee Share Scheme ("ESS") is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 29 August 2009. The ESS was implemented on 18 June 2010 and is in force for a period of 10 years from the date of implementation.

The Scheme is administered by the ESS Committee appointed by the Board.

The salient features of the By-Laws are disclosed in Note 28 to the financial statements.

During the financial year, 1,260,000 options were offered and accepted by eligible director and employees under the ESS, of which 20% are exercisable into new ordinary shares with immediate effect on 1 November 2011 whilst the balance of 80% are exercisable into new ordinary shares at different vesting periods and tranches beginning from November 2012, subject to the fulfilment of vesting conditions including but not limited to the satisfactory performance of the option holders during the exercise periods.

DIRECTORS' REPORT (cont'd)

EMPLOYEE SHARE SCHEME (cont'd)

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESS as at 30 April 2012 are as follows:

			Number of options		
Grant date	Expiry date	Exercise price	Granted	Adjustment for bonus issue	Total
3 August 2010	2 August 2015	RM8.13 RM5.42 *	6,190,000	2,582,250	8,772,250
1 November 2011	31 October 2016	RM5.82	1,260,000	-	1,260,000

* Following the adjustment for additional options entitlement on the unexercised options arising from the bonus issue made during the previous financial year, the exercise price of RM8.13 per share was revised to RM5.42 per share accordingly.

The maximum number of new or existing shares of the Company to be made available under the ESS during the duration of the ESS shall not exceed fifteen percent (15%) of the issued and paid-up share capital of the Company at any one time. Not more that fifty percent (50%) of the total shares of the Company available under the ESS shall be allocated, in aggregate, to directors and senior management of the Group.

As at 30 April 2012, the options granted to directors and senior management of the Group consist of 36% of total options granted to eligible directors and employees.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for less than 162,000 ordinary shares of RM1 each. The names of option holders granted options to subscribe for 162,000 or more ordinary shares of RM1 each during the financial year are as follows:

	Number of options			
Name	1.5.2011	Granted	Exercised	30.4.2012
Dr. Leong Tat Thim	465,000	-	-	465,000
Chong Seong Hoe	307,500	-	-	307,500
Leong Yok Mui	285,000	-	-	285,000
Lai Swee Kee	291,000	-	(18,000)	273,000

The share options were granted to the above option holders on 3 August 2010 and expire on 2 August 2015. The exercise price of share option was initially fixed at RM8.13 each and subsequently adjusted to RM5.42 each following the adjustment for additional options entitlement on the unexercised options arising from the bonus issue made during the previous financial year.

Details of options granted to directors are disclosed in the section on Directors' Interests in this report.

OTHER STATUTORY INFORMATION

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

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; and

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

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

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

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

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

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

(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 during the financial year are disclosed in Note 36 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 27 June 2012.

Tan Siok Choo **Tan Sri Dato' Ahmad bin Mohd Don**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Siok Choo and Tan Sri Dato' Ahmad bin Mohd Don, 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 50 to 120 are 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 2012 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 121 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 June 2012.

Tan Siok Choo **Tan Sri Dato' Ahmad bin Mohd Don**

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 and the supplementary information set out on pages 50 to 121 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed Lai Swee Kee)
at Melaka in the State of Melaka)
on 27 June 2012.) **Lai Swee Kee**

Before me,

Ong San Kee
Commissioner of Oath
Melaka, Malaysia

INDEPENDENT AUDITORS' REPORT

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

Report on the financial statements

We have audited the financial statements of United Malacca Berhad, which comprise the statements of financial position of the Group and of the Company as at 30 April 2012, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows 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 50 to 120.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2012 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

The supplementary information set out on page 121 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Ernst & Young
AF: 0039
Chartered Accountants

Gloria Goh Ewe Gim
1685/04/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
Dated: 27 June 2012

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue	4	**231,382**	205,715	**127,858**	106,779
Cost of sales		**(115,059)**	(93,319)	**(22,181)**	(19,116)
Gross profit		**116,323**	112,396	**105,677**	87,663
Other income	5	**9,106**	8,753	**3,203**	3,337
Selling and distribution expenses		**(3,417)**	(2,883)	**(1,489)**	(1,230)
Administrative expenses		**(11,611)**	(12,910)	**(5,770)**	(6,232)
Other expenses		**(1,290)**	(569)	**(1,159)**	(515)
Replanting expenses		**(3,266)**	(3,798)	**(2,056)**	(1,470)
Operating profit		**105,845**	100,989	**98,406**	81,553
Share of results of associates		**2,802**	4,720	**-**	-
Profit before tax	6	**108,647**	105,709	**98,406**	81,553
Income tax expense	9	**(22,766)**	(24,264)	**(4,212)**	(5,906)
Profit net of tax		**85,881**	81,445	**94,194**	75,647
Earnings per share attributable to owners of the Company (sen per share):					
Basic	10(a)	**42.4**	40.4		
Diluted	10(b)	**42.4**	40.4		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit net of tax	**85,881**	81,445	**94,194**	75,647
Other comprehensive income:				
Net gain on available-for-sale investments:				
- Gain on fair value changes	**487**	1,625	**487**	1,625
- Transfer to profit or loss upon disposal	**885**	-	**885**	-
Share of other comprehensive income of associates	**(874)**	2,076	**-**	-
	498	3,701	**1,372**	1,625
Total comprehensive income for the year	**86,379**	85,146	**95,566**	77,272

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**446,825**	436,981	**248,529**	243,007
Biological assets	13	**427,981**	406,144	**196,543**	174,968
Prepaid land lease payments	14	**4,037**	4,231	**-**	-
Goodwill on consolidation	15	**18,628**	18,628	**-**	-
Investment in subsidiaries	16	**-**	-	**140,954**	140,954
Investment in associates	17	**28,403**	28,199	**22,905**	22,905
Available-for-sale investments	18	**41,756**	50,264	**41,756**	50,264
		967,630	944,447	**650,687**	632,098
Current assets					
Inventories	19	**10,829**	14,740	**3,931**	2,083
Trade and other receivables	20	**17,457**	19,110	**5,159**	4,983
Held-for-trading investments	21	**14,798**	-	**14,798**	-
Cash and bank balances	22	**152,061**	140,353	**140,691**	123,444
		195,145	174,203	**164,579**	130,510
Non-current asset held for sale	17	**-**	1,675	**-**	311
		195,145	175,878	**164,579**	130,821
TOTAL ASSETS		**1,162,775**	1,120,325	**815,266**	762,919
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	23	**203,473**	202,358	**203,473**	202,358
Share premium	23	**7,963**	1,164	**7,461**	662
Other reserves	24	**301,899**	300,193	**141,227**	137,965
Retained earnings	25	**544,801**	513,361	**441,397**	402,326
Total equity		**1,058,136**	1,017,076	**793,558**	743,311
Non-current liability					
Deferred tax liability	26	**81,872**	81,839	**10,560**	10,250
Current liabilities					
Trade and other payables	27	**20,636**	17,677	**11,148**	8,848
Income tax payable		**2,131**	3,733	**-**	510
		22,767	21,410	**11,148**	9,358
Total liabilities		**104,639**	103,249	**21,708**	19,608
TOTAL EQUITY AND LIABILITIES		**1,162,775**	1,120,325	**815,266**	762,919

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

		Attributable to owners of the Company								
			Non-distributable						Distributable	
2012 GROUP	**Note**	**Share capital (Note 23) RM'000**	**Share premium (Note 23) RM'000**	**Fair value adjustment reserve (Note 24) RM'000**	**Asset revaluation reserve (Note 24) RM'000**	**Foreign currency translation reserve (Note 24) RM'000**	**Employee share option reserve (Note 24) RM'000**	**Total other reserves (Note 24) RM'000**	**Retained earnings (Note 25) RM'000**	**Total equity RM'000**
Opening balance at 1 May 2011		202,358	1,164	24,229	269,216	1,510	5,238	300,193	513,361	1,017,076
Total comprehensive income		-	-	1,389	-	(891)	-	498	85,881	86,379
Transfer to retained earnings:										
Realisation of fair value adjustment reserve upon disposal of an associate		-	-	(80)	-	-	-	(80)	80	-
Realisation of asset revaluation reserve upon depreciation		-	-	-	(1,206)	-	-	(1,206)	1,206	-
		-	-	(80)	(1,206)	-	-	(1,286)	1,286	-
Transactions with owners:										
Fair value of share options granted to eligible directors and employees		-	-	-	-	-	4,317	4,317	-	4,317
Shares issued pursuant to exercise of employee share options		1,115	6,799	-	-	-	(1,815)	(1,815)	-	6,099
Employee share options forfeited		-	-	-	-	-	(8)	(8)	8	-
Dividends	11	-	-	-	-	-	-	-	(55,735)	(55,735)
		1,115	6,799	-	-	-	2,494	2,494	(55,727)	(45,319)
Closing balance at 30 April 2012		203,473	7,963	25,538	268,010	619	7,732	301,899	544,801	1,058,136

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

		Attributable to owners of the Company								
			Non-distributable						Distributable	
2011 GROUP	Note	Share capital (Note 23) RM'000	Share premium (Note 23) RM'000	Fair value adjustment reserve (Note 24) RM'000	Asset revaluation reserve (Note 24) RM'000	Foreign currency translation reserve (Note 24) RM'000	Employee share option reserve (Note 24) RM'000	Total other reserves (Note 24) RM'000	Retained earnings (Note 25) RM'000	Total equity RM'000
Opening balance at 1 May 2010		134,005	6,346	-	270,445	-	-	270,445	529,026	939,822
Effects of adopting FRS 139		-	-	22,540	-	-	-	22,540	-	22,540
		134,005	6,346	22,540	270,445	-	-	292,985	529,026	962,362
Total comprehensive income		-	502	1,689	-	1,510	-	3,199	81,445	85,146
Transfer to retained earnings:										
Realisation of asset revaluation reserve upon depreciation		-	-	-	(1,218)	-	-	(1,218)	1,218	-
Realisation of asset revaluation reserve upon property, plant and equipment written off		-	-	-	(11)	-	-	(11)	11	-
		-	-	-	(1,229)	-	-	(1,229)	1,229	-
Transactions with owners:										
Fair value of share options granted to eligible directors and employees		-	-	-	-	-	7,513	7,513	-	7,513
Shares issued pursuant to exercise of employee share options		937	8,581	-	-	-	(2,197)	(2,197)	-	7,321
Bonus issue of one share for every two existing shares		67,416	(14,154)	-	-	-	-	-	(53,262)	-
Share issuance expenses		-	(111)	-	-	-	-	-	-	(111)
Employee share options forfeited		-	-	-	-	-	(78)	(78)	78	-
Dividends	11	-	-	-	-	-	-	-	(45,155)	(45,155)
		68,353	(5,684)	-	-	-	5,238	5,238	(98,339)	(30,432)
Closing balance at 30 April 2011		202,358	1,164	24,229	269,216	1,510	5,238	300,193	513,361	1,017,076

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

		Attributable to owners of the Company							
			Non-distributable					Distributable	
2012 COMPANY	Note	Share capital (Note 23) RM'000	Share premium (Note 23) RM'000	Fair value adjustment reserve (Note 24) RM'000	Asset revaluation reserve (Note 24) RM'000	Employee share option reserve (Note 24) RM'000	Total other reserves (Note 24) RM'000	Retained earnings (Note 25) RM'000	Total equity RM'000
Opening balance at 1 May 2011		202,358	662	24,165	108,562	5,238	137,965	402,326	743,311
Total comprehensive income		-	-	1,372	-	-	1,372	94,194	95,566
Transfer to retained earnings:									
Realisation of asset revaluation reserve upon depreciation		-	-	-	(604)	-	(604)	604	-
Transactions with owners:									
Fair value of share options granted to eligible directors and employees		-	-	-	-	4,317	4,317	-	4,317
Shares issued pursuant to exercise of employee share options		1,115	6,799	-	-	(1,815)	(1,815)	-	6,099
Employee share options forfeited		-	-	-	-	(8)	(8)	8	-
Dividends	11	-	-	-	-	-	-	(55,735)	(55,735)
		1,115	6,799	-	-	2,494	2,494	(55,727)	(45,319)
Closing balance at 30 April 2012		203,473	7,461	25,537	107,958	7,732	141,227	441,397	793,558

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

		Attributable to owners of the Company							
			Non-distributable					Distributable	
2011 COMPANY	**Note**	**Share capital (Note 23) RM'000**	**Share premium (Note 23) RM'000**	**Fair value adjustment reserve (Note 24) RM'000**	**Asset revaluation reserve (Note 24) RM'000**	**Employee share option reserve (Note 24) RM'000**	**Total other reserves (Note 24) RM'000**	**Retained earnings (Note 25) RM'000**	**Total equity RM'000**
Opening balance at 1 May 2010		134,005	6,346	-	109,170	-	109,170	424,410	673,931
Effects of adopting FRS 139		-	-	22,540	-	-	22,540	-	22,540
		134,005	6,346	22,540	109,170	-	131,710	424,410	696,471
Total comprehensive income		-	-	1,625	-	-	1,625	75,647	77,272
Transfer to retained earnings:									
Realisation of asset revaluation reserve upon depreciation		-	-	-	(608)	-	(608)	608	-
Transactions with owners:									
Fair value of share options granted to eligible directors and employees		-	-	-	-	7,513	7,513	-	7,513
Shares issued pursuant to exercise of employee share options		937	8,581	-	-	(2,197)	(2,197)	-	7,321
Bonus issue of one share for every two existing shares		67,416	(14,154)	-	-	-	-	(53,262)	-
Share issuance expenses		-	(111)	-	-	-	-	-	(111)
Employee share options forfeited		-	-	-	-	(78)	(78)	78	-
Dividends	11	-	-	-	-	-	-	(45,155)	(45,155)
		68,353	(5,684)	-	-	5,238	5,238	(98,339)	(30,432)
Closing balance at 30 April 2011		202,358	662	24,165	108,562	5,238	137,965	402,326	743,311

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
OPERATING ACTIVITIES					
Profit before tax		**108,647**	105,709	**98,406**	81,553
Adjustments for:					
Interest income	5	**(5,051)**	(3,754)	**-**	-
Dividend income	5	**(2,022)**	(1,188)	**-**	-
Gain on disposal of an associate	5	**(365)**	-	**(1,859)**	-
Loss on disposal of available-for-sale investment	6	**885**	-	**885**	-
Net fair value gains on held-for-trading investments	5	**(772)**	(2,547)	**(772)**	(2,547)
Depreciation of property, plant and equipment	6	**11,092**	9,890	**3,203**	2,871
(Gain)/loss on disposal of property, plant and equipment	5,6	**(39)**	1	**-**	1
Property, plant and equipment written off	6	**130**	78	**8**	32
Amortisation of prepaid land lease payments	6	**191**	184	**-**	-
Fair value of share options expensed off:					
- executive director and employees	7	**3,632**	6,355	**1,344**	1,951
- non-executive directors	8	**685**	1,158	**685**	1,158
Unrealised foreign exchange loss		**65**	-	**65**	-
Share of results of associates		**(2,802)**	(4,720)	**-**	-
Operating cash flows before changes in working capital		**114,276**	111,166	**101,965**	85,019
Changes in working capital:					
Decrease/(increase) in inventories		**3,911**	(3,414)	**(1,848)**	681
Decrease/(increase) in trade and other receivables		**2,391**	(6,513)	**3**	(2,581)
Increase in trade and other payables		**2,959**	1,486	**2,300**	887
Cash flows from operations		**123,537**	102,725	**102,420**	84,006
Interest received		**4,691**	3,595	**-**	-
Income taxes paid		**(24,571)**	(23,764)	**(4,513)**	(6,114)
Net cash flows from operating activities		**103,657**	82,556	**97,907**	77,892

STATEMENTS OF CASH FLOWS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
INVESTING ACTIVITIES					
Dividend received from:					
- associates		**1,594**	1,720	**-**	-
- available-for-sale investments		**1,766**	887	**-**	-
- held-for-trading investments		**192**	280	**-**	-
Purchase of property, plant and equipment	12	**(23,169)**	(18,094)	**(10,767)**	(11,795)
Proceeds from disposal of property, plant and equipment		**40**	1	**-**	1
Additions of biological assets	13	**(19,732)**	(12,294)	**(19,541)**	(12,118)
Proceeds from disposal of an associate		**2,170**	-	**2,170**	-
Purchase of available-for-sale investments		**(635)**	(10,277)	**(635)**	(10,277)
Proceeds from disposal of available-for-sale investment		**9,630**	-	**9,630**	-
Purchase of held-for-trading investments		**(25,185)**	(18,769)	**(25,185)**	(18,769)
Proceeds from disposal of held-for-trading investments		**11,016**	28,831	**11,016**	28,831
Net cash flows used in investing activities		**(42,313)**	(27,715)	**(33,312)**	(24,127)
FINANCING ACTIVITIES					
Dividends paid	11	**(55,735)**	(45,155)	**(55,735)**	(45,155)
Proceeds from exercise of employee share options		**6,099**	7,321	**6,099**	7,321
Payment of fair value of share options granted to eligible employees by subsidiaries		**-**	-	**2,288**	4,404
Share issuance expenses		**-**	(111)	**-**	(111)
Net cash flows used in financing activities		**(49,636)**	(37,945)	**(47,348)**	(33,541)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**11,708**	16,896	**17,247**	20,224
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**140,353**	123,457	**123,444**	103,220
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	**152,061**	140,353	**140,691**	123,444

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

1. CORPORATE INFORMATION

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

The principal activities of the Company consist of cultivation of oil palm and investment holding. The principal activities of the subsidiaries are described in Note 16. There have been no significant changes in the nature of the principal activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company adopted the standards and interpretations as described fully in Note 2.2.

The financial statements have been prepared on a historical cost basis except as disclosed 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. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

At the beginning of the current financial year, the Group and the Company adopted the following standards and interpretations which are applicable and relevant to the operations of the Group and of the Company:

Effective for financial periods beginning on or after 1 July 2010

FRS 1	:	*First-time Adoption of Financial Reporting Standards*
FRS 3	:	*Business Combinations (Revised)*
Amendments to FRS 2	:	*Share-based Payment*
Amendments to FRS 5	:	*Non-current Assets Held for Sale and Discontinued Operations*
Amendments to FRS 127	:	*Consolidated and Separate Financial Statements*
Amendments to FRS 138	:	*Intangible Assets*
IC Interpretation 17	:	*Distributions of Non-cash Assets to Owners*
Amendments to IC Interpretation 9	:	*Reassessment of Embedded Derivatives*

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1	:	*Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
Amendments to FRS 1	:	*Additional Exemptions for First-time Adopters*
Amendments to FRS 2	:	*Group Cash-settled Share-based Payment Transactions*
Amendments to FRS 7	:	*Improving Disclosures about Financial Instruments*

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2. Changes in accounting policies (cont'd)

Effective for financial periods beginning on or after 1 January 2011 (cont'd)

Improvements to FRS issued in 2010 which include:

- Amendments to FRS 1	:	*First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 3	:	*Business Combinations*
- Amendments to FRS 7	:	*Financial Instruments: Disclosures*
- Amendments to FRS 101	:	*Presentation of Financial Statements*
- Amendments to FRS 121	:	*The Effects of Changes in Foreign Exchange Rates*
- Amendments to FRS 128	:	*Investments in Associates*
- Amendments to FRS 132	:	*Financial Instruments: Presentation*
- Amendments to FRS 134	:	*Interim Financial Reporting*
- Amendments to FRS 139	:	*Financial Instruments: Recognition and Measurement*

The adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company except for the new disclosures required under the Amendments to FRS 7 as discussed below:

Amendments to FRS 7: *Improving Disclosures about Financial Instruments*

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 33. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 34.

The other standards and interpretations issued by the Malaysian Accounting Standards Board which became effective but are currently not applicable to the Group and the Company are as follows:

Effective for financial periods beginning on or after 1 July 2010

IC Interpretation 12	:	*Service Concession Arrangements*
IC Interpretation 16	:	*Hedges of a Net Investment in a Foreign Operation*

Effective for financial periods beginning on or after 1 January 2011

Improvements to FRS issued in 2010 which include:

- Amendments to FRS 131	:	*Interests in Joint Ventures*
- Amendments to IC Interpretation 13	:	*Customer Loyalty Programmes*
IC Interpretation 4	:	*Determining Whether an Arrangement contains a Lease*
IC Interpretation 18	:	*Transfers of Assets from Customers*

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3. Standards and interpretations issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Effective for financial periods beginning on or after 1 July 2011

IC Interpretation 19	: *Extinguishing Financial Liabilities with Equity Instruments*
Amendments to IC Interpretation 14	: *Prepayments of a Minimum Funding Requirement*

Effective for financial periods beginning on or after 1 January 2012

FRS 124	: *Related Party Disclosures*
Amendments to FRS 1	: *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
Amendments to FRS 7	: *Disclosures - Transfers of Financial Assets*
Amendments to FRS 112	: *Deferred Tax: Recovery of Underlying Assets*

Effective for financial periods beginning on or after 1 July 2012

Amendments to FRS 101	: *Presentation of Items of Other Comprehensive Income*

Effective for financial periods beginning on or after 1 January 2013

FRS 10	: *Consolidated Financial Statements*
FRS 11	: *Joint Arrangements*
FRS 12	: *Disclosure of Interests in Other Entities*
FRS 13	: *Fair Value Measurement*
FRS 119 (2011)	: *Employee Benefits*
FRS 127 (2011)	: *Separate Financial Statements*
FRS 128 (2011)	: *Investments in Associates and Joint Ventures*
Amendments to FRS 7	: *Disclosures - Offsetting Financial Assets and Financial Liabilities*
IC Interpretation 20	: *Stripping Costs in the Production Phase of a Surface Mine*

Effective for financial periods beginning on or after 1 January 2014

Amendments to FRS 132	: *Offsetting Financial Assets and Financial Liabilities*

Effective for financial periods beginning on or after 1 January 2015

FRS 9	: *Financial Instruments*

The Group and the Company plan to adopt the above standards and interpretations when they become effective in the respective financial periods. However, FRS 11 and IC Interpretation 20 are currently not applicable to the Group and the Company.

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

FRS 9: *Financial Instruments*

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3. Standards and interpretations issued but not yet effective (cont'd)

FRS 10: *Consolidated financial statements*

FRS 10 replaces the portion of FRS 127: *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 12: *Disclosure of Interests in Other Entities*

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13: *Fair Value Measurement*

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127 (2011): *Separate Financial Statements*

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128 (2011): *Investments in Associates and Joint Ventures*

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128: *Investments in Associates and Joint Ventures*. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

Amendments to FRS 7: *Disclosures - Transfers of Financial Assets*

The amendments to FRS 7 require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 7: *Disclosures - Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 7 require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendments affect disclosure only and has no impact on the Group's financial position or performance.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3. Standards and interpretations issued but not yet effective (cont'd)

Amendments to FRS 101: *Presentation of Items of Other Comprehensive Income*

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

Amendments to FRS 132: *Disclosures - Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement. The amendments affect presentation and disclosure only and has no impact on the Group's financial position or performance.

2.4. Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: *Agriculture* ("MFRS 141") and IC Interpretation 15: *Agreements for Construction of Real Estate* ("IC 15"), including its parent, significant investor and venturer (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year.

Consequently, adoption of the MFRS Framework by those entities in the Group that do not fall within the scope definition of Transitioning Entities will be mandatory for the year ending 30 April 2013.

Those entities in the Group that fall within the scope definition of Transitioning Entities have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 April 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to the MFRS Framework by establishing a project team to plan and manage the adoption of the MFRS Framework. This project consists of the following phases:

(a) Assessment and planning phase

This phase involves the following:

(i) high level identification of the key differences between Financial Reporting Standards and accounting standards under the MFRS Framework and disclosures that are expected to arise from the adoption of MFRS Framework;

(ii) evaluation of any training requirements; and

(iii) preparation of a conversion plan.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4. Malaysian Financial Reporting Standards (cont'd)

(a) Assessment and planning phase (cont'd)

The Group has commenced its assessment and planning phase, with work progressing in each of the areas described above. This phase is expected to be completed during the upcoming financial year.

(b) Implementation and review phase

This phase aims to:

(i) formulate new and/or revised accounting policies and procedures for compliance with the MFRS Framework;

(ii) identify potential financial effects as at the date of transition, arising from the adoption of the MFRS Framework;

(iii) develop disclosures required by the MFRS Framework; and

(iv) develop training programs for the staff.

At the date of these financial statements, the assessment and quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework are still on-going. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 April 2012 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 April 2014.

2.5. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination 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 business combination.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5. Basis of consolidation (cont'd)

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.10. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

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.

2.6. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.7. Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

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

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and machinery as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land, leasehold land and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity at least once every 5 years to ensure that the carrying amount does not differ materially from the fair value of the freehold land, leasehold land and buildings at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7. Property, plant and equipment (cont'd)

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated on a straight-line basis over the period of the respective leases whilst depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

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

Capital work-in-progress is not depreciated as this asset is not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value and useful life are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8. Biological assets

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

Biological assets are stated at cost or revalued amounts and are 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 asset revaluation reserve included within equity.

Valuations are performed with sufficient regularity at least once every 5 years to ensure that the carrying amount does not differ materially from the fair value of the biological assets at the reporting date.

The Group will comply with the provisions of MFRS 141: *Agriculture* once it adopts the MFRS framework. Based on the provisions of MFRS 141, the changes in carrying amount of biological assets will be recognised in the profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9. Prepaid land lease payments

Prepaid land lease payments are initially measured at cost. Following initial recognition, prepaid land lease payments are measured at cost less accumulated amortisation and accumulated impairment losses. Prepaid land lease payments are amortised on a straight line basis over their lease terms.

2.10. Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

2.11. Impairment of other non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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 written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGU 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.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11. Impairment of other non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.12. Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13. Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An 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.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. 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 for 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of associates used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14. Financial assets

Recognition of financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

At the reporting date, the categories of financial assets included in the statements of financial position were as follows:

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14. Financial assets (cont'd)

***Recognition of financial assets* (cont'd)**

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instruments are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

Derecognition of financial assets

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.15. Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15. Impairment of financial assets (cont'd)

(a) Available-for-sale financial assets (cont'd)

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16. 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 estimated costs of completion and 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.

2.17. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.18. Non-current assets held for sale

A component is deemed to be held for sale if its carrying amounts 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.

Upon classification as held for sale, non-current assets are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

2.19. Financial liabilities

Recognition of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19. Financial liabilities (cont'd)

Recognition of financial liabilities **(cont'd)**

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and pective carrying amounts is recognised in profit or loss.

2.20. Revenue and other income

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and other income can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable.

(a) Sale of produce crops, crude palm oil and palm kernel

Revenue from sale of produce crops, crude palm oil and palm kernel is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customers.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

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

(d) Rental income

Rental income is recognised on an accrual basis.

2.21. Employee benefits

(a) Defined contribution plans

The companies in the Group make contributions to the Employee Provident Fund, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21. Employee benefits (cont'd)

(b) Employee share option plans (cont'd)

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period. No expense is recognised for options that do not ultimately vest.

When the options are exercised, the employee share option reserve is transferred to share premium if new shares are issued.

The employee share option reserve is transferred to retained earnings upon forfeiture or expiry of the share options.

2.22. Leases

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2.23. 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 period that it is incurred.

2.24. Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24. Income taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24. Income taxes (cont'd)

(c) Sales tax

Revenue, assets and expenses are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.25. Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26. Accounting policies adopted by an associate

The followings are the significant accounting policies which are not applicable to the operations of the Company and its subsidiaries but are adopted by an associate whose results are shared by the Group share using the equity method:

Foreign currency

Foreign operations

The assets and liabilities of foreign operations are translated into RM at the exchange rates ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functiona currency of the foreign operations and translated at the closing rate at the reporting date.

3. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date, if any. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

3. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES (cont'd)

3.1. Judgment made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Classification between investment property and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgment as to whether or not a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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

3.2. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 discussed below.

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment, except for freehold land and capital work-inprogress, is depreciated on a straight-line basis over the assets' estimated useful lives. Management reviews the remaining useful lives of property, plant and equipment other than leasehold land 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.

(b) Estimation of recoverable amounts on biological assets

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

(c) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value and the key assumptions applied in the impairment assessment of goodwill are disclosed in Note 15.

(d) Deferred tax assets

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

3. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES (cont'd)

3.2. Key sources of estimation uncertainty (cont'd)

(e) Income tax

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

(f) Employee share options

The Group measures the cost of equity-settled transactions with eligible directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in Note 28.

4. REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sale of oil palm products	**231,382**	205,715	**58,332**	48,585
Interest income	**-**	-	**3,845**	3,000
Dividend income from:				
- subsidiaries	**-**	-	**62,065**	52,202
- associates	**-**	-	**1,594**	1,804
- available-for-sale investments (quoted in Malaysia)	**-**	-	**1,126**	603
- available-for-sale investments (quoted outside Malaysia)	**-**	-	**10**	14
- available-for-sale investments (unquoted in Malaysia)	**-**	-	**635**	277
- held-for-trading investments (quoted in Malaysia)	**-**	-	**231**	294
- held-for-trading investments (quoted outside Malaysia)	**-**	-	**20**	-
	231,382	205,715	**127,858**	106,779

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

5. OTHER INCOME

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Interest income	**5,051**	3,754	**-**	-
Dividend income from:				
- available-for-sale investments (quoted in Malaysia)	**1,126**	603	**-**	-
- available-for-sale investments (quoted outside Malaysia)	**10**	14	**-**	-
- available-for-sale investments (unquoted in Malaysia)	**635**	277	**-**	-
- held-for-trading investments (quoted in Malaysia)	**231**	294	**-**	-
- held-for-trading investments (quoted outside Malaysia)	**20**	-	**-**	-
Additional compensation received from compulsory land acquisition	**100**	433	**100**	433
Gain on disposal of an associate	**365**	-	**1,859**	-
Gain on disposal of property, plant and equipment	**39**	-	**-**	-
Net fair value gains on held-for-trading investments	**772**	2,547	**772**	2,547
Net rental income	**288**	199	**285**	196
Miscellaneous	**469**	632	**187**	161
	9,106	8,753	**3,203**	3,337

6. PROFIT BEFORE TAX

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Employee benefits expense (Note 7)	**36,396**	36,556	**10,665**	9,742
Non-executive directors' remuneration (Note 8)	**1,128**	1,549	**1,128**	1,549
Auditors' remuneration:				
- Statutory audits	**155**	144	**75**	72
- Other services	**58**	98	**32**	76
Depreciation of property, plant and equipment (Note 12)	**11,092**	9,890	**3,203**	2,871
Loss on disposal of property, plant and equipment	**-**	1	**-**	1
Property, plant and equipment written off	**130**	78	**8**	32
Amortisation of prepaid land lease payments (Note 14)	**191**	184	**-**	-
Loss on disposal of available-for-sale investment	**885**	-	**885**	-
Net foreign exchange loss	**59**	-	**59**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages and salaries	**28,745**	26,850	**8,239**	6,915
Contributions to defined contribution plan	**1,868**	1,602	**563**	470
Social security contributions	**166**	141	**40**	34
Fair value of share options granted under ESS	**3,632**	6,355	**1,344**	1,951
Other staff related expenses	**1,985**	1,608	**479**	372
	36,396	36,556	**10,665**	9,742

Included in employee benefits expense of the Group and the Company are:

(a) Fair value of share options granted under ESS to ex-directors of the Company amounting to RM231,000 (2011: Nil).

(b) The executive director's remuneration (excluding benefits-in-kind) amounting to RM464,000 (2011: RM992,000) as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

The remuneration received or receivable by directors of the Company during the financial year are as follows:

	Group and Company	
	2012 RM'000	2011 RM'000
Executive:		
Fees	**-**	80
Other emoluments	**364**	397
Fair value of share options granted under ESS	**100**	515
Total executive director's remuneration (excluding benefits-in-kind) (Note 7 and 29(c))	**464**	992
Estimated money value of benefits-in-kind	**13**	24
Total executive director's remuneration (including benefits-in-kind)	**477**	1,016
Non-executive:		
Fees	**287**	255
Other emoluments	**156**	136
Fair value of share options granted under ESS	**685**	1,158
Total non-executive directors' remuneration (excluding benefits-in-kind) (Note 6 and 29(c))	**1,128**	1,549
Estimated money value of benefits-in-kind	**4**	-
Total non-executive directors' remuneration (including benefits-in-kind)	**1,132**	1,549
Total directors' remuneration	**1,609**	2,565

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

8. DIRECTORS' REMUNERATION (cont'd)

The details of remuneration received or receivable by each director of the Company during the financial year are as follows:

	Fees RM'000	Other emoluments RM'000	Fair value of share options granted under ESS RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
2012					
Executive director:					
Choi Siew Hong *	-	364	100	13	477
Non-executive directors:					
Tan Siok Choo	74	30	119	4	227
Boon Weng Siew	40	22	119	-	181
Tan Sri Dato' Ahmad bin Mohd Don	40	30	119	-	189
Tan Jiew Hoe	40	14	119	-	173
Teo Leng	40	28	155	-	223
Dato' Tan Ang Meng	40	22	-	-	62
Datuk Fong Weng Phak ^	13	10	54	-	77
	287	156	685	4	1,132
	287	520	785	17	1,609
2011					
Executive director:					
Choi Siew Hong	80	397	515	24	1,016
Non-executive directors:					
Tan Siok Choo	40	26	232	-	298
Boon Weng Siew	40	17	232	-	289
Tan Sri Dato' Ahmad bin Mohd Don	40	31	232	-	303
Tan Jiew Hoe	40	5	231	-	276
Teo Leng	40	24	-	-	64
Dato' Tan Ang Meng	15	-	-	-	15
Datuk Fong Weng Phak	40	33	231	-	304
	255	136	1,158	-	1,549
	335	533	1,673	24	2,565

* Choi Siew Hong demised on 18 July 2011 and his other emoluments comprise salaries as well as one off payment to the estate.

^ Datuk Fong Weng Phak retired on 26 August 2011.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

8. DIRECTORS' REMUNERATION (cont'd)

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

	Number of directors 2012	2011
Executive director:		
RM450,001 - RM500,000	1	-
RM1,000,001 - RM1,050,000	-	1
Non-executive directors:		
Below RM50,000	-	1
RM50,001 - RM100,000	2	1
RM150,001 - RM200,000	3	-
RM200,001 - RM250,000	2	-
RM250,001 - RM300,000	-	3
RM300,001 - RM350,000	-	2

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 30 April 2012 and 2011 are:

	Group 2012 RM'000	2011 RM'000	Company 2012 RM'000	2011 RM'000
Current income tax:				
Current year	**22,517**	23,056	**3,770**	5,020
Underprovision in prior years	**216**	232	**132**	248
	22,733	23,288	**3,902**	5,268
Deferred tax (Note 26):				
Origination of temporary differences	**250**	1,023	**460**	640
Overprovision in prior years	**(217)**	(47)	**(150)**	(2)
	33	976	**310**	638
Income tax expense recognised in profit or loss	**22,766**	24,264	**4,212**	5,906

Current income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year.

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 30 April 2012 and 2011 are as follows:

	Group 2012 RM'000	2011 RM'000	Company 2012 RM'000	2011 RM'000
Accounting profit before tax	**108,647**	105,709	**98,406**	81,553
Tax at Malaysian statutory tax rate of 25% (2011: 25%)	**27,162**	26,427	**24,602**	20,388
Adjustments:				
Effect of expenditure capitalised allowable for tax deduction	**(4,296)**	(2,272)	**(4,331)**	(2,067)
Effect of income not subject to tax	**(881)**	(404)	**(17,169)**	(13,821)
Effect of non-deductible expenses	**1,482**	1,508	**1,128**	1,160
Underprovision of current income tax in prior years	**216**	232	**132**	248
Overprovision of deferred tax in prior years	**(217)**	(47)	**(150)**	(2)
Effect of share of results of associates	**(700)**	(1,180)	**-**	-
Income tax expense recognised in profit or loss	**22,766**	24,264	**4,212**	5,906

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

10. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2012	**2011**
Profit net of tax for the year (RM'000)	**85,881**	81,445
Weighted average number of ordinary shares in issue ('000)	**202,765**	201,809
Basic earnings per share (sen)	**42.4**	40.4

(b) Diluted earnings per share

The share options granted under the Company's ESS could potentially dilute basic earnings per share in the future but have not been included in the calculation of diluted earnings per share because they are antidilutive during the current and previous financial years. Therefore, both of the basic earnings per share and diluted earnings per share of the Group are the same.

11. DIVIDENDS

	Group and Company	
	2012 RM'000	**2011 RM'000**
Recognised during the financial year:		
Final dividend for 2010: - dividend of 25% consisting of gross dividend of 11% less 25% tax, tax exempt dividend of 4.5% and tax exempt (single-tier) dividend of 9.5%, on 134,750,501 ordinary shares (22.25 sen net per ordinary share)	**-**	29,982
Interim dividend for 2011: - tax exempt (single-tier) dividend of 7.5%, on 202,302,751 ordinary shares (7.50 sen per ordinary share)	**-**	15,173
Final dividend for 2011: - tax exempt (single-tier) dividend of 17.5%, on 202,458,001 ordinary shares (17.50 sen per ordinary share)	**35,430**	-
Interim dividend for 2012: - tax exempt (single-tier) dividend of 10%, on 203,043,801 ordinary shares (10 sen per ordinary share)	**20,305**	-
	55,735	45,155

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 30 April 2012, of 16% on 203,523,901 ordinary shares, amounting to a dividend payable of RM32,564,000 (16 sen 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 2013.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors, trailers and boats RM'000	Capital work-in-progress RM'000	Total RM'000
Group								
At 30 April 2012								
At cost or valuation:								
At 1 May 2011	84,512	265,176	64,566	33,158	3,315	29,587	1,080	481,394
Additions	-	-	158	1,591	488	7,865	13,067	23,169
Disposals	-	-	-	(84)	-	-	-	(84)
Write off	-	-	(58)	(1,453)	(227)	(362)	-	(2,100)
Reclassifications	-	-	2,686	630	-	15	(3,331)	-
At 30 April 2012	84,512	265,176	67,352	33,842	3,576	37,105	10,816	502,379
Representing:								
At cost	-	131,511	21,748	33,842	3,576	37,105	10,816	238,598
At valuation	84,512	133,665	45,604	-	-	-	-	263,781
At 30 April 2012	84,512	265,176	67,352	33,842	3,576	37,105	10,816	502,379
Accumulated depreciation:								
At 1 May 2011	-	9,557	8,617	14,380	1,730	10,129	-	44,413
Depreciation charge for the year:	-	3,790	2,936	2,035	321	4,112	-	13,194
- Recognised in profit or loss (Note 6)	-	2,715	2,719	1,962	290	3,406	-	11,092
- Capitalised in biological assets (Note 13(a))	-	1,075	217	73	31	706	-	2,102
Disposals	-	-	-	(83)	-	-	-	(83)
Write off	-	-	(32)	(1,364)	(221)	(353)	-	(1,970)
At 30 April 2012	-	13,347	11,521	14,968	1,830	13,888	-	55,554
Net carrying amount:								
At cost	-	127,955	19,188	18,874	1,746	23,217	10,816	201,796
At valuation	84,512	123,874	36,643	-	-	-	-	245,029
At 30 April 2012	84,512	251,829	55,831	18,874	1,746	23,217	10,816	446,825

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

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

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors, trailers and boats RM'000	Capital work-in-progress RM'000	Total RM'000
Group (cont'd)								
At 30 April 2011								
At cost or valuation:								
At 1 May 2010	84,512	262,874	59,071	31,126	2,909	21,751	1,596	463,839
Additions	-	2,302	2,911	1,225	453	8,155	3,048	18,094
Disposals	-	-	-	-	(4)	-	-	(4)
Write off	-	-	(61)	(97)	(56)	(321)	-	(535)
Reclassifications	-	-	2,645	904	13	2	(3,564)	-
At 30 April 2011	84,512	265,176	64,566	33,158	3,315	29,587	1,080	481,394
Representing:								
At cost	-	131,511	18,905	33,158	3,315	29,587	1,080	217,556
At valuation	84,512	133,665	45,661	-	-	-	-	263,838
At 30 April 2011	84,512	265,176	64,566	33,158	3,315	29,587	1,080	481,394
Accumulated depreciation:								
At 1 May 2010	-	5,788	5,856	12,572	1,532	7,624	-	33,372
Depreciation charge for the year:	-	3,769	2,777	1,897	254	2,803	-	11,500
- Recognised in profit or loss (Note 6)	-	2,814	2,605	1,875	239	2,357	-	9,890
- Capitalised in biological assets (Note 13(a))	-	955	172	22	15	446	-	1,610
Disposals	-	-	-	-	(2)	-	-	(2)
Write off	-	-	(16)	(89)	(54)	(298)	-	(457)
At 30 April 2011	-	9,557	8,617	14,380	1,730	10,129	-	44,413
Net carrying amount:								
At cost	-	129,443	17,310	18,778	1,585	19,458	1,080	187,654
At valuation	84,512	126,176	38,639	-	-	-	-	249,327
At 30 April 2011	84,512	255,619	55,949	18,778	1,585	19,458	1,080	436,981

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

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

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Capital work-in-progress RM'000	Total RM'000
Company								
At 30 April 2012								
At cost or valuation:								
At 1 May 2011	65,928	152,662	18,027	4,378	1,995	10,541	779	254,310
Additions	-	-	104	550	358	4,756	4,999	10,767
Write off	-	-	(5)	(125)	(57)	(17)	-	(204)
Reclassifications	-	-	2,667	184	-	-	(2,851)	-
At 30 April 2012	65,928	152,662	20,793	4,987	2,296	15,280	2,927	264,873
Representing:								
At cost	-	131,511	11,181	4,987	2,296	15,280	2,927	168,182
At valuation	65,928	21,151	9,612	-	-	-	-	96,691
At 30 April 2012	65,928	152,662	20,793	4,987	2,296	15,280	2,927	264,873
Accumulated depreciation:								
At 1 May 2011	-	4,920	1,365	1,577	833	2,608	-	11,303
Depreciation charge for the year:	-	2,365	727	263	182	1,700	-	5,237
- Recognised in profit or loss (Note 6)	-	1,303	529	203	152	1,016	-	3,203
- Capitalised in biological assets (Note 13(a))	-	1,062	198	60	30	684	-	2,034
Write off	-	-	(5)	(120)	(55)	(16)	-	(196)
At 30 April 2012	-	7,285	2,087	1,720	960	4,292	-	16,344
Net carrying amount:								
At cost	-	127,955	10,327	3,267	1,336	10,988	2,927	156,800
At valuation	65,928	17,422	8,379	-	-	-	-	91,729
At 30 April 2012	65,928	145,377	18,706	3,267	1,336	10,988	2,927	248,529

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

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

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Capital work-in-progress RM'000	Total RM'000
Company (cont'd)								
At 30 April 2011								
At cost or valuation:								
At 1 May 2010	65,928	150,360	13,851	3,752	1,726	6,634	373	242,624
Additions	-	2,302	2,640	572	289	3,965	2,027	11,795
Disposals	-	-	-	-	(4)	-	-	(4)
Write off	-	-	(27)	-	(20)	(58)	-	(105)
Reclassifications	-	-	1,563	54	4	-	(1,621)	-
At 30 April 2011	65,928	152,662	18,027	4,378	1,995	10,541	779	254,310
Representing:								
At cost	-	131,511	8,410	4,378	1,995	10,541	779	157,614
At valuation	65,928	21,151	9,617	-	-	-	-	96,696
At 30 April 2011	65,928	152,662	18,027	4,378	1,995	10,541	779	254,310
Accumulated depreciation:								
At 1 May 2010	-	2,579	823	1,400	712	1,603	-	7,117
Depreciation charge for the year:	-	2,341	550	177	141	1,052	-	4,261
- Recognised in profit or loss (Note 6)	-	1,426	463	161	128	693	-	2,871
- Capitalised in biological assets (Note 13(a))	-	915	87	16	13	359	-	1,390
Disposals	-	-	-	-	(2)	-	-	(2)
Write off	-	-	(8)	-	(18)	(47)	-	(73)
At 30 April 2011	-	4,920	1,365	1,577	833	2,608	-	11,303
Net carrying amount:								
At cost	-	129,443	8,009	2,801	1,162	7,933	779	150,127
At valuation	65,928	18,299	8,653	-	-	-	-	92,880
At 30 April 2011	65,928	147,742	16,662	2,801	1,162	7,933	779	243,007

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

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

Revaluation of freehold land, leasehold land and buildings

Freehold land, leasehold land and buildings were last revalued on 1 February 2008 by an independent professional valuer. The valuation was determined by reference to open market value on an existing use basis.

If the revalued freehold land, leasehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Freehold land				
- Cost and net carrying amount	**11,241**	11,241	**9,121**	9,121
Leasehold land				
- Cost	**20,179**	20,179	**4,916**	4,916
- Accumulated depreciation	**(4,323)**	(4,073)	**(2,151)**	(2,054)
- Net carrying amount	**15,856**	16,106	**2,765**	2,862
Buildings				
- Cost	**49,894**	50,012	**11,200**	11,228
- Accumulated depreciation	**(17,091)**	(15,371)	**(3,312)**	(3,107)
- Net carrying amount	**32,803**	34,641	**7,888**	8,121

13. BIOLOGICAL ASSETS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At cost or valuation:				
At beginning of financial year	**406,144**	392,229	**174,968**	161,460
Additions	**21,837**	13,915	**21,575**	13,508
At end of financial year	**427,981**	406,144	**196,543**	174,968
Representing:				
At cost	**155,432**	133,595	**150,608**	129,033
At valuation	**272,549**	272,549	**45,935**	45,935
At end of financial year	**427,981**	406,144	**196,543**	174,968

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

13. BIOLOGICAL ASSETS (cont'd)

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

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Depreciation of property, plant and equipment capitalised (Note 12)	**2,102**	1,610	**2,034**	1,390
Amortisation of prepaid land lease payments capitalised (Note 14)	**3**	11	**-**	-
	2,105	1,621	**2,034**	1,390

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

14. PREPAID LAND LEASE PAYMENTS

	Group 2012 RM'000	Group 2011 RM'000
At cost:		
At beginning/end of financial year	**5,721**	5,721
Accumulated amortisation:		
At beginning of financial year	**1,490**	1,295
Amortisation for the year:	**194**	195
- Recognised in profit or loss (Note 6)	**191**	184
- Capitalised in biological assets (Note 13(a))	**3**	11
At end of financial year	**1,684**	1,490
Net carrying amount	**4,037**	4,231
Amount to be amortised:		
- Not later than one year	**195**	195
- Later than one year but not later than five years	**780**	780
- Later than five years	**3,062**	3,256
	4,037	4,231

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

15. GOODWILL ON CONSOLIDATION

	Group 2012 RM'000	Group 2011 RM'000
At net carrying amount	**18,628**	18,628

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

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:

(a) 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.

(b) Discount rate

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

(c) 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.

16. INVESTMENT IN SUBSIDIARIES

	Company 2012 RM'000	Company 2011 RM'000
Unquoted shares, at cost	**142,288**	142,288
Less: Accumulated impairment losses	**(1,334)**	(1,334)
	140,954	140,954

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

16. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest (%) 2012	2011	Principal activities
Leong Hin San Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palm
Meridian Plantations Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palm and palm oil milling
Syarikat Penanaman Bukit Senorang Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palm and palm oil milling
South East Pahang Oil Palm Berhad	Malaysia	**100**	100	Cultivation of oil palm
Masjid Tanah Properties Sdn. Bhd.	Malaysia	**100**	100	Property development
Melaka Pindah Properties Sdn. Bhd.	Malaysia	**100**	100	Property development
Vintage Plantations Sdn. Bhd.	Malaysia	**100**	100	Dormant

All the subsidiaries are audited by Ernst & Young.

17. INVESTMENT IN ASSOCIATES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Unquoted shares, at cost	**22,905**	22,061	**22,905**	22,061
Share of post-acquisition reserves	**5,498**	5,294	**-**	-
	28,403	27,355	**22,905**	22,061
Convertible redeemable loan stock, at cost	**-**	844	**-**	844
	28,403	28,199	**22,905**	22,905

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

17. INVESTMENT IN ASSOCIATES (cont'd)

As at 30 April 2011, the investment in an associate, Malaysian Trustees Berhad, was classified as non-current asset held for sale as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unquoted shares, at cost	-	311	-	311
Share of post-acquisition reserves	-	1,364	-	-
	-	1,675	-	311

There was no liability directly associated to the abovementioned associate.

On 15 June 2011, the Company completed the disposal of abovementioned associate for a cash consideration of RM2,170,000.

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

Name of associates	Country of incorporation	Proportion of ownership interest (%) 2012	Proportion of ownership interest (%) 2011	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	Engaged in the business of trustee agents, executors and administrators	31 December

All the associates are audited by Ernst & Young.

^ Classified as non-current asset held for sale as at 30 April 2011 as disclosed above.

(b) The share of results of the associates for the current financial year are for the twelve months period ended 31 March 2012, incorporating the nine months period ended 31 December 2011 based on the latest audited financial statements for the financial year ended 31 December 2011 and the management financial statements for the three months period ended 31 March 2012.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

17. INVESTMENT IN ASSOCIATES (cont'd)

(c) The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is analysed as follows:

	2012 RM'000	2011 RM'000
Assets and liabilities:		
Total assets	**331,488**	317,865
Total liabilities	**206,209**	190,186
Results:		
Revenue	**338,567**	308,541
Profit for the year	**11,299**	19,245

18. AVAILABLE-FOR-SALE INVESTMENTS

	Group and Company			
	Carrying amount		Fair value	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Quoted investments:				
In Malaysia				
- shares	**25,190**	23,304	**25,190**	23,304
- unit trusts	**4,709**	15,790	**4,709**	15,790
Outside Malaysia				
- unit trusts	**791**	779	**791**	779
	30,690	39,873		
Unquoted investments:				
In Malaysia				
- unit trusts	**11,026**	10,351	**11,026**	10,351
Outside Malaysia				
- shares	**40**	40	**N/A**	N/A
	11,066	10,391		
Total available-for-sale investments	**41,756**	50,264		

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

19. INVENTORIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At cost:				
Produce stocks	**3,670**	8,003	**-**	-
Nursery stocks	**3,200**	1,971	**2,649**	1,054
Estate and palm oil mill stores	**3,959**	4,766	**1,282**	1,029
	10,829	14,740	**3,931**	2,083

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables:				
Amount due from a subsidiary	**-**	-	**1,691**	2,351
Third parties	**12,197**	14,840	**1,239**	1,055
	12,197	14,840	**2,930**	3,406
Other receivables:				
Amounts due from subsidiaries	**-**	-	**866**	875
Amount due from an associate	**-**	5	**-**	5
Advances for acquisition of land	**5,602**	5,253	**-**	-
Deposits	**169**	112	**133**	82
Prepayments	**266**	471	**126**	161
Other receivables	**1,369**	575	**1,104**	454
	7,406	6,416	**2,229**	1,577
Less: Provision for impairment				
Advances for acquisition of land	**(2,146)**	(2,146)	**-**	-
	5,260	4,270	**2,229**	1,577
	17,457	19,110	**5,159**	4,983

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 15 to 30 days (2011: 15 to 30 days) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

All the trade receivables are neither past due nor impaired and none of which have been renegotiated during the financial year. These are creditworthy debtors with good payment records.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

20. TRADE AND OTHER RECEIVABLES (cont'd)

(c) Amount due from an associate

This represented interest receivable from an associate in respect of subscription of convertible redeemable loan stock in that associate by the Company.

The convertible redeemable loan stock borne interest at Base Lending Rate ("BLR") + 1.5% p.a. and was settled by cash.

(d) Advances for acquisition of land

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

The Group has made a provision for impairment of RM2,146,000 for these advances in financial year ended 30 April 2008. Having considered the recoverability of these advances, there is no movement in this provision account since then.

21. HELD-FOR-TRADING INVESTMENTS

	Group and Company			
	Carrying amount		Fair value	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Quoted investments:				
In Malaysia				
- shares	11,329	-	11,329	-
Outside Malaysia				
- shares	3,469	-	3,469	-
	14,798	-		

Due to the favorable market condition during previous financial year, the management had liquidated the entire held-for-trading investments to realise the net fair value gains on held-for-trading investments as disclosed in Note 5.

22. CASH AND BANK BALANCES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash at banks and on hand	**814**	397	**772**	32
Deposits with:				
- Licensed commercial banks	**98,842**	111,441	**87,543**	99,425
- Licensed investment banks	**7,600**	14,501	**7,600**	10,002
Money market funds placed with fund managers	**44,805**	14,014	**44,776**	13,985
	152,061	140,353	**140,691**	123,444

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

22. CASH AND BANK BALANCES (cont'd)

(a) Interest rates of cash and bank balances

Cash at banks earn interest at floating rates based on daily bank deposit rates.

The weighted average effective interest rates of deposits and money market funds as at the end of the financial year were as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	%	**%**	**%**	**%**
Deposits with:				
- Licensed commercial banks	**3.21**	2.89	**3.22**	2.91
- Licensed investment banks	**3.20**	2.96	**3.20**	2.98
Money market funds placed with fund managers	**3.05**	3.18	**3.05**	3.18

(b) Varying periods of deposits and money market funds

The varying periods of deposits as at the end of financial year were as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	days	**days**	**days**	**days**
Deposits with:				
- Licensed commercial banks	**2 - 186**	7 - 92	**2 - 185**	8 - 92
- Licensed investment banks	**28 - 31**	24 - 32	**28 - 31**	29 - 32

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

23. SHARE CAPITAL AND SHARE PREMIUM

(a) Authorised share capital

	Group and Company			
	Number of ordinary shares of RM1 each		Amount	
	2012	**2011**	**2012**	**2011**
	'000	**'000**	**RM'000**	**RM'000**
Authorised	**500,000**	500,000	**500,000**	500,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

23. SHARE CAPITAL AND SHARE PREMIUM (cont'd)

(b) Share capital (issued and fully paid) and share premium

	Number of ordinary shares of RM1 each	Amount		
	Share capital (issued and fully paid) '000	Share capital (issued and fully paid) RM'000	Share premium RM'000	Total share capital and share premium RM'000
Group				
At 1 May 2010	134,005	134,005	6,346	140,351
Share of share premium of an associate	-	-	502	502
Shares issued pursuant to exercise of employee share options	937	937	8,581	9,518
Bonus issue of one share for every two existing shares	67,416	67,416	(14,154)	53,262
Share issuance expenses	-	-	(111)	(111)
At 30 April 2011	202,358	202,358	1,164	203,522
Shares issued pursuant to exercise of employee share options	1,115	1,115	6,799	7,914
At 30 April 2012	203,473	203,473	7,963	211,436
Company				
At 1 May 2010	134,005	134,005	6,346	140,351
Shares issued pursuant to exercise of employee share options	937	937	8,581	9,518
Bonus issue of one share for every two existing shares	67,416	67,416	(14,154)	5 3,262
Share issuance expenses	-	-	(111)	(111)
At 30 April 2011	202,358	202,358	662	203,020
Shares issued pursuant to exercise of employee share options	1,115	1,115	6,799	7,914
At 30 April 2012	203,473	203,473	7,461	210,934

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

23. SHARE CAPITAL AND SHARE PREMIUM (cont'd)

Share capital

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

The Company has an employee share option plan under Employee Share Scheme which options to subscribe for the Company's ordinary shares have been granted to eligible directors and employees of the Group as disclosed in Note 28.

24. OTHER RESERVES

	Fair value adjustment reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Employee share option reserve RM'000	Total RM'000
Group					
At 1 May 2010	-	270,445	-	-	270,445
Effects of adopting FRS 139	22,540	-	-	-	22,540
	22,540	270,445	-	-	292,985
Other comprehensive income:					
Gain on fair value changes on available-for-sale investments	1,625	-	-	-	1,625
Share of other comprehensive income of associates					
- Gain on fair value changes on available-for-sale investments	64	-	-	-	64
- Foreign currency translation	-	-	1,510	-	1,510
	1,689	-	1,510	-	3,199
Transfer to retained earnings:					
Realisation of asset revaluation reserve upon depreciation	-	(1,218)	-	-	(1,218)
Realisation of asset revaluation reserve upon property, plant and equipment written off	-	(11)	-	-	(11)
	-	(1,229)	-	-	(1,229)
Transactions with owners:					
Fair value of share options granted to eligible directors and employees	-	-	-	7,513	7,513
Shares issued pursuant to exercise of employee share options	-	-	-	(2,197)	(2,197)
Employee share options forfeited	-	-	-	(78)	(78)
	-	-	-	5,238	5,238
At 30 April 2011	24,229	269,216	1,510	5,238	300,193

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

24. OTHER RESERVES (cont'd)

	Fair value adjustment reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Employee share option reserve RM'000	Total RM'000
Group (cont'd)					
At 1 May 2011	24,229	269,216	1,510	5,238	300,193
Other comprehensive income:					
Net gain on available-for-sale investments					
- Gain on fair value changes	487	-	-	-	487
- Transfer to profit or loss upon disposal	885	-	-	-	885
Share of other comprehensive income of associates					
- Gain on fair value changes on available-for-sale investments	17	-	-	-	17
- Foreign currency translation	-	-	(891)	-	(891)
	1,389	-	(891)	-	498
Transfer to retained earnings:					
Realisation of fair value adjustment reserve upon disposal of an associate	(80)	-	-	-	(80)
Realisation of asset revaluation reserve upon depreciation	-	(1,206)	-	-	(1,206)
	(80)	(1,206)	-	-	(1,286)
Transactions with owners:					
Fair value of share options granted to eligible directors and employees	-	-	-	4,317	4,317
Shares issued pursuant to exercise of employee share options	-	-	-	(1,815)	(1,815)
Employee share options forfeited	-	-	-	(8)	(8)
	-	-	-	2,494	2,494
At 30 April 2012	25,538	268,010	619	7,732	301,899

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

24. OTHER RESERVES (cont'd)

		Fair value adjustment reserve RM'000	Asset revaluation reserve RM'000	Employee share option reserve RM'000	Total RM'000
Company					
At 1 May 2010		-	109,170	-	109,170
Effects of adopting FRS 139		22,540	-	-	22,540
		22,540	109,170	-	131,710
Other comprehensive income:					
Gain on fair value changes on available-for-sale investments	1,625	-	-	1,625	
Transfer to retained earnings:					
Realisation of asset revaluation reserve upon depreciation	-	(608)	-	(608)	
Transactions with owners:					
Fair value of share options granted to eligible directors and employees	-	-	7,513	7,513	
Shares issued pursuant to exercise of employee share options		-	-	(2,197)	(2,197)
Employee share options forfeited		-	-	(78)	(78)
		-	-	5,238	5,238
At 30 April 2011		24,165	108,562	5,238	137,965
Other comprehensive income:					
Gain on fair value changes on available-for-sale investments		487	-	-	487
Transfer to profit or loss upon disposal of available-for-sale investment		885	-	-	885
		1,372	-	-	1,372
Transfer to retained earnings:					
Realisation of asset revaluation reserve upon depreciation		-	(604)	-	(604)
Transactions with owners:					
Fair value of share options granted to eligible directors and employees		-	-	4,317	4,317
Shares issued pursuant to exercise of employee share options		-	-	(1,815)	(1,815)
Employee share options forfeited		-	-	(8)	(8)
		-	-	2,494	2,494
At 30 April 2012		25,537	107,958	7,732	141,227

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

24. OTHER RESERVES (cont'd)

(a) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale investments until they are disposed or impaired. This reserve arose following the adoption of FRS 139: *Financial Instruments: Recognition and Measurement* on 1 May 2010, the effect of which, was recognised as an opening balance of fair value adjustment reserve on that date.

(b) Asset revaluation reserve

Asset revaluation reserve represents increases in the fair value of freehold land, leasehold land, buildings and biological assets, net of tax, in prior years.

(c) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of an associate.

(d) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to the eligible directors and employees (Note 28). The reserve is made up of the cumulative value of services receive from the eligible directors and employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the forfeiture or exercise of the share options.

25. RETAINED EARNINGS

The Company had in the previous financial year, elected for the irrevocable option under the Finance Act, 2007 to disregard the Section 108 balance. Hence, the Company will be able to distribute dividends out of its entire retained earnings under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

26. DEFERRED TAX LIABILITY

Deferred income tax as at 30 April relates to the following:

	As at 1 May 2010 RM'000	Recognised in profit or loss RM'000	Overprovision in prior years RM'000	As at 30 April 2011 RM'000	Recognised in profit or loss RM'000	(Over)/ underprovision in prior years RM'000	As at 30 April 2012 RM'000
Group							
Deferred tax assets:							
Other payables	(826)	(169)	-	(995)	5	(145)	(1,135)
Unutilised capital allowances and tax losses	(187)	96	-	(91)	89	2	-
	(1,013)	(73)	-	(1,086)	94	(143)	(1,135)
Deferred tax liabilities:							
Property, plant and equipment	11,534	1,523	(47)	13,010	571	(74)	13,507
Asset revaluation reserve	70,342	(427)	-	69,915	(415)	-	69,500
	81,876	1,096	(47)	82,925	156	(74)	83,007
	80,863	1,023	(47)	81,839	250	(217)	81,872
Company							
Deferred tax assets:							
Other payables	(436)	(75)	-	(511)	(12)	(145)	(668)
Unutilised capital allowances	(65)	34	-	(31)	31	-	-
	(501)	(41)	-	(542)	19	(145)	(668)
Deferred tax liabilities:							
Property, plant and equipment	1,439	884	(2)	2,321	643	(5)	2,959
Asset revaluation reserve	8,674	(203)	-	8,471	(202)	-	8,269
	10,113	681	(2)	10,792	441	(5)	11,228
	9,612	640	(2)	10,250	460	(150)	10,560

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

26. DEFERRED TAX LIABILITY (cont'd)

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(1,135)**	(1,086)	**(668)**	(542)
Deferred tax liabilities	**83,007**	82,925	**11,228**	10,792
	81,872	81,839	**10,560**	10,250

Tax consequences of proposed dividend

There are no tax consequences (2011: Nil) attached to the dividend to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 11).

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables - third parties	**4,757**	4,236	**2,323**	1,719
Other payables:				
Directors' fees and other emoluments	**443**	482	**443**	482
Balance outstanding on acquisition of land	**183**	183	**-**	-
Accruals and sundry payables	**15,253**	12,776	**8,382**	6,647
	15,879	13,441	**8,825**	7,129
	20,636	17,677	**11,148**	8,848

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 days (2011: 30 to 60 days) terms.

28. EMPLOYEE BENEFITS

Employee Share Scheme

The Company's Employee Share Scheme ("ESS") is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 29 August 2009. The ESS was implemented on 18 June 2010 and is in force for a period of 10 years from the date of implementation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

28. EMPLOYEE BENEFITS (cont'd)

Employee Share Scheme (cont'd)

The ESS involves up to 15% of the issued and paid-up share capital and comprises an Executive Share Incentive Plan ("ESIP") and Employee Share Option Scheme ("ESOS") for the directors and eligible employees of the Company and its subsidiaries.

Under ESIP, the selected executive will be granted the right to have a certain number of ordinary shares of RM1.00 each in the Company vested in and transferred to the selected executive at a future date, subject to meeting certain prescribed conditions, including the achievement of predetermined service conditions and/or performance targets.

Under the ESOS, an eligible employee will be offered an option which entitles the eligible employee to subscribe for and/or acquire a certain number of shares of the Company at a future date at predetermined prices, subject to meeting certain prescribed conditions.

The salient features of the By-Laws are as follows:

(a) The maximum number of new or existing shares of the Company to be made available under the ESS during the duration of the ESS shall not exceed fifteen percent (15%) of the issued and paid-up share capital of the Company at any one time. Not more that fifty percent (50%) of the total shares of the Company available under the ESS shall be allocated, in aggregate, to directors and senior management of the Group. Further, not more than ten percent (10%) of the total shares of the Company available under the ESS shall be allocated to any individual selected executive or eligible employee, who either singly or collectively through persons connected with him holds twenty percent (20%) or more of the issued and paid-up share capital of the Company.

(b) Any director of the Company or employee of any company within the Group shall be eligible to be considered for the grant and/or offer under the ESS.

(c) The grant price (the reference price adopted in determining the number of shares of the Company to be vested in and transferred to the selective executives pursuant to the right under the ESIP), option price (the price at which an eligible employee shall be entitled to subscribe for or acquire shares of the Company upon the exercise of the option under the ESOS) shall be determined by the ESS Committee at its discretion after taking into consideration the following factors:

    (i) the five (5) day weighted average market price of the underlying shares immediately prior to the date of grant and/or date of offer by the ESS Committee, with a discount of not more than ten per centum (10%) therefrom, if deemed appropriate; or

    (ii) the par value of shares of the Company,

    whichever is the higher.

(d) Any new shares of the Company to be allotted and issued upon any exercise of the option shall, upon issue and allotment, rank pari passu in all respects with existing ordinary shares of the Company save and except that the shares shall not be entitled to participate in any dividends, rights, allotments and/or others distributions that may be declared, where the entitlement date precedes the date of allotment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

28. EMPLOYEE BENEFITS (cont'd)

Employee Share Scheme (cont'd)

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2012		2011	
	No.	**WAEP (RM)**	**No.**	**WAEP (RM)**
Outstanding at beginning of financial year	**7,214,250**	**5.42**	-	-
- Granted	**1,260,000**	**5.82**	6,190,000	8.13 *
Before bonus issue:				
- Exercised	**-**	**-**	(827,500)	8.13
- Forfeited	**-**	**-**	(198,000)	8.13
Adjustment for bonus issue	**-**	**-**	2,582,250	5.42 *
After bonus issue:				
- Exercised	**(1,114,550)**	**5.47**	(109,500)	5.42
- Forfeited	**(290,000)**	**5.47**	(423,000)	5.42
Outstanding at end of financial year	**7,069,700**		7,214,250	5.42
Exercisable at end of financial year	**1,170,700**	**5.45**	350,250	5.42

* During the previous financial year, the exercised price of share options was initially fixed at RM8.13 each. Consequent to the implementation of the bonus issue on the basis of one ordinary share for every two existing ordinary shares which was completed on 2 November 2010, 2,582,250 additional options entitlement on the unexercised options were granted to the eligible directors and employees and the exercise price has been adjusted to RM5.42 each accordingly. However, there was no change on the fair value of share options granted arising from the additional share options entitlement consequent to the implementation of the bonus issue.

- The weighted average fair value of options granted during the financial year was RM1.68 (2011: RM1.70).

- The weighted average share price at the date of exercise of the options exercised during the financial year was RM6.90 (2011: RM7.33).

- The range of exercise prices for options outstanding at the end of financial year was RM5.42 to RM5.82 (2011: RM5.42). The weighted average remaining contractual life for these options is 3.44 years (2011: 4.25 years).

During the financial year, options for 969,750 and 144,800 (2011: 827,500 and 109,500) ordinary shares of the Company were exercised at a price of RM5.42 each and RM5.82 each (2011: RM8.13 each and RM5.42 each) respectively, with a total cash consideration of RM6,099,000 (2011: RM7,321,000) paid to the Company.

Fair value of share options granted

The fair value of the share options granted under ESS is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

28. EMPLOYEE BENEFITS (cont'd)

Employee Share Scheme (cont'd)

Fair value of share options granted (cont'd)

The inputs to the option pricing model for the financial years ended 30 April 2012 and 2011 are as follows:

	2012	2011
Dividend yield (%)	**3.20**	2.68
Expected volatility (%)	**22.32**	22.93
Risk-free interest rate (% p.a.)	**3.34**	3.41
Expected life of option (years)	**5.00**	5.00

The expected life of the options is based on indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessary be the actual outcome.

During the financial year, fair value of share options granted amounting to RM4,317,000 (2011: RM7,513,000) for the Group and RM2,029,000 (2011: RM3,109,000) for the Company was charged to profit or loss. No cash outflow was incurred for this charge to profit or loss.

29. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

In addition to the related party transactions information as disclosed in Note 4, the Group and the Company had the following significant transactions with related parties at terms agreed between the parties during the financial year:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Subsidiaries				
- Sale of oil palm fresh fruit bunches	**-**	-	**40,644**	37,313
- Administrative expenses charged	**-**	-	**3,729**	3,609
- Fair value of share options granted to eligible employees charged	**-**	-	**2,288**	4,404
Associate				
- Interest income	**45**	108	**45**	108
A licensed commercial bank in which one of the directors of the Company is a director				
- Interest income	**3,234**	1,588	**2,051**	861

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

29. RELATED PARTY DISCLOSURES (cont'd)

(b) Balances with related parties

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
A licensed commercial bank in which one of the directors of the Company is a director				
- Placement in current accounts	**39**	349	**29**	11
- Placement in deposits	**82,888**	53,689	**72,035**	42,113

Information regarding other outstanding balances arising from related party transactions as at 30 April 2012 and 30 April 2011 are disclosed in Note 20 and 27.

(c) Compensation of key management personnel

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term employee benefits	**2,618**	2,691	**2,248**	2,242
Contributions to defined contribution plan	**272**	273	**216**	206
Social security contributions	**1**	2	**1**	1
Fair value of share options granted under ESS	**1,458**	2,934	**1,294**	2,626
	4,349	5,900	**3,759**	5,075

Included in the total compensation of key management personnel were:

	Group and Company	
	2012	**2011**
	RM'000	**RM'000**
Executive director's remuneration (Note 8)	**464**	992
Non-executive directors' remuneration (Note 8)	**1,128**	1,549
	1,592	2,541

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

29. RELATED PARTY DISCLOSURES (cont'd)

(c) Compensation of key management personnel (cont'd)

Directors' interest in Employee Share Scheme

In the previous financial year:

(a) On 3 August 2010, 1,300,000 share options were granted to six directors of the Company under ESS at an exercise price of RM8.13 each.

(b) Consequent to the implementation of the bonus issue on the basis of one ordinary share for every two existing ordinary shares which was completed on 2 November 2010, an additional 568,000 share options entitlement on the unexercised options were granted to six directors and the exercise price has been adjusted to RM5.42 each accordingly.

During the current financial year:

(a) 270,000 share options were granted to a director of the Company under ESS at an exercise price of RM5.82 each.

(b) The directors exercised options for ordinary shares of the Company for a total cash consideration of RM607,000 (2011: RM1,772,000) paid to the Company, details of which are as follows:

	2012 Unit	2011 Unit
Exercise price at RM8.13 each	**-**	164,000
Exercise price at RM5.42 each	**54,000**	81,000
Exercise price at RM5.82 each	**54,000**	-

At the reporting date, the total number of outstanding share options granted by the Company to the eligible directors under ESS amounts to 1,089,000 (2011: 1,623,000).

30. CAPITAL COMMITMENTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Capital expenditure approved and contracted for:				
Biological assets	**9,763**	20,220	**7,276**	17,792
Purchase of property, plant and equipment	**16,798**	5,411	**4,949**	2,328
	26,561	25,631	**12,225**	20,120
Capital expenditure approved but not contracted for:				
Acquisition of land	**1,238**	5,097	**-**	-
Biological assets	**9,651**	2,467	**9,458**	2,205
Purchase of property, plant and equipment	**34,863**	39,920	**26,017**	17,116
	45,752	47,484	**35,475**	19,321
	72,313	73,115	**47,700**	39,441

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

31. SEGMENT INFORMATION

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

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Income tax expense is managed on a Group basis and is not allocated to any business segment.

Additions to non-current assets is the total cost incurred during the year to acquire segment assets that are expected to be used or hold for more than one financial period.

(b) The directors are of the opinion that all inter-company 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 two business segments as follows:

(i) Plantation - cultivation of oil palm and palm oil milling

(ii) Investment holding

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

30 April 2012

	Plantation RM'000	Investment holding RM'000	Consolidated RM'000
Revenue:			
Total sale of oil palm products	287,240	-	287,240
Inter-company sales	(55,858)	-	(55,858)
Total revenue	231,382	-	231,382
Results:			
Segment results	98,795	7,050	105,845
Share of results of associates			2,802
Profit before tax			108,647
Income tax expense			(22,766)
Profit net of tax			85,881

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

31. SEGMENT INFORMATION (cont'd)

(c) Business segments (cont'd)

30 April 2012 (cont'd)

	Plantation RM'000	Investment holding RM'000	Consolidated RM'000
Assets:			
Segment assets	925,820	208,552	1,134,372
Investment in associates			28,403
Consolidated total assets			1,162,775
Other segment information:			
Material income and expenses			
Interest income	-	5,051	5,051
Dividend income	-	2,022	2,022
Gain on disposal of an associate	-	365	365
Net fair value gains on held-for-trading investments	-	772	772
Depreciation of property, plant and equipment	11,092	-	11,092
Amortisation of prepaid land lease payments	191	-	191
Loss on disposal of available-for-sale investment	885	-	885
Fair value of share options granted to eligible directors and employees expensed off	4,317	-	4,317
Additions to non-current assets			
Purchase of property, plant and equipment	23,169	-	23,169
Additions of biological assets	21,837	-	21,837
Purchase of available-for-sale investments	-	635	635

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

31. SEGMENT INFORMATION (cont'd)

(c) Business segments (cont'd)

30 April 2011

	Plantation RM'000	Investment holding RM'000	Consolidated RM'000
Revenue:			
Total sale of oil palm products	256,435	-	256,435
Inter-company sales	(50,720)	-	(50,720)
Total revenue	205,715	-	205,715
Results:			
Segment results	93,990	6,999	100,989
Share of results of associates			4,720
Profit before tax			105,709
Income tax expense			(24,264)
Profit net of tax			81,445
Assets:			
Segment assets	899,950	190,501	1,090,451
Investment in associates			29,874
Consolidated total assets			1,120,325
Other segment information:			
Material income and expenses			
Interest income	-	3,754	3,754
Dividend income	-	1,188	1,188
Net fair value gains on held-for-trading investments	-	2,547	2,547
Depreciation of property, plant and equipment	9,890	-	9,890
Amortisation of prepaid land lease payments	184	-	184
Fair value of share options granted to eligible directors and employees expensed off	7,513	-	7,513
Additions to non-current assets			
Purchase of property, plant and equipment	18,094	-	18,094
Additions of biological assets	13,915	-	13,915
Purchase of available-for-sale investments	-	10,277	10,277

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

32. FINANCIAL ASSETS AND LIABILITIES

(a) Financial assets

Total financial assets of the Group and of the Company as at the end of the financial year consist of the following:

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Available-for-sale investments	18	**41,756**	50,264	**41,756**	50,264
Trade and other receivables *	20	**13,735**	15,532	**5,033**	4,822
Held-for-trading investments	21	**14,798**	-	**14,798**	-
Cash and bank balances	22	**152,061**	140,353	**140,691**	123,444
		222,350	206,149	**202,278**	178,530

* Excluding advances for acquisition of land and prepayments of the Group and of the Company amounting to RM3,722,000 (2011: RM3,578,000) and RM126,000 (2011: RM161,000) respectively which are not recoverable in cash.

(b) Financial liabilities

Trade and other payables of the Group and of the Company amounting to RM20,636,000 (2011: RM17,677,000) and RM11,148,000 (2011: RM8,848,000) respectively as disclosed in Note 27 represent total financial liabilities carried at amortised cost.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments that are carried at fair value

The followings are the classes of financial instruments that are carried at fair value which is determined directly by reference to their published market bid price at the reporting date:

	Note	Group and Company 2012 Carrying amount RM'000	Group and Company 2012 Fair value RM'000	Group and Company 2011 Carrying amount RM'000	Group and Company 2011 Fair value RM'000
Available-for-sale investments:					
Quoted investments:					
In Malaysia					
- shares	18	**25,190**	**25,190**	23,304	23,304
- unit trusts	18	**4,709**	**4,709**	15,790	15,790
Outside Malaysia					
- unit trusts	18	**791**	**791**	779	779
Unquoted investments:					
In Malaysia					
- unit trusts	18	**11,026**	**11,026**	10,351	10,351

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(a) Financial instruments that are carried at fair value (cont'd)

		Group and Company			
		2012		2011	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Held-for-trading investments:					
Quoted investments:					
In Malaysia					
- shares	21	**11,329**	**11,329**	-	-
Outside Malaysia					
- shares	21	**3,469**	**3,469**	-	-

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The followings are the classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables *	32(a)
Cash and bank balances	32(a)
Trade and other payables	32(b)

* Excluding advances for acquisition of land and prepayments.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

(c) Financial instrument that is not carried at fair value and whose carrying amount is not reasonable approximation of fair value

The Group and the Company have an available-for-sale investment in unquoted shares of RM40,000 which is not carried at fair value and its carrying amount is not a reasonable approximation of fair value.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(d) Fair value hierarchy

The Group and the Company use the following hierarchy for determining and disclosing the fair value of financial instruments by various valuation techniques:

Level	Valuation technique
Level 1	Quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2	Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Input for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 April 2012, the Group and the Company held the following financial instruments carried at fair value in the statements of financial position:

	Group and Company			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Available-for-sale investments:				
Quoted investments:				
In Malaysia				
- shares	25,190	-	-	25,190
- unit trusts	4,709	-	-	4,709
Outside Malaysia				
- unit trusts	791	-	-	791
Unquoted investments:				
In Malaysia				
- unit trusts	-	11,026	-	11,026
Held-for-trading investments:				
Quoted investments:				
In Malaysia				
- shares	11,329	-	-	11,329
Outside Malaysia				
- shares	3,469	-	-	3,469

During the financial year, there were no transfers between Level 1 and Level 2 fair value measurements.

Comparative figures have not been presented for 30 April 2011 by virtue of paragraph 44G of FRS 7.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment in unit trust funds and equity instruments and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increase of credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis. There were no known bad debts during the financial year.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

<u>Credit risk concentration profile</u>

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

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 20(a).

Investment in unit trust funds, equity instruments and deposits with banks are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

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

All the trade and other payables of the Group and the Company are repayable within one year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company have no interest-bearing debt. However, the Group and the Company have short term interest bearing financial assets as at 30 April 2012. 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.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM296,000 (2011: RM247,000) and RM225,000 (2011: RM197,000) higher/lower respectively, arising mainly as a result of higher/lower interest income from placements of fund in short term deposits and fixed deposits.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates.

The Group and the Company are exposed to currency translation risk arising from the investment in shares quoted outside Malaysia which held for trading and managed by a licensed fund manager.

The Group and the Company also own cash and cash equivalents denominated in foreign currencies which managed by the abovementioned licensed fund manager for investment in shares quoted outside Malaysia purpose. At the reporting date, such foreign currency balances (mainly in United States Dollar) amount to RM666,000 (2011: Nil).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonable possible change in United States Dollar ("USD"), Hong Kong Dollar ("HKD") and Indonesian Rupiah ("IDR") exchange rates against RM, with all other variables held constant.

	Group and Company Impact on profit net of tax	
	2012 RM'000	**2011 RM'000**
USD/RM:		
- strengthened 3%	**90**	-
- weakened 3%	**(90)**	-
HKD/RM:		
- strengthened 3%	**16**	-
- weakened 3%	**(16)**	-
IDR/RM:		
- strengthened 3%	**18**	-
- weakened 3%	**(18)**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices. The Group and the Company are exposed to market price risk as follows:

(i) Commodity price risk

The Group and the Company are exposed to market price risk arising from price fluctuations on crude palm oil ("CPO") and palm kernel ("PK") in the commodity market. Management reviews these risks and takes proactive measures to mitigate its effects by monitoring the market condition and maximising production and operational efficiencies on a regular basis.

Sensitivity analysis for commodity price risk

At the reporting date, if commodity prices of CPO and PK had been 5% higher/lower, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM7,626,000 (2011: RM6,765,000) and RM2,346,000 (2011: RM1,966,000) higher/lower respectively, arising from the sale of oil palm products.

(ii) Equity price risk

The Group's and the Company's investment in unit trust funds (comprising equity and money market funds) and quoted equity instruments (mainly comprising quoted shares listed on Bursa Malaysia Securities Berhad) are subject to fluctuation in net asset values of the unit trust funds and market prices of quoted equity instruments. These instruments are classified as available-for-sale investments, held for trading investments or cash and bank balances.

For investment in unit trust funds, the Group's objective is to manage market price risk by investing in unit trust funds with consistent dividend/interest returns. A careful selection of fund managers with creditable performance track record is carried out. In addition, the fund managers of the unit trust funds are required to provide write-ups of the funds' holdings and investment strategies for the management's review regularly.

For long term investment in quoted shares which classified as available-for-sale investments, the Group's objective is to manage market price risk by investing in quoted shares with consistent dividend returns.

For investment in quoted shares held for trading which managed by licensed fund managers, a careful selection of fund manager with creditable performance track record is carried out. The market price risk is managed by the fund managers by maintaining a mix of securities with consistent dividend yield and potential for capital appreciation in order to achieve a reasonable rate of return. The fund managers of the equity portfolio are required to provide monthly write-up of the fund's holdings and investment strategies for management's review.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Market price risk (cont'd)

(ii) Equity price risk (cont'd)

Sensitivity analysis for equity price risk

The analysis below is performed for reasonably possible price movements in investment in unit trust funds and quoted shares which classified as available-for-sale investments, held-for-trading investments, cash and bank balances at the reporting date:

	Group		Company	
	Impact on profit net of tax RM'000	Impact on equity RM'000	Impact on profit net of tax RM'000	Impact on equity RM'000
30 April 2012				
Available-for-sale investments:				
Investment in equity funds				
- Market value + 5%	-	826	-	826
- Market value - 5%	-	(826)	-	(826)
Investment in quoted shares				
- Market value + 5%	-	1,259	-	1,259
- Market value - 5%	-	(1,259)	-	(1,259)
Held-for-trading investments:				
Investment in quoted shares				
- Market value + 5%	740	740	740	740
- Market value - 5%	(740)	(740)	(740)	(740)
Cash and bank balances:				
Investment in money market funds				
- Market value + 5%	2,252	2,252	2,251	2,251
- Market value - 5%	(2,252)	(2,252)	(2,251)	(2,251)
30 April 2011				
Available-for-sale investments:				
Investment in equity funds				
- Market value + 5%	-	1,346	-	1,346
- Market value - 5%	-	(1,346)	-	(1,346)
Investment in quoted shares				
- Market value + 5%	-	1,165	-	1,165
- Market value - 5%	-	(1,165)	-	(1,165)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Market price risk (cont'd)

(ii) Equity price risk (cont'd)

Sensitivity analysis for equity price risk (cont'd)

	Group		Company	
	Impact on profit net of tax RM'000	Impact on equity RM'000	Impact on profit net of tax RM'000	Impact on equity RM'000
30 April 2011 (cont'd)				
Cash and bank balances:				
Investment in money market funds				
- Market value + 5%	709	709	708	708
- Market value - 5%	(709)	(709)	(708)	(708)

For investment in quoted shares held for trading, as the favorable market condition at the end of previous financial year, the management had liquidated the entire held for trading investments to realise the net fair value gains on held-for-trading investments as disclosed in Note 5.

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group regularly reviews its capital structure to ensure optimal capital structure and shareholders' return, taking into consideration future requirements of the Group and capital efficiency, prevailing and projected profitability and projected operating cash flows. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

The Group is not subject to any externally imposed capital requirements.

The total amount of capital and distributable reserves for the Group and the Company at the reporting date is analysed as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Share capital	**203,473**	202,358	**203,473**	202,358
Share premium	**7,963**	1,164	**7,461**	662
Retained earnings	**544,801**	513,361	**441,397**	402,326
	756,237	716,883	**652,331**	605,346

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

36. SIGNIFICANT EVENT

Disposal of an associate

On 15 June 2011, the Company completed the disposal of an associate, Malaysian Trustees Berhad for a cash consideration of RM2,170,000.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 30 April 2012 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 June 2012.

SUPPLEMENTARY INFORMATION

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and the Company as at 30 April 2012 and 30 April 2011 into realised and unrealised profits or losses as below is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total retained earnings of the Company and its subsidiaries:				
- Realised	**566,923**	534,418	**443,346**	404,105
- Unrealised	**(12,030)**	(11,924)	**(1,949)**	(1,779)
	554,893	522,494	**441,397**	402,326
Total share of retained earnings from associates:				
- Realised	**10,926**	11,218	**-**	-
- Unrealised	**1,004**	917	**-**	-
	566,823	534,629	**441,397**	402,326
Less: Consolidation adjustments	**(22,022)**	(21,268)	**-**	-
Total retained earnings	**544,801**	513,361	**441,397**	402,326

LIST OF PROPERTIES HELD

AS AT 30 APRIL 2012

Location	Tenure	Titled Hectarage	Description	Year of Acquisition */ Revaluation	Carrying Amount of Properties # as at 30 April 2012 RM'000
Masjid Tanah Estate 78300 Masjid Tanah Melaka	Freehold Leasehold (expiring on: 31-12-2033 15-03-2066)	355.3 2.8 0.2	Oil palm estate	2008	18,909
Pelin Estate 71300 Rembau Negeri Sembilan	Freehold	154.3	Oil palm estate	2008	6,453
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	32,572
Tampin Estate 73300 Batang Melaka Negeri Sembilan	Freehold	298.9	Oil palm estate	2008	11,787
Selandar Estate Selandar P.O. 77500 Jasin Melaka	Freehold Leasehold (expiring on: 31-07-2025)	194.5 22.1	Oil palm estate	2008	8,173
Batu Anam Estate Batu Anam P.O. 85100 Batu Anam Segamat, Johor	Freehold	864.9	Oil palm estate	2008	36,285
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	15,085
Leong Hin San Estate 71200 Rantau Negeri Sembilan	Freehold	844.6	Oil palm estate	2008	30,501
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	61,341
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	46,788
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	58,656

LIST OF PROPERTIES HELD (cont'd)

AS AT 30 APRIL 2012

Location	Tenure	Titled Hectarage	Description	Year of Acquisition */ Revaluation	Carrying Amount of Properties # as at 30 April 2012 RM'000
Paitan and Tanjong Nipis Estates Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring between: 2098 and 2102) Lease land (expiring between: 2031 and 2035 2098 and 2100)	918.1 979.2 1,222.8	Oil palm estate and palm oil mill	2008	109,446
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	90,050
Millian-Labau Estate Sungai Millian-Labau Kinabatangan District 89950 Nabawan Sabah	Leasehold (expiring on: 31-12-2098)	10,126.3	Oil palm estate	2010 & 2011*	286,692
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: 6 years)	2008	8,669
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: 4 years)	2009*	916
Office Building Lot 6, Block E Keningau Plaza 89008 Keningau, Sabah	Leasehold (expiring on: 31-12-2097)	4,280 sq. ft.	Shophouse (Age of building: 2 years)	2011*	794
Regional Office Building Lot 10, Block 19 Lorong Bandar Indah 5 Bandar Indah Mile 4, North Road 90000 Sandakan, Sabah	Leasehold (expiring on 2882)	2,000 sq. ft.	Shophouse (Age of building: 11 years)	2008	550
Awana Condominium Unit 5542 Awana Condominium 8th Mile, Genting Highlands 89000 Genting Highlands Pahang	Freehold	1,258 sq. ft.	Holiday condominium (Age of building: 25 years)	2008	219
Executive Bungalow MDLB 1849 Taman Khong Lok Jalan Airport Sandakan 90000 Sandakan, Sabah	Leasehold (expiring on: 09-07-2887)	7,880 sq. ft.	Company bungalow (Age of building: 12 years)	2008	304
				TOTAL	**824,190**

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

SHAREHOLDING ANALYSIS

AS AT 30 JUNE 2012

Authorised capital	:	RM500,000,000
Issued & Paid-up capital	:	RM203,523,901
Class of share	:	Ordinary shares of RM1.00 each

VOTING RIGHTS OF SHAREHOLDERS

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

DISTRIBUTION SCHEDULE

No. of Holders	Holdings	Total Holdings	%
192	Less than 100	10,421	0.01
892	100 to 1000	701,995	0.34
5,109	1001 to 10000	20,037,831	9.85
1,411	10001 to 100000	35,901,453	17.64
135	100,001 to less than 5% of issued capital	99,826,047	49.05
3	5% and above of issued shares	47,046,154	23.11
7,742		**203,523,901**	**100**

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct shareholdings	Percentage of issued capital	Indirect shareholdings	Percentage of issued capital
Ms. Tan Siok Choo	3,432,181	1.686	2,605,549	1.280
Mr. Boon Weng Siew	108,000	0.053	-	-
Tan Sri Dato' Ahmad bin Mohd Don	-	-	-	-
Mr. Tan Jiew Hoe	217,125	0.106	2,510,021	1.233
Mr. Teo Leng	54,000	0.026	-	-
Dato' Tan Ang Meng	11,000	0.005	-	-

SHAREHOLDING ANALYSIS (cont'd)

AS AT 30 JUNE 2012

SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Name	Shareholdings registered in the name of the substantial shareholders	Shareholdings in which the substantial shareholders are deemed to be interested		Total	Percentage of issued capital
Oversea-Chinese Banking Corporation Ltd	-	29,589,138	*1	29,589,138	14.53
Great Eastern Life Assurance (Malaysia) Bhd	28,185,701	-		28,185,701	13.84
Aberdeen Asset Management PLC and its subsidiaries	-	25,422,850	*2	25,422,850	12.49
Mitsubishi UFJ Trust Financial Group	-	25,422,850	*3	25,422,850	12.49
Lee Foundation	-	16,435,963	*4	16,435,963	8.07
Aberdeen Asset Management Asia Ltd	-	15,329,650	*5	15,329,650	7.53
HSBC Nominees (Asing) Sdn. Bhd. - HSBC Private Bank (Suisse) S.A	14,125,887	-		14,125,887	6.94
HSBC Nominees (Asing) Sdn. Bhd. - Selat (Pte) Limited	10,869,744	-		10,869,744	5.34

1. Oversea-Chinese Banking Corporation Ltd is deemed interested in the shareholdings registered in the following names:-
   - Malaysia Nominees (Tempatan) Sendirian Berhad- for Great Eastern Life Assurance (Malaysia) Berhad – 28,185,701
   - Citigroup Nominees (Asing) Sdn. Bhd. for CB Singapore GW for Eastern Realty Company Limited – 1,392,187
   - Apex Pharmacy Holdings Sdn. Bhd. – 11,250

2. Aberdeen Asset Management PLC and its subsidiaries is deemed interested in the shareholdings registered in the following nominees:-
   - Aberdeen International Fund Managers Limited – 9,854,150
   - Aberdeen Asset Management Sdn Bhd – 10,093,200
   - Aberdeen Asset Management Inc. – 408,500
   - Aberdeen Asset Management Asia Limited – 15,329,650

3. Deemed interested by virtue of its shareholdings of more than 15% held in Aberdeen Asset Management PLC by Mitsubishi UFJ Trust & Banking Corp, a wholly subsidiary of Mitsubishi UFJ Trust Financial Group

4. Lee Foundation is deemed interested in the following shareholdings held via nominees:-
   HSBC Nominees (Asing) Sdn Bhd for
   - Selat Pte Ltd - 10,869,744
   - Singapore Investments Pte Ltd - 3,455,157
   - Lee Pineapple Company Pte Ltd - 126,562

   Citigroup Nominees (Asing) Sdn Bhd
   - Exempt an for OCBC Securities Private Limited (for Singapore Investments Pte Ltd) - 1,984,500

5. Aberdeen Asset Management Asia Limited is deemed interested in the following shareholdings held via nominees:-
   - BNP Paribas Securities Services – 12,834,150
   - BNP Paribas Trust Services Singapore Limited – 2,087,000
   - Nothern Trust – Chicago – 185,000
   - State Street Bank & Trust Company – Boston – 223,500

SHAREHOLDING ANALYSIS (cont'd)

AS AT 30 JUNE 2012

LIST OF TOP 30 SHAREHOLDERS AS AT 30/6/2012

		No. of share	%
(1)	Malaysia Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad	28,185,701	13.84
(2)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for HSBC Private Bank (Suisse) S.A. (Spore TST AC CL)	14,125,887	6.94
(3)	HSBC Nominees (Asing) Sdn. Bhd. HSBC SG for Selat Pte Ltd	10,869,744	5.34
(4)	HSBC Nominees (Asing) Sdn Bhd - BNP Paribas Secs Svs Lux for Aberdeen Global	9,854,150	4.84
(5)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for Credit Suisse (SG BR-TST-ASING)	7,722,642	3.79
(6)	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt an for OCBC Securities Private Limited (CLIENT A/C-NR)	4,843,478	2.38
(7)	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (Aberdeen)	4,207,850	2.07
(8)	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	4,104,300	2.02
(9)	Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	3,783,450	1.86
(10)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC Trustee(s) Ltd for Tun Dato Sir Cheng Lock Tan Trust	3,687,598	1.81
(11)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Singapore Investments Pte Ltd	3,455,157	1.70
(12)	Tan Siok Choo	3,432,181	1.68
(13)	Tan Siok Lee	3,111,222	1.53
(14)	HSBC Nominees (Asing) Sdn. Bhd. - BNP Paribas Secs Svs Paris for Aberdeen Asian Smaller Companies Investments Trust PLC	2,980,000	1.46
(15)	Tan Siok Eng	2,633,963	1.29
(16)	Lim Cheng Neo	2,605,549	1.28

SHAREHOLDING ANALYSIS (cont'd)

AS AT 30 JUNE 2012

LIST OF TOP 30 SHAREHOLDERS AS AT 30/6/2012 (cont'd)

		No. of share	%
(17)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for BNP Paribas Securities Services (Singapore – SGD)	2,087,000	1.03
(18)	Klebang Investments Pte Ltd	1,930,500	0.95
(19)	Citigroup Nominees (Asing) Sdn Bhd - CB Spore GW for Eastern Realty Company Limited (OCB33678-000MIS)	1,392,187	0.68
(20)	Dipang Mines Sdn Bhd	1,265,625	0.62
(21)	AMSEC Nominees (Tempatan) Sdn. Bhd. - Aberdeen Asset Management Sdn. Bhd. for Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	1,217,300	0.60
(22)	Tan Jin Tuan	1,111,110	0.55
(23)	Chee Bay Hoon & Co. Sdn Bhd	1,051,500	0.52
(24)	The Federal Oil Mills Berhad	961,875	0.47
(25)	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	930,500	0.46
(26)	Alros Sendirian Berhad	792,000	0.39
(27)	HSBC Nominees (Asing) Sdn Bhd - HSBC SG for Lee Rubber Company Pte Ltd	754,615	0.37
(28)	Seah Mok Khoon	750,000	0.37
(29)	Swee Cheng Investments Private Limited	750,000	0.37
(30)	Nora Ee Siong Chee	718,875	0.35
		125,315,959	61.56

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FORM OF PROXY

United Malacca Berhad
(1319-V)
(Incorporated in Malaysia)

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 Chairperson of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Ninety-eighth Annual General Meeting of the Company to be held on Monday, 27 August 2012 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 Statement for financial year ended 30 April 2012 and Report of the Auditors		
No. 2	Declaration of final dividend		
No. 3	Approval of Directors’ fees for the financial year ended 30 April 2012		
No. 4	Approval of Directors’ fees for the financial year ending 30 April 2013 to be payable on quarterly basis		
No. 5	Re-election of Ms. Tan Siok Choo, a Director retiring by rotation in accordance with Article 118 of the Company’s Articles of Association		
No.6	Re-appointment of Mr. Boon Weng Siew as a Director pursuant to Section 129(6) of the Companies Act, 1965		
No. 7	Re-appointment and remuneration of Auditors		
	Special Business :-		
No. 8	Proposed amendments to the Articles of Association of the Company		

As Witness my hand this …………………day of ……………………. 2012

No. of Shares Held

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

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

Notes:

1. *The right of Foreign Depositors to vote in respect of their deposited securities with Bursa Malaysia Depository Sdn Bhd is subject to Section 41(1)(e) and Section 41(2) of the Securities Industry (Central Depositories) Act, 1991 and Securities Industry (Central Depositories)(Foreign Ownership) Regulations, 1996. The position of Depositors in this regard will be determined based on The General Meeting Record of Depositors. Depositors whose share 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. *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 48 hours before the time appointed for holding the Meeting or any adjournment thereof for the proxy to be valid.*
3. *Only members whose names appear in the Register of Members or registered in the General Meeting Record of Depositors on or before 5.00pm on 17 August 2012 shall be eligible to attend the Annual General Meeting.*
4. *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.*
5. *The proxy will vote or abstain at his discretion if no indication is given.*

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Stamp

The Company Secretary
United **Malacca** Berhad
(Company No. 1319-V)
6th Floor, No. 61, Jalan Melaka Raya 8,
Taman Melaka Raya,
75000 Melaka.

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