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

ANNUAL REPORT 2008

CONTENTS

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Ninety-fourth 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 Friday, 29 August 2008 at 11.00 a.m. for the following business :-

AGENDA

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 April 2008 and the Report of the Auditors thereon. **[Resolution 1]**

2. To declare a final dividend of 45 sen less 25% taxation per RM1.00 stock unit for the financial year ended 30 April 2008. **[Resolution 2]**

3. To approve an increase in Directors' fees from RM136,667 to RM210,000 for the financial year ended 30 April 2008. **[Resolution 3]**

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

   * Ms. Tan Siok Choo **[Resolution 4]**

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

   (a) "That pursuant to Section 129(6) of the Companies Act, 1965, Mr. Choi Siew Hong be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **[Resolution 5]**

   (b) "That pursuant to Section 129(6) of the Companies Act 1965, Mr. Boon Weng Siew be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **[Resolution 6]**

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

7. **As Special Business**

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

   ORDINARY RESOLUTION
   - AUTHORISING DIRECTORS TO ALLOT AND ISSUE SHARES

   "**THAT** subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals of the relevant Governmental or regulatory bodies, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company and upon allotment to convert the same into stock units transferable in amounts and multiples of RM1.00 each, at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided always that the aggregate number of shares to be issued pursuant to this Resolution shall not exceed ten per centum of the issued share capital of the Company for the time being and that the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **[Resolution 8]**

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a final dividend of 45 sen less 25% taxation per RM1.00 stock unit in respect of the financial year ended 30 April 2008, if approved by the Stockholders at the forthcoming Annual General Meeting, be paid on 22 September 2008 to Stockholders whose names appear in the Record of Depositors and Register of Members at the close of business at 5.00 p.m. on 10 September 2008.

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

(a) Stocks transferred into the Depositor's Securities Account before 4.00 p.m. on 10 September 2008 in respect of transfers;

(b) Stocks deposited into the Depositor's Securities Account before 12.30 p.m. on 8 September 2008 in respect of stocks which are exempted from mandatory deposit;

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

By Order of the Board

Leong Yok Mui
Company Secretary

Melaka
Date: 5 August 2008

NOTES:

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

(2) A member entitled to attend and vote at the general meeting is entitled to appoint one or more proxies to attend and vote in his stead. No person, however, who is not a member of the Company shall be appointed a proxy unless that person complies with the provision of Section 149(1)(b) of the Companies Act, 1965.

(3) The instrument appointing a proxy must be deposited at the Registered Office of the Company at United Malacca Berhad Building, 6th Floor, No.61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka not less than forty-eight hours before the time appointed for holding the Meeting or any adjournment thereof for the proxy to be valid.

EXPLANATORY NOTE ON SPECIAL BUSINESS:

Resolution No. 8

The proposed Ordinary Resolution 8, if passed, will empower the Directors to issue and allot shares in the Company at any time and for such purposes as the Directors consider would be in the interests of the Company up to an aggregate not exceeding 10% of the issued capital of the Company without convening a general meeting. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF NINETY-FOURTH ANNUAL GENERAL MEETING

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

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

(1) Choi Siew Hong

(2) Boon Weng Siew

(3) 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 6 to 8 of this Annual Report. The holding of stocks, direct or indirect in United Malacca Berhad by the Directors can be found in the Analysis of Stockholdings in page 91 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 2008 are as follows:-

Directors	Attendance
Choi Siew Hong	7 of 7 Meetings
Tan Sri Dato' Ahmad Bin Mohd Don	7 of 7 Meetings
Tan Siok Choo	6 of 7 Meetings
Boon Weng Siew	7 of 7 Meetings
Datuk Fong Weng Phak	6 of 7 Meetings
Tan Jiew Hoe	6 of 7 Meetings

GROUP **HIGHLIGHTS**

	2008	2007
PRODUCTION		
	tonne	tonne
Crude palm oil	**65,938**	65,639
Palm kernel	**15,661**	16,106
Fresh fruit bunches	**240,102**	208,657
FINANCIAL		
	RM'000	RM'000
Revenue	**222,186**	129,645
Profit:-		
Before tax	**118,111**	63,076
After tax	**96,577**	51,903
	sen	sen
Earnings per stock unit:-		
Basic/Fully diluted	**72.1**	38.7
Dividend per stock unit:-		
Gross	**55.00**	31.00
Net	**41.15**	22.63
	RM'000	RM'000
Total assets	**953,690**	633,296
	RM	RM
Net assets per stock unit	**6.44**	4.45

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Choi Siew Hong
(Chairman and Executive Director)

Tan Sri Dato' Ahmad bin Mohd Don

Ms. Tan Siok Choo

Boon Weng Siew

Datuk Fong Weng Phak

Tan Jiew Hoe

AUDIT COMMITTEE

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

Ms. Tan Siok Choo **

Datuk Fong Weng Phak *

* *Independent non-executive director*
** *Non-executive director*

SECRETARIES

Madam Leong Yok Mui

Ms. Yong Yoke Hiong

AUDITORS

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

SENIOR MANAGEMENT

Dr. Leong Tat Thim
Chief Executive Officer/General Manager

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

Ms. Susan Lai Swee Kee
Group Financial Controller

Mr. Chong Seong Hoe
General Manager (Estate Operation)

Mr. Lim Gag
Plantation Controller (Sabah)

HEAD OFFICE/REGISTERED OFFICE

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

SHARE REGISTRAR

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

DATE AND PLACE OF INCORPORATION

Incorporated on 27 April 1910 in Malaysia

STOCK EXCHANGE LISTING

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

PROFILE OF DIRECTORS

MR. CHOI SIEW HONG
(Chairman and Executive Director)

Mr Choi Siew Hong, aged 87 and a Malaysian, is the Chairman and Executive Director. He joined the Board as Alternate Director on 7 May 1976 and was appointed as Director in 1979 and subsequently as Chairman in 1988. He is the Chairman of the Board Tender Committee, a member of the Remuneration Committee and also sits on the Boards of several subsidiaries of the Group, one of which is South-East Pahang Oil Palm Berhad.

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

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

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

During the financial year ended 30 April 2008, he attended all the seven meetings of the Board. He does not have any family relationship with any other director and/or major stockholder of the Company, nor any conflict of interest with the company. Neither has he been convicted of any offence.

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

Tan Sri Dato' Ahmad Bin Mohd Don, aged 61 and a Malaysian was appointed as an Independent Non Executive Director on 1 October 2006. He is the Chairman of the Audit Committee and the Nomination Committee.

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

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

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

He is not related to any Director/major stockholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held in the financial year ended 30 April 2008. He has never been convicted of any offence.

DATUK FONG WENG PHAK
(Independent Non-Executive Director)

Datuk Fong Weng Phak, aged 67, a Malaysian, is an Independent, Non-Executive Director who joined the Board since 1 October 1998. He is the Chairman of Remuneration Committee and a member of the Audit Committee, the Board Tender Committee, the Nomination Committee and also sits on the Boards of several subsidiaries of the Group, one of which is South-East Pahang Oil Palm Berhad.

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

He served Bank Negara Malaysia from 1964 to 1982, rising in ranks to his last position as Head of Economics Department. In 1983, he joined Oversea-Chinese Banking Corporation Ltd as Deputy General Manager and subsequently as General Manager of its Malaysian operations. On the incorporation of OCBC Bank (M) Berhad in 1994, he was appointed Director and Chief Executive Officer. In 1995, he left OCBC to serve as Deputy Governor of Bank Negara Malaysia on a 3 years contract until 1998. He was a director of Pacific Mutual Fund Berhad from 1999 to June 2008. He is currently a Director of Fraser & Neave Holdings Berhad and Emas Kiara Industries Berhad which are public listed companies in Malaysia. He is also a Director of Great Eastern Life Assurance (Malaysia) Berhad, Great Eastern Capital (Malaysia) Berhad, Overseas Assurance Corporation (Malaysia) Berhad and Overseas Assurance Corporation (Holdings) Berhad.

He is not related to any Director/major stockholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended six out of seven Board Meetings held in the financial year ended 30 April 2008. He has never been convicted of any offence that would disqualify him from being a director of a listed company.

MS. TAN SIOK CHOO
(Non-Executive Director)

A Malaysian, Ms Tan Siok Choo, aged 56, is a Non-Executive Director who was appointed to the Board on 8 December 1988. She is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

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

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

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

She is a substantial stockholder by virtue of her interest as Director and family interest in Sinneo Sdn Bhd, a major stockholder of United Malacca Berhad. She is not related to any other Director of the Company and has no personal interest in any business arrangement involving the Company. She has attended six out of seven Board Meetings held in the financial year ended 30 April 2008. She has never been convicted of any offence.

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

Mr. Boon Weng Siew, aged 84 and a Malaysian, is an Independent, Non-Executive Director who joined the Board since 26 September 1989. He is also a member of the Board Tender Committee.

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

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

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

He is not related to any Director/major stockholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has attended all the seven Board Meetings held in the financial year ended 30 April 2008. He has never been convicted of any offence.

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

Mr. Tan Jiew Hoe, aged 61 and a Singaporean, joined the Board as Alternate Director on 9 June 1997 and was subsequently appointed as Director on 30 March 2007.

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

He has attended six out of seven Board Meetings held in the financial year ended 30 April 2008. He has never been convicted of any offence.

MANAGEMENT TEAM

Dr. Leong Tat Thim
Chief Executive Officer/ General Manager

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

Ms. Susan Lai Swee Kee
Group Financial Controller

Mr. Chong Seong Hoe
General Manager (Estate Operation)

Mr. Lim Gag
Plantation Controller (Sabah)

Profile of Chief Executive Officer/General Manager

Dr. Leong Tat Thim

Dr. Leong Tat Thim, aged 64 and a Malaysian, is the Chief Executive Officer who joined the Company since 1 March 2001. He was a Guthrie scholar, obtained his Diploma in Agriculture from Serdang College (now known as University Putra Malaysia) and subsequently obtained his Bachelor of Agriculture Science (Honours) degree, Master of Agriculture Science and Ph.D. from University Malaya.

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

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

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

His stockholding in the Company is 17,000 stock units and he does not have any stockholding in the Company's subsidiaries.

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

On behalf of the Board of Directors of United Malacca Berhad, it is my pleasure to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 30 April 2008.

FINANCIAL PERFORMANCE

The Group had an excellent year recording a substantial increase of 71% and 87% in revenue and pretax profit to RM222.19 million and RM118.11 million respectively as compared with RM129.65 million and RM63.08 million in the preceding year. The good results were contributed by 71% higher CPO selling price to RM2,857 per tonne from RM1,669 per tonne in the preceding year as well as 15% increase in ffb production.

At the Company level, pretax profit for the current financial year ended 30 April 2008 increased by 109% to RM167.41 million from RM80.04 million in the preceding year. The increase in profit was mainly due to gain of RM90.82 million realised from the disposal of its 20.85% shareholding in the associated company, PacificMas Berhad as a result of takeover offer by OCBC Capital (Malaysia) Sdn Bhd at RM4.30 per share. The disposal was approved by the shareholders at the Extraordinary General Meeting held on 6 March 2008 and the sale consideration was received on 14 April 2008.

In tandem with the substantial increase in profit, the Group's earnings per stock unit for the current financial year rose by 86% to 72.07 sen from 38.73 sen in the preceding year.

During the fourth quarter of the financial year, the Group undertook a revaluation exercise on the freehold land, buildings as well as biological assets. The resultant net revaluation surplus of RM205 million or RM1.53 per stock unit has boosted the net assets of the Group from RM4.91 to RM6.44 per stock unit.

DIVIDENDS

The Board is recommending a final dividend of 45 sen less 25% tax per stock unit for approval by the stockholders at the forthcoming Annual General Meeting. Together with the interim dividend of 10 sen per stock unit less 26% tax paid on 24 January 2008, the total dividend for the financial year ended 30 April 2008 will amount to 55 sen gross or 41.15 sen net per stock unit totalling RM55,143,058 compared with 31 sen gross or 22.63 sen net totalling RM30,325,332 in the preceding financial year. The proposed dividend is payable on 22 September 2008.

PLANTATION OPERATIONS

The Group has a planted acreage of 34,107 acres (13,803 hectares) at the close of financial year 2007/08. The planted area comprised 24,072 acres (9,742 hectares) of matured oil palms and 10,035 acres (4,061 hectares) of immature palms.

Production of fresh fruit bunches (ffb) for financial year 2007/08 at 240,102 tonnes registered 15% increase from 208,657 tonnes ffb harvested in the previous financial year. The yield was 24.13 tonnes per hectare per annum which was commendable as it was 21.9% above the industry average of 19.80 tonnes per hectare per annum. The Group continued to benefit from our expansion programme initiated in Sabah in 1998. The Sabah estates with young and prime yielding palms contributed 116,346 tonnes ffb or 48.5% of total production for the Group.

With more young palms coming into maturity, the Group has begun to reap the benefits of economies of scale. The cost of production in the FY 2007/08 was within budget. The Group will continue to be cost efficient and increase productivity to cushion the steep rise in production cost in the coming years.

It is gratifying to note that our two palm oil mills continued to produce good qualities CPO and palm kernel well above the required market standards. This was attributed to the good maintenance of the oil mills, with low breakdown hours of less than 1.0% of the total processing hours as compared to the normal industry maximum limit of 5.0%.

Together, the two mills processed 311,490 tonnes ffb, recording a marginal decrease of 1% as compared with 313,077 tonnes ffb processed in the preceding financial year. UMB's own crop accounted for 76% of the total crop processed. With more young palms maturing and with increasing yield trend of young matured palms, more ffb will be available for processing that will allow the 2 mills to operate at higher utilization capacity and subsequently reducing the unit cost of operation.

The two mills recorded a total production of 65,938 tonnes of CPO and 15,661 tonnes of palm kernel and achieved an average of 21.17% OER and 5.03% KER in FY 2007/08.

CURRENT YEAR PROSPECTS

The Year 2007 has been a very good year for palm oil and this good performance is expected to continue into Year 2008. Several favourable factors are expected to continue in sustaining high CPO prices. These are increasing high crude oil prices, frequent and unpredictable occurrence of bad weather, extra demand for food and for biofuels, and the general shift of prices of commodities to a higher plane.

In FY 2007/08 (i.e. May'07 to April'08), the MPOB average CPO price level of RM2,946 per tonne was 72% above the average MPOB CPO price of RM1,708 per tonne in FY 2006/07. In FY 2008/09, the average MPOB CPO price was predicted to be at RM3,000 per tonne. Up to 1st June 2008, the average MPOB CPO price was RM3,512.50 per tonne. Hence, one can assume that the average MPOB CPO price of more than RM3,000 per tonne is achievable in Year 2008 and should be very favourable for the oil palm industry.

Well maintained and fertillzed palms will produce high yields.

Only ripe FFB (fresh fruit bunches) are harvested and delivered to the mill.

Starting from 2002 the Group carried out an aggressive replanting programme with high yielding planting materials. This has resulted in good age profile of palms with only 5% old palms, 30% of palms 4 - 7 years and 29% of immature palms. With this favourable age profile, the Group's ffb production will continue to increase significantly.

However, accompanying the favourable CPO price outlook, the oil palm industry is faced with frightening rising fuel cost, extremely steep surge in fertilizer cost, stagnating yield, higher labour cost, general wage increase and the imposition of additional government taxes and cesses. The cooking oil cess introduced in June 2007 to June 2008 increased the cost to the oil palm industry. Oil palm estates (larger than 40 hectares have to contribute 2% for every tonne of fresh fruits produced as long as the CPO price remained above RM1,500 per tonne. For example, at CPO price of RM2,460, the cooking oil cess payment of an estate producing 200,000 tonnes ffb per year was RM3.84 million (i.e. RM2,460 - RM1,500 x 2% x 200,000 tonnes ffb).

On 01 July 2008, the government abolished the cooking oil cess but replaced it with the windfall tax of 15% in Peninsular and 7.5% in Sabah and Sarawak on every tonne of CPO produced when the price of CPO exceeds RM2,000/tonne.

Currently, the oil palm industry is paying other levies and cesses, namely, MPOB cess at RM11/tonne CPO, MPOB palm oil price stabilization levy at RM4 per tonne CPO, Sabah CPO sales tax at 7.5% and Sarawak CPO sales tax at 5% and also the unpopular Property Assessment Tax executed in some States in Peninsular.

The generally feeling is that the MPOB palm oil price stabilization levy at RM4 per tonne CPO should not continue as there is no need for this scheme at current high CPO price level.

Additional burden to the daily running operations came on 5 June 2008, when the government removed petroleum subsidy, resulting in sudden surge in fuel cost which has significant impact on the daily operation cost.

Hence, the production cost of palm oil is expected to increase by as much as 40% - 50%. To cushion this high production cost, our management team has to increase productivity through efficient and caring management and continue to put more emphasis on good & sound agronomic practices. We will continue with systematic replanting of old palms with better high yielding materials and re-allocating hilly & dry areas back to rubber cultivation. We will increase our oil extraction rate (OER) to more than 23% by harvesting fresh fruit bunches at optimum freshness and immediately deliver them to the oil mill for processing. We must think of ways to reduce the high fuel running cost in the estates by proper planning and also ensure that the vehicles are well maintained.

While the oil palm industry is facing and adjusting to overcome these challenges, outside forces such as environmental groups are threatening the industry. Influential NGOs are urging consumers not to buy household items that contain palm oil and also not to use palm oil for biofuel as these will help to destroy forests and wild life. These propaganda cannot be taken lightly. We wish to enlighten the outside world, particularly Europe and North America that in Malaysia, we do not cut down virgin forest to plant oil palm. On the contrary, we are planting oil palms in areas where the forests have been logged, thereby improving the environment. Our government has to counter these campaigns effectively so that the demand for palm oil is not adversely affected in the long run. In the meantime, our planters in the oil palm industry must play their role to strictly observe the criteria and principles of producing sustainable palm oil so that the environment, wild life and social aspects are not adversely affected.

In this respect, the Group shall continue to practice zero burning and ensure that the effluent discharge from our oil mills does not cause pollution to the rivers and nearby waterways. The Group will continuously improve our agricultural and agronomic practices, such as carrying out terracing, plant leguminous covers, prevent soil erosion and silting of waterways. The Group will also look into ways to reduce methane and CO^2 emissions from effluent ponds to reduce global warming.

Our Group is committed to Corporate Social Responsibility (CSR). The Group has continued to support educational and social causes. Apart from giving financial assistance to children of our employees to complete their Form Six education, the Group also give scholarships amounting to RM8,000/year to eligible candidates to pursue approved courses at local universities.

The Group continues to provide donations to charitable organizations and worthwhile causes. Recently, our Group contributed to the China Earthquake disaster funds and the Myanmar Cyclone Disaster funds through MERCY Malaysia.

The welfare of our staff and workers are also given fair treatment through implementation of Occupational, Safety and Health Act (OSHA).

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express our sincere appreciation to the Management and staff at all levels for their continued efforts and commitment in delivering another year of exceptionally good results that have surpassed our expectation. I also wish to extend my gratitude and thanks to my fellow Directors for their wise counsel and guidance and active participation at Board deliberations.

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

CHOI SIEW HONG
Chairman

PENYATA **PENGERUSI**

Bagi pihak Lembaga Pengarah United Malacca Berhad, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Syarikat dan Kumpulan yang telah diaudit bagi tahun kewangan berakhir 30 April 2008.

PRESTASI KEWANGAN

Tahun ini merupakan tahun yang cemerlang bagi Kumpulan dengan mencatatkan peningkatan yang ketara dalam hasil dan keuntungan sebelum cukai iaitu sebanyak 71% dan 87% kepada RM222.19 juta dan RM118.11 juta berbanding RM129.65 juta dan RM63.08 juta tahun sebelumnya.

Keputusan yang baik disumbangkan oleh peningkatan harga minyak kelapa sawit (MSM) sebanyak 71% iaitu RM2,857 setan daripada RM1,669 setan tahun sebelumnya tambahan pula dengan peningkatan pengeluaran buah tandan segar (BTS) sebanyak 15%.

Di peringkat Syarikat, keuntungan sebelum cukai bagi tahun kewangan semasa berakhir 30 April 2008 meningkat 109% kepada RM167.41 juta berbanding RM80.04 juta tahun sebelumnya. Peningkatan keuntungan adalah disebabkan perolehan sebanyak RM90.82 juta melalui pelupusan 20.85% kepentingan dalam syarikat bersekutu, PacificMas Berhad yang ditawarkan pengambilalihan oleh OCBC Capital (Malaysia) Sdn Bhd pada harga RM4.30 sesaham.

Para pemegang saham telah meluluskan penjualan tersebut pada Mesyuarat Agung Luarbiasa yang telah diadakan pada 6 Mac 2008 dan balasan jualan tersebut telah diterima pada 14 April 2008.

Dengan lonjakan keuntungan yang tinggi, Kumpulan telah menetapkan pendapatan setiap unit saham bagi tahun kewangan semasa adalah 72.07 sen berbanding 38.73 sen tahun sebelumnya iaitu peningkatan sebanyak 86%.

Pada suku tahun keempat tahun kewangan semasa, Kumpulan telah menjalankan penilaian semula ke atas tanah milik bebas, bangunan dan aset-aset biologikal. Penilaian tersebut telah memberikan lebihan perolehan sebanyak RM205 juta atau RM1.53 setiap unit saham bagi meningkatkan aset bersih Kumpulan daripada RM4.91 kepada RM6.44 setiap unit saham.

DIVIDEN

Lembaga Pengarah mencadangkan dividen akhir 45 sen ditolak cukai 25% setiap unit saham untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan datang ini. Bersama-sama dengan dividen interim 10 sen setiap unit saham ditolak cukai 26% yang dibayar pada 24 Januari 2008, jumlah dividen bagi tahun kewangan semasa berakhir 30 April 2008 adalah 55 sen kasar atau 41.15 sen bersih setiap unit saham dengan jumlah keseluruhan RM55,143,058 berbanding dengan 31 sen kasar atau 22.63 sen bersih berjumlah RM30,325,332 pada tahun kewangan sebelumnya. Dividen yang dicadangkan itu akan dibayar pada 22 September 2008.

OPERASI PERLADANGAN

Pada akhir tahun kewangan 2007/2008, Kumpulan mempunyai kawasan perladangan seluas 34,107 ekar (13,803 hektar). Kawasan perladangan merangkumi 24,072 ekar (9,742 hektar) kawasan kelapa sawit matang dan 10,035 ekar (4,061 hektar) kawasan kelapa sawit yang belum matang.

Penghasilan BTS pada tahun kewangan 2007/2008 sebanyak 240,102 tan mencatatkan peningkatan sebanyak 15% daripada 208,657 tan BTS yang dituai pada tahun kewangan sebelumnya. Penghasilan sehektar sebanyak 24.13 tan sehektar setahun adalah pencapaian yang terpuji menmandangkan ia adalah 21.9% melebihi purata industri iaitu 19.80 tan sehektar setahun. Kumpulan terus mengambil peluang dari program pengembangan di Sabah semenjak 1998.

Estet Sabah dengan pokok muda yang berhasilan tinggi telah menyumbang 116,346 tan BTS atau 48.5% dari jumlah keseluruhan pengeluaran Kumpulan.

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

Dengan sukacita dimaklumkan bahawa kedua-dua kilang kelapa sawit telah berterusan menghasilkan produk MSM dan isirong sawit yang berkualiti melebihi piawai pasaran yang ditetapkan. Ini disebabkan oleh penyelenggaraan yang baik di kedua-dua kilang kelapa sawit dengan masa tidak beroperasi kurang dari 1.0% daripada jumlah masa pemprosesan berbanding paras maksimum industri iaitu 5.0%.

Jumlah keseluruhan BTS yang diproses oleh kedua-dua kilang kelapa sawit adalah sebanyak 311,490 tan, iaitu pengurangan marginal 1% berbanding 313,077 tan yang diproses pada tahun sebelumnya. Hasil BTS dari ladang-ladang UMB merangkumi 76% daripada jumlah keseluruhan BTS yang diproses. Dengan semakin banyak pokok berhasilan tinggi yang akan matang, semakin banyak BTS yang akan diproses oleh kedua-dua kilang kelapa sawit dan ini akan meninggikan lagi keupayaan kapasiti dan seterusnya mengurangkan unit kos operasi.

Kedua-dua kilang kelapa sawit telah mencatatkan pengeluaran MSM sebanyak 65,938 tan dan isirong sawit sebanyak 15,661 tan dan mencatat kadar perahan purata MSM sebanyak 21.17 % dan isirong sawit sebanyak 5.03% bagi tahun kewangan 2007/2008.

PROSPEK TAHUN SEMASA

Tahun 2007 adalah tahun yang cukup baik bagi industri kelapa sawit dan prestasi ini dijangka akan berterusan untuk tahun 2008. Beberapa faktor penyumbang kepada prestasi yang baik ini dijangka berterusan bagi mengekalkan harga MSM yang tinggi. Ini termasuklah peningkatan harga minyak mentah, kekerapan keadaan cuaca yang buruk dan tidak menentu, permintaan berlebihan untuk makanan dan biofuel serta perubahan harga komoditi yang meningkat.

Untuk tahun kewangan 2007/2008 (i.e. Mei 2007 – April 2008), harga purata MSM MPOB adalah RM2,946 setan iaitu 72% melebihi harga purata MSM MPOB bagi tahun kewangan 2006/2007 iaitu RM1,708 setan. Untuk tahun kewangan 2008/2009, harga purata MSM MPOB diramalkan berada sekitar RM3,000 setan. Setakat 1 Jun 2008, harga purata MSM MPOB adalah RM3,512.50 setan. Oleh itu, andaian boleh dibuat bahawa harga purata MSM MPOB akan melebihi RM3,000 setan boleh dicapai pada tahun 2008 and ini merupakan petunjuk yang baik kepada industri kelapa sawit.

Bermula tahun 2002, Kumpulan melaksanakan program penanaman semula yang agresif dengan menggunakan bahan penanaman yang berhasilan tinggi. Ia memberi umur profil pokok yang baik di mana 5% adalah pokok matang, 30% pokok berumur antara 4 – 7 tahun and 29% pokok belum matang. Dengan umur profil pokok yang baik, pengeluaran BTS Kumpulan akan meningkatkan dengan mendadak.

Walau bagaimanapun, mengiringi jangkaan baik untuk harga MSM, industri kelapa sawit akan menghadapi kenaikan kos harga minyak mentah yang membimbangkan, peningkatan kos baja yang amat tinggi, pengeluaran yang tidak meningkat, kos buruh yang tinggi, meningkatnya bayaran upah dan pengenalan tambahan cukai dan ses oleh pihak

Pemandangan pokok kelapa sawit yang belum matang di Sabah.

Buah Tandan Segar yang baru dituai dihantar ke Kilang Kelapa Sawit Meridian, Sabah.

Pengerusi, Pengarah dan Ketua Pegawai Eksekutif melawat Kilang Kelapa Sawit Meridian, Sabah.

kerajaan. Ses minyak masak yang diperkenalkan pada tahun 2007 hingga Jun 2008 telah menyebabkan peningkatan kos kepada industri kelapa sawit. Estat kelapa sawit dengan keluasan 40 hektar perlu menyumbang 2% bagi setiap tan BTS yang dihasilkan selagi mana harga MSM melebihi RM1,500 setan. Sebagai contoh, sekiranya harga MSM adalah RM2,460, bayaran ses minyak masak bagi sesebuah estet yang menghasilkan 200,000 tan BTS setiap tahun adalah sebanyak RM3.84 juta (i.e. RM2,460 – RM1,500 x 2% x 200,000 tan BTS).

Pada 1 Julai 2008, pihak kerajaan telah menghapuskan ses minyak masak dan diganti dengan cukai keuntungan luarbiasa iaitu 15% di Semenanjung Malaysia dan 7.5% di Sabah dan Sarawak untuk setiap tan MSM yang dihasilkan apabila harga MSM melebihi RM2,000 setan.

Pada masa ini, industri kelapa sawit juga dikenakan lain-lain bayaran levi dan ses terutamanya ses MPOB sebanyak RM11 setan, levi penstabilan harga minyak kelapa sawit MPOB sebanyak RM4 setan MSM, cukai jualan MSM Sabah dan Sarawak sebanyak 7.5% dan 5% serta cukai penilaian hartanah yang dikenakan di beberapa negeri di Semenanjung Malaysia.

Umum berpendapat bahawa levi penstabilan harga minyak kelapa sawit MPOB patut dihentikan kerana skim ini tidak perlu memandangkan harga MSM yang tinggi kini.

Tarikh 5 Jun 2008 memberi kesan tambahan kepada operasi harian Kumpulan bilamana pihak kerajaan menghapuskan subsidi minyak yang menyebabkan kenaikan mendadak dalam kos bahanapi dan seterusnya memberi impak yang signifikan kepada kos operasi harian.

Justeru itu, kos pengeluaran MSM dijangka akan meningkat antara 40% - 50%. Untuk mengatasi kos pengeluaran yang tinggi, pihak pengurusan akan meningkatkan lagi produktiviti melalui pengurusan yang berkesan dan bertanggungjawab serta mengutamakan amalan-amalan agrononik yang terbaik dan terkini secara berterusan. Kumpulan akan terus melaksanakan penggantian pokok lama dengan pokok baru yang berhasilan tinggi serta memperuntukkan kembali kawasan berbukit dan kering untuk penanaman getah. Kumpulan akan cuba meningkatkan kadar perahan minyak melebihi 23% melalui pemotongan BTS yang segar dan menghantar dengan segera ke kilang kelapa sawit untuk pemprosesan. Kumpulan akan mencari kaedah untuk mengurangkan kos penggunaan bahanapi di estet-estet dengan perancangan yang baik serta memastikan semua kenderaan dikawalselia dengan sempurna.

Dalam keadaan di mana industri kelapa sawit menyesuaikan kaedah untuk menghadapi segala cabaran, faktor luaran seperti kumpulan alam sekitar sedang mengancam industri ini. Pertubuhan Bukan Kerajaan yang berpengaruh telah mendesak para pengguna supaya tidak menggunakan barangan keperluan rumah yang mengandungi minyak kelapa sawit dan tidak menggunakan minyak kelapa sawit sebagai biofuel kerana ia akan memusnahkan hutan dan hidupan liar. Propaganda ini tidak boleh dipandang ringan oleh pihak yang terlibat dengan industri kelapa sawit. Kumpulan ingin mengingatkan pihak luar seperti Negara Eropah and Amerika Utara bahawasanya tidak terdapat penebangan atau pembersihan hutan asal untuk penanaman kelapa sawit di Malaysia. Sebaliknya, Kumpulan menanam kelapa sawit di kawasan hutan yang telah dibersihkan melalui aktiviti pembalakan dan seterusnya memperbaiki keadaan alam sekitar.

Kerajaan Malaysia perlu menentang kempen tersebut secara berkesan supaya permintaan terhadap kelapa sawit tidak terjejas pada masa akan datang. Pada masa yang sama, mereka yang terlibat dalam industri kelapa sawit perlu memainkan peranan bagi memastikan segala kriteria dan prinsip dalam penghasilan kelapa sawit secara berkekalan untuk menjamin dan memelihara alam sekitar, hidupan liar dan aspek sosial.

Berkaitan perkara tersebut, Kumpulan akan meneruskan pembakaran sifar dan memastikan bahan sisa effluen dari kilang kelapa sawit tidak mencemarkan sungai dan aliran air yang berhampiran. Kumpulan akan sentiasa memperbaiki amalan-amalan pertanian dan agronomik melalui pembinaan laluan teres, menanam “leguminous”, mengelak hakisan tanah dan membersih laluan air.

Kumpulan juga sedang mencari kaedah terbaik untuk mengurangkan perlepasan “methane” dan karbon dioksida dari kawasan kumbahan effluent bagi mengurangkan pemanasan global.

Kumpulan sangat komited kepada Tanggungjawab Korporat Sosial. Melalui ini, Kumpulan terus menyokong kepentingan pelajaran dan aspek sosial. Selain dari menyumbang bantuan kewangan kepada anak kakitangan Syarikat bagi meneruskan pembelajaran di Tingkatan 6, Kumpulan juga menawarkan biasiswa sebanyak RM8,000 setahun kepada calon-calon yang berkelayakan untuk menyambung pelajaran bagi kursus yang diluluskan di universiti tempatan.

Kumpulan juga menyampaikan sumbangan kepada badan-badan kebajikan yang terpilih. Baru-baru ini, Kumpulan telah menyumbang kepada Tabung Malapetaka Gempabumi di China dan Tabung Taufan Nargis di Myammar melalui MERCY Malaysia. Kebajikan para pekerja Syarikat juga terpelihara dengan perlaksanaan Akta Pekerjaan. Keselamatan dan Kesihatan (OSHA).

PENGHARGAAN

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

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

CHOI SIEW HONG
Pengerusi

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 intiatives undertaken by United Malacca Berhad Group in 2007/2008 are as follow:-

At the workplace, training programmes to upgrade employees' skills and competency were conducted. In addition, talks on health awareness, medical insurance benefits, financial planning were organized for the employees. The Group also provides its employees and families in our estates with quality facilities and amenities to live and work comfortably.

Training employees on Occupational, Safety and Health matters.

Making sure the workers are properly protected when spraying herbicides.

Talks conducted by MPOB on FFB ripeness standards.

Comfortable living quarters for employees.

Employees enjoying a tasty meals at Meridian Palm Oil Mill's Annual Gathering.

Recreation facilities at the Meridian Palm Oil Mill's lake.

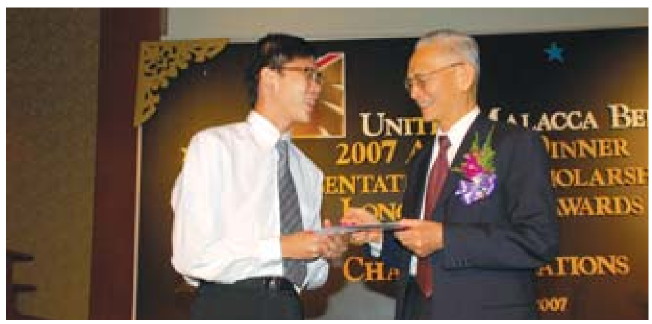
The Group is aware of the importance of conserving and preserving our natural environment. The Group's business responsibility, while geared towards increasing profitability, is also to implement good agricultural practices in an endeavour to protect the enviroment and adhere to the national environmental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

Group supports Educational and Social Causes.

Chairman presenting a donation to the China Earthquake Disaster Fund and the Myanmar Cyclone Disaster Fund through MERCY Malaysia.

Chairman donating to Yu Ying Primary School which operates classes for special children.

Chief Executive Officer presenting the 25 years' Long Service Award.



Chairman presenting scholarship award to eligible and deserving university student.

Lucky draw winner at the Company Annual Dinner.

Employees' family outing at Bukit Tinggi, Pahang.

FIVE YEARS' FINANCIAL STATISTICS

	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
REVENUE					
Oil palm products	**214,367**	125,408	110,337	96,155	30,953
Rubber	**-**	-	-	-	473
Fruits orchard	**-**	-	1	2	5
Plantation	**214,367**	125,408	110,338	96,157	31,431
Investment holding	**7,819**	4,237	3,669	3,856	6,055
	222,186	129,645	114,007	100,013	37,486
GROUP PROFIT					
Oil palm products	**109,647**	44,721	26,204	26,603	10,887
Rubber	**-**	-	-	-	53
Other activities	**-**	-	-	-	1,983
	109,647	44,721	26,204	26,603	12,923
Amortisation of goodwill on consolidation	**-**	-	(1,049)	(1,049)	(262)
Replanting expenses	**(4,449)**	(6,050)	(6,785)	(5,324)	(4,204)
Profit from plantation activities	**105,198**	38,671	18,370	20,230	8,457
Deficit on disposal of an associate	**(8,173)**	-	-	-	-
Investment income	**7,507**	12,183	2,163	1,190	2,848
Interest income	**5,841**	2,716	2,251	2,426	4,851
Operating profit	**110,373**	53,570	22,784	23,846	16,156
Share of profit of associates	**7,738**	9,506	6,634	5,761	7,264
Profit before tax	**118,111**	63,076	29,418	29,607	23,420
Income tax expense	**(21,534)**	(11,173)	(5,323)	3,614*	(4,400)
Profit after tax	**96,577**	51,903	24,095	33,221	19,020

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

	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
ASSETS					
Property, plant and equipment	**159,458**	103,009#	93,067#	87,529#	83,887#
Biological assets	**272,200**	78,152	72,723	64,044	53,946
Prepaid land lease payments	**89,962**	91,379#	92,372#	93,295#	93,530#
Development expenditure	**1,295**	1,264	1,264	1,264	1,264
Interest in associates	**16,874**	166,629	198,891	196,605	194,773
Other investments	**15,962**	15,447	5,902	7,500	7,500
Goodwill on consolidation	**18,628**	18,628	18,628	19,677	20,726
Deferred tax assets	**-**	-	5,710	8,595	-
Current assets	**379,198**	158,788	103,987	105,130	107,008
Non-current asset held for sale	**113**	-	-	-	-
Total assets	**953,690**	633,296	592,544	583,639	562,634
EQUITY AND LIABILITIES					
Equity attributable to equity holders					
Issued and paid-up capital	**134,005**	134,005	134,005	134,005	134,005
Capital reserves	**244,212**	48,832	48,346	48,501	48,715
Revenue reserves	**485,208**	412,886	373,559	362,173	341,602
Total equity	**863,425**	595,723	555,910	544,679	524,322
Liabilities					
Deferred tax	**68,224**	21,536	23,118	23,352	23,717
Retirement benefit obligations	**-**	-	-	948	800
Current liabilities	**22,041**	16,037	13,516	14,660	13,795
Total liabilities	**90,265**	37,573	36,634	38,960	38,312
Total equity and liabilities	**953,690**	633,296	592,544	583,639	562,634
PER STOCK UNIT STATISTICS					
Earnings - net (sen)	**72.1**	38.7	18.0	24.8*	14.2
Dividend - gross (sen)	**55.0**	31.0	13.0	11.0	10.0
Dividend - net of tax (sen)	**41.2**	22.6	9.4	9.6	8.9
Dividend cover (number of times)	**1.8**	1.7	1.9	2.6	1.6
Net assets (RM)	**6.4**	4.4	4.1	4.1	3.9

Comparative figures for the prior financial years have been restated due to the adoption of a revised FRS.

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

GROUP TITLED AREA STATEMENT

AS AT 30 APRIL 2008

	HECTARAGE	%
OIL PALM		
Mature		
4 to 7 years	4,122	30
8 to 20 years	4,586	33
21 to 25 years	413	3
> 26 years	621	5
	9,742	71
Immature		
< 4 years	4,061	29
TOTAL OIL PALM PLANTED AREA	13,803	100
Development in progress	10	
Reserve land, building sites, etc	211	
TOTAL GROUP TITLED AREA	**14,024**	

FIVE YEARS' **PLANTATION STATISTICS**

	2008	2007	2006	2005	2004
ESTATES					
OIL PALM					
FFB production (tonne)	**240,102**	208,657	172,707	169,395	79,854
Yield per weighted average mature hectare (tonne)	**24.13**	23.06	21.06	21.02	21.00
RUBBER					
Production (tonne)	**-**	-	-	-	129
Yield per mature hectare (kg)	**-**	-	-	-	827
MILLS					
FFB processed (tonne)	**311,490**	313,077	316,534	260,252	30,414*
Production					
-Crude palm oil (tonne)	**65,938**	65,639	65,628	52,414	5,937*
-Palm kernel (tonne)	**15,661**	16,106	17,434	14,899	1,689*
Oil extraction rate (%)	**21.17**	20.97	20.73	20.14	19.52
Kernel extraction rate (%)	**5.03**	5.14	5.51	5.72	5.55

* 3 months production only.

AUDIT COMMITTEE REPORT

1. Introduction

In accordance with Paragraph 15.16 of the Bursa Malaysia Securities Berhad's Listing Requirement, the Board of Directors of United Malacca Berhad is pleased to present the Audit Committee Report for the financial year ended 30 April 2008.

2. Composition

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

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

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

Datuk Fong Weng Phak
(Independent Non - Executive Director)

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

(ii) The Chairman of the Audit Committee shall be elected from among their members who shall be an Independent Non - Executive Director.

(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 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 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.

3. Objectives

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

5. Functions

The functions of the Audit Committee shall be:

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

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

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

(iv) To recommend for approval of the Board of Directors the appointment and dismissal of the External Auditors and the audit fees.

(v) 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.

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

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

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

6. Meetings

The Audit Committee met on four (4) occasions during the FY 2007 / 2008 and the attendance of each member of the Audit Committee is as follows:

Directors	**No Of Meetings Attended During Director's Tenure In Office**
Tan Sri Dato' Ahmad bin Mohd Don	4 out of 4 meetings
Ms Tan Siok Choo	2 out of 4 meetings
Datuk Fong Weng Phak	4 out of 4 meetings

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

(i) Quorum

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

(ii) Attendance At Meeting

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

7. Summary of Activities

Activities undertaken by the Audit Committee during FY 2007 / 2008 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 Annual Audit Plan for FY 2007 / 2008 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 2007 / 2008.

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

7. Summary of Activities (cont'd)

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

(viii) Reviewing and recommending for Board 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.

8. Internal Audit

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

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

The Group has in place an Internal Audit Department headed by a Manager and supported by two (2) Executives. The Manager and one (1) of the Executive is a registered member of The Institute of Internal Auditors Malaysia. The Internal Audit Department is responsible for the overall internal audit function of the Group, and reports directly to the Audit Committee to ensure its independence status within the Group.

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 2007 / 2008, Internal Audit Department had undertaken the following activities in accordance with the approved Annual 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.

(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 Control for disclosure in the Group's Annual Report.

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

This report is made in accordance with a resolution of the Board of Directors passed on 25 June 2008.

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

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

The Board of Directors is pleased to report to the Stockholders the manner in which the Company has applied the Principles of the Code and complied with the Best Practices of the Code throughout the financial year ended 30 April 2008.

1. BOARD OF DIRECTORS

1.1 Board Responsibilities

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

1.2 Board Composition

The Board currently has six Directors and is annually reviewed by the Nomination Committee. The Board comprises the Chairman who is the Executive Director and five Non-Executive Directors four of whom are independent. The Board composition complies with the requirements of the Code and paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad. The Board is satisfied that its current size and composition is effective for the proper functioning of the Board.

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

The Directors of the Company are professionals from diverse backgrounds with experience in plantation, financial, corporate, economic, legal and accounting matters, enabling them to bring broad perspective and depth in the Board's decision making.

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

The presence of Independent Non-Executive Directors who form a majority of the Board provide a broader view and independent judgement to the decision making of the Board and Board Committees. The Board is thus ensured of a balanced and independent view at all Board deliberations. Datuk Fong Weng Phak, is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

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

1. BOARD OF DIRECTORS (cont'd)

1.3 Board Meetings

All Board meetings for the year are scheduled in advance at the beginning of each calendar year to enable Directors to fit the year's meetings into their own schedule. During the financial year, the Board had held seven Meetings and the details of attendance are disclosed in page 3 of this Annual Report. All the Directors have complied with the minimum 50% attendance as required by Paragraph 15.05 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

1.4 Supply of Information

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

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

1.5 Board Committees

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

1.6 Appointments to the Board

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

The Nomination Committee comprises two Independent Non-Executive Directors and one Non-Executive Director. The Committee meets annually to review the Board structure, size and composition and the mix of skills and core competencies required for the Board to discharge its duties effectively. An assessment of the effectiveness of the Board as a whole as well as the annual performance of the Chief Executive Officer is also carried out annually by the Committee.

1. BOARD OF DIRECTORS (cont'd)

1.6 Appointments to the Board (cont'd)

The Nomination Committee comprises the following Directors:-

Chairman	Tan Sri Dato' Ahmad Bin Mohd Don *Independent Non-Executive Director*
Members	Datuk Fong Weng Phak *Independent Non-Executive Director*
	Mr Choi Siew Hong *Executive Director* (Resigned as member on 25-6-2008)
	Ms. Tan Siok Choo *Non-Executive Director* (Appointed as member on 25-6-2008)

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

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

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

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

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

1.8 Directors' Training

Board members have attended training courses and seminars under the Continuous Education Programmes as required by Bursa Malaysia and continued to attend other education programmers and seminars to keep abreast with development in the plantation industry and in the Malaysian economy. During the year, the Directors have visited the Meridian Estates and Palm Oil Mill in Sabah to view their operations. Directors also received regular briefings by Ernst & Young on updates in financial reporting and new accounting standards affecting the Group. The Board is kept informed on new developments affecting the plantation industry by one of its Board members who also sits on the Council of the Malaysian Palm Oil Association.

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

2. DIRECTOR'S REMUNERATION

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

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

Remuneration Committee comprises the following Directors: -

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

On the recommendation of the Remuneration Committee, the Board is proposing an increase in Directors' fees for the Directors of the Company from RM136,667 to RM210,000 for the financial year ended 30 April 2008 for the approval of the Company's stockholders at the forthcoming Annual General Meeting. The increase in Directors' fees reflects the increased responsibilities and involvement of the Directors following the recent expansion of the Group.

The remuneration of the Directors for the financial year ended 30 April 2008 categorised into appropriate components and the number of Directors whose remuneration falls into each band of RM50,000 are set out in pages 61 and 62 of this Annual Report.

3. SHAREHOLDERS

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

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

4. ACCOUNTABILITY AND AUDIT

Financial Reporting

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

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

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

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

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

Internal Control

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

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

The Statement on Internal Control as set out in pages 34 to 36 in this Annual Report provides an overview of the state of internal controls within the Group.

Relationship with Auditors

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

A summary of the activities of the Audit Committee during the year, including evaluation of the independent audit process, is set out in the Audit Committee Report on pages 24 to 27 of this Annual Report.

This Statement is made in accordance with the resolution of the Board of Directors passed on 25 June 2008.

OTHER INFORMATION

PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITES BERHAD

1. Utilisation of Proceeds

There were no issuance of new stock units, rights issue or issuance of bonds carried out during the year ended 30 April 2008 to raise any cash proceeds. However, the Company received a cash consideration of RM153,302,998 from disposal of an associate, PacificMas Berhad ("Disposal") on 14 April 2008. The Company intends to utilise the proceeds from the Disposal for the capital expenditure for the development of the oil palm plantations pursuant to the Proposed Joint Venture ("JV") in Indonesia and/or for future investments.

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 2008.

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 2008.

5. Sanctions and/or Penalties

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

6. Non-Audit Fees

During the financial period under review, the Group's non-audit fees paid or payable to the external auditors amounted to RM91,900 (please refer to page 60).

7. Variation in Results

There is no material variance between the results for the financial year ended 30 April 2008 and the unaudited results previously announced by the Company.

8. Profit Guarantee

The Company did not issue any profit forecast or profit guarantee for the financial year ended 30 April 2008.

9. Revaluation Policy

Previously, the Company had not adopted a policy on regular revaluations on landed properties. However, revaluations are now performed with sufficient regularity to ensure that the fair value of landed properties does not differ materially from that which would be determined using fair value at the balance sheet date.

10. Material Contracts Involving Directors and Major Stockholders

There is no material contract involving the Company and its subsidiaries with directors and major stockholders of the Company either still subsisting at the end of the financial year ended 30 April 2008 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 15.27 (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 2008.

2. Board Responsibility

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

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

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

3. Key Elements of Internal Control Systems

3.1 Risk Management Framework

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

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

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

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

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

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

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 annual internal audit plan approved by the Audit Committee.

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

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

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

4. Other Key Elements of Internal Control Systems

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

(i) Organisational Structure

The Group has a well-defined organisational structure with clear line of responsibilities and accountability. In view of the enlarged operations and increasing regulatory requirements and to further enhance the effectiveness and efficiency of the operations of the Group, the Board has on 14 April 2008 commissioned a professional firm to carry out a review of the organisational structure of the Group and recommend appropriate adjustments and improvements where necessary.

(ii) Control Procedures

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

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

a. Authorisation Levels and Approval Limits

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

b. Budgeting

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

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

(ii) Control Procedures (cont'd)

c. Tender Committee

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

(iii) Performance Review and Reporting

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

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

(iv) Investment Appraisal

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

(v) Estate Visits

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

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

5. Conclusion

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

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

This statement is made in accordance with the resolution of the Board of Directors passed 25 June 2008.

Financial Statements

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 2008.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	96,577	149,035

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the disposal of an associate which has resulted in a decrease in the Group's profit for the year by RM8,173,000 and an increase in the Company's profit for the year by RM90,816,000 respectively.

DIVIDENDS

The amounts of dividends paid or declared by the Company since 30 April 2007 were as follows:

	RM'000
In respect of the financial year ended 30 April 2007 as reported in the directors' report of that year:	
Final dividend and special dividend of 10% and 15% respectively, less 27% taxation, on 134,005,001 ordinary shares, declared on 11 September 2007 and paid on 1 October 2007	24,456
In respect of the financial year ended 30 April 2008:	
Interim dividend of 10% less 26% taxation, on 134,005,001 ordinary shares, declared on 17 December 2007 and paid on 24 January 2008	9,916

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 April 2008, of 45% less 25% taxation on 134,005,001 ordinary shares, amounting to a dividend payable of RM45,226,688 (33.75 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2009.

DIRECTORS

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

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

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

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

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			
	1.5.2007	**Acquired**	**Sold**	**30.4.2008**
Company				
Direct Interest:				
Choi Siew Hong	225,937	-	-	225,937
Tan Siok Choo	378,354	-	-	378,354
Boon Weng Siew	11,250	-	-	11,250
Tan Jiew Hoe	114,750	-	-	114,750
Indirect Interest:				
Choi Siew Hong	10,000	-	-	10,000
Tan Siok Choo	6,990,133	-	-	6,990,133
Tan Jiew Hoe	1,662,348	-	-	1,662,348

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

OTHER STATUTORY INFORMATION

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

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

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

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

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

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

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

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

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

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

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

(f) In the opinion of the directors:

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

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

SIGNIFICANT AND SUBSEQUENT EVENTS

Details of significant and subsequent events are disclosed in Note 33 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 25 June 2008.

Choi Siew Hong **Fong Weng Phak**

STATEMENT BY DIRECTORS

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

We, Choi Siew Hong and Fong Weng Phak, being two of the directors of United Malacca Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 43 to 88 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2008.

Choi Siew Hong **Fong Weng Phak**

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lai Swee Kee, being the Group Financial Controller primarily responsible for the financial management of United Malacca Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 43 to 88 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 25 June 2008.) **Lai Swee Kee**

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

REPORT OF THE AUDITORS

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

We have audited the financial statements set out on pages 43 to 88. These financial statements are the responsibility of the Company's directors.

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

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

In our opinion:

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

  (i) the financial position of the Group and of the Company as at 30 April 2008 and of the results and the cash flows of the Group and of the Company for the year then ended; and

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

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

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

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

Ernst & Young
AF: 0039
Chartered Accountants

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

Kuala Lumpur, Malaysia
25 June 2008

INCOME STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Revenue	3	**222,186**	129,645	**86,210**	78,886
Cost of sales	4	**(96,034)**	(74,848)	**(9,221)**	(5,570)
Gross profit		**126,152**	54,797	**76,989**	73,316
Other income		**7,081**	11,228	**3,447**	10,975
(Deficit)/surplus on disposal of an associate		**(8,173)**	-	**90,816**	-
Administrative expenses		**(5,400)**	(3,723)	**(2,200)**	(1,113)
Selling and distribution expenses		**(2,549)**	(2,427)	**(689)**	(565)
Other expenses		**(2,289)**	(255)	**(53)**	(100)
Replanting expenses		**(4,449)**	(6,050)	**(902)**	(2,475)
Operating profit		**110,373**	53,570	**167,408**	80,038
Share of profit of associates		**7,738**	9,506	**-**	-
Profit before tax	5	**118,111**	63,076	**167,408**	80,038
Income tax expense	8	**(21,534)**	(11,173)	**(18,373)**	(18,481)
Profit for the year		**96,577**	51,903	**149,035**	61,557
Basic earnings per share (sen)	9(a)	**72.1**	38.7		

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

BALANCE SHEETS

AS AT 30 APRIL 2008

	Note	Group 2008 RM'000	Group 2007 RM'000 (restated)	Company 2008 RM'000	Company 2007 RM'000 (restated)
ASSETS					
Non-current assets					
Property, plant and equipment	11	**159,458**	103,009	**79,488**	42,083
Biological assets	12	**272,200**	78,152	**45,935**	-
Prepaid land lease payments	13	**89,962**	91,379	**6,479**	6,712
Development expenditure	14	**1,295**	1,264	**-**	-
Investment in subsidiaries	15	**-**	-	**158,911**	158,911
Interest in associates	16	**16,874**	166,629	**15,663**	72,699
Other investments	17	**15,962**	15,447	**15,962**	15,447
Goodwill on consolidation	18	**18,628**	18,628	**-**	-
		574,379	474,508	**322,438**	295,852
Current assets					
Inventories	19	**16,047**	5,351	**244**	218
Trade and other receivables	20	**18,141**	12,036	**11,629**	47,006
Marketable securities	21	**4,433**	8,986	**4,433**	8,986
Cash and bank balances	22	**340,577**	132,415	**316,325**	103,445
		379,198	158,788	**332,631**	159,655
Non-current asset held for sale	23	**113**	-	**113**	-
		379,311	158,788	**332,744**	159,655
TOTAL ASSETS		**953,690**	633,296	**655,182**	455,507
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	24	**134,005**	134,005	**134,005**	134,005
Share premium		**6,346**	6,346	**6,346**	6,346
Revaluation reserve		**237,866**	42,486	**116,187**	47,103
Retained earnings	25	**485,208**	412,886	**386,726**	261,996
Total equity		**863,425**	595,723	**643,264**	449,450
Non-current liability					
Deferred tax	26	**68,224**	21,536	**5,518**	1,140
Current liabilities					
Trade and other payables	27	**16,751**	14,468	**4,340**	3,967
Current tax payable		**5,290**	1,569	**2,060**	950
		22,041	16,037	**6,400**	4,917
Total liabilities		**90,265**	37,573	**11,918**	6,057
TOTAL EQUITY AND LIABILITIES		**953,690**	633,296	**655,182**	455,507

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2008

		<- Non distributable	->	Distributable	
	Share capital (Note 24) RM'000	Share premium RM'000	Revaluation reserve RM'000	Retained earnings (Note 25) RM'000	Total RM'000
At 1 May 2006	134,005	6,346	41,129	374,430	555,910
Realisation of revaluation reserve upon depreciation	-	-	(136)	136	-
Realisation of revaluation reserve upon property, plant and equipment written off	-	-	(5)	5	-
Reversal of revaluation reserve upon abolishment of Real Property Gain Tax ("RPGT") (Note 26)	-	-	1,498	-	1,498
Net income recognised directly in equity	-	-	1,357	141	1,498
Profit for the year	-	-	-	51,903	51,903
Total recognised income and expense for the year	-	-	1,357	52,044	53,401
Dividends (Note 10)	-	-	-	(13,588)	(13,588)
At 30 April 2007	134,005	6,346	42,486	412,886	595,723
At 1 May 2007	134,005	6,346	42,486	412,886	595,723
Revaluation increase of property, plant and equipment, net of deferred tax	-	-	45,038	-	45,038
Revaluation increase of biological assets, net of deferred tax	-	-	160,459	-	160,459
Realisation of revaluation reserve upon depreciation	-	-	(123)	123	-
Realisation of revaluation reserve upon disposal of property, plant and equipment	-	-	(24)	24	-
Realisation of revaluation reserve upon disposal of an associate	-	-	(9,970)	9,970	-
Net income recognised directly in equity	-	-	195,380	10,117	205,497
Profit for the year	-	-	-	96,577	96,577
Total recognised income and expense for the year	-	-	195,380	106,694	302,074
Dividends (Note 10)	-	-	-	(34,372)	(34,372)
At 30 April 2008	134,005	6,346	237,866	485,208	863,425

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2008

	Share capital (Note 24) RM'000	<- Non distributable -> Share premium RM'000	Revaluation reserve RM'000	Distributable Retained earnings (Note 25) RM'000	Total RM'000
At 1 May 2006	134,005	6,346	46,349	213,886	400,586
Realisation of revaluation reserve upon depreciation	-	-	(136)	136	-
Realisation of revaluation reserve upon property, plant and equipment written off	-	-	(5)	5	-
Reversal of revaluation reserve upon abolishment of RPGT (Note 26)	-	-	895	-	895
Net income recognised directly in equity	-	-	754	141	895
Profit for the year	-	-	-	61,557	61,557
Total recognised income and expense for the year	-	-	754	61,698	62,452
Dividends (Note 10)	-	-	-	(13,588)	(13,588)
At 30 April 2007	134,005	6,346	47,103	261,996	449,450
At 1 May 2007	134,005	6,346	47,103	261,996	449,450
Revaluation increase of property, plant and equipment, net of deferred tax	-	-	37,724	-	37,724
Revaluation increase of biological assets, net of deferred tax	-	-	41,427	-	41,427
Realisation of revaluation reserve upon depreciation	-	-	(85)	85	-
Realisation of revaluation reserve upon disposal of property, plant and equipment	-	-	(12)	12	-
Realisation of revaluation reserve upon disposal of an associate	-	-	(9,970)	9,970	-
Net income recognised directly in equity	-	-	69,084	10,067	79,151
Profit for the year	-	-	-	149,035	149,035
Total recognised income and expense for the year	-	-	69,084	159,102	228,186
Dividends (Note 10)	-	-	-	(34,372)	(34,372)
At 30 April 2008	134,005	6,346	116,187	386,726	643,264

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2008

	Note	Group 2008 RM'000	Group 2007 RM'000 (restated)	Company 2008 RM'000	Company 2007 RM'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**118,111**	63,076	**167,408**	80,038
Adjustments for:					
Amortisation of prepaid land lease payments	5	**1,432**	1,412	**233**	252
Deficit/(surplus) on disposal of an associate		**8,173**	-	**(90,816)**	-
Depreciation of property, plant and equipment	5	**4,164**	3,310	**666**	351
Gain on disposal of marketable securities	5	**(681)**	(1,632)	**(681)**	(1,632)
Gain on disposal of other investments	5	**-**	(7,609)	**-**	(7,609)
Gain on disposal of property, plant and equipment	5	**(301)**	(68)	**(233)**	(58)
Property, plant and equipment written off	5	**92**	176	**8**	27
Provision for doubtful debts	5	**2,146**	-	**-**	-
Reversal of provision for diminution in value of investment in an associate	5	**(4,883)**	(1,500)	**(1,500)**	(1,500)
Dividend income	3	**(1,978)**	(1,521)	**(48,379)**	(60,456)
Interest income	3	**(5,841)**	(2,716)	**(4,907)**	(2,085)
Share of profit of associates		**(7,738)**	(9,506)	**-**	-
Operating profit before working capital changes		**112,696**	43,422	**21,799**	7,328
(Increase)/decrease in inventories		**(10,696)**	(967)	**(26)**	123
(Increase)/decrease in receivables		**(7,475)**	(213)	**(643)**	1,645
Increase in payables		**2,283**	1,032	**373**	532
Cash generated from operations		**96,808**	43,274	**21,503**	9,628
Dividend received from subsidiaries		**-**	-	**29,359**	-
Dividend received from associates		**4,851**	43,268	**4,851**	43,268
Dividend received from other investments		**1,224**	1,235	**1,224**	1,235
Interest received		**4,855**	2,445	**4,069**	1,848
Taxes paid		**(12,150)**	(3,326)	**(5,068)**	(1,420)
Taxes refunded		**-**	481	**-**	-
Net cash generated from operating activities		**95,588**	87,377	**55,938**	54,559

	Note	Group 2008 RM'000	Group 2007 RM'000 (restated)	Company 2008 RM'000	Company 2007 RM'000 (restated)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of biological assets		**(3,334)**	(4,959)	**-**	-
Additions of development expenditure		**(31)**	-	**-**	-
Additions of prepaid land lease payments		**(120)**	(555)	**-**	-
Net proceeds from disposal of an associate		**152,727**	-	**152,727**	-
Proceeds from disposal of marketable securities		**11,716**	17,059	**11,716**	17,059
Proceeds from disposal of other investments		**-**	8,064	**-**	8,064
Proceeds from disposal of property, plant and equipment		**335**	201	**254**	192
Purchase of marketable securities		**(6,378)**	(17,150)	**(6,378)**	(17,150)
Purchase of other investment		**-**	(10,000)	**-**	(10,000)
Purchase of property, plant and equipment		**(4,594)**	(13,895)	**(388)**	(8,607)
Repayment of advances due from subsidiaries		**-**	-	**36,758**	7,367
Subscription of convertible redeemable loan stock of an associate		**(3,375)**	-	**(3,375)**	-
Net cash generated from/(used in) investing activities		**146,946**	(21,235)	**191,314**	(3,075)
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid		**(34,372)**	(13,588)	**(34,372)**	(13,588)
Net cash used in financing activity		**(34,372)**	(13,588)	**(34,372)**	(13,588)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**208,162**	52,554	**212,880**	37,896
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**132,415**	79,861	**103,445**	65,549
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	**340,577**	132,415	**316,325**	103,445

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

1. CORPORATE INFORMATION

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 June 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are described fully in Note 2.3.

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

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

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Basis of Consolidation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

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

(ii) Basis of Consolidation (cont'd)

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

(b) Associates

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

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

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

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

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

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

In the Company's financial statements, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(c) Goodwill

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

(d) Property, Plant and Equipment, and Depreciation

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

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

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

Buildings	2% - 5%
Plant and machinery	5% - 10%
Office equipment, furniture and fittings	5% - 25%
Motor vehicles, tractors, trailers and boats	10% - 20%

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

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

(e) Biological Assets

Biological assets represent new planting expenditure on oil palms, which consist of cost of land clearing, upkeep of trees to maturity and attributable depreciation charge 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.

Previously, biological assets were stated at cost and not amortised. During the current financial year, biological assets were revalued by an independent professional valuer based on existing use basis. The revaluation surplus arising is credited to the revaluation reserve included within equity.

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

(f) Replanting Expenditure

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

(g) Leases

(i) Classification

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(g) Leases (cont'd)

(ii) Operating leases - the Group as Lessee

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

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

(h) Development Expenditure

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

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

(i) Impairment of Non-financial Assets

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

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

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

(j) Inventories

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

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

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

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

(k) Non-current Assets Held for Sale

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

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

(l) Financial Instruments

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

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

(i) Other Non-current Investments

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(l) Financial Instruments (cont'd)

(ii) Marketable Securities

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

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

(iii) Trade Receivables

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

(iv) Cash and Cash Equivalents

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

(v) Equity Instruments

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

(vi) Trade Payables

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

(m) Income Tax

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

(n) Revenue Recognition

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

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

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

(ii) Dividend Income

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

(iii) Interest Income

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

(iv) Rental Income

Rental income is recognised on an accrual basis.

(o) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

(p) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

The significant accounting policies adopted by the Group and the Company are consistent with those applied in the audited financial statements for the financial year ended 30 April 2007, except for the following revised FRSs that are mandatory for the financial periods beginning on or after 1 October 2006:

FRS 117	Leases
FRS 124	Related Party Disclosures

The Malaysian Accounting Standards Board ("MASB") has also issued FRS 6: Exploration for and Evaluation of Mineral Resources and Amendment to FRS 119_{2004}: Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures which will be effective for financial periods beginning on or after 1 January 2007. These FRS and amendment to FRS are, however, not applicable to the Group and the Company.

The adoption of the revised FRS 124 gives rise to additional disclosures but did not result in significant changes in accounting policies of the Group and of the Company. The principal changes in accounting policies and their effects resulting from the adoption of the revised FRS 117 are discussed below:

Leasehold land held for own use

Prior to 1 May 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost/valuation less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land elements and buildings elements of a lease are to be classified separately. Leasehold land held for own used is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payments represent prepaid land lease payments and are amortised on a straight-line basis over the lease term.

The Group and the Company have applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 May 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the transitional provisions. The effects on the balance sheets as at 30 April 2008 are set out below:

	RM'000
Consolidated balance sheet	
Decrease in property, plant and equipment	(89,962)
Increase in prepaid land lease payments	89,962
Company balance sheet	
Decrease in property, plant and equipment	(6,479)
Increase in prepaid land lease payments	6,479

There were no effects on the income statements for the financial year ended 30 April 2008.

The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and as such, certain comparatives have been restated.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Leasehold land held for own use (cont'd)

	Previously stated RM'000	Effects of FRS 117 RM'000	Restated RM'000
Consolidated balance sheet as at 30 April 2007			
Property, plant and equipment	194,388	(91,379)	103,009
Prepaid land lease payments	-	91,379	91,379
Company balance sheet as at 30 April 2007			
Property, plant and equipment	48,795	(6,712)	42,083
Prepaid land lease payments	-	6,712	6,712

In addition, the Group and the Company have early adopted the following new and revised FRSs, which will be effective for the financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The above new and revised FRSs have no significant impact on the financial statements of the Group and of the Company.

The other revised FRS, amendment to FRS and Interpretations of the Issues Committee ("IC") issued by the MASB which will be effective for the financial periods beginning on or after 1 July 2007 are as follows:

FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net investment in a Foreign Operation
IC Interpretation 1	Change in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

These revised FRS, amendment to FRS and Interpretations of the Issues Committee are not applicable to the Group and the Company.

The Group and the Company have not early adopted the deferred FRS 139: Financial Instruments: Recognition and Measurement and the Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Significant Accounting Estimates and Judgements

(a) Critical Judgement Made in Applying Accounting Policies

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

Classification between investment property and property, plant and equipment

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

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

(b) Key Sources of Estimation Uncertainty

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 30 April 2008 was RM18,628,000 (2007: RM18,628,000). Further details are disclosed in Note 18.

(ii) Depreciation of property, plant and equipment

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

(iii) Deferred tax assets

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

(iv) Income tax

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

3. REVENUE

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Sale of oil palm products	**214,367**	125,408	**32,924**	16,345
Dividend income from subsidiaries	**-**	-	**40,217**	-
Dividend income from associates	**-**	-	**6,184**	58,935
Dividend income from other investments	**1,978**	1,521	**1,978**	1,521
Interest income	**5,841**	2,716	**4,907**	2,085
	222,186	129,645	**86,210**	78,886

4. COST OF SALES

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

5. PROFIT BEFORE TAX

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Employee benefits expense (Note 6)	**18,903**	16,853	**4,405**	3,120
Non-executive directors' remuneration (Note 7)	**199**	157	**199**	152
Auditors' remuneration:				
- Statutory audits	**98**	84	**40**	33
- Other services	**92**	70	**73**	53
Additional compensation received from compulsory land acquisition	**(854)**	-	**(854)**	-
Amortisation of prepaid land lease payments	**1,432**	1,412	**233**	252
Depreciation of property, plant and equipment	**4,164**	3,310	**666**	351
Gain on disposal of marketable securities	**(681)**	(1,632)	**(681)**	(1,632)
Gain on disposal of other investments	**-**	(7,609)	**-**	(7,609)
Gain on disposal of property, plant and equipment	**(301)**	(68)	**(233)**	(58)
Loss on foreign exchange	**7**	1	**7**	1
Property, plant and equipment written off	**92**	176	**8**	27
Provision for doubtful debts	**2,146**	-	**-**	-
Rental income	**(392)**	(64)	**(370)**	(42)
Reversal of provision for diminution in value of investment in an associate	**(4,883)**	(1,500)	**(1,500)**	(1,500)

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Wages and salaries	**17,186**	15,237	**3,887**	2,760
Employees Provident Fund	**1,021**	1,065	**227**	208
Social security costs	**107**	103	**29**	25
Other staff related expenses	**589**	448	**262**	127
	18,903	16,853	**4,405**	3,120

Included in employee benefits expense of the Group and of the Company is executive director's remuneration amounting to RM211,000 (2007: RM191,000) and RM211,000 (2007: RM188,000) respectively as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Executive director's remuneration (Note 6):				
Fees	**60**	43	**60**	40
Other emoluments	**151**	148	**151**	148
	211	191	**211**	188
Non-executive directors' remuneration (Note 5):				
Fees	**150**	105	**150**	100
Other emoluments	**49**	52	**49**	52
	199	157	**199**	152
Total directors' remuneration (Note 30(c))	**410**	348	**410**	340
Estimated money value of benefits-in-kind	**24**	17	**24**	17
Total directors' remuneration including benefits-in-kind	**434**	365	**434**	357

7. DIRECTORS' REMUNERATION (cont'd)

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

	Number of directors	
	2008	**2007**
Executive director:		
RM200,001 - RM250,000	**1**	1
Non-executive directors:		
Below RM50,000	**5**	7

8. INCOME TAX EXPENSE

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Current income tax:				
Current year	**16,251**	5,850	**18,660**	18,730
Overprovision in prior years	**(34)**	(303)	**(57)**	(274)
	16,217	5,547	**18,603**	18,456
Deferred tax (Note 26):				
Recognition of deferred tax assets	**-**	-	**(196)**	(187)
Utilisation of deferred tax assets	**4,325**	4,894	**-**	-
Recognition of deferred tax liabilities	**992**	732	**-**	212
Reversal of deferred tax liabilities	**-**	-	**(34)**	-
	5,317	5,626	**(230)**	25
	21,534	11,173	**18,373**	18,481

Current income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The statutory tax rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009. The computation of deferred tax as at 30 April 2008 has reflected this change.

The concessionary income tax applicable to subsidiaries with paid-up capital of RM2,500,000 and below is 20% on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the tax rate of 26% (2007: 27%) is applicable.

8. INCOME TAX EXPENSE (cont'd)

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

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Profit before tax	**118,111**	63,076	**167,408**	80,038
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	**30,709**	17,031	**43,526**	21,610
Effect of different tax rate for first RM500,000 at 20%	**(60)**	(70)	**-**	-
Effect of changes in tax rates on deferred tax	**(318)**	41	**(42)**	(88)
Effect of capitalised income subject to tax	**409**	-	**-**	-
Effect of expenditure capitalised allowable for tax deduction	**-**	(307)	**-**	-
Effect of income not subject to tax	**(634)**	(2,713)	**(25,314)**	(2,975)
Effect of expenses not deductible for tax purpose	**1,004**	182	**260**	91
Effect of utilisation of previously unabsorbed agriculture allowances	**(7,430)**	-	**-**	-
Effect of utilisation of current year reinvestment allowance	**-**	(244)	**-**	-
Overprovision of current income tax in prior years	**(34)**	(303)	**(57)**	(274)
(Over)/underprovision of deferred tax in prior years	**(100)**	123	**-**	117
Effect of share of profit of associates	**(2,012)**	(2,567)	**-**	-
	21,534	11,173	**18,373**	18,481

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2008	**2007**
Profit for the year (RM'000)	**96,577**	51,903
Number of ordinary shares in issue ('000)	**134,005**	134,005
Basic earnings per share (sen)	**72.1**	38.7

(b) Diluted earnings per share

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

10. DIVIDENDS

	Group and Company				
	Dividends in respect of Year			Dividends Recognised in Year	
	2008 RM'000	2007 RM'000	2006 RM'000	2008 RM'000	2007 RM'000
Recognised during the year:					
Final dividend for 2006: 8% less 28% taxation, on 134,005,001 ordinary shares (5.76 sen net per ordinary share)	**-**	-	7,719	**-**	7,719
Interim dividend for 2007: 6% less 27% taxation, on 134,005,001 ordinary shares (4.38 sen net per ordinary share)	**-**	5,869	-	**-**	5,869
Final dividend for 2007: 10% less 27% taxation, on 134,005,001 ordinary shares (7.30 sen net per ordinary share)	**-**	9,782	-	**9,782**	-
Special dividend for 2007: 15% less 27% taxation, on 134,005,001 ordinary shares (10.95 sen net per ordinary share)	**-**	14,674	-	**14,674**	-
Interim dividend for 2008: 10% less 26% taxation, on 134,005,001 ordinary shares (7.40 sen net per ordinary share)	**9,916**	-	-	**9,916**	-
Proposed for approval at AGM (not recognised as at 30 April 2008):					
Final dividend for 2008: 45% less 25% taxation, on 134,005,001 ordinary shares (33.75 sen net per ordinary share)	**45,227**	-	-	**-**	-
	55,143	30,325	7,719	**34,372**	13,588

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 April 2008, of 45% less 25% taxation on 134,005,001 ordinary shares, amounting to a dividend payable of RM45,226,688 (33.75 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2009.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors, trailers and boats RM'000	Capital work-in progress RM'000	Total RM'000
Group							
At 30 April 2008							
Cost or valuation							
At 1 May 2007							
At cost	1,491	34,488	29,229	2,713	11,488	812	80,221
At valuation	41,218	2,794	-	-	-	-	44,012
	42,709	37,282	29,229	2,713	11,488	812	124,233
Additions	-	1,923	264	173	1,603	631	4,594
Revaluation adjustments	41,837	(3,840)	-	-	-	-	37,997
Disposals	(34)	-	-	-	-	-	(34)
Write off	-	(22)	(47)	(57)	(119)	-	(245)
Reclassifications	-	1,908	(494)	(164)	10	(1,260)	-
Reclassified from biological assets (Note 12)	-	10,577	-	-	-	-	10,577
Reclassified as held for sale *	-	(529)	-	-	-	-	(529)
At 30 April 2008	84,512	47,299	28,952	2,665	12,982	183	176,593
Representing:							
At cost	-	-	28,952	2,665	12,982	183	44,782
At valuation	84,512	47,299	-	-	-	-	131,811
At 30 April 2008	84,512	47,299	28,952	2,665	12,982	183	176,593
Accumulated depreciation							
At 1 May 2007	-	7,175	7,490	1,128	5,431	-	21,224
Depreciation charge for the year	-	1,851	1,759	222	756	-	4,588
Elimination of accumulated depreciation on revaluation	-	(8,108)	-	-	-	-	(8,108)
Write off	-	(4)	(40)	(33)	(76)	-	(153)
Reclassifications	-	1	(4)	(6)	9	-	-
Reclassified as held for sale *	-	(416)	-	-	-	-	(416)
At 30 April 2008	-	499	9,205	1,311	6 ,120	-	17,135

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

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors, trailers and boats RM'000	Capital work-in progress RM'000	Total RM'000
Group (cont'd)							
At 30 April 2008 (cont'd)							
Net carrying amount							
At cost	-	-	19,747	1,354	6,862	183	28,146
At valuation	84,512	46,800	-	-	-	-	131,312
At 30 April 2008	84,512	46,800	19,747	1,354	6,862	183	159,458
At 30 April 2007							
Cost or valuation							
At 1 May 2006							
At cost	1,491	23,993	26,500	1,733	10,867	3,052	67,636
At valuation	41,218	2,877	-	-	-	-	44,095
	42,709	26,870	26,500	1,733	10,867	3,052	111,731
Additions	-	3,494	125	96	1,386	8,794	13,895
Disposals	-	-	-	-	(358)	-	(358)
Write off	-	(247)	(279)	(102)	(407)	-	(1,035)
Reclassifications	-	7,165	2,883	986	-	(11,034)	-
At 30 April 2007	42,709	37,282	29,229	2,713	11,488	812	124,233
Representing:							
At cost	1,491	34,488	29,229	2,713	11,488	812	80,221
At valuation	41,218	2,794	-	-	-	-	44,012
At 30 April 2007	42,709	37,282	29,229	2,713	11,488	812	124,233
Accumulated depreciation							
At 1 May 2006	-	6,163	6,066	1,067	5,370	-	18,666
Depreciation charge for the year	-	1,161	1,643	157	681	-	3,642
Disposals	-	-	-	-	(225)	-	(225)
Write off	-	(149)	(219)	(96)	(395)	-	(859)
At 30 April 2007	-	7,175	7,490	1,128	5,431	-	21,224
Net carrying amount							
At cost	1,491	29,628	21,739	1,585	6,057	812	61,312
At valuation	41,218	479	-	-	-	-	41,697
At 30 April 2007	42,709	30,107	21,739	1,585	6,057	812	103,009

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Total RM'000
Company						
At 30 April 2008						
Cost or valuation						
At 1 May 2007						
At cost	1,491	9,816	4,022	1,650	2,062	19,041
At valuation	27,035	1,822	-	-	-	28,857
	28,526	11,638	4,022	1,650	2,062	47,898
Additions	-	187	12	121	68	388
Revaluation adjustments	37,423	(2,308)	-	-	-	35,115
Disposals	(21)	-	-	-	-	(21)
Write off	-	(1)	(6)	(6)	(14)	(27)
Reclassifications	-	727	(573)	(154)	-	-
Reclassified as held for sale *	-	(529)	-	-	-	(529)
At 30 April 2008	65,928	9,714	3,455	1,611	2,116	82,824
Representing:						
At cost	-	-	3,455	1,611	2,116	7,182
At valuation	65,928	9,714	-	-	-	75,642
At 30 April 2008	65,928	9,714	3,455	1,611	2,116	82,824
Accumulated depreciation						
At 1 May 2007	-	2,898	1,022	549	1,346	5,815
Depreciation charge for the year	-	303	161	93	109	666
Elimination of accumulated depreciation on revaluation	-	(2,710)	-	-	-	(2,710)
Write off	-	(1)	(4)	(6)	(8)	(19)
Reclassifications	-	1	(4)	3	-	-
Reclassified as held for sale *	-	(416)	-	-	-	(416)
At 30 April 2008	-	75	1,175	639	1,447	3,336
Net carrying amount						
At cost	-	-	2,280	972	669	3,921
At valuation	65,928	9,639	-	-	-	75,567
At 30 April 2008	65,928	9,639	2,280	972	669	79,488

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

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles, tractors and trailers RM'000	Capital work-in progress RM'000	Total RM'000
Company (cont'd)							
At 30 April 2007							
Cost or valuation							
At 1 May 2006							
At cost	1,491	2,505	1,186	630	1,975	3,052	10,839
At valuation	27,035	1,905	-	-	-	-	28,940
	28,526	4,410	1,186	630	1,975	3,052	39,779
Additions	-	177	-	47	429	7,954	8,607
Disposals	-	-	-	-	(286)	-	(286)
Write off	-	(114)	(20)	(12)	(56)	-	(202)
Reclassifications	-	7,165	2,856	985	-	(11,006)	-
At 30 April 2007	28,526	11,638	4,022	1,650	2,062	-	47,898
Representing:							
At cost	1,491	9,816	4,022	1,650	2,062	-	19,041
At valuation	27,035	1,822	-	-	-	-	28,857
At 30 April 2007	28,526	11,638	4,022	1,650	2,062	-	47,898
Accumulated depreciation							
At 1 May 2006	-	2,843	970	522	1,456	-	5,791
Depreciation charge for the year	-	146	72	39	94	-	351
Disposals	-	-	-	-	(152)	-	(152)
Write off	-	(91)	(20)	(12)	(52)	-	(175)
At 30 April 2007	-	2,898	1,022	549	1,346	-	5,815
Net carrying amount							
At cost	1,491	8,430	3,000	1,101	716	-	14,738
At valuation	27,035	310	-	-	-	-	27,345
At 30 April 2007	28,526	8,740	3,000	1,101	716	-	42,083

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

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

Had the revalued property, plant and equipment been carried under the cost model, the carrying amounts of each class of property, plant and equipment that would have been included in the financial statements of the Group and of the Company as at 30 April 2008 would be as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Freehold land	**11,241**	11,252	**9,121**	9,130
Buildings	**30,271**	39	**8,884**	26
	41,512	11,291	**18,005**	9,156

(b) Included in the depreciation charge for the year of the Group is an amount of RM424,000 (2007: RM332,000) which has been capitalised as additions of biological assets during the financial year as disclosed in Note 12(a).

(c) Government land acquisitions

		<--------------Quantum-------------->		
Year	**Location**	**Hectarage**	**Awarded RM'000**	**Received as at 30 April 2008 RM'000**
1995 *	Malaka Pinda Estate	64.89	5,779	5,779
1996 *	Malaka Pinda Estate	337.51	30,692	30,692
2001 *	Pelin Estate	21.11	2,013	2,013

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

(d) Freehold land of the Company with carrying amount of RM18,467,000 (2007: RM7,660,000) will be sold to the subsidiaries upon approval of the development and layout plan by the relevant authorities as set out in the sale and purchase agreements as disclosed in Note 14.

12. BIOLOGICAL ASSETS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
At cost or valuation:				
At beginning of financial year	**78,152**	72,723	**-**	-
Additions	**3,863**	5,429	**-**	-
Revaluation surplus	**200,762**	-	**45,935**	-
Reclassified to property, plant and equipment (Note 11)	**(10,577)**	-	**-**	-
At end of financial year	**272,200**	78,152	**45,935**	-
Representing:				
At cost	**-**	78,152	**-**	-
At valuation	**272,200**	-	**45,935**	-
At end of financial year	**272,200**	78,152	**45,935**	-

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

	2008 RM'000	2007 RM'000
Depreciation of property, plant and equipment capitalised (Note 11(b))	**424**	332
Amortisation of prepaid land lease payments capitalised (Note 13(b))	**105**	138
	529	470

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

13. PREPAID LAND LEASE PAYMENTS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
At beginning of financial year	**91,379**	92,374	**6,712**	6,964
Additions	**120**	555	**-**	-
Amortisation for the year	**(1,537)**	(1,550)	**(233)**	(252)
At end of financial year	**89,962**	91,379	**6,479**	6,712
Analysed as:				
Long term leasehold land	**80,715**	81,823	**2,035**	2,068
Short term leasehold land	**9,247**	9,556	**4,444**	4,644
	89,962	91,379	**6,479**	6,712

13. PREPAID LAND LEASE PAYMENTS (cont'd)

(a) Certain leasehold land of the Group and of the Company with carrying amount of RM5,427,000 (2007: RM5,649,000) was revalued by a firm of professional valuers in 1991 based on the open market value on an existing use basis.

(b) Included in the amortisation for the year of the Group is an amount of RM105,000 (2007: RM138,000) which has been capitalised as additions of biological assets during the financial year as disclosed in Note 12(a).

(c) Certain leasehold land of the Company with carrying amount of RM5,290,000 (2007: RM5,504,000) will be sold to the subsidiaries upon approval of the development and layout plan by the relevant authorities as set out in the sale and purchase agreements as disclosed in Note 14.

14. DEVELOPMENT EXPENDITURE

	Group	
	2008	**2007**
	RM'000	**RM'000**
At cost:		
At beginning of financial year	**1,264**	1,264
Additions	**31**	-
At end of financial year	**1,295**	1,264

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

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

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2008	**2007**
	RM'000	**RM'000**
Unquoted shares:		
At cost	**141,780**	141,780
At 1991 valuation	**17,131**	17,131
	158,911	158,911

15. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest (%) 2008	2007	Principal Activities
Leong Hin San Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palms
Meridian Plantations Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palms and palm oil milling
Syarikat Penanaman Bukit Senorang Sdn. Bhd.	Malaysia	**100**	100	Cultivation of oil palms and palm oil milling
South East Pahang Oil Palm Berhad	Malaysia	**100**	100	Cultivation of oil palms
Masjid Tanah Properties Sdn. Bhd.	Malaysia	**100**	100	Property development
Melaka Pindah Properties Sdn. Bhd.	Malaysia	**100**	100	Property development
Vintage Plantations Sdn. Bhd.	Malaysia	**100**	100	Dormant

16. INTEREST IN ASSOCIATES

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Quoted shares:				
At cost	**-**	43,058	**-**	43,058
At 1991 valuation	**-**	18,853	**-**	18,853
	-	61,911	**-**	61,911
Unquoted shares:				
At cost	**19,841**	19,841	**19,841**	19,841
	19,841	81,752	**19,841**	81,752
Convertible redeemable loan stock	**3,375**	-	**3,375**	-
	23,216	81,752	**23,216**	81,752
Share of post-acquisition reserves	**(2,262)**	93,930	**-**	-
	20,954	175,682	**23,216**	81,752
Less: Accumulated impairment losses	**(4,170)**	(9,053)	**(7,553)**	(9,053)
	16,784	166,629	**15,663**	72,699

16. INTEREST IN ASSOCIATES (cont'd)

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Market value of quoted shares	**-**	123,355	**-**	123,355

(a) The share of results of the associates for the current financial year are for the twelve months period ended 31 March 2008, incorporating the nine months period ended 31 December 2007 based on the latest audited financial statements for the financial year ended 31 December 2007 and the management financial statements for the three months period ended 31 March 2008.

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

Name of Associates	Country of Incorporation	Proportion of Ownership Interest (%) 2008	Proportion of Ownership Interest (%) 2007	Principal Activities	Financial Year End
PacificMas Berhad #	Malaysia	**-**	20.85	Investment holding and provision of management services	31 December
Niro Ceramic (M) Sdn. Bhd. *	Malaysia	**25.00**	25.00	Manufacturing and trading of ceramic tiles	31 December
Malaysian Trustees Berhad	Malaysia	**20.00**	20.00	Engaged in the business of trustee agents, executors and administrators	31 December

\# Associate which was disposed during the financial year. The details are disclosed in Note 33(a).
* Associate not audited by Ernst & Young.

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

	2008 RM'000	2007 RM'000
Assets and liabilities		
Current assets	**13,931**	159,290
Non-current assets	**31,797**	115,425
Total assets	**45,728**	274,715
Current liabilities	**19,710**	100,301
Non-current liabilities	**5,553**	6,808
Total liabilities	**25,263**	107,109
Results		
Revenue	**95,321**	84,919
Profit for the year	**7,738**	9,506

17. OTHER INVESTMENTS

	Group and Company 2008 RM'000	2007 RM'000
Quoted investments, at cost:		
In Malaysia		
- shares	**955**	955
- unit trusts	**14,515**	14,000
Outside Malaysia		
- unit trusts	**312**	312
	15,782	15,267
Unquoted investments, at cost:		
Outside Malaysia		
- shares	**293**	293
Total other investments	**16,075**	15,560
Less: Accumulated impairment losses	**(113)**	(113)
	15,962	15,447
Market value of quoted investments:		
In Malaysia		
- shares	**24,802**	19,317
- unit trusts	**15,158**	16,133
Outside Malaysia		
- unit trusts	**689**	690
	40,649	36,140

18. GOODWILL ON CONSOLIDATION

	Group 2008 RM'000	2007 RM'000
Cost		
At beginning of financial year	**18,628**	20,989
Effect of adopting FRS 3	**-**	(2,361)
At end of financial year	**18,628**	18,628
Accumulated amortisation		
At beginning of financial year	**-**	2,361
Effect of adopting FRS 3	**-**	(2,361)
At end of financial year	**-**	-
Net carrying amount	**18,628**	18,628

18. GOODWILL ON CONSOLIDATION (cont'd)

Impairment test for goodwill on consolidation

Key assumptions used in value-in-use calculations

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

(i) Budgeted gross margin

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

(ii) Discount rate

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

(iii) Raw materials price inflation

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

19. INVENTORIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At cost:				
Produce stocks	**12,696**	3,452	**-**	-
Nursery stocks	**198**	360	**111**	152
Estate and palm oil mill stores	**3,153**	1,539	**133**	66
	16,047	5,351	**244**	218

20. TRADE AND OTHER RECEIVABLES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Trade receivables				
Subsidiary	**-**	-	**1,421**	744
Third parties	**15,412**	5,738	**207**	109
	15,412	5,738	**1,628**	853
Other receivables				
Amounts due from subsidiaries				
- current account	**-**	-	**739**	363
- loan	**-**	-	**7,563**	44,321
Amount due from an associate	**22**	-	**22**	-
Advances for acquisition of land *	**2,286**	3,605	**-**	-
Deposits, prepayments and other receivables	**2,567**	2,693	**1,677**	1,469
	4,875	6,298	**10,001**	46,153
Less: Provision for doubtful debts				
Advances for acquisition of land *	**(2,146)**	-	**-**	-
	2,729	6,298	**10,001**	46,153
	18,141	12,036	**11,629**	47,006

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

(a) Credit risk

Trade receivables are non-interest bearing and the credit period is generally for 15 days to 30 days (2007: 15 days to 30 days).

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

(b) Amounts due from subsidiaries

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

(c) Amount due from an associate

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

21. MARKETABLE SECURITIES

	Group and Company	
	2008	2007
	RM'000	RM'000
Shares quoted in Malaysia, at cost	**4,433**	8,986
Market value of quoted shares	**4,601**	9,615

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	**813**	1,195	**102**	372
Deposits with:				
Licensed commercial banks	**104,808**	73,203	**89,186**	53,445
Licensed investment banks	**21,178**	16,801	**13,285**	14,512
Money market funds placed with fund managers	**213,778**	41,216	**213,752**	35,116
Cash and bank balances	**340,577**	132,415	**316,325**	103,445

The deposits with licensed commercial banks amounting to RM518,000 (2007: RM500,000) of certain subsidiaries were pledged to banks for bank guarantee facilities granted to those subsidiaries.

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

	Group		Company	
	2008	2007	2008	2007
	%	%	%	%
Licensed commercial banks	**3.60**	3.55	**3.62**	3.63
Licensed investment banks	**3.49**	3.23	**3.53**	3.49
Money market funds placed with fund managers *	**3.10**	3.23	**3.10**	3.09

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

	Group		Company	
	2008	2007	2008	2007
	days	days	days	days
Licensed commercial banks	**276**	189	**266**	190
Licensed investment banks	**82**	23	**121**	26

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

23. NON-CURRENT ASSET HELD FOR SALE

As at 30 April 2008, the non-current asset held for sale is as follow:

	Group and Company	
	2008	2007
	RM'000	RM'000
At carrying amount		
Property, plant and equipment - Building (Note 11)	**113**	-

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

The Group has presented the above non-current asset as held for sale as the Group has entered into an agreement to dispose off such building which was previously classified as property, plant and equipment. The disposal is pending completion.

24. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM1 Each		Amount	
	2008	2007	2008	2007
			RM'000	RM'000
Authorised	**500,000**	500,000	**500,000**	500,000
Issued and fully paid	**134,005**	134,005	**134,005**	134,005

25. RETAINED EARNINGS

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

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

As at 30 April 2008, the Company has tax exempt profits available for distribution of approximately RM959,000 (2007: RM959,000).

As at 30 April 2008, the Company has sufficient credit in the Section 108 balance and the balance in the tax exempt income account to pay franked dividends amounting to RM109,321,000 (2007: RM128,438,000) out of its retained earnings. If the balance of the retained earnings of approximately RM277,405,000 were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

26. DEFERRED TAX

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
At beginning of financial year	**21,536**	17,408	**1,140**	2,010
Recognised in income statement (Note 8)	**5,317**	5,626	**(230)**	25
Recognised in equity	**41,371**	-	**4,608**	-
Reversal of deferred tax liabilities upon abolishment of RPGT	**-**	(1,498)	**-**	(895)
At end of financial year	**68,224**	21,536	**5,518**	1,140
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(1,051)**	(5,376)	**(584)**	(388)
Deferred tax liabilities	**69,275**	26,912	**6,102**	1,528
	68,224	21,536	**5,518**	1,140

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

Deferred Tax Assets of the Group:

	Other Payables RM'000	Unused Tax Losses and Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 May 2006	(447)	(9,823)	(10,270)
Recognised in income statement	(70)	4,964	4,894
At 30 April 2007	(517)	(4,859)	(5,376)
At 1 May 2007	(517)	(4,859)	(5,376)
Recognised in income statement	(397)	4,722	4,325
At 30 April 2008	(914)	(137)	(1,051)

26. DEFERRED TAX (cont'd)

Deferred Tax Liabilities of the Group:

	Property, Plant and Equipment RM'000	Revaluation Reserve RM'000	Total RM'000
At 1 May 2006	5,469	22,209	27,678
Recognised in income statement	1,192	(460)	732
Reversal of deferred tax liabilities upon abolishment of RPGT	-	(1,498)	(1,498)
At 30 April 2007	6,661	20,251	26,912
At 1 May 2007	6,661	20,251	26,912
Recognised in income statement	1,346	(354)	992
Recognised in equity	-	41,371	41,371
At 30 April 2008	8,007	61,268	69,275

Deferred Tax Assets of the Company:

	Other Payables RM'000	Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 May 2006	(201)	-	(201)
Recognised in income statement	(54)	(133)	(187)
At 30 April 2007	(255)	(133)	(388)
At 1 May 2007	(255)	(133)	(388)
Recognised in income statement	(193)	(3)	(196)
At 30 April 2008	(448)	(136)	(584)

Deferred Tax Liabilities of the Company:

	Property, Plant and Equipment RM'000	Revaluation Reserve RM'000	Total RM'000
At 1 May 2006	239	1,972	2,211
Recognised in income statement	362	(150)	212
Reversal of deferred tax liabilities upon abolishment of RPGT	-	(895)	(895)
At 30 April 2007	601	927	1,528
At 1 May 2007	601	927	1,528
Recognised in income statement	30	(64)	(34)
Recognised in equity	-	4,608	4,608
At 30 April 2008	631	5,471	6,102

27. TRADE AND OTHER PAYABLES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Trade payables	**4,694**	4,046	**240**	270
Other payables				
Directors' fees and other emoluments	**266**	204	**266**	196
Amount due to a subsidiary	**-**	-	**444**	446
Balance payments on acquisition of land	**209**	1,479	**-**	-
Accruals and sundry payables	**11,582**	8,739	**3,390**	3,055
	12,057	10,422	**4,100**	3,697
	16,751	14,468	**4,340**	3,967

(a) **Trade payables**

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 60 days (2007: 30 days to 60 days).

(b) **Amount due to a subsidiary**

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

28. CAPITAL COMMITMENTS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Capital expenditure approved and contracted for:				
Building	**866**	-	**866**	-
Biological assets	**-**	218	**-**	-
	866	218	**866**	-
Capital expenditure approved but not contracted for:				
Acquisition of land	**-**	2,385	**-**	-
Expenditure for oil palm mill	**2,072**	2,668	**-**	-
Biological assets	**3,857**	9,453	**-**	-
Purchase of property, plant and equipment	**8,698**	6,681	**950**	983
	14,627	21,187	**950**	983
	15,493	21,405	**1,816**	983

29. CONTINGENT LIABILITY

On 16 January 2004, the Company was served with a writ of summons by Brilliant Team Management Sdn. Bhd., for finder's fees amounting to RM1.76 million in respect of acquisition of companies. The Company has filed a Defence and Counterclaim. The solicitors for the Plaintiff had since discharged themselves as solicitors. The Company has filed an application to strike out the claim and the application is now fixed for hearing on 21 July 2008.

30. RELATED PARTY DISCLOSURES

(a) Transactions with Related Parties

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

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Subsidiaries				
- Sale of oil palm fresh fruit bunches	**-**	-	**25,721**	13,310
- Administrative expenses charged	**-**	-	**2,843**	2,298
Associates				
- Dividend income	**-**	-	**6,184**	58,935
- Interest income	**197**	-	**197**	-
Subsidiaries of associates				
- Dividend income	**927**	231	**927**	231
- Interest income	**771**	259	**771**	259
- Insurance commission earned	**61**	59	**61**	59
- Insurance premium paid	**438**	322	**45**	72
- Investment management fee paid	**20**	72	**20**	72
Companies in which certain directors of the company have financial interests				
- Interest income	**1,554**	982	**1,055**	685
- Insurance commission earned	**6**	-	**6**	-
- Insurance premium paid	**36**	-	**7**	-
- Investment management fee paid	**1**	-	**1**	-

The directors are of the opinion that all the transactions above except dividend income 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.

(b) Balance with Related Parties

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Subsidiaries of associates				
- Investment in unit trusts	**-**	14,000	**-**	14,000
- Marketable securities managed	**-**	8,986	**-**	8,986
- Placement in money market fund	**-**	20,259	**-**	20,259

30. RELATED PARTY DISCLOSURES (cont'd)

(b) Balance with Related Parties (cont'd)

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Companies in which certain directors of the company have financial interests				
- Investment in unit trusts	**14,515**	-	**14,515**	-
- Marketable securities managed	**4,433**	-	**4,433**	-
- Placement in current accounts	**698**	902	**89**	251
- Placement in deposits	**36,359**	28,444	**27,751**	14,732
- Placement in money market fund	**51,292**	-	**51,292**	-

Information regarding other outstanding balances arising from related party transactions as at 30 April 2008 and 30 April 2007 are disclosed in Notes 20 and 27.

(c) Compensation of Key Management Personnel

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

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Short term employee benefits	**1,390**	1,230	**1,390**	1,222
Employees Provident Fund	**144**	129	**144**	129
	1,534	1,359	**1,534**	1,351

Included in the total compensation of key management personnel were:

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Directors' remuneration (Note 7)	**410**	348	**410**	340

31. SEGMENT INFORMATION

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

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

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

31. SEGMENT INFORMATION (cont'd)

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

(c) Business segments

The Group is organised into three business segments as follows:

(i) Plantation - Cultivation of oil palms and palm oil milling

(ii) Investment holding

(iii) Property development - Development of residential and commercial properties

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

	Plantation RM'000	**Investment Holding RM'000**	**Property Development RM'000**	**Consolidated RM'000**
30 April 2008				
Revenue				
Total Revenue	259,545	7,819	-	267,364
Inter-segment sales	(45,178)	-	-	(45,178)
External Sales	214,367	7,819	-	222,186
Results				
Segment results	105,198	5,182	(7)	110,373
Share of profit of associates				7,738
Profit before tax				118,111
Income tax expense				(21,534)
Profit for the year				96,577
Assets				
Segment assets	573,829	361,687	1,300	936,816
Interest in associates				16,874
Consolidated total assets				953,690
Liabilities				
Segment liabilities	89,950	-	4	89,954
Unallocated corporate liabilities				311
Consolidated total liabilities				90,265

31. SEGMENT INFORMATION (cont'd)

(c) Business segments (cont'd)

	Plantation RM'000	Investment Holding RM'000	Property Development RM'000	Consolidated RM'000
30 April 2008 (cont'd)				
Other segment information				
Capital expenditure	8,048	-	-	8,048
Amortisation of prepaid land lease payments	1,432	-	-	1,432
Depreciation of property, plant and equipment	4,164	-	-	4,164
Provision for doubtful debts	2,146	-	-	2,146
Reversal of provision for diminution in value of an associate	-	(4,883)	-	(4,883)
30 April 2007				
Revenue				
Total Revenue	151,551	4,237	-	155,788
Inter-segment sales	(26,143)	-	-	(26,143)
External Sales	125,408	4,237	-	129,645
Results				
Segment results	38,671	14,906	(7)	53,570
Share of profit of associates				9,506
Profit before tax				63,076
Income tax expense				(11,173)
Profit for the year				51,903
Assets				
Segment assets	309,072	156,295	1,300	466,667
Interest in associates				166,629
Consolidated total assets				633,296
Liabilities				
Segment liabilities	37,335	-	4	37,339
Unallocated corporate liabilities				234
Consolidated total liabilities				37,573

31. SEGMENT INFORMATION (cont'd)

(c) Business segments (cont'd)

	Plantation RM'000	Investment Holding RM'000	Property Development RM'000	Consolidated RM'000
30 April 2007 (cont'd)				
Other segment information				
Capital expenditure	19,409	-	-	19,409
Amortisation of prepaid land lease payments	1,412	-	-	1,412
Depreciation of property, plant and equipment	3,310	-	-	3,310
Reversal of provision for diminution in value of an associate	-	(1,500)	-	(1,500)

32. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

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

(b) Interest Rate Risk

The Group has no interest-bearing debt. However, the Group has short term interest bearing financial assets as at 30 April 2008. The investment in financial assets are mainly short term in nature and are not held for speculative purposes but have been mostly placed in fixed deposits and money market funds.

(c) Credit Risk

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

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

(d) Market Risk

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

(e) Liquidity Risk

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

32. FINANCIAL INSTRUMENTS (cont'd)

(f) Fair Values

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

		2008		2007	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Group and Company					
Financial Assets					
Other investments:					
Quoted:					
- shares	17	**955**	**24,802**	955	19,317
- unit trusts	17	**14,827**	**15,847**	14,312	16,823
Unquoted shares	17	**180**	*	180	*
Marketable securities	21	**4,433**	**4,601**	8,986	9,615

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

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

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

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

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

(ii) Marketable securities

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

33. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Disposal of 20.85% Equity Interest in an Associate, PacificMas Berhad ("PacificMas")

On 9 January 2008, the Company received a notification from PacificMas on the conditional take-over offer by OCBC Capital (Malaysia) Sdn. Bhd. (formerly known as OSPL Holdings Sdn. Bhd.) ("OCSB") to acquire all the voting shares in PacificMas not already owned by OCSB at a cash consideration of RM4.30 per share.

On the recommendation of the Board of Directors, the shareholders at the Extraordinary General Meeting held on 6 March 2008, passed the ordinary resolution to approve the disposal of 35,651,860 ordinary shares of RM1.00 each representing 20.85% of the issued and paid-up share capital of PacificMas to OCSB for a total cash consideration of RM153,302,998 ("Offer").

On 24 March 2008, CIMB Investment Bank Berhad and OCBC Advisers (Malaysia) Sdn. Bhd., on behalf of OCSB, announced that OCSB had received acceptance from the holders of the Offer Shares, resulting in OCSB holding in aggregate (together with such voting shares in PacificMas that were already acquired, held or entitled to be acquired or held by OCSB) more than 50% of the voting shares of PacificMas. Accordingly, the Offer became unconditional on 24 March 2008 and the cash consideration was received by the Company on 14 April 2008.

(b) Proposed acquisition of a subsidiary in Indonesia

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

PT BCAP has been allocated and given the right to acquire and develop a contiguous block of 20,000 hectares of agriculture land in Kabupaten Bulungan, Kalimantan Timur, Indonesia ("Land"). The Shareholders have initiated development of 3,000 hectares of which 200 hectares have been planted with oil palms and the planting of oil palms is on-going. The development area is well equipped with housing facilities, vehicles, machinery and a nursery with healthy growing oil palm seedlings. The rights to use the land ("Hak Guna Usaha") has yet to be issued and the Shareholders have undertaken to procure the issuance of the "Hak Guna Usaha" for the Land at their own cost and expense.

Pursuant to the Proposed Joint Venture, the Company intends to acquire a 75% equity interest in PT BCAP. Total consideration payable for the 75% equity interest is expected to be approximately RM33.18 million (USD10.5 million). The purpose of the MOU is to record the understanding of both parties in relation to the Proposed Joint Venture and to negotiate in earnest towards finalising and entering into a formal agreement. The MOU which is effective for a period of six (6) months to 28 June 2008 has been extended to 28 September 2008.

LIST OF **PROPERTIES HELD**

AS AT 30 APRIL 2008

Location	**Tenure**	**Titled Hectarage**	**Description**	**Year of Revaluation**	**Carrying Amount of Properties as at 30 April 2008 RM'000**
Masjid Tanah Estate 78300 Masjid Tanah Melaka	Freehold Leasehold (expiring on: 31-12-2033 20-11-2065)	355.3 2.8 0.2	Oil palm estate	2008	18,711
Machap Estate 76100 Durian Tunggal Melaka	Freehold Leasehold (expiring on: 20-12-2024 25-04-2025 21-03-2038)	244.5 221.9 156.4 240.2	Oil palm estate	2008	25,778
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 20.3 126.2	Oil palm estate	2008	11,730
Selandar Estate Selandar P.O. 77500 Jasin Melaka	Freehold Leasehold (expiring on: 31-07-2025)	194.5 22.1	Oil palm estate	2008	7,938
Tampin Estate 73300 Batang Melaka Negeri Sembilan	Freehold	298.9	Oil palm estate	2008	11,732
Pelin Estate 71300 Rembau Negeri Sembilan	Freehold	154.3	Oil palm estate	2008	6,491
Batu Anam Estate Batu Anam P.O. 85100 Batu Anam Segamat, Johor	Freehold	864.9	Oil palm estate	2008	36,504
Leong Hin San Estate 71200 Rantau Negeri Sembilan	Freehold	844.6	Oil palm estate	2008	30,623
Mamahat Estate Labuk Sugut Beluran District 90000 Sabah	Lease land (expiring between 2031 and 2032 2097 and 2099)	 24.0 1,396.5	Oil palm estate	2008	43,952

Location	Tenure	Titled Hectarage	Description	Year of Revaluation	Carrying Amount of Properties as at 30 April 2008 RM'000
Paitan Estate Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring between 2098 and 2102) Lease land (expiring between 2031 and 2035 2098 and 2100)	918.1 979.2 1,222.8	Oil palm estate and palm oil mill	2008	87,047
Tengkarasan Estate Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring on 2100) Lease land (expiring between 2031 and 2035 2098 and 2100)	68.2 948.0 1,291.9	Oil palm estate	2008	77,029
Bukit Senorang Estate 28380 Kemayan Pahang	Leasehold (expiring on: 14-05-2066 11-01-2069 15-12-2072 04-03-2073)	196.1 403.0 604.5 425.3	Oil palm estate and palm oil mill	2008	73,365
South East Pahang Estate 28380 Kemayan Pahang	Leasehold (expiring on: 06-09-2066 18-09-2084)	202.3 1,416.4	Oil palm estate	2008	52,848
Regional Office Building Lot 10, Block 19 Lorong Bandar Indah 5 Bandar Indah Mile 4, North Road 90000 Sandakan	Leasehold (expiring on 2882)	2,000 sq. ft.	Shophouse (Age of building: 7 years)	2008	367
Executive Bungalow MDLB 1849 Taman Khong Lok Jalan Airport Sandakan 90000 Sandakan	Leasehold (expiring on 09-07-2887)	7,880 sq. ft.	Company bungalow (Age of building: 8 years)	2008	262
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: 2 years)	2008	8,820
Awana Condominium Unit 5542 Awana Condominium 8th Mile, Genting Highlands 89000 Genting Highlands Pahang	Freehold	1,258 sq. ft.	Holiday condominium (Age of building: 21 years)	2008	277
				TOTAL	**493,474**

STOCKHOLDING **ANALYSIS**

AS AT 30 JUNE 2008

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

VOTING RIGHTS OF STOCKHOLDERS

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

DISTRIBUTION SCHEDULE

Holdings	No. of Holders	Total Holdings	%
Less than 100	160	6,723	0.01
100 to 1000	1,338	1,126,207	0.84
1001 to 10000	5,023	18,552,413	13.84
10001 to 100000	975	26,196,556	19.54
100,001 to less than 5% of issued stocks	91	49,818,866	37.18
5% and above of issued stocks	4	38,304,236	28.59
	7,591	**134,005,001**	**100**

DIRECTORS' STOCKHOLDINGS

Name of Directors	Direct stockholdings	Percentage of issued stock	Indirect stockholdings	Percentage of issued stock
Choi Siew Hong	225,937	0.17	10,000	0.01
Tan Sri Dato' Ahmad Bin Mohd Don	-	-	-	-
Tan Siok Choo	378,354	0.28	6,990,133	5.22
Boon Weng Siew	11,250	0.01	-	-
Datuk Fong Weng Phak	-	-	-	-
Tan Jiew Hoe	114,750	0.09	1,662,348	1.24

SUBSTANTIAL STOCKHOLDERS (5% and above)

Name	Stockholdings registered in the name of the substantial stockholders	Stockholdings in which the substantial stockholders are deemed to be interested	Total	Percentage of issued stock
Oversea-Chinese Banking Corporation Ltd	-	19,726,093 *1	19,726,093	14.72
Great Eastern Life Assurance (Malaysia) Bhd	18,790,468	-	18,790,468	14.02
Aberdeen Asset Management PLC	-	12,803,000 *2	12,803,000	9.55
Lee Foundation	-	10,957,309 *3	10,957,309	8.17
Tan Kim Lwi	9,367,258 *4	-	9,367,258	6.99
Aberdeen Asset Management Asia Ltd	-	8,720,000 *5	8,720,000	6.50
Sinneo Sdn. Bhd.	6,990,133	-	6,990,133	5.22
Ms. Tan Siok Choo	378,354	6,990,133 *6	7,368,487	5.50
Selat (Pte) Limited	7,246,496 *7	-	7,246,496	5.41

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

2. *Aberdeen Asset Management PLC is deemed interested in the stockholdings registered in the following names:-*
   - *Aberdeen International Fund Managers Limited – 4,550,000*
   - *Aberdeen Asset Managers Limited – 530,000*
   - *Aberdeen Asset Management Sdn. Bhd. – 4,083,000*
   - *Aberdeen Asset Management Asia Limited – 8,720,000*

3. *Lee Foundation is deemed interested in the following stockholdings held via nominees:-*
   HSBC Nominees (Asing) Sdn. Bhd. for
   - *Selat Pte Ltd – 7,246,496*
   - *Singapore Investments Pte Ltd – 2,303,438*
   - *Lee Pineapple Company Pte Ltd – 84,375*

   TCL Nominees (Asing) Sdn. Bhd.
   - *for Singapore Investments Pte Ltd – 1,323,000*

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

5. *Aberdeen Asset Management Asia Limited is deemed interested in the stockholdings registered in the following names:-*
   - *BNP Paribas Security Services – Luxembourg – 4,550,000*
   - *HSBC Institutional Trust Services (Singapore) Limited – 2,040,000*
   - *State Street Bank & Trust Company – London – 1,600,000*
   - *UBS AG – 530,000*

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

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

STOCKHOLDING **ANALYSIS** (cont'd)

AS AT 30 JUNE 2008

LIST OF TOP 30 STOCKHOLDERS AS AT 30/6/2008

		No. of stock unit	%
(1)	Malaysia Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad	18,790,468	14.02
(2)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Tan Kim Lwi	9,367,258	6.99
(3)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Selat Pte Ltd	7,246,496	5.41
(4)	Sinneo Sdn. Bhd.	6,990,133	5.22
(5)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for Credit Suisse (SG BR-TST-ASING)	5,114,528	3.82
(6)	HSBC Nominees (Asing) Sdn. Bhd. - BNP Paribas Secs Svs Lux for Aberdeen Global	4,550,000	3.40
(7)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC Trustee (s) Ltd for Tun Dato Sir Cheng Lock Tan Trust	2,458,399	1.83
(8)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Singapore Investments Pte Ltd	2,303,438	1.72
(9)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC-FS for Aberdeen Malaysia Equity Fund	2,040,000	1.52
(10)	Mayban Nominees (Tempatan) Sdn. Bhd. - Aberdeen Asset Management Sdn. Bhd. for The Employees' Provident Fund Board	1,690,000	1.26
(11)	Cartaban Nominees (Asing) Sdn. Bhd. - State Street London Fund XCB9 for Aberdeen Asian Smaller Companies Investment Trust PLC	1,600,000	1.19
(12)	TCL Nominees (Asing) Sdn. Bhd. - OCBC Securities Private Limited for Singapore Investments (Pte) Limited	1,323,000	0.99
(13)	TCL Nominees (Asing) Sdn. Bhd. - OCBC Securities Private Limited for Tan Proprietary (Private) Ltd	1,319,532	0.98
(14)	AMSEC Nominees (Tempatan) Sdn. Bhd. - Aberdeen Asset Management Sdn. Bhd. for Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	1,308,000	0.98
(15)	Klebang Investments Pte Ltd	1,287,000	0.96

LIST OF TOP 30 STOCKHOLDERS AS AT 30/6/2008 (cont'd)

		No. of stock unit	%
(16)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for JPMorgan Chase Bank, National Association (Norges Bank)	1,200,000	0.90
(17)	Citigroup Nominees (Asing) Sdn. Bhd. CB Singapore GW for Eastern Realty Company Limited	928,125	0.69
(18)	Dipang Mines Sdn. Bhd.	843,750	0.63
(19)	Chee Bay Hoon & Co. Sdn. Bhd.	692,786	0.52
(20)	The Federal Oil Mills Berhad	641,250	0.48
(21)	Mayban Nominees (Tempatan) Sdn. Bhd. - Aberdeen Asset Management Sdn. Bhd. for Malaysian Timber Council (Endowment Fund)	589,000	0.44
(22)	Tan Jin Tuan	563,507	0.42
(23)	HSBC Nominees (Asing) Sdn. Bhd. - UBS AG Zurich for LGT Capital Management Ltd	530,000	0.40
(24)	Alros Sendirian Berhad	528,000	0.39
(25)	HSBC Nominees (Asing) Sdn. Bhd. - HSBC SG for Lee Rubber Company Pte Ltd	503,077	0.38
(26)	Nora Ee Siong Chee	479,250	0.36
(27)	Chee Swee Cheng & Co Sdn. Bhd.	476,028	0.36
(28)	Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yeoh Ah Tu	474,500	0.35
(29)	Swee Cheng Investments Private Limited	472,969	0.35
(30)	HSBC Nominees (Asing) Sdn. Bhd. - BNY Brussels for CF Eclectica Systematic Europe Fund	470,000	0.35
		76,780,494	**57.31**

United Malacca Berhad
(1319-V)

FORM OF PROXY

I/We...

(FULL NAME IN CAPITAL)

of...

(FULL ADDRESS)

being a member of UNITED MALACCA BERHAD hereby appoint...

....

(FULL NAME IN CAPITAL)

of...

(FULL ADDRESS)

or failing him/her...

(FULL NAME IN CAPITAL)

of...

(FULL ADDRESS)

or the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Ninety-Fourth Annual General Meeting of the Company to be held on Friday, 29 August 2008 at 11.00 a.m. and at any adjournment thereof.

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

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

No. of Stock Units Held

As Witness my hand this .... day of 2008

Signed by the said: ....

(Signature of Member)

in the presence of: ....

(Name & Signature of Witness)

Notes:

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

please fold along this line (1)

Stamp

The Company Secretary

UNITED MALACCA BERHAD

(Company No. 1319-V)
6th Floor, No-61, Jalan Melaka Raya 8,
Taman Melaka Raya,
75000 Melaka.

please fold along this line (2)

Master Alliance Communications (M) Sdn. Bhd.