United **Malacca** Berhad

Registration No.191001000010 **(1319-V)**

Annual Report **2021**

107th ANNUAL GENERAL MEETING

MEETING PLATFORM:

https://meeting.boardroomlimited.my
(Domain Registration No. with MYNIC-D6A357657)

DATE & TIME:

Wednesday, 29 September 2021 at 11.00 a.m.

The digital version of **UNITED MALACCA BERHAD Annual Report 2021** is available at our website.

Go to www.unitedmalacca.com.my or scan the QR code with your smartphone.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN the 107th Annual General Meeting ("AGM") of the Company will be conducted as a fully virtual AGM from the online meeting platform at https://meeting.boardroomlimited.my provided by Boardroom Share Registrars Sdn. Bhd. on Wednesday, 29 September 2021 at 11.00 a.m. for the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 April 2021 and the Reports of the Directors and Auditors thereon. Please refer Note (6)

2. To approve the payment of Directors' fees amounting to RM750,614 to the Directors of the Company and its subsidiaries for the financial year ended 30 April 2021. *(Refer Note 7)* [Resolution 1]

3. To approve the payment of Directors' remuneration (excluding Directors' fees) amounting to RM418,833 to the Directors of the Company for the financial year ended 30 April 2021. *(Refer Note 8)* [Resolution 2]

4. To re-elect the following Directors who retire by rotation in accordance with Clause 130 of the Company's Constitution:-

   (i) Datin Paduka Tan Siok Choo [Resolution 3]
   (ii) Mr. Tan Jiew Hoe [Resolution 4]

5. To elect the following Directors who retire in accordance with Clause 135 of the Company's Constitution:-

   (i) Dato' Sri Tee Lip Sin [Resolution 5]
   (ii) Mr. Han Kee Juan [Resolution 6]

6. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 30 April 2022 and to authorise the Board of Directors to determine their remuneration. [Resolution 7]

SPECIAL BUSINESS

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

7. **ORDINARY RESOLUTION**

   Approval for Mr. Tan Jiew Hoe to continue in office as Independent Non-Executive Director

   "THAT subject to the passing of ordinary Resolution 4, approval be and is hereby given to Mr. Tan Jiew Hoe who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years shall continue in office as Independent Non-Executive Director of the Company." [Resolution 8]

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

By Order of the Board

Yong Yoke Hiong (SSM PC No. 201908001562) (MAICSA 7021707)
Pang Poh Chen (SSM PC No. 201908001514) (MAICSA 7069479)
Company Secretaries

Melaka
Date: 27 August 2021

Notice of Annual General Meeting
(continued)

NOTES:

(1) As a precautionary measure amid the COVID-19 pandemic, the 107th AGM will be conducted on a fully virtual basis through live streaming and online remote voting using the virtual meeting facilities provided by Boardroom Share Registrars Sdn. Bhd.. **Please follow the procedure provided in the Administrative Guide of the 107th AGM to register, participate and vote remotely.**

(2) Only members whose name appear in the Register of Members or registered in the Record of Depositors on or before 5.00 p.m. on 22 September 2021 ("General Meeting Record of Depositors") shall be eligible to participate and vote at the 107th AGM or appoint proxy(ies) to participate and vote on his/her behalf.

(3) A member of the Company entitled to attend and vote at the meeting is allowed to appoint a proxy to attend and vote in his stead. A proxy need not be a shareholder of the Company. A member cannot appoint more than two (2) proxies to attend the AGM. Where a member appoints two (2) proxies, both appointments shall be invalid unless the member states the number of shares to be represented by each proxy.

(4) The instrument appointing a proxy shall be in writing under the hand of the depositor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal. If you wish to appoint a proxy to participate and vote on behalf at the 107th AGM, you may deposit the duly completed and signed Form of Proxy to the Company at 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka or by electronic means through the Share Registrar's Boardroom Smart Investor Portal at https://investor.boardroomlimited.com no later than 24 hours before the time for holding the AGM or any adjournment thereof. Please follow the procedure provided under Section G of the Administrative Guide.

(5) **Voting by poll**

Pursuant to Paragraph 8.29(A)(1) of the Main Listing Requirements of Bursa Malaysia Securities Berhad, all Resolutions set out in the Notice of the 107th AGM will be put to vote by poll.

(6) **Agenda 1**

The Audited Financial Statements for the financial year ended 30 April 2021 will be presented at the Company's AGM in accordance with Section 340(1)(a) of the Companies Act, 2016. Agenda 1 is to present the Financial Statements together with the accompanying Reports to shareholders for discussion only. No voting is required.

(7) **Agenda 2**

Section 230(1) of the Companies Act, 2016 states the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Fees totalling RM750,614 payable to the Directors of the Company and its subsidiaries for the financial year ended 30 April 2021 are based on the existing quantum of Directors' fees listed in the table below:-

Directors' fees*	Since 2018
Non-Executive Chairperson	RM100,000 per annum
Non-Executive Director	RM60,000 per annum

* in relation to United Malacca Berhad

(8) **Agenda 3**

Remuneration (excluding Directors' fees) payable to the Directors of the Company for the financial year ended 30 April 2021 comprise the following:-

Board Committees	Chairman (RM)	Members (RM)
Audit Committee	40,000	30,000
Nomination and Remuneration Committee	30,000	20,000
Executive Committee	40,000	30,000
Board Tender Committee	20,000	10,000
Meeting Allowance	1,000 per meeting	

Resolution 2 seeks shareholders' approval to pay remuneration (excluding Directors' fees) totalling RM418,833 to the Non-Executive Chairperson and Non-Executive Directors for the financial year ended 30 April 2021.

(9) **Explanatory Note on Special Business**

Ordinary Resolution No. 8

The Nomination and Remuneration Committee conducted an annual performance evaluation and assessment of Mr. Tan Jiew Hoe, who has served as Independent Non-Executive Director for a cumulative term of more than nine (9) years. Given the Company's core business is planting oil palms that mature in four years and reach prime age in seven years, the Board is of the opinion long-serving directors are appropriate for plantation companies where a long-term prospective is paramount. Therefore, the Board recommends retaining Mr. Tan Jiew Hoe as an Independent Non-Executive Director of the Company.

STATEMENT ACCOMPANYING NOTICE OF 107TH ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2), Appendix 8A of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements

The Directors who are standing for election are:-

(1) Dato' Sri Tee Lip Sin
(2) Mr. Han Kee Juan

Further details of individual Directors standing for election can be found in the Profile of Directors on pages 7 to 14 of this Annual Report. The holding of shares, direct or indirect in United Malacca Berhad can be found in the Analysis of Shareholdings on page 180 of this Annual Report.

The following Directors whose profile are set out on pages 7 to 14 of this Annual Report are standing for re-election:-

(1) Datin Paduka Tan Siok Choo
(2) Mr. Tan Jiew Hoe

Mr. Tan Jiew Hoe whose profile is set out on page 8 of this Annual Report is seeking to continue as Independent Non-Executive Director.

The details of Directors' attendance at Board Meetings held during the financial year ended 30 April 2021 are as follows:-

Directors	Attendance
Datin Paduka Tan Siok Choo	5 of 5 Meetings
Tan Sri Dato' Ahmad Bin Mohd Don *	3 of 3 Meetings
Mr. Tan Jiew Hoe	5 of 5 Meetings
Mr. Teo Leng	5 of 5 Meetings
Dato Dr. Nik Ramlah Binti Nik Mahmood	5 of 5 Meetings
Mr. Ong Keng Siew	5 of 5 Meetings
Mr. Tee Cheng Hua	5 of 5 Meetings
Dato' Sri Tee Lip Sin #	1 of 1 Meeting
Mr. Han Kee Juan ^	-

* Before retirement on 29 September 2020
\# Since appointment on 25 February 2021
^ Appointed on 3 June 2021 (after FY 30 April 2021)

GROUP HIGHLIGHTS

	2021	2020
PRODUCTION		
	Tonne	**Tonne**
Crude palm oil	101,269	105,307
Palm kernel	20,624	21,696
Fresh fruit bunches	370,820	362,096
FINANCIAL		
	RM'000	**RM'000**
Revenue	398,069	293,982
Profit:		
Before tax	24,420	8,281
Net of tax	10,190	14,554
Profit net of tax attributable to:		
Owners of the Company	13,014	16,307
Non-controlling interests	(2,824)	(1,753)
	10,190	14,554
	Sen	**Sen**
Earnings per share attributable to owners of the Company:		
Basic/diluted	6.20	7.78
Dividend per share:		
Gross/net	10.00	8.00
	RM'000	**RM'000**
Total assets	1,732,581	1,791,003
	RM	**RM**
Net assets per share attributable to owners of the Company	6.24	6.28

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datin Paduka Tan Siok Choo *(Chairperson)*
Non-Independent Non-Executive Director

Mr. Tan Jiew Hoe
Independent Non-Executive Director

Mr. Teo Leng
Non-Independent Non-Executive Director

Dato Dr. Nik Ramlah Binti Nik Mahmood
Senior Independent Non-Executive Director

Mr. Ong Keng Siew
Independent Non-Executive Director

Mr. Tee Cheng Hua
Non-Independent Non-Executive Director

Dato' Sri Tee Lip Sin
Non-Independent Non-Executive Director

Mr. Han Kee Juan
Independent Non-Executive Director

AUDIT COMMITTEE

Mr. Ong Keng Siew *(Chairman)*
Mr. Tan Jiew Hoe
Dato Dr. Nik Ramlah Binti Nik Mahmood
Mr. Han Kee Juan

NOMINATION AND REMUNERATION COMMITTEE

Dato Dr. Nik Ramlah Binti Nik Mahmood *(Chairperson)*
Mr. Tan Jiew Hoe
Mr. Ong Keng Siew
Dato' Sri Tee Lip Sin

TENDER COMMITTEE

Mr. Tee Cheng Hua *(Chairman)*
Datin Paduka Tan Siok Choo
Mr. Teo Leng
Mr. Han Kee Juan

EXECUTIVE COMMITTEE

Mr. Teo Leng *(Chairman)*
Datin Paduka Tan Siok Choo
Mr. Tee Cheng Hua
Mr. Young Lee Chern

SECRETARIES

Ms. Yong Yoke Hiong
(MAICSA 7021707)
(SSM Practising Certificate No. 201908001562)

Ms. Pang Poh Chen
(MAICSA 7069479)
(SSM Practising Certificate No. 201908001514)

SENIOR MANAGEMENT

Mr. Young Lee Chern
Chief Executive Officer

Mr. Er Hock Swee
Chief Financial Officer

Ms. Yong Yoke Hiong
Head of Group Administration & Corporate Affairs and Human Resource

En. Abdul Razak Bin Md Aris
Head of Group Audit

En. Muhamad Saipul'ilah Bin Che Idris
Plantation Controller

Mr. Fabian Fernandez
Head of Engineering / Mill Controller

Mr. Winston Chua Eng Meng
General Manager (Plantation) - PT LAK

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
Email : umb@unitedmalacca.com.my
website : www.unitedmalacca.com.my

DATE AND PLACE OF INCORPORATION

Incorporated on 27 April 1910
in Malaysia

AUDITORS

Ernst & Young PLT
Level 16-1, Jaya 99, Tower B
99, Jalan Tun Sri Lanang
75100 Melaka

Tel : 06-8525300
Fax : 06-2832899

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof Khoo Kay Kim
Seksyen 13, 46200
Petaling Jaya, Selangor

Tel : 03-78904700
Fax : 03-78904670

STOCK EXCHANGE LISTING

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

PROFILE OF DIRECTORS

DATIN PADUKA TAN SIOK CHOO

Chairperson & Non-Independent Non-Executive Director

Malaysian | Female | aged 69

Datin Paduka Tan Siok Choo, is the Chairperson. She joined the Board as an Independent Non-Executive Director on 8 December 1988, and the Directors unanimously appointed her as Chairperson in July 2011. On 17 July 2014, she was re-designated as a Non-Independent Non-Executive Director. A member of the Executive Committee and Board Tender Committee, she sits on the Board of the Group's subsidiaries: Leong Hin San Sdn. Bhd., Meridian Plantations Sdn. Bhd., Syarikat Penanaman Bukit Senorang Sdn. Bhd., South-East Pahang Oil Palm Berhad, and Vintage Plantations Sdn. Bhd.. She is the President Commissioner of PT Lifere Agro Kapuas as well as a Commissioner of PT Bintang Gemilang Permai, PT Wana Rindang Lestari, and PT Usaha Mulia Bahagia, the Group's subsidiaries in Indonesia.

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 called to the Malaysian Bar in 1977.

On 31 October 2015, Datin Paduka Tan Siok Choo was conferred the Honorary Doctorate of Philosophy in Plantation Management by Universiti Putra Malaysia to recognise her contribution to the plantation industry.

Datin Paduka Tan Siok Choo 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 Rashid Hussain Securities and Morgan Grenfell Asia & Partners' Securities. She had a short stint with the world's largest executive search firm, Korn Ferry International and was a journalist with Business Times and The Sunday Star.

Datin Paduka Tan Siok Choo is a Trustee of the Tun Tan Cheng Lock Foundation and the TARC Education Foundation. She served on the Board of OCBC Bank (Malaysia) Berhad and OCBC AL-AMIN Berhad for 14 years until her retirement on 27 July 2014.

Datin Paduka Tan Siok Choo is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company.

She attended all five Board Meetings held during the financial year ended 30 April 2021.

She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

MR. TAN JIEW HOE

Independent Non-Executive Director

Singaporean | Male | aged 74

Mr. Tan Jiew Hoe, joined the Board as Alternate Director on 9 June 1997 and was subsequently appointed as Director on 30 March 2007. He is a member of the Audit Committee and a member of the Nomination and Remuneration Committee. He sits on the Board of several subsidiaries of the Group in Malaysia. He is the Chairman of International Natural Resources Pte Ltd and the Director of Clifton Cove Pte Ltd, the Group's subsidiaries in Singapore.

Mr. Tan is also a Director of several other private companies in Malaysia and Singapore and is a keen plantsman.

In 2000, Mr. Tan was awarded a silver medal for 10-19 years' service as a Director of Singapore Chinese Girls School by the Ministry of Education. Subsequently in 2010 he received a gold medal for more than 20 years of service as a Director of Singapore Chinese Girls School.

The President of Singapore also awarded him Pingat Bakti Masyarakat (PBM) in November 2013 for his contributions to the Public Service in the National Parks Board to recognise his 30 years' contributions and support for plant introduction and botany publications.

In April 2019, Mr. Tan received the Veitch Memorial Medal, an international award issued by the Royal Horticultural Society in United Kingdom to persons of any nationality who have made outstanding contribution to the advancement of the science and practice of horticulture.

Mr. Tan is the President of Singapore, Gardening Society, and a Director of Gardens By the Bay in Singapore.

Mr. Tan is not related to any Director and/or major shareholder of United Malacca Berhad. He has no personal interest in any business arrangement involving the Company.

He attended all five Board Meetings held during the financial year ended 30 April 2021. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

MR. TEO LENG

Non-Independent Non-Executive Director

Malaysian | Male | aged 69

Mr. Teo Leng, was appointed an Independent Non-Executive Director on 1 September 2009. He was re-designated as Non-Independent Non-Executive Director on 10 July 2017. He is Chairman of the Executive Committee and a member of the Board Tender Committee. He is also a Director of several Group subsidiaries in Malaysia. He is a Commissioner in PT Lifere Agro Kapuas, PT Bintang Gemilang Permai, and PT Wana Rindang Lestari, the Group's subsidiaries in Indonesia.

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

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

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

He has been an active committee member of national associations in the oil palm, rubber and cocoa industries. He was a past Board member of the Malaysian Palm Oil Board (MPOB). He was also a Council member of Malaysian Palm Oil Association (MPOA), The Malayan Agricultural Producers Association (MAPA), and Environmental Quality Council (EQC) of Kementerian Sumber Asli & Alam Sekitar. Currently, he is a member of the MPOA Council and its Research and Development Main Committee. Mr. Teo was an Independent and Non-Executive Director of Southern Acids (M) Berhad until 25 September 2020. Mr. Teo was also director of several other companies in Malaysia.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He attended all five Board Meetings held during the financial year ended 30 April 2021. He has not been convicted of any offence within the past 5 years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

DATO DR. NIK RAMLAH BINTI NIK MAHMOOD

Senior Independent Non-Executive Director

Malaysian | Female | aged 65

Dato Dr. Nik Ramlah Binti Nik Mahmood, was appointed an Independent Non-Executive Director on 3 January 2017. She is the Chairperson of the Nomination and Remuneration Committee and a member of the Audit Committee. She is a Commissioner of PT Lifere Agro Kapuas and a Director of PT Bintang Gemilang Permai and PT Wana Rindang Lestari, the Group's subsidiaries in Indonesia.

Dato Dr. Nik Ramlah holds a First Class Honours in Law from University Malaya and LLM and Ph.D. from the University of London.

Dato Dr. Nik Ramlah Binti Nik Mahmood retired as Deputy Chief Executive of Securities Commission Malaysia (SC) in March 2016. Before joining the SC in 1993, Dato Dr. Nik Ramlah was an Associate Professor at the Faculty of Law, University of Malaya.

Dato Dr. Nik Ramlah is a member of the Board of Directors of Perbadanan Insurans Deposit Malaysia (PIDM) and the Institute for Capital Market Research Malaysia. She also a board member of INCEIF, the global university for Islamic finance.

Dato Dr. Nik Ramlah is also a Board member of Permodalan Nasional Berhad and Amanah Saham Nasional Berhad. She is the Senior Independent Non-Executive Director of Axiata Group Berhad and the Non-Independent Non-Executive Director of Dialog Axiata PLC.

Dato Dr. Nik Ramlah is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. She attended all five Board Meetings held during the financial year ended 30 April 2021. She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

MR. ONG KENG SIEW

Independent Non-Executive Director

Malaysian | Male | aged 65

Mr. Ong Keng Siew, was appointed an Independent Non-Executive Director on 19 January 2017. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee. He is a Director of PT Lifere Agro Kapuas and the President Director of PT Wana Rindang Lestari and PT Bintang Gemilang Permai, the Group's subsidiaries in Indonesia.

Mr. Ong is a Fellow member of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Malaysian Institute of Accountants.

Mr. Ong had an impressive career spanning over 30 years at Paramount Corporation Berhad. Mr. Ong joined Paramount Corporation Berhad as an Accountant in 1981, and he rose through the ranks of Finance and Administration Manager and General Manager. He was appointed to the Board of Paramount Corporation Berhad on 14 November 1994. He assumed the posts of Deputy Group Managing Director & Deputy Group CEO in 1997 and was appointed as the Managing Director & CEO of Paramount Corporation Berhad on 1 December 2008. He retired as the Managing Director & CEO of Paramount Corporation Berhad on 18 June 2012.

He is currently an Independent Non-Executive Director of Paramount Corporation Berhad and Pekat Group Berhad.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He attended all five Board Meetings held in the financial year ended 30 April 2021.

He has not been convicted of any offence within the past 5 years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

MR. TEE CHENG HUA

Non-Independent Non-Executive Director

Malaysian | Male | aged 67

Mr. Tee Cheng Hua joined United Malacca Berhad as Non-Independent Non-Executive Director on 1 October 2019. He is Chairman of the Board Tender Committee and a member of the Executive Committee. Mr. Tee is an uncle of Dato' Sri Tee Lip Sin.

Mr. Tee graduated with a Bachelor of Mechanical Engineering degree from the University of Technology Malaysia in 1978.

He started his career as an Engineer with Highlands and Lowlands Bhd. and was subsequently a Mill Manager/ Engineer with Kulim (M) Bhd.

Mr. Tee is a Non-Independent Senior Executive Director of Far East Holdings Bhd. He is also the Senior Executive Director of Prosper Group of Companies as well as a Director of Prosper Palm Oil Mill Sdn. Bhd., one of the major shareholders of United Malacca Berhad.

Mr. Tee is a Director of Future Prelude Sdn Bhd, an integrated oleochemical company specialising in the production of several oleochemical products and biodiesel using sustainable palm oil as feedstock.

Mr. Tee is also active in renewal energy businesses and sits on the Board of several companies involving solar, hydro and biogas power generation.

Mr. Tee Cheng Hua has no personal interest in any business involving the Company except that he shall be deemed interested in transactions that may be carried out in the ordinary course of business by the Company with Prosper Group or its related companies. He attended all five Board Meetings held during the financial year ended 30 April 2021. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

DATO' SRI TEE LIP SIN

Non-Independent Non-Executive Director

Malaysian | Male | aged 50

Dato' Sri Tee Lip Sin, was appointed Alternate Director to his uncle, Mr. Tee Cheng Hua on 1 October 2019. He was subsequently appointed a Non-Independent Non-Executive Director on 25 February 2021.

He holds a Degree in Business Administration from the University of Wales, Associate Diploma in Commerce from Curtin University, Australia and Executive Diploma in Plantation Management from the University of Malaya.

Dato' Sri Tee Lip Sin started his career as an executive in Prosper Palm Oil Mill Sdn. Bhd.. ("Prosper") in 1995 and subsequently rose to the rank of Executive Director. He is a Director of Prosper, a major shareholder of United Malacca Berhad and Prosper Trading Sdn. Bhd.. Dato' Sri Tee Lip Sin also sits on the Board of several private companies in plantation and milling businesses. He is an Executive Director of C.I. Resources Limited, a listed company in Australia.

He is also a Director of Phosphate Resources (Malaysia) Sdn. Bhd. and Phosphate Resources (Singapore) Pte Ltd., which undertake fertiliser businesses.

Dato' Sri Tee Lip Sin has no personal interest in any business involving the Company except that he shall be deemed interested in transactions that may be carried out in the ordinary course of business by the Company with Prosper or its related companies. Since his appointment on 25 February 2021, he has attended one scheduled Board Meeting during the financial year ended 30 April 2021.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors
(continued)

MR. HAN KEE JUAN

Independent Non-Executive Director

Malaysian | Male | aged 69

Mr. Han Kee Juan joined United Malacca Berhad as Independent Non-Executive Director on 3 June 2021.

Mr. Han graduated with a Bachelor of Agriculture Science (Hons) degree from the University of Malaya in 1976.

Mr. Han joined Highlands Research Unit as a Research Officer upon graduation from the University of Malaya in 1976. He provided agronomic advisory services to the estates managed by Barlow Boustead Estates Agency and conducted trials on plant protection and agronomy of oil palm.

He moved to Eastern Plantation Agency in 1981 and served as Agronomist. He was responsible for formulating agronomic policies for estates owned by Kulim Group. The Agronomy Department expanded under his charge, which included the setup of an analytical laboratory, and trials on oil palm agronomy were conducted.

Mr. Han joined IOI Corporation Bhd in 1989 as Senior Agronomist/Senior Manager. In addition to formulating agronomic policies for the group estates, he was also responsible for managing several estates planted with oil palm, rubber, and cocoa.

Mr. Han founded Budi-JS Plantation Management Sdn Bhd in 1992. He is the Managing Director of the said company, the Managing Agents for estates owned by Koperasi Serbausaha Makmur Bhd (Kosma). Under Budi-JS Plantation Management, Suruhanjaya Koperasi Malaysia rated Kosma as one of the best cooperatives in plantation management in Malaysia.

Mr. Han is the Plantation Advisor for Prosper Group and Far East Holdings Berhad. He provides plantation advisory services to more than 100,000 hectares of plantations in Malaysia and Papua New Guinea.

Mr. Han is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He was appointed to the Board on 3 June 2021, therefore he has no attendance record of Board Meetings during the financial year ended 30 April 2021. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies.

PROFILE OF CHIEF EXECUTIVE OFFICER

MR. YOUNG LEE CHERN

Malaysian | Male | aged 43

Mr. Young Lee Chern, joined United Malacca Berhad as Chief Financial Officer on 13 February 2019. Subsequently, he was redesignated Chief Operating Officer/Chief Financial Officer on 1 October 2019. On 1 July 2021, Mr. Young appointed the Chief Executive Officer.

Mr. Young is a Fellow member of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Malaysian Institute of Accountants.

Mr. Young has more than 19 years of working experience in auditing, accounting, and finance in Malaysia and Indonesia. He was Audit Manager of KPMG KL and was subsequently the Branch Manager of KPMG Melaka. Before returning to Malaysia, he was the Senior Financial Controller of a private equity-owned plantation group and Financial Controller of Genting Plantations Berhad in Indonesia.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the company. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by regulatory bodies during the financial year.

PROFILE OF RETIRED CHIEF EXECUTIVE OFFICER

MR. PETER BENJAMIN

Malaysian | Male | aged 64

Mr. Peter Benjamin, was the Chief Executive Officer of the Company from 1 May 2014 until his retirement on 30 June 2021. He graduated from the University of Kerala, India, with a Bachelor Of Science Degree (Botany).

Mr. Peter's career in the plantation industry spanned over 42 years. He began as a Field Supervisor in Kuala Lumpur Kepong in 1979 and joined Boustead as an Assistant Manager in 1982.

He worked for different Malaysian, Foreign, Multi-National, and Public Listed Companies in Senior Management positions throughout his career in the plantation industry.

He has working experience in Sabah, Peninsular Malaysia, Indonesia, and Papua New Guinea, in various positions of General Manager, Head of Plantations, Chief Operating Officer, and Chief Executive Officer.

Over the years, he had managed large plantations (120,000 ha to 250,000 ha) of different crops (rubber, oil palm, cocoa, coconut, sago), forestry, palm oil mills, and sago factory.

He is not related to any Director and major shareholder of United Malacca Berhad and has no personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past five years and was not imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

As at 30 June 2021, Mr. Peter Benjamin holds 100,000 shares in the Company. He has no interest in the shares of the subsidiaries of the Company.

PROFILE OF KEY SENIOR MANAGEMENT

MR. ER HOCK SWEE

Chief Financial Officer

Nationality / Age / Gender:

Malaysian / 44 / Male

Date Appointed as Key Senior Management:

1 July 2021

Qualification:

- Bachelor of Accountancy (Universiti Putra Malaysia)
- Member of the Malaysian Institute of Accountants

Working Experience:

- Audit Assistant Manager of SC Lim, Ng & Co. (2001 - 2006)
- United Malacca Berhad (since April 2006)

MS. YONG YOKE HIONG

Head of Group Administration & Corporate Affairs and Human Resource

Nationality / Age / Gender:

Malaysian / 51 / Female

Date Appointed as Key Senior Management:

1 July 2019

Qualification:

- Associate of The Malaysian Institute of Chartered Secretaries and Administrators

Working Experience:

- Gymtech Devt Sdn. Bhd. (1994 - 1995)
- KCA Corporate Services Sdn. Bhd. (1995 - 1997)
- United Malacca Berhad (since 1997)

EN. ABDUL RAZAK BIN MD. ARIS

Head of Group Audit

Nationality / Age / Gender:

Malaysian / 52 / Male

Date Appointed as Key Senior Management:

1 July 2019

Qualification:

- Bachelor of Accountancy (Hons.)
- Chartered Member - The Institute of Internal Auditors Malaysia (IIAM)

Working Experience:

- Golden Hope Plantations Berhad (1993 - 1995)
- The News Straits Times Press (M) Berhad (1995 - 1997)
- Nestle Malaysia Berhad (1997 - 2000)
- Straits Securities Sdn Bhd (2000 - 2002)
- United Malacca Berhad (since 2002)

Profile of Key Senior Management
(continued)

MR. FABIAN FERNANDEZ

Head of Engineering / Mill Controller

Nationality / Age / Gender:
Malaysian / 50 / Male

Date Appointed as Key Senior Management:
1 May 2016

Qualification:
- Master of Business Administration (Wales)
- Marine Engineer
- 1st Grade Steam Engineer
- Diploma in Marine Engineering
- Certified Corporate Coach

Working Experience:
- Marine Engineer in Merchant Marine Fleet
- Mill Manager in Boustead Estates, United Plantations Berhad and Cargill.
- Business Unit Head for Maintenance and Reliability in Cargil (2009)
- Visiting Engineer for Boustead Plantations (2014)
- United Malacca Berhad as Mill Controller (since May 2016)

EN. MUHAMAD SAIPUL'ILAH BIN CHE IDRIS

Plantation Controller

Nationality / Age / Gender:
Malaysian / 58 / Male

Date Appointed as Key Senior Management:
1 July 2019

Qualification:
- Sijil Pelajaran Malaysia
- Diploma in Planting Industry and Management

Working Experience:
- Assistant Manager in UIE - United Plantations (1989-1992)
- Senior Manager in Kumpulan Guthrie (1993 - 2007)
- General Manager in Sime Darby (2007 - 2016)
- Freelance Plantation Consultant (2016 - 2019)

MR. WINSTON CHUA ENG MENG

General Manager (PT. Lifere Agro Kapuas)

Nationality / Age / Gender:
Malaysian / 49 / Male

Date Appointed as Key Senior Management:
15 March 2016

Qualification:
- Sijil Tinggi Persekolahan Malaysia (STPM)

Working Experience:
- Manager in IOI Corporation Berhad (12 years in Peninsular and 3 years in Sabah) (1994 - 2009)
- Senior Manager in Genting Plantation Berhad - Plantation Advisory HO and Mewah Estate, Sandakan, Sabah (2009 - 2011)
- General Manager Estates of TSH Resources Berhad - overseeing all plantation properties in Indonesia (2011 - 2013)
- General Manager of Julong Group Indonesia - Managing PT Grand Mandiri Utama (GMU) in Sintang Kalimantan Barat (2013 - 2015)

Save as disclosed, the above Key Senior Management members have no directorship in Public Companies, no family relationship with any Director and/or major shareholders of United Malacca Berhad, no conflict of interest with United Malacca Berhad, have not been convicted of any offence within the past 5 years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2021.

CHAIRPERSON'S STATEMENT

Dear Shareholders,

"On behalf of the Board of Directors of UMB, I present the Group's Annual Report and Audited Financial Statements for the financial year ended 30 April 2021."

Datin Paduka Tan Siok Choo

For United Malacca Berhad ("UMB"), the financial year ended 30 April 2021 ("FY 2021") was a year of startling contrasts: accelerating prices of crude palm oil ("CPO") and palm kernel ("PK") to an eight-year high amid an economy in Malaysia and worldwide pummelled by the Covid-19 pandemic.

At a recent webinar, Professor Yeah Kim Leng, Senior Fellow at the Jeffrey Cheah Institute, indicated the Covid-19 pandemic damaged the Malaysian economy far more than the last two recessions. In 2Q 2020, the Malaysian economy contracted by -17.2%, this was steeper than the -11.2% fall in 4Q 1998 during the Asian Financial Crisis and the -6.2% slippage in 1Q 2009 during the Global Financial crisis.

This year, economies in the United States ("US") and China have regained their vigour. Last year, China's economy grew by a tepid 2.3%, the weakest in decades. In the first quarter 2021 ("1Q 2021"), China expanded by 18.3% compared with the same quarter last year, the strongest since it started collating quarterly data in 1992. China's full year growth in 2021 is expected to hit 6%.

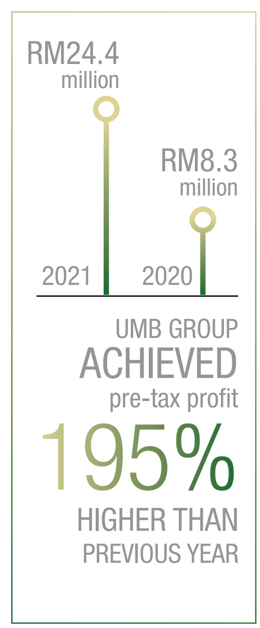
In the US, analysts have switched from worrying about a Covid-19 induced downturn to concern about the prospect of two interest rate hikes by 2023. After its June meeting this year, the US Federal Reserve said it now expects the world's largest economy to expand by 7% this year compared with its March forecast of 6.5% while inflation estimates were revised upwards by a full percentage point to 3.4%.

Recent newspaper headlines have spurred concern about Covid-19 variants. Both the World Health Organisation ("WHO") and the US-based Center for Disease Control Prevention ("CDC") have singled out variants like Delta that could spread faster and be more deadly.

While fast-recovering economies in China and the US signal optimism for palm oil prices, the emergence of Covid-19 variants suggests the second half of calendar year 2021 and full calendar year 2022 could be another 18 months of mixed prospects for Malaysia's top-selling vegetable oil.

BUSINESS PERFORMANCE

For FY 2021, the UMB Group achieved pre-tax profit of RM24.4 million, a jump of RM16.1 million or 195% higher than the previous year's figure of RM8.3 million.



FY 2021 pre-tax profit of RM24.4 million was arrived at after deducting an impairment of an intangible asset of RM16.0 million. Excluding this item, the Group would have recorded a pre-tax profit of RM40.4 million in FY 2021.

For the financial year ended 30 April 2020 ("FY 2020"), pre-tax profit of RM8.3 million included a gain on disposal of four Peninsular Malaysian estates for RM103.2 million and an impairment of bearer plants of RM56.8 million. Excluding these two exceptional items, the Group would have recorded a pre-tax loss of RM38.1 million in FY 2020.

At Company level, UMB recorded RM42.0 million pre-tax profit in FY 2021 compared with a pre-tax profit of RM36.1 million in the preceding year.

Excluding the impairment of investment in an Indonesian subsidiary of RM14.3 million, the Company would have recorded a pre-tax profit of RM56.3 million in FY 2021.

Pre-tax profit for FY 2020 included a gain on the sale of the four Peninsular Malaysian estates of RM103.2 million and an impairment on bearer plants of RM56.8 million. Excluding these two exceptional items, in FY 2020, the Company would have registered a pre-tax loss of RM10.3 million.

UMB's massive improvement in profits in FY 2021 was largely due to the combined impact of markedly higher prices of CPO and PK - prompted by reduced output in Malaysia and improved demand from China and India - and lower costs.

Chairperson's Statement
(continued)

BUSINESS PERFORMANCE (CONTINUED)

In FY 2021, UMB's Malaysian operations recorded higher average CPO and PK prices - rising by 25% and 40% respectively to RM2,829 and RM1,834 per tonne from the preceding year's average prices of RM2,259 and RM1,310, respectively.

Prices for CPO and PK were more subdued for UMB's Indonesian operations, averaging RM2,536 and RM1,582 per tonne respectively, a rise of 16% and 41% from the preceding year's record of RM2,194 and RM1,125 per tonne, respectively. CPO and PK prices in Indonesia were lower than in Malaysia due to an increase in export levy to support the republic's mandatory biodiesel program.

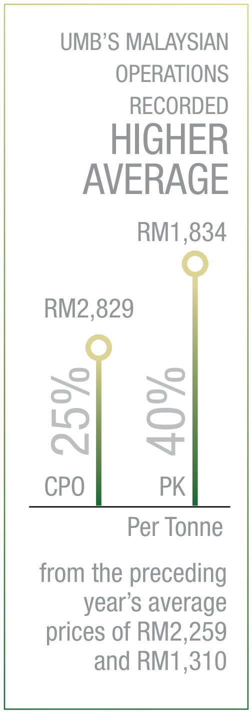
In FY 2021, UMB Group's output of fresh fruit bunches ("FFB") improved only marginally - totalling 370,820 tonnes or 2% higher than the 362,096 tonnes recorded in the preceding financial year.

This was mainly due to heavy rainfall in PT Lifere Agro Kapuas's ("LAK's") Kalimantan estates from October 2020 to March 2021 as well as in Meridian estates in Sabah from October 2020 to January 2021.

Wet weather also impeded harvesting and collection of FFB. Another negative factor was the shortage of foreign workers, particularly harvesters, in Malaysian estates.

In FY 2021, compared with the previous financial year, FFB output in Malaysian operations edged upwards by 4% or 12,128 tonnes to 313,198 tonnes.

UMB's FFB output in Kalimantan, Indonesia was lower than that of their Malaysian counterparts. In FY 2021, LAK's FFB output declined by 6% or 3,404 tonnes to 57,622 tonnes.



DIVIDENDS

For the financial year ended 30 April 2021, the Board of Directors declared a second interim single-tier dividend of 7 sen payable on 16 August 2021.

Together with the first interim single-tier dividend of 3 sen paid on 4 February 2021, the total single-tier dividend for the financial year under review is 10 sen or RM21.0 million (FY 2020: total single-tier dividend of 8 sen totalling RM16.8 million).

The Board of Directors do not recommend any final dividend for the financial year ended 30 April 2021.

PT. Lifere Agro Kapuas in Indonesia

Chairperson's Statement
(continued)

ENHANCING SUSTAINABILITY

Several strategies underscore UMB's commitment to nurturing oil palms through sustainable and environmentally-friendly policies.

1. UMB is committed to reducing emissions of greenhouse gas ("GHG") in its mills by composting empty fruit bunches ("EFB"), a move that has helped reduce appreciably the Group's usage of chemical fertilisers.

2. Usage of renewable energy like solar power will be stepped up in estates in Sabah, particularly those unconnected to the state electricity grid.

3. Although all UMB oil palm estates in Malaysia and Kalimantan have obtained MSPO and ISPO certification, UMB believes implementing sustainable agricultural practices is a journey, not a destination.

4. Beginning in 2013, UMB has donated funds annually to University Putra Malaysia ("UPM") under the UPM-UMB research collaboration project. During FY 2021, UMB contributed RM99,000 to UPM to fund research on intercropping between rows of oil palms.

Contributed school bags and stationery to Machap Jaya Community Centre's "Back to School" event on 8 January 2021 for Orang Asli children.

5. Since establishing the United Malacca scholarships in 2006, scholarships totalling RM1.054 million have been awarded to 26 male students and 17 female students studying agricultural science and engineering. Fourteen scholarship holders who graduated in previous years are currently working for UMB. Another two scholarship holders will graduate in 2021 and join UMB; another seven scholarship students are still studying in universities while 20 students have completed serving their three-year bond with UMB. Because UMB believes scholarships are mutually beneficial to recipients and the Group, the number of scholarships awarded each year is determined by the number of eligible students.

6. To restrict the spread of Covid-19, UMB has directed all workers and employees to fully comply with standard operating procedures. All workers and employees in all estates and offices in Malaysia have been self-tested or swabbed for Covid-19 infection. UMB spent RM0.5 million on preventive measures in all estates and workplaces.

More details are set out in the Sustainability Statement on page 38 to page 59 of this Annual Report.

CURRENT YEAR PROSPECTS

For FY 2022, UMB Group expects higher FFB production than the preceding year, stemming from the palms' better age profile and an increase in mature area in LAK's oil palm estates in Kalimantan, Indonesia.

To nurture long-term sustainable growth, UMB will replant approximately 293 hectares of palms older than 24 years with high-yielding semi-clonal seedlings while approximately 489 hectares in LAK will be newly planted with oil palms.

Although CPO prices remain strong, UMB believes the key watchwords in FY 2022 are "cautious optimism". While stronger than expected demand for oil has boosted Brent oil prices to above US$70 - elevating hopes of a similar trend in CPO prices - pressure from environmentalists over palm oil is likely to be sustained.

Despite uncertainty over CPO's price prospects, UMB will continue to prioritise maintaining financial prudence, enhancing cost efficiency, and increasing yields in Malaysian and Indonesian estates.

MOVING FORWARD

Despite the current challenges, UMB believes palm oil's long-term outlook remains bright. In the foreseeable future, palm oil's twin status as the vegetable oil with the highest yield per hectare and the cheapest vegetable oil to produce is likely to remain unchallenged.

In a recent article, Jonathan E. Robins of Michigan Technology University noted the oil palm can produce up to 10 times more oil per hectare than soybeans. The International Union for the Conservation of Nature ("IUCN") says clearing tropical forests for oil palm plantations threatens nearly 200 at-risk species, including orangutans, tigers and African forest elephants.

Remarkably, the IUCN and other advocates argue shifting away from palm oil is NOT the answer, Robins adds. Since oil palm is so productive, switching to other oil crops could cause even more harm because more land would be needed to cultivate substitutes.

Notwithstanding palm oil's bright long-term prospects, UMB aims to reduce its 100% reliance on a single crop and remains committed to its diversification policy in Malaysia and Indonesia.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to thank all UMB's loyal shareholders for their continuing support during the last two financially-challenging years.

I am deeply indebted to my fellow directors, who have willingly spent considerable time, offered unrelenting support and invaluable advice - often beyond their statutory responsibilities - to deal with some major challenges UMB faced during FY 2021, including the onset of the Covid-19 pandemic that necessitated multiple lockdowns.

Once again, I would like to express my sincere appreciation for Tan Sri Dato' Ahmad bin Mohd Don who served as director for 14 years with the UMB Group and decided to retire and not seek re-election as UMB director at last year's annual general meeting.

Additionally, UMB directors and I would like to record our appreciation to Mr Peter Benjamin who retired as Chief Executive Officer ("CEO") on 30 June 2021. During his seven years with UMB, his notable achievements include expanding the Group's operations to Kalimantan, installing fertigation pipes to deliver fertilisers to the oil palms and mechanising the collection of FFB in Malaysian estates. UMB directors and I wish Tan Sri Dato' Ahmad bin Mohd Don and Mr Peter Benjamin a happy and healthy retirement.

On 1 July 2021, UMB directors appointed Chief Operating Officer ("COO") and Chief Financial Controller ("CFO"), Mr Young Lee Chern to assume the newly vacated position of CEO while on the same date, Senior Manager (Finance & Accounts), Mr Er Hock Swee took over as CFO.

Special thanks are also due to management, employees and staff for their commitment, professionalism and dedicated services during the twin impact of the Covid-19 pandemic and restrictions impose by the several movement control orders.

Datin Paduka Tan Siok Choo
Chairperson

PENYATA PENGERUSI

> Bagi pihak Lembaga Pengarah UMB, saya membentangkan Laporan Tahunan dan Penyata Kewangan Kumpulan yang diaudit untuk tahun kewangan berakhir 30 April 2021.

Bagi United Malacca Berhad ("UMB"), tahun kewangan berakhir 30 April 2021 ("TK 2021") adalah tahun yang istimewa: kenaikan harga minyak sawit mentah ("MSM") dan isirong sawit ("IS") ke paras tertinggi dalam masa 8 tahun di persekitaran ekonomi Malaysia dan penularan wabak Covid-19 di seluruh dunia.

Pada webinar baru-baru ini, Profesor Yeah Kim Leng, Felo Kanan di Institut Jeffrey Cheah mengatakan bahawa wabak Covid-19 akan menjejaskan ekonomi Malaysia jauh lebih teruk daripada dua kemelesetan terakhir. Pada suku kedua 2020, ekonomi Malaysia menyusut -17.2%, ini lebih terjejas daripada kejatuhan -11.2% pada suku keempat 1998 semasa Krisis Kewangan Asia dan penurunan -6.2% pada suku pertama 2009 ketika Krisis Kewangan Global.

Tahun ini, ekonomi di Amerika Syarikat ("AS") dan China kembali kukuh. Tahun lalu, pertumbuhan ekonomi China adalah 2.3% yakni yang paling lemah dalam beberapa dekad. Pada suku pertama 2021 ("S1 2021"), pertumbuhan China berkembang sebanyak 18.3% yakni yang paling tinggi berbanding suku yang sama tahun lalu, bila ia mula mengumpulkan data suku tahunan pada 1992. Pertumbuhan tahunan China pada tahun 2021 dijangka mencecah 6%.

Di AS, kebimbangan para penganalisis telah beralih daripada penurunan yang disebabkan oleh Covid-19 kepada prospek dua kenaikan kadar faedah menjelang 2023. Selepas mesyuaratnya pada bulan Jun tahun ini, Rizab Persekutuan AS meramalkan kuasa ekonomi terbesar dunia itu akan berkembang sebanyak 7% tahun ini berbanding dengan ramalan pada bulan Mac sekitar 6.5% sementara anggaran kenaikan inflasi disemak semula dengan mata peratusan penuh kepada 3.4%.

Berita utama akhbar baru-baru ini telah menimbulkan kebimbangan mengenai varian Covid-19. Kedua-dua Organisasi Kesihatan Sedunia ("WHO") dan Pusat Pencegahan Kawalan Penyakit ("CDC") yang berpusat di AS telah memaparkan varian seperti Delta yang boleh tersebar dengan cepat dan menyebabkan kematian.

Walaupun kepesatan pemulihan ekonomi di China dan AS memberi isyarat optimis terhadap harga minyak sawit, kemunculan varian Covid-19 menunjukkan separuh kedua tahun kalendar 2021 dan kalendar penuh tahun 2022 boleh menjadi 18 bulan lagi prospek campuran bagi penjualan teratas minyak sayuran di Malaysia.


Estet Bukit Senorang di Pahang

PRESTASI PERNIAGAAN

Untuk TK 2021, Kumpulan UMB memperolehi keuntungan sebelum cukai berjumlah RM24.4 juta iaitu kenaikan RM16.1 juta atau 195% lebih tinggi daripada tahun sebelumnya iaitu RM8.3 juta.

Keuntungan sebelum cukai TK 2021 berjumlah RM24.4 juta diperolehi setelah ditolak penurunan nilai rosot aset tidak ketara sebanyak RM16.0 juta. Tanpa mengambilkira item ini, Kumpulan mencatatkan keuntungan sebelum cukai sebanyak RM40.4 juta pada TK 2021.

Untuk tahun kewangan berakhir 2020 ("TK 2020"), keuntungan sebelum cukai berjumlah RM8.3 juta merangkumi keuntungan penjualan empat ladang Semenanjung Malaysia dengan harga RM103.2 juta dan penurunan nilai rosot aset sebanyak RM56.8 juta. Tanpa mengambilkira dua perkara luar biasa ini, Kumpulan mencatatkan kerugian sebelum cukai sebanyak RM38.1 juta pada TK 2020.

Di peringkat Syarikat, UMB mencatatkan keuntungan sebelum cukai RM42.0 juta pada TK 2021 berbanding dengan keuntungan sebelum cukai sebanyak RM36.1 juta pada tahun sebelumnya.

Dengan tidak mengambilkira kerosotan pelaburan dalam anak syarikat Indonesia sebanyak RM14.3 juta, Syarikat seharusnya mencatatkan keuntungan sebelum cukai sebanyak RM56.3 juta pada TK 2021.

Keuntungan sebelum cukai untuk TK 2020 merangkumi keuntungan penjualan empat estet Semenanjung Malaysia sebanyak RM103.2 juta dan penurunan nilai rosot aset sebanyak RM56.8 juta. Tanpa mengambilkira dua item luar biasa ini, pada TK 2020, Syarikat akan mencatatkan kerugian sebelum cukai sebanyak RM10.3 juta.

Peningkatan keuntungan UMB yang tinggi pada TK 2021 yang sebahagian besarnya disebabkan oleh kesan gabungan dari harga MSM dan IS yang jauh lebih tinggi - disebabkan oleh pengeluaran yang rendah di Malaysia dan peningkatan permintaan dari China dan India - dan kos yang lebih rendah.

Pada TK 2021, operasi UMB di Malaysia mencatat harga purata MSM dan IS yang lebih tinggi - masing-masing meningkat 25% dan 40% kepada RM2,829 dan RM1,834 setiap tan metrik daripada harga purata tahun sebelumnya sebanyak RM2,259 dan RM1,310 setan metrik.

Harga MSM dan IS adalah lebih rendah untuk operasi UMB Indonesia, dengan harga purata RM2,536 dan RM1,582, meningkat 16% dan 41% dari rekod tahun sebelumnya iaitu RM2,194 dan RM1,125 setan metrik. Harga MSM dan IS di Indonesia lebih rendah daripada di Malaysia kerana kenaikan pungutan eksport untuk menyokong program wajib biodiesel republik itu.

Pada TK 2021, pengeluaran buah tandan segar ("BTS") Kumpulan UMB hanya meningkat sedikit - berjumlah 370,820 tan atau 2% lebih tinggi daripada 362,096 tan yang dicatatkan pada tahun kewangan sebelumnya.

Ini disebabkan terutamanya oleh hujan lebat di perkebunan PT Lifere Agro Kapuas ("LAK") di Kalimantan dari Oktober 2020 hingga Mac 2021 dan juga di ladang Meridian di Sabah dari Oktober 2020 hingga Januari 2021.

Cuaca basah juga menghalang penuaian dan pengumpulan BTS. Faktor negatif lain ialah kekurangan pekerja asing, terutama penuai di ladang-ladang di Malaysia.

Pada TK 2021, pengeluaran BTS dalam operasi di Malaysia meningkat 4% atau 12,128 tan kepada 313,198 tan berbanding dengan tahun kewangan sebelumnya.

Pengeluaran BTS di Kalimantan, Indonesia adalah lebih rendah daripada yang dihasilkan oleh rakan kongsi di Malaysia. Pada TK 2021, pengeluaran BTS di LAK menurun sebanyak 6% atau 3,404 tan kepada 57,622 tan.

DIVIDEN

Untuk tahun kewangan berakhir 30 April 2021, Lembaga Pengarah mengisytiharkan dividen interim satu peringkat sebanyak 7 sen yang akan dibayar pada 16 Ogos 2021.

Bersama dengan dividen interim satu peringkat pertama sebanyak 3 sen yang dibayar pada 4 Februari 2021, jumlah dividen satu peringkat untuk tahun kewangan semasa adalah 10 sen atau RM21.0 juta (TK 2020: jumlah dividen satu peringkat sebanyak 8 sen berjumlah RM16.8 juta).

Lembaga Pengarah tidak mencadangkan dividen akhir untuk tahun kewangan berakhir 30 April 2021.

Penyata Pengerusi
(sambungan)

PENINGKATAN KELESTARIAN

Beberapa strategi menunjukkan komitmen UMB untuk memelihara kelapa sawit melalui dasar yang lestari dan mesra alam.


Pre-Nursery di Estet Paitan, Sabah

1. UMB komited untuk mengurangkan pelepasan gas rumah kaca ("GHG") di kilang-kilangnya dengan memproses buah tandan kosong ("BTK") secara "compost", langkah yang telah membantu Kumpulan mengurangkan penggunaan baja kimia.

2. Penggunaan tenaga boleh diperbaharui seperti tenaga suria akan ditingkatkan di ladang-ladang di Sabah, terutama yang tidak berkaitan dengan grid elektrikal negeri.

3. Walaupun semua ladang kelapa sawit UMB di Malaysia dan Kalimantan telah memperoleh sijil MSPO dan ISPO, UMB percaya bahawa melaksanakan amalan pertanian lestari adalah perjalanan, bukan pengakhiran.

4. Mulai tahun 2013, UMB telah menyumbang dana tahunan kepada Universiti Putra Malaysia ("UPM") di bawah projek kerjasama penyelidikan UPM-UMB. Semasa TK 2021, UMB menyumbang RM99,000 kepada UPM untuk membiayai penyelidikan mengenai persilangan antara barisan kelapa sawit.

5. Sejak pemberian biasiswa United Malacca pada tahun 2006, biasiswa berjumlah RM1.054 juta telah diberikan kepada 26 pelajar lelaki dan 17 pelajar perempuan yang mempelajari sains pertanian dan kejuruteraan. Empat belas pemegang biasiswa yang lulus pada tahun-tahun sebelumnya sedang bekerja di UMB. Dua lagi pemegang biasiswa akan lulus pada tahun 2021 dan akan menyertai UMB; tujuh lagi pelajar biasiswa masih belajar di universiti sementara 20 pelajar telah selesai berkhidmat dengan UMB. Oleh kerana UMB percaya biasiswa saling bermanfaat kepada penerima dan Kumpulan, jumlah biasiswa yang diberikan setiap tahun ditentukan oleh jumlah pelajar yang layak.

6. Bagi menyekat penyebaran Covid-19, UMB telah mengarahkan semua pekerja untuk mematuhi sepenuhnya prosedur operasi standard. Keseluruhan pekerja di semua ladang dan pejabat di Malaysia telah diuji sendiri atau di swab untuk pengesanan jangkitan Covid-19. UMB membelanjakan RM0.5 juta sebagai langkah pencegahan di semua ladang dan tempat kerja.

Maklumat lebih terperinci dinyatakan dalam Pernyataan Kelestarian di halaman 38 hingga halaman 59 dalam Laporan Tahunan ini.

PROSPEK TAHUN SEMASA

Untuk TK 2022, Kumpulan UMB menjangka pengeluaran BTS yang lebih tinggi daripada tahun sebelumnya, berpunca dari profil umur sawit yang lebih baik dan peningkatan kawasan matang di ladang kelapa sawit LAK di Kalimantan, Indonesia.

Untuk memupuk pertumbuhan jangka panjang yang berlestari, UMB akan menanam semula kira-kira 293 hektar kelapa sawit yang berumur lebih dari 24 tahun dengan anak benih semi-klonal dengan penghasilan tinggi sementara kira-kira 489 hektar di LAK akan ditanam dengan kelapa sawit.

Walaupun harga MSM tetap kukuh, UMB percaya kata kunci utama pada TK 2022 adalah "beroptimis dengan waspada". Walaupun permintaan minyak mentah yang lebih tinggi daripada yang diharapkan telah menaikkan harga minyak Brent ke atas US $70 - meningkatkan harapan untuk trend yang serupa untuk harga MSM - tekanan dari para ahli alam sekitar terhadap minyak sawit kemungkinan akan dapat dipertahankan.

Walaupun terdapat ketidakpastian mengenai prospek harga MSM, UMB akan terus mengutamakan perihal kewangan dengan berhati-hati, meningkatkan kecekapan kos, dan meningkatkan penghasilan di ladang Malaysia dan Indonesia.

Penyata Pengerusi
(sambungan)

MELANGKAH KE HADAPAN

Walaupun menghadapi cabaran semasa, UMB yakin prospek jangka panjang minyak sawit tetap cerah. Pada masa yang akan datang, penghasilan status berkembar minyak kelapa sawit sebagai minyak sayuran dengan penghasilan tertinggi sehektar dan minyak sayur yang paling murah akan tetap tidak dapat ditandingi.

Dalam artikel baru-baru ini, Jonathan E. Robins dari Michigan Technology University menyatakan bahawa kelapa sawit dapat menghasilkan minyak sehingga 10 kali lebih banyak sehektar daripada kacang soya. Kesatuan Antarabangsa untuk Pemuliharaan Alam ("IUCN") mengatakan pembukaan hutan tropika untuk ladang kelapa sawit mengancam hampir 200 spesies berisiko, termasuk orang utan, harimau dan gajah hutan Afrika.

Hebatnya, IUCN dan lain-lain sokongan berpendapat bahawa beralih dari minyak sawit BUKAN jawapannya, tambah Robins. Oleh kerana kelapa sawit sangat produktif, beralih ke tanaman lain akan menyebabkan lebih banyak bahaya kerana lebih banyak tanah diperlukan untuk mengusahakan tanaman pengganti.

Walaupun dengan prospek jangka panjang minyak sawit, UMB akan cuba untuk mengurangkan pergantungan 100% pada satu tanaman dan tetap komited terhadap polisi kepelbagaiannya di Malaysia dan Indonesia.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih kepada semua pemegang saham UMB yang setia di atas sokongan berterusan mereka dalam dua tahun terakhir yang mencabar dari segi kewangan.

Saya sangat terhutang budi kepada rakan-rakan pengarah saya, yang dengan rela menghabiskan banyak masa, menawarkan sokongan tanpa henti dan nasihat yang tidak ternilai - selalunya di luar tanggungjawab berkanun mereka - untuk menangani beberapa cabaran besar yang dihadapi UMB semasa TK 2021, termasuk bermulanya wabak Covid-19 yang memerlukan banyak penutupan.

Sekali lagi, saya ingin merakamkan setinggi-tinggi penghargaan kepada Tan Sri Dato' Ahmad bin Mohd Don yang telah berkhidmat sebagai pengarah selama 14 tahun bersama Kumpulan UMB dan mengambil keputusan untuk bersara dan tidak mahu dipilih semula sebagai pengarah UMB pada mesyuarat agung tahunan tahun lalu.

Di samping itu, para pengarah UMB dan saya ingin merakamkan penghargaan kami kepada Encik Peter Benjamin yang telah bersara sebagai Ketua Pegawai Eksekutif ("CEO") pada 30 Jun 2021. Selama tujuh tahun bersama UMB, pencapaian terbaiknya termasuk memperluas operasi Kumpulan ke Kalimantan, memasang paip fertigasi bagi saluran baja ke pokok sawit dan pengumpulan BTS secara mekanisasi di ladang-ladang di Malaysia. Para Pengarah UMB dan saya mengucapkan Tan Sri Dato' Ahmad bin Mohd Don dan Encik Peter Benjamin persaraan yang baik dan sihat.

Pada 1 Julai 2021, para pengarah UMB telah melantik Ketua Pegawai Operasi ("COO") dan Ketua Pengawal Kewangan ("CFO"), Encik Young Lee Chern untuk menjawat jawatan CEO yang baru ditinggalkan sementara pada tarikh yang sama, Pengurus Kanan (Kewangan & Akaun), Encik Er Hock Swee mengambil alih sebagai CFO.

Ucapan terima kasih khas juga diberikan kepada pihak pengurusan, pekerja dan kakitangan atas komitmen, profesionalisme dan perkhidmatan yang berdedikasi semasa kesan berkembar dari pandemic Covid-19 dan beberapa sekatan perintah kawalan pergerakan.

Datin Paduka Tan Siok Choo
Pengerusi

CORPORATE STRUCTURE

As at 30 July 2021

United Malacca Berhad

Registration No.191001000010 (1319-V)
(Incorporated in Malaysia)

- 100% Leong Hin San Sdn. Bhd.
- 100% Meridian Plantations Sdn. Bhd.
- 100% Syarikat Penanaman Bukit Senorang Sdn. Bhd.
- 100% South-East Pahang Oil Palm Berhad
- 100% Masjid Tanah Properties Sdn. Bhd.
  - 40% PT Usaha Mulia Bahagia ("PT UMB")
- 60% PT Usaha Mulia Bahagia ("PT UMB")
- 100% Melaka Pindah Properties Sdn. Bhd.
- 100% Vintage Plantations Sdn. Bhd.
- 88.2% International Natural Resources Pte. Ltd. ("INR")
  * *Investment holding*
  - 94.1% PT Lifere Agro Kapuas ("PT LAK")
- *83% PT Lifere Agro Kapuas ("PT LAK")
- 100% Clifton Cove Pte. Ltd.
  # *Investment holding*
  - 65% PT Bintang Gemilang Permai ("PT BGP")
    * *Investment holding*
    - 92.32% PT Wana Rindang Lestari ("PT WRL")
- #60% PT Wana Rindang Lestari ("PT WRL")

* *83% effective equity interest in PT LAK through INR*
# *60% effective equity interest in PT WRL through Clifton Cove Pte. Ltd. and PT BGP*

MANAGEMENT DISCUSSION & ANALYSIS

AT A GLANCE

Key Dates

Financial Year End	**30 April 2021**
Annual General Meeting	**29 September 2021**

Dividend Payments:

1st Interim	3 sen	**4 February 2021**
2nd Interim	7 sen	**16 August 2021**

Land Bank Analysis

	Malaysia	Kalimantan		Group
		Inti	Plasma	
	Ha	Ha	Ha	Ha
Matured	18,218	5,583	5,175	28,976
Immature	770	2,272	-	3,042
Total planted	18,988	7,855	5,175	32,018
Land clearing	-	844	-	844
Plantable	45	2,909	-	2,954
Unplantable	4,584	2,895	5,259	12,738
Total Land Bank	23,617	14,503	10,434	48,554

- The above land bank does not include land with the business licence "Izin Usaha Pemanfaatan Hasil Hutan Kayu Pada Hutan Tanaman Industri" ("HTI Licence") over approximately 59,920 hectares in Sulawesi owned by an Indonesian subsidiary.

Group Business Performance (RM'000)		FY 2021	FY 2020	FY 2019	FY 2018 *	FY 2017
1	**Revenue**					
	• Malaysia	290,022	213,785	175,410	244,307	247,183
	• Indonesia	108,047	80,197	28,331	33,984	27,526
	Total	**398,069**	**293,982**	**203,741**	**278,291**	**274,709**
	% Change year on year	35	44	(27)	1	34
2	**Profit/(Loss) Before Tax**	24,420	8,281	(48,892)	29,729	98,888
	% Change year on year	195	(117)	(264)	(70)	41
	Segmental Results					
	Plantations:					
	• Malaysia	44,610	(19,910)	(21,111)	36,498	85,642
	• Kalimantan	(4,648)	(9,583)	(16,948)	(10,041)	4,239
	• Sulawesi	(270)	(949)	(473)	-	-
	Investment income/(expenses)	762	(7,660)	(10,360)	3,272	9,007
	Gain on disposal of non-current assets held for sale	-	103,196	-	-	-
	Impairment of bearer plants	-	(56,813)	-	-	-
	Impairment of intangible asset	(16,034)	-	-	-	-
3	**Operating Margin (%)**	10	(10)	(19)	10	33

Management Discussion & Analysis
(continued)

AT A GLANCE (CONTINUED)

Group Business Performance (continued)		FY 2021	FY 2020	FY 2019	FY 2018 *	FY 2017
4	**Capital Management**					
	4.1 Return on average equity (%)	0.8	1.1	(3.0)	1.6	4.8
	4.2 Earnings/(loss) per share (sen)	6.2	7.8	(18.6)	12.0	40.4
	4.3 Dividend per share (sen)	10.0	8.0	8.0	12.0	23.0
	4.4 Net assets per share (RM)	6.2	6.3	6.3	6.5	8.4
	4.5 Dividend cover	0.6	1.0	(2.3)	0.9	1.8
	4.6 Interest cover	7.0	(2.4)	(5.8)	6.7	26.4
5	**Average Selling Price (RM/tonne)**					
	• Malaysian Operations					
	CPO	2,829	2,259	2,051	2,600	2,809
	PK	1,834	1,310	1,455	2,279	2,796
	• Kalimantan Operations					
	CPO	2,536	2,194	-	-	-
	PK	1,582	1,125	-	-	-
6	**Plantation Statistics**					
	• Malaysian Operations					
	FFB production (tonnes)	313,198	301,070	314,865	354,089	321,887
	Mature hectares	18,218	20,046	20,992	20,277	18,407
	FFB yield (tonnes/hectare)	17.1	14.8	15.1	17.5	17.5
	• Kalimantan Operations					
	FFB production (tonnes)	57,622	61,026	38,748	28,467	19,198
	Mature hectares	5,583	5,282	5,176	4,752	1,792
	FFB yield (tonnes/hectare)	10.3	11.6	7.5	6.0	10.7
7	**Oil Mill Statistics**					
	• Malaysian Operations					
	FFB processed (tonnes)	339,368	348,171	271,152	333,704	311,496
	CPO production (tonnes)	64,938	67,971	52,693	63,244	60,025
	PK production (tonnes)	15,581	17,118	13,195	15,237	14,586
	Oil extraction rate (OER) (%)	19.1	19.5	19.4	19.0	19.3
	Kernel extraction rate (KER) (%)	4.6	4.9	4.9	4.6	4.7
	Mill processing capacity (tonnes/hour)	80	80	80	80	80
	• Kalimantan Operations					
	FFB processed (tonnes)	170,632	164,502	-	-	-
	CPO production (tonnes)	36,331	37,336	-	-	-
	PK production (tonnes)	5,043	4,578	-	-	-
	Oil extraction rate (OER) (%)	21.3	22.7	-	-	-
	Kernel extraction rate (KER) (%)	3.0	2.8	-	-	-
	Mill processing capacity (tonnes/hour)	45	45	-	-	-

* Financial information of the Group for FY 2018 has been adjusted in accordance with the first-time adoption of Malaysian Financial Reporting Standards

AT A GLANCE (CONTINUED)

United Malacca Berhad ("UMB") was founded by the late Tun Tan Cheng Lock on 27 April 1910. As of 30 April 2021, UMB owns and manages 48,554 hectares of oil palm estates in Malaysia and Central Kalimantan.

In FY 2018, UMB acquired an Indonesian subsidiary, PT Wana Rindang Lestari ("WRL"), which has a business licence "Izin Usaha Pemanfaatan Hasil Hutan Kayu Pada Hutan Tanaman Industri" ("HTI Licence") over approximately 59,920 hectares in the Regencies of Tojo Una-Una and Morowali, Province of Central Sulawesi. The licence is valid for 60 years from 4 June 2014.

During the financial year ended 30 April 2021 ("FY 2021"), prices of crude palm oil ("CPO") and palm kernel ("PK") rose considerably - the average market prices of CPO and PK hit the peak of RM4,220 and RM2,628 respectively in April 2021 from RM2,299 and RM1,367, the year-ago figures.

Group production of fresh fruit bunches ("FFB") inched upwards by 2% in FY 2021 compared with the preceding financial year ended 30 April 2020 ("FY 2020"). For UMB's Malaysian operations, FFB output in FY 2021 increased marginally by 4% or 12,128 tonnes from FY 2020. FFB output in UMB's Indonesian subsidiary, PT Lifere Agro Kapuas ("LAK"), dropped by 6% or 3,404 tonnes from FY 2020 due to adverse weather in the second half of FY 2021. Heavy rainfall in LAK estates in Kalimantan impeded harvesting and transporting of FFB to the Arwana mill, resulting in lower output.

Lower production costs in matured areas partially offset higher expenses for newly-matured areas while accelerated mechanisation reduced UMB's reliance on manual labour, particularly foreign workers. In line with UMB's commitment to manage its plantations sustainably, all estates and mills in Malaysia and Kalimantan have been certified by MSPO and ISPO, respectively.

UMB's vision is to inspire staff to excellence, grow sustainably and share prosperity with all stakeholders

FINANCIAL MATTERS

- **Revenue**

  Boosted by higher CPO prices, group revenue totalled RM398.1 million for FY 2021, an increase of 35% or RM104.1 million from RM294.0 million in the previous year.

  Malaysian operations recorded a 25% increase in average CPO price to RM2,829 per tonne compared with the preceding year's average price of RM2,259 per tonne. Meanwhile, average CPO price was RM2,536 per tonne in Kalimantan, 16% higher than the preceding year's RM2,194 per tonne.

- **Profit Before Tax**

  During FY 2021, the Group recorded a pre-tax profit of RM24.4 million - a hefty jump of 195% from the comparable figure for FY 2020 of RM8.3 million.

  Notably, FY 2021 pre-tax profit included a RM16.0 million impairment of an intangible asset in WRL. If this exceptional item was excluded, the Group would have recorded a pre-tax profit of RM40.4 million in FY 2021.

  FY 2020 results included an RM103.2 million gain from the sale of four small estates and a RM56.8 million impairment on bearer plants. Excluding these exceptional items, UMB recorded a pre-tax loss of RM38.1 million in FY 2020.

  With a 25% jump in average CPO price, improved FFB yields and lower production costs in FY 2021, Malaysian estates achieved plantation profit of RM44.6 million compared with a pre-tax loss of RM19.9 million in FY 2020.

- **Assets and Liabilities**

  After the impairment of RM16.0 million, the carrying amount of intangible asset fell to RM12.6 million in FY 2021 from RM29.1 million in FY 2020.

  Reduced inventory from RM35.8 million in FY 2020 to RM28.1 million in FY 2021 was mainly due to lower CPO & PK closing stocks as of 30 April 2021.

FINANCIAL MATTERS (CONTINUED)

- **Assets and Liabilities (continued)**

Trade and other receivables surged from RM77.5 million in FY 2020 to RM85.8 million in FY 2021, mainly from higher revenue in April 2021 and increased Plasma receivables in LAK.

Trade and other payables fell from RM74.6 million in FY 2020 to RM59.2 million in FY 2021, mainly due to settling outstanding payments on LAK's purchase of fixed assets.

During FY 2021, UMB repaid a RM23.8 million term loans and revolving credits. As of 30 April 2021, after a foreign currency adjustment of RM4.5 million, the outstanding bank borrowings totalled RM124.8 million compared with RM153.1 million in the previous year.

- **Investment Holdings**

Investment gain of RM0.8 million in FY 2021 was attributable to a net foreign exchange gain of RM1.8 million, interest income of RM0.4 million and fair value gain on short term funds of RM 0.3 million, less interest expense of RM1.8 million.

Investment loss of RM7.7 million in FY 2020 was primarily due to RM5.7 million in interest expense and net foreign exchange loss of RM4.4 million, less interest income of RM1.0 million and fair value gain on short term funds of RM1.5 million.

- **Plantation Finances**

Malaysian Operations

In FY 2021, Malaysian estates recorded a plantation gain of RM44.6 million compared with a RM19.9 million loss in FY 2020.

Excluding depreciation, amortisation, fair value changes on biological assets and interest expense on lease liabilities, Malaysian operations' Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") in FY 2021 totalled RM80.6 million - more than three times the RM26.2 million in FY 2020.

Higher EBITDA in FY 2021 was mainly due to a significant increase of CPO price of RM2,829/tonne (2020: RM2,259/tonne), higher FFB output by 4% or 12,128 tonnes, and reduced costs of FFB output.

In FY 2021, Malaysian operations' FFB production costs totalled RM133.2 million, a 9% drop compared with RM145.6 million in the previous year. This was largely due to lower fertiliser costs, which fell to RM19.8 million from RM30.6 million in FY 2020.

Although the higher CPO price in FY 2021 benefited UMB estates, the palm oil mills earned a lower processing margin.

Going forward, UMB's senior management will prioritise improving yields, maximising mechanisation, enhancing operational efficiency in oil mills, exerting greater quality control in collecting FFB and stepping up performance-based payments for harvesters.

To minimise the need for labour and to improve the collection of FFB, mechanisation will continue to be accelerated. UMB now uses these machines to do the following:

- "zip-zap" cutters to harvest and prune shorter oil palms;
- mini tractor grabbers ("MTGs") to collect harvested FFB;
- mechanised spreaders to apply fertilisers; and
- mechanised sprayers to spay insecticides and herbicide.

However, maintenance and harvesting of tall oil palms require the highest skills from plantation workers. Compounding the shortage of foreign workers, labour has continued to assume a greater share of costs - from 32% in FY 2020 to 37% in FY 2021 (see chart on production costs).

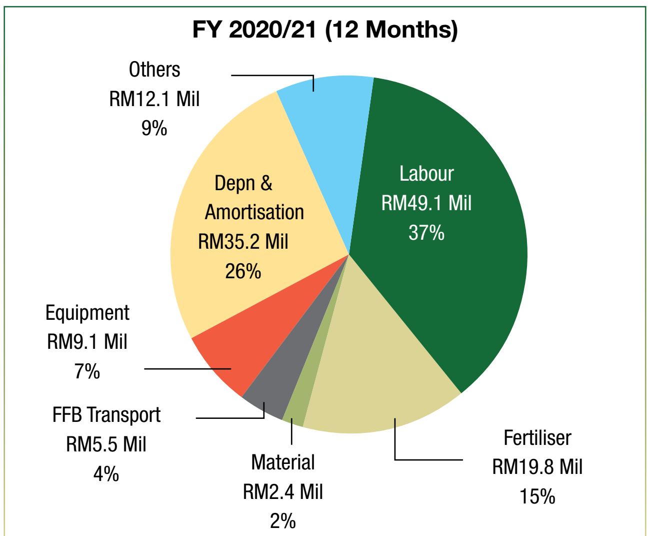
FINANCIAL MATTERS (CONTINUED)

- **Plantation Finances (continued)**

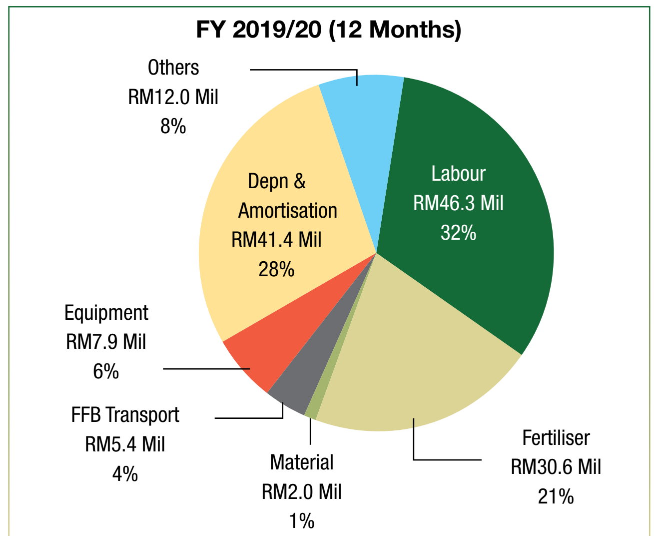
Malaysian Operations (continued)

Additionally, UMB will continue to hedge CPO prices to mitigate the Group's exposure to price fluctuations.

FFB PRODUCTION COST



Total cost: RM133.2 million



Total cost: RM145.6 million

Indonesian Operations - Kalimantan

In FY 2021, Indonesian subsidiary LAK incurred a lower plantation loss of RM4.6 million - less than half the RM9.6 million loss reported in FY 2020. Excluding depreciation, amortisation, fair value changes on biological assets and interest expense on mill loan, LAK recorded a 39% higher EBITDA of RM18.3 million in FY 2021 compared with RM13.2 million in the previous year.

Despite higher CPO prices in FY 2021, LAK continued posting losses due to heavy rainfall in the second half of FY 2021.

During the rainy season, LAK experienced floods in low lying areas and roads were damaged, making it difficult to enter the estates to harvest and transport FFB. This resulted in FFB production declining by 6% or 3,404 tonnes compared with FY 2020.

Commendable EBITDA in the current year was mainly due to lower production costs and a rising CPO price of RM2,536/tonne (2020: RM2,194/tonne).

Indonesian Operations - Sulawesi

During the financial year under review, work in Sulawesi was temporarily halted due to environmental concerns raised by Non-Governmental Organisations ("NGOs") and the need to facilitate a High Conservation Value/High Carbon Stock ("HCV/HCS") study. An AMDAL (Environmental Impact Assessment) has been carried out. Due to the Covid-19 pandemic, UMB cannot state with certainty the time frame needed to undertake and complete the HCV/HCS study.

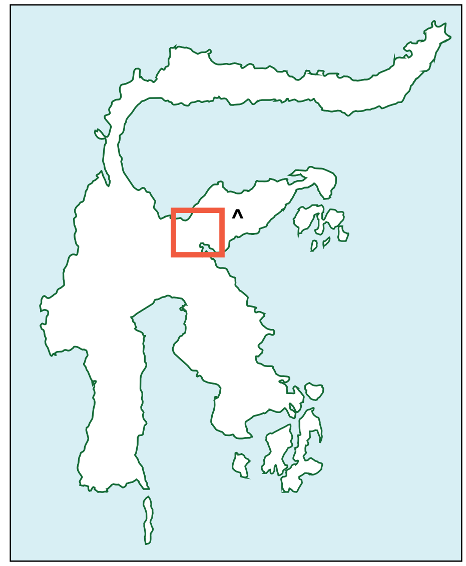
While waiting for the HCV/HCS study, the planting programme in Sulawesi has been deferred. The recoverable amount of intangible asset (HTI licence) based on the value-in-use calculations using cash flow projections was lower than the carrying amount of intangible asset.

An impairment of the intangible asset of RM16.0 million was recorded in FY 2021.

Management Discussion & Analysis
(continued)

REVIEW OF OPERATIONS

MAP SHOWING UMB ESTATES & MILLS



^ *Land with HTI Licence owned by WRL*

* *Commissioned in June 2019*

Plantation Operations

As at 30 April 2021, UMB's planted area in Malaysia totalled 18,988 hectares compared with 20,776 hectares in the previous year. The decrease of 1,788 hectares was due to reclassifying the area for roads and other infrastructure to unplanted area after an Unmanned Aerial Vehicle ("UAV") survey was completed.

Oil palms planted in an additional 125 hectares reached maturity in FY 2021, boosting total matured area to 18,218 hectares or 96% of the total planted area in Malaysia. Of the 770 hectares planted with immature palms, 90% is in Peninsular Malaysia and the remainder in Sabah. In FY 2022, 155 hectares will declared matured.

LAK in Central Kalimantan has a land bank of 24,937 hectares, of which 52% or 13,030 hectares have been planted with oil palms. An additional 314 hectares of oil palms reached maturity during the year under review, enlarging the total matured area to 10,758 hectares. Of the immature area of 2,272 hectares, 244 hectares will mature in the FY 2022. Planting the remaining area of 3,753 hectares sustainably is targeted to be completed within the next three years.

Breakdown of planted area:

	Malaysia	Kalimantan			Total
		Inti	Plasma *	Total	
	Ha	Ha	Ha	Ha	Ha
Matured	18,218	5,583	5,175	10,758	28,976
Immature	770	2,272	-	2,272	3,042
Total planted	**18,988**	**7,855**	**5,175**	**13,030**	**32,018**
Land clearing	-	844	-	844	844
Plantable	45	2,909	-	2,909	2,954
Unplantable ^	4,584	2,895	5,259	8,154	12,738
Total Land Bank	**23,617**	**14,503**	**10,434**	**24,937**	**48,554**

^ Land area for canals, roads, buildings, villages and forest reserve area.

* Plasma is a programme initiated by the Indonesian Government to develop smallholders' plantations with the assistance of plantation companies.

REVIEW OF OPERATIONS (CONTINUED)

Plantation Operations (continued)

Of UMB Group's planted hectarage, 47% of the palms are in prime production (age 8 to 15 years), 5% are on an increasing yield trend (5 to 7 years) and 11% are immature palms less than 5 years. Only 12% or 3,248 hectares of palms are more than 20 years. The average age of palms is 12.5 years - within the prime production bracket.

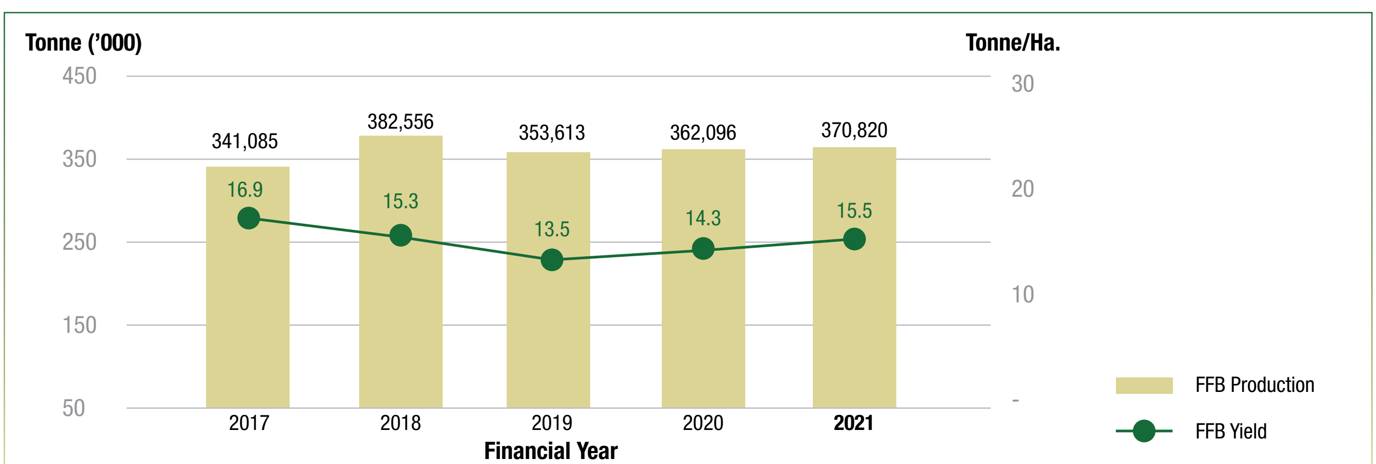
	Peninsular		Meridian		Millian-Labau		Malaysia		Indonesia*		Group	
	Ha	%	Ha	%	Ha	%	Ha	%	Ha	%	Ha	%
≤ 4 years	692	12	78	1	-	-	770	4	2,272	29	3,042	11
5 - 7 years	179	3	210	3	26	0	415	2	823	10	1,238	5
8 - 15 years	1,513	27	580	9	5,725	85	7,818	42	4,760	61	12,578	47
16 - 20 years	2,680	48	3,051	46	1,006	15	6,737	35	-	-	6,737	25
21 - 25 years	343	6	2,678	41	-	-	3,021	16	-	-	3,021	11
> 25 years	227	4	-	-	-	-	227	1	-	-	227	1
	5,634	**100**	**6,597**	**100**	**6,757**	**100**	**18,988**	**100**	**7,855**	**100**	**26,843**	**100**
Average Age	14.9 years		18.5 years		11.5 years		14.9 years		6.5 years		12.5 years	

* Excludes Plasma

In FY 2021, FFB production from UMB's Malaysian estates totalled 313,198 tonnes - a 4% increase compared with FY 2020. FFB production in Peninsular estates totalled 118,220 tonnes, accounting for 32% of total Group FFB output, while production from the Sabah estates was 194,978 tonnes.

UMB's Indonesian plantations contributed 57,622 tonnes of FFB in FY 2021 from its matured area of 5,583 hectares, a decrease of 6% compared with FY 2020 due to rainy weather. With an average age of 6.5 years, FFB production from Indonesia is expected to escalate in the coming years.

Group's FFB Production for the Past 5 Years



Given numerous challenges the oil palm industry faces, UMB is focusing on improving yields and reducing costs. Palms above 24 years will be replanted with high-yielding clonal and semi-clonal seedlings. For the current year under review, RM5.8 million was spent on nurturing immature oil palms planted over 770 hectares in Malaysia. In FY 2022, about 293 hectares in Malaysia will be replanted.

Management Discussion & Analysis
(continued)

REVIEW OF OPERATIONS (CONTINUED)

Milling Operations

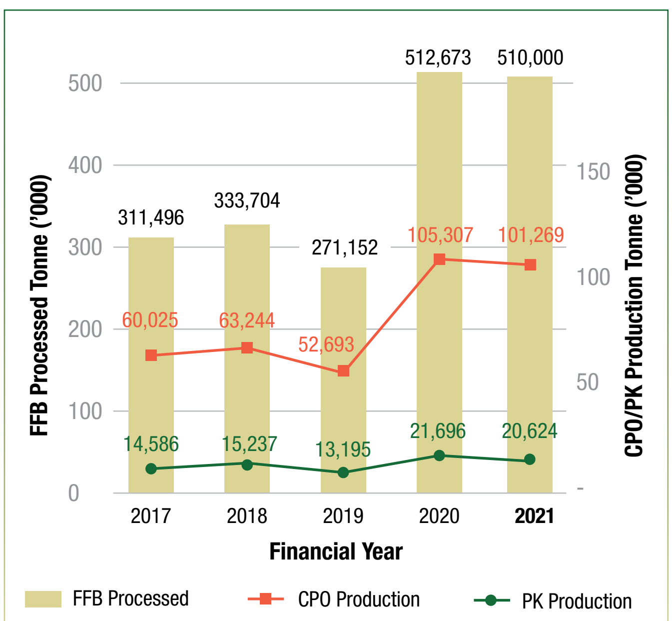
UMB owns two palm oil mills in Malaysia - Bukit Senorang Palm Oil Mill in Pahang and Meridian Palm Oil Mill in Sabah. Combined, both mills have a production capacity of 80 tonnes per hour ("tph"). In FY 2021, FFB processed totalled 339,368 tonnes, a 3% decline compared with 348,171 tonnes in the preceding year. UMB's own FFB accounted for 62% of the total crop processed.

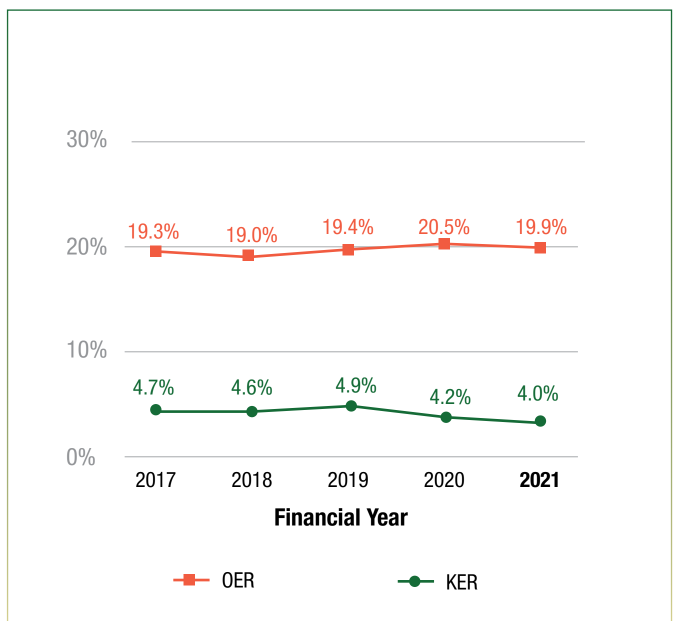
Both mills collectively produced 64,938 tonnes (2020: 67,971 tonnes) of CPO and 15,581 tonnes (2020: 17,118 tonnes) of PK with an average oil extraction rate ("OER") of 19.1% (2020: 19.5%) and a 4.6% kernel extraction rate ("KER") (2020: 4.9%).

LAK's palm oil mill in Indonesia - the Arwana Palm Oil Mill with an FFB processing capacity of 45 tph - commenced operations in June 2019. Total FFB processed by Arwana Palm Oil Mill in FY 2021 was 170,632 tonnes, 4% higher than 164,502 tonnes in the previous year. CPO output during the year under review was 36,331 tonnes (2020: 37,336 tonnes) and 5,043 tonnes of PK (2020: 4,578 tonnes) while higher rainfall reduced the quality of FFB, resulting in an OER of 21.3% (2020: 22.7%) and KER of 3.0% (2020: 2.8%).

Total FFB processed by the UMB Group in FY 2021 was 510,000 tonnes (2020: 512,673 tonnes) with an overall output of 101,269 tonnes of CPO (2020: 105,307 tonnes) and 20,624 tonnes of PK (2020: 21,696 tonnes), and an overall OER of 19.9% (2020: 20.5%) and KER of 4.0% (2020: 4.2%).

Group's Palm Oil Mill Performance for Past 5 Years





FORWARD-LOOKING STATEMENT

A better age profile and an expanded mature hectarage in Kalimantan, Indonesia, should boost UMB Group's output of FFB and CPO in FY 2022.

UMB expects FY 2022 to be challenging due to uncertainty over the timing and the strength of the recovery in the Malaysian economy, in Indonesia and globally from the Covid-19 pandemic, given the recent emergence of the highly transmissible and contagious Delta variant. While widescale vaccinations in the US, Europe and China enabled their economies to recover in recent months - boosting hopes that demand for palm oil will remain strong - Covid-19 infection rates remains high in Malaysia and in Indonesia as well as in major buyers like India.

UMB management will continue to focus on increasing yields, improving output of labour, maximising mechanisation, controlling costs and strengthening sustainability practices.

To meet future manpower needs, UMB adopts a two-track approach. In the short-term, UMB focuses on improving capability of staff at all levels and increasing productivity through mechanisation. In the long-term, UMB offers scholarships for university students studying courses relevant to UMB's future needs including agricultural management, agronomy and bio-technology.

Despite NGOs, trying to restrict the planting of oil palms while the EU and other countries discourage the consumption of oil palms, UMB is optimistic about the vegetable oil's long-term prospects. An expanding world population and rising per capita income will stimulate higher demand for palm oil. Not only is palm oil the highest-yielding vegetable oil on a per hectare basis, it also possesses superior health qualities - healthy mono-unsaturated fats, Vitamin E and anti-oxidant compounds.

To broaden UMB's earning base and reduce its dependence on a single commodity, the Group plans to diversify and plant other crops in Sabah and possibly in Kalimantan.

Barring unpredictable palm oil prices, higher interest rates, exceptionally heavy rainfall or dry weather and an unexpected worsening of the Covid-19 pandemic, UMB expects satisfactory results in the financial year ending 30 April 2022.

This Statement is made in accordance with the resolution of the Board of Directors passed on 29 July 2021.

SUSTAINABILITY STATEMENT

United Malacca Berhad's Sustainability Report ("SR") for the financial year ended 30 April 2021 includes safety and health initiatives as well as the social and environmental impact of its oil palm plantations in Malaysia and Indonesia. Historical data, including from its subsidiaries, are included for comparison and trend analysis.

Disclosures for this SR are based on the following:

- Sustainability Reporting Guide (2nd Edition) by Bursa Malaysia Securities Berhad ("Bursa Malaysia"),
- Global Reporting Initiatives ("GRI") Standards;
- United Nations Sustainable Development Goals ("SDG"); and
- Criteria of the FTSE4Good Bursa Malaysia Index ("FTSE4Good").

UMB welcomes feedback and comments by email to umb@unitedmalacca.com.my

UMB'S OPERATIONS AND SUSTAINABILITY DATA

UMB's operations include fourteen (14) estates in Malaysia and five (5) estates in Kalimantan, Indonesia, as well as two (2) palm oil mills ("POM") in Malaysia and one (1) in Kalimantan, Indonesia with a collective processing capacity of 510,000 MT per annum.

Certification Status:

- 100% Malaysian Estates and POMs are MSPO certified
- 100% Malaysian POMs are MSPO-SCCS certified
- 100% Estates and POM in Kalimantan are ISPO certified

SUSTAINABILITY GOVERNANCE

Board of Directors	• Oversees sustainability strategies
Chief Executive Officer	• Approves sustainability strategies, direction and targets
Engineering and Sustainability Department	• Provides CEO with input for sustainability strategies • Proposes sustainability targets, • Communicates sustainability policies to all managers of estates and oil mills, • Coordinates and monitors the implementation of sustainability policies.
Managers of estates and palm oil mills	• Implement sustainability policies and practices

SUSTAINABILITY POLICY

To strengthen the Group's sustainability commitments, particularly its No Deforestation, No Peat and No Exploitation ("NDPE"), UMB updated its Sustainable Palm Oil Policy during the financial year ended 30 April 2021. The policy is available in the public domain at https://unitedmalacca.com.my/sustainability/overview/

Sustainability Palm Oil Policy			
Environment	**Social**	**Traceability**	**Governance**
• Protect HCV Areas & HCS forests • Commit to no deforestation • Progressively reduce GHG • Maintain zero burning • Protect peat areas	• Respect and acknowledge rights in workplace • Respect rights of indigenous and local communities	• Ensure traceable supply chain	• Maintain business integrity • Implement user-friendly grievances procedure

Diagram 1 - UMB Sustainability Palm Oil Policy Overview

STAKEHOLDER ENGAGEMENT

UMB meets all stakeholders at least once a year to understand their concerns and respond promptly to issues raised. Stakeholders include government authorities and regulators, employees, workers, local communities, smallholders, shareholders, non-governmental organisations, suppliers, buyers and business partners.

Unfortunately, due to the mandatory control order during the COVID-19 pandemic, some stakeholder engagements had to be postponed while others held virtually.

Table 1 - Stakeholder Engagement

Stakeholder Group	Engagement Channels	Topics of Discussion
Board of Directors	• Board Meetings • Annual General Meetings ("AGM") • Quarterly reporting • Annual reports • Corporate website	• Ethical and Sustainable policies • Earnings prospects • Return of Investment • Succession planning • Corporate governance and compliance
Employees / Workers	• Meetings with employees and workers • Performance Appraisal • Training programmes • Briefings on operational, health and safety issues • Complaints and grievances procedure	• Occupational Safety & Health • Welfare and remuneration • Workplace and housing conditions • Employee-related issues, including grievances against co-workers and superiors as well as sexual harassment and gender discrimination
Local Communities, Smallholders, Plasma schemes	• Stakeholder meetings • Free, Prior and Informed Consent ("FPIC") • Corporate Social Responsibility ("CSR") activities	• Community Engagement & Development • Environmental issues • Employment and business opportunities • Prices of fresh fruit bunches ("FFB") and quality of FFB
Investors / Financiers / Shareholders	• Annual report • AGM • Corporate website • Response to queries • Announcements	• Group's financial performance • Sustainability initiatives and outcomes • Corporate changes • Corporate governance and compliance
Non-Governmental Organisations ("NGO")	• Site Visits • Project partnership • Engagement	• Sustainable Agricultural Practices • Human Rights & Labour Practices • Community Engagement & Development • Environmental issues
Suppliers / Buyers/ Contractors	• Discussions • Periodic Performance Evaluations • Product and technology trials • Site visits	• Business ethics, including UMB's anti-bribery policy • Prompt deliveries of goods and services • Product quality and services • Licensing and certification • Occupational Safety and Health
Government / Regulators	• Public Conferences • Site Visits and audits • Periodic reports • Meetings	• Business ethics • Sustainable Agricultural Practices • Legal and regulatory compliance
Certification Bodies	• Public Conferences • Audits • Meeting • Email survey	• Audit and certifications • Compliance with policies • Updates on latest changes in regulations

MATERIALITY ASSESSMENT

UMB's materiality matrix was based on stakeholder feedback and industry-specific risks and opportunities. It was conducted during FY2020 with the help of an independent sustainability consultant, KPMG. Sustainability issues in FY 2020 remain relevant because there are no significant changes to UMB's scope of operations. UMB's sustainability comprise three (3) sustainability pillars - People, Planet and Profit and benchmarked against by FTSE4Good Criteria, GRI Standards, and the SDGs.

Table 2 - Summary of Pillars

Pillar 1: People	Pillar 2: Planet	Pillar 3: Profit
Occupational Safety & Health • FTSE4Good - Health & Safety • GRI Standards Disclosure 403: Occupational Health & Safety	**Biodiversity & Land Management** • FTSE4Good - Climate Change, Biodiversity • GRI Standards Disclosure 304: Biodiversity	**Sustainable Agricultural Practices** • FTSE4Good - Biodiversity
Personal Security • FTSE4Good - Health & Safety • GRI Standards Disclosure 410: Security Practices	**Waste & Effluent** • FTSE4Good - Pollution & Resources • GRI Standards Disclosure 301: Materials, Disclosure 306: Effluents and Waste, Disclosure 307: Environmental Compliance	**Data Protection & Privacy** • GRI Standards Disclosure 418: Customer Privacy
Human Rights & Labour Practices • FTSE4Good - Human Rights & Community, Labour Standards • GRI Standards Disclosure 412: Human Rights Assessment, Disclosure 408: Child Labour, Disclosure 409: Forced or Compulsory Labour	**Water Management** • FTSE4Good - Water Security • GRI Standards Disclosure 303: Water and Effluents, Disclosure 307: Environmental Compliance	**Ethical Business** • FTSE4Good - Corporate Governance, Anti-Corruption • GRI Standard Disclosure 205: Anti-corruption
Workforce Management • FTSE4Good - Labour Standards, Corporate Governance • GRI Standards Disclosure 405: Diversity & Equal Opportunity, Disclosure 406: Non-Discrimination, Disclosure 407: Freedom of Association & Collective Bargaining	**Air Emissions** • FTSE4Good - Pollution & Resources • GRI Standards Disclosure 305: Emissions, Disclosure 307: Environmental Compliance	**Supply Chain Management** • FTSE4Good - Environmental & Social Supply Chain • GRI Standard Disclosure 204: Procurement Practices, Disclosure 308: Supplier Environmental Assessment, Disclosure 414: Supplier Social Assessment
Community Engagement & Development • FTSE4Good - Human Rights & Community, Labour Standards • GRI Standards Disclosure 413: Local Communities, Disclosure 411: Rights of Indigenous Peoples	**Energy Efficiency** • FTSE4Good - Pollution & Resources • GRI Standards Disclosure 302: Energy	

PILLAR 1: PEOPLE

Muster in PT LAK

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

UMB is committed to providing a safe and healthy workplace for all employees and contractors. Revised in 2020, the Environment, Health, and Safety ("EHS") Policy, reflects UMB's commitment.

- Manage workplace risks through assessing Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), Chemical Health Risk Assessment ("CHRA"), Noise Risk Assessment ("NRA"), Local Exhaust Ventilation ("LEV") test
- Conduct training and refresher courses on Work Instruction ("WI") and Safe Operating Procedures ("SOP"). Sending employees for competency training as Authorised Gas Tester and Entry Supervisor ("AGTES"), Authorised Entrant and Standby Person ("AESP"), and Working at Height ("WAH")
- Conduct regular safety briefing for all employees and contractors
- Manage contractors through the implementation of Permit to Work
- Conduct periodic checks on workplaces by Occupational Safety Health ("OSH") Committee, Medical Assistants and EHS Regional Representatives to ensure compliance with legislative requirements
- Hold quarterly OSH Committee meetings to discuss and review OSH performance
- Review required submissions to the authorities
- Prepare for periodic inspection by the authorities of machinery, lifts and fire fighting systems
- Conduct medical surveillance and hearing conservation programs for employees as required by the law. Medical surveillance conducted to workers exposed to hazardous chemicals by an Occupational Health Doctor. Hearing Conservation programs include noise risk assessment, audiometric testing and training.

Photo 1 - (Left) Firefighting training conducted for the office staff, (Right) Training conducted for sprayers in the field

Total EHS training in FY 2021	**3614 participants with 4097 training hours**

PILLAR 1: PEOPLE (CONTINUED)

OCCUPATIONAL SAFETY AND HEALTH ("OSH") (CONTINUED)

Photo 2 - (Left) Noise risk assessment carried out in the palm oil mill by licensed consultant, (Right) Workplace inspection carried out by EHS personnel and OSH Committee members

The SOP on Management of Accidents established and circulated in January 2020 increased awareness of safety issues and requirements under the law. Greater awareness is reflected in the increasing number of accidents reported. UMB aims to reduce Lost Time Injury Frequency Rate ("LTIFR") by 5% by end of FY 2022 in line with Management's Key Performance Indicator ("KPI") for Malaysia and Indonesia.

Table 4 - Safety Performance Data for Malaysia operations

Safety Performance	Unit	FY2020	FY2021
Fatalities	Number of Cases	1	0
Accidents	Number of Cases	201	212
Incident Rate ("IR")	Incident/1,000 employees	140.5	146.25
Lost Time Injury Frequency Rate ("LTIFR")	LTI Case Frequency/million manhours	26.4	36.15
Fatality Rate ("FaR")	Fatality/1,000 employees	0.7	0
Severity Rate ("SR")	Lost Days/million manhours	1,825.9	119.4

Table 5 - Safety Performance Data for Indonesia operations

Safety Performance	Unit	FY2021
Fatalities	Number of Cases	0
Accidents	Number of Cases	70
Incident Rate ("IR")	Incident/1,000 employees	45.63
Lost Time Injury Frequency Rate ("LTIFR")	LTI Case Frequency/million manhours	0.31
Fatality Rate ("FaR")	Fatality/1,000 employees	0
Severity Rate ("SR")	Lost Days/million manhours	0.31

Photo 3 - Airy, bright and safe environment for working inside the Arwana Palm Oil

PILLAR 1: PEOPLE (CONTINUED)

OCCUPATIONAL SAFETY AND HEALTH ("OSH") (CONTINUED)

COVID-19 Pandemic - The New Normal

To prevent the spread of COVID-19 infection, UMB complied fully with instituting physical distancing among all employees and contractors as well as testing all employees in Malaysia for COVID-19 infection. UMB also provided all employees in estates and offices with 3-ply masks and sanitisers while food was supplied to estates in Sabah during the lockdown. In Kalimantan, Indonesia, only employees who had close contact with positive cases were screened.

No of Employees Screened for COVID-19 (Malaysia), including dependents	No of Employees Screened for COVID-19 (Indonesia), including dependents	No of Employees Under Quarantine and Released
4,437	**343**	**434**

Note: Data collected from Movement Control Order (MCO)1.0 (18/03/2020) to 30/04/2021

Photo 4 - Daily temperature screening

Photo 5 - Physical distancing during trainings, meetings, musters and transportation to the field

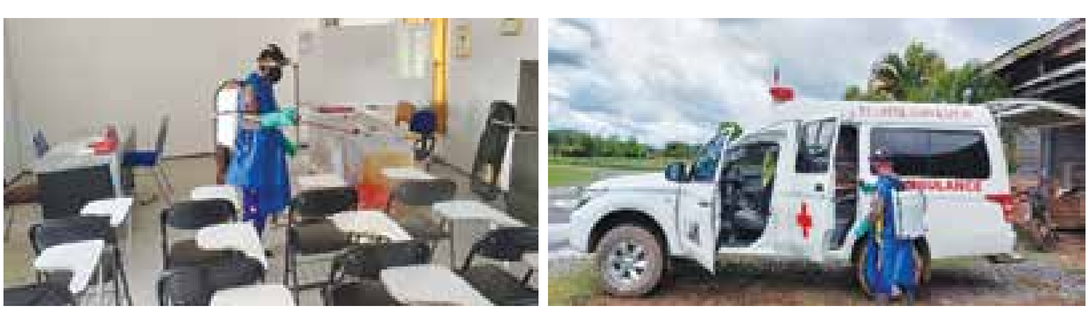


Photo 6 - Regular sanitisation

PILLAR 1: PEOPLE (CONTINUED)

OCCUPATIONAL SAFETY AND HEALTH ("OSH") (CONTINUED)

COVID-19 Pandemic - The New Normal (continued)

Photo 7 - COVID-19 Screening

Photo 8 - Donations of sanitisers and 3-ply masks to front-liners

Photo 9 - Provisions purchased and distributed to workers

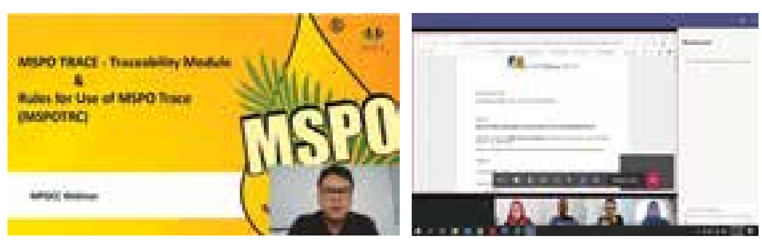


Photo 10 - Meetings, webinars, remote audits conducted online

WORKFORCE MANAGEMENT

UMB believes employees are its most significant asset. The COVID-19 pandemic resulted in a nationwide shortage of labour. To source for more workers, UMB participated in government-organised job fairs and the Parole Hiring programme. Whenever possible, UMB gives priority to hiring Malaysians.

UMB offers competitive pay and benefits including annual leave, marriage leave, maternity leave, compassionate leave, medical and insurance coverage, and health screening services. In addition, a one-off incentive payment was given to harvesters and general workers due to the COVID-19 outbreak in FY 2020 and extended in FY 2021.

PILLAR 1: PEOPLE (CONTINUED)

WORKFORCE MANAGEMENT (CONTINUED)

UMB also offers all its field employees interest-free motorcycle loans. All the relevant confirmed staff and executives are entitled to interest-free motorcycle loan, provided the purchase of a motorcycle is for work. In addition, the company gives Long Service Awards to those who have served UMB for 10, 15, 20, or 25 years. Managers who have worked for 10 years are entitled, together with their spouse, to a UMB-sponsored overseas vacation.

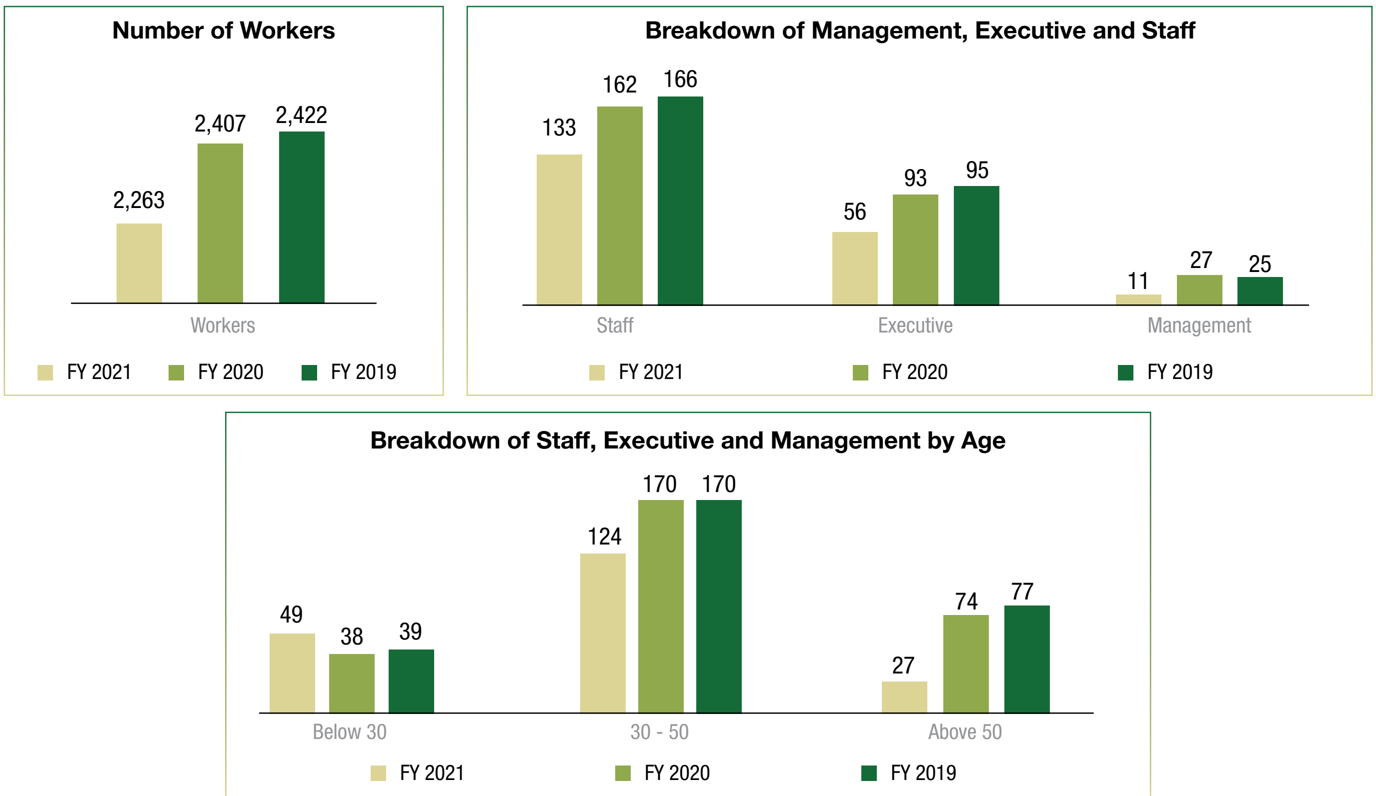


Chart 1 - Breakdown of Workforce in Malaysia FY 2019 - FY 2021
Note: The breakdown of staff, executives & management by age excludes field workers

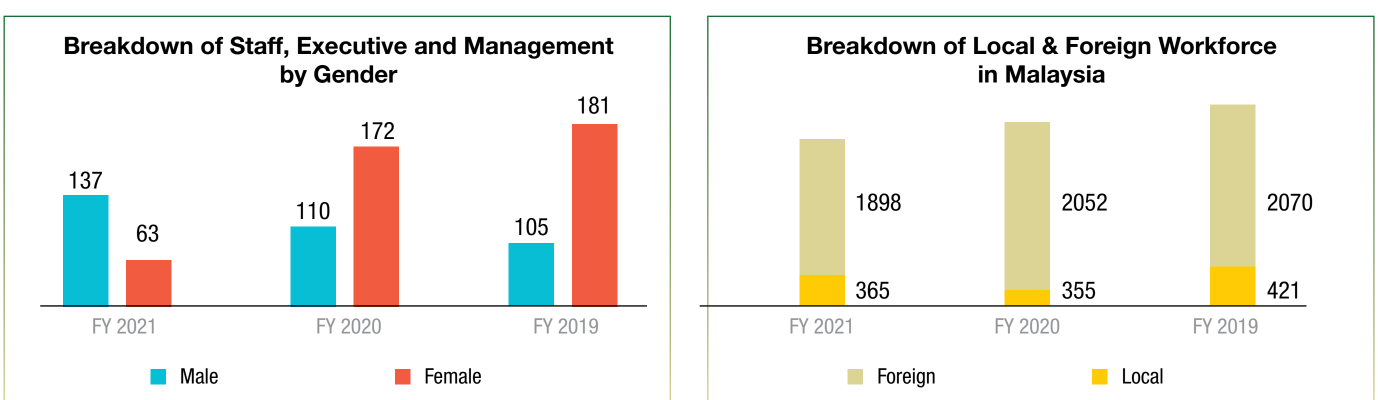


Chart 2 - Breakdown of Workforce in Malaysia FY 2019 - FY 2021
Note: The breakdown of staff, executives & management by gender excludes field workers

PILLAR 1: PEOPLE (CONTINUED)

WORKFORCE MANAGEMENT (CONTINUED)

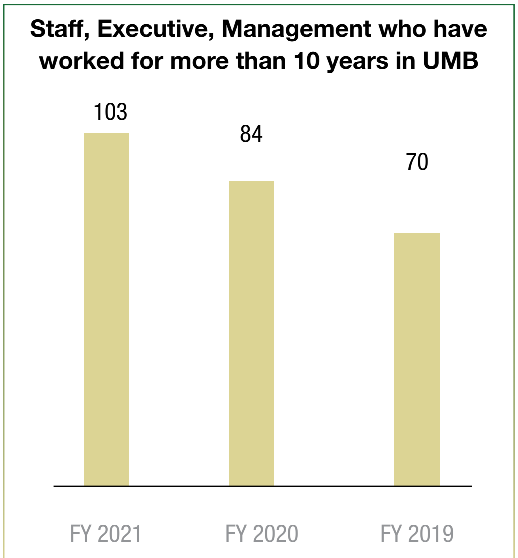
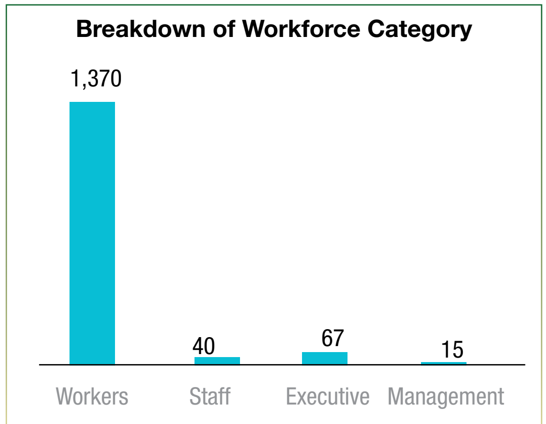
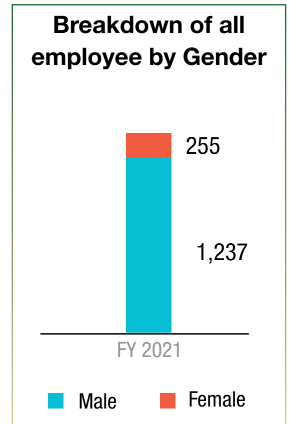
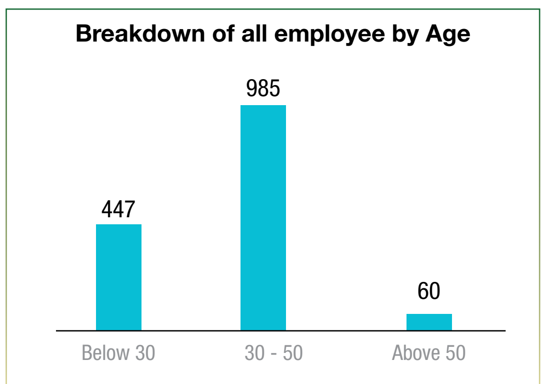


Chart 3 - Staff, executive and management worked in UMB for more than 10 years







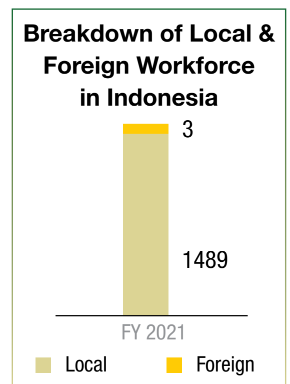
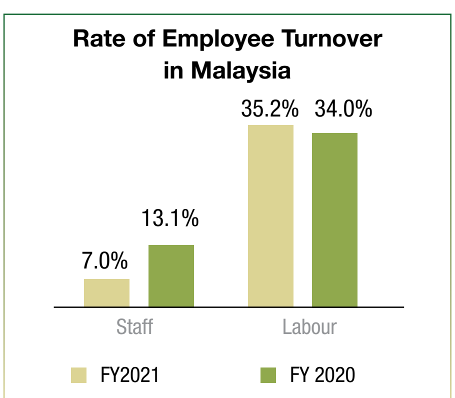
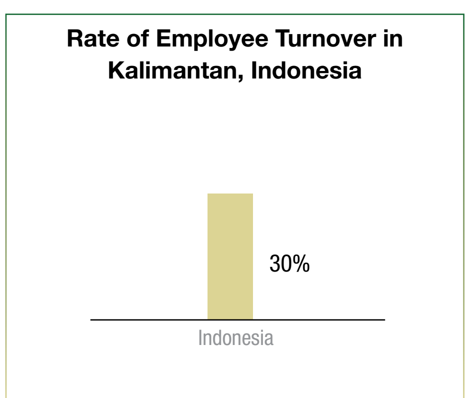
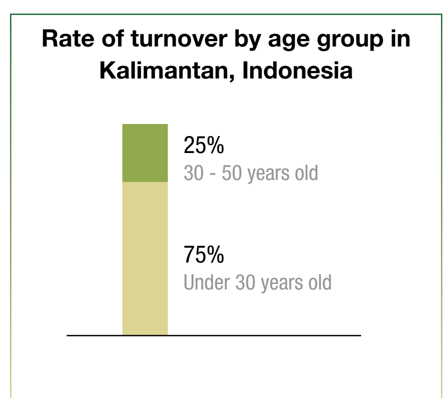
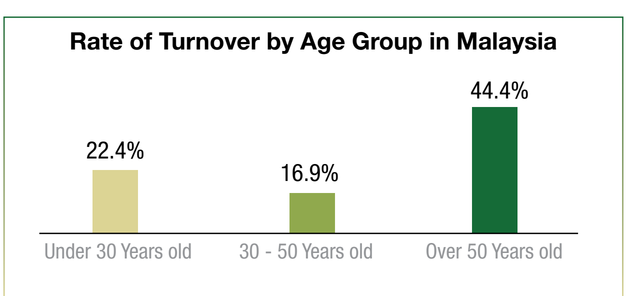


Chart 4 - Breakdown of Workforce in Kalimantan, Indonesia in FY 2021









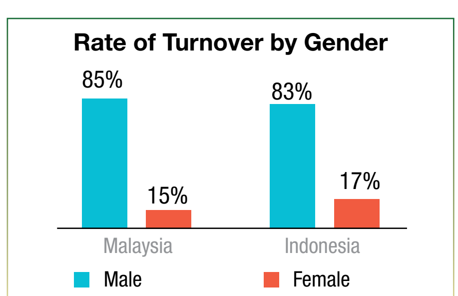


Chart 5 - Employees Turnover Rate of Malaysia and Kalimantan, Indonesia in FY 2021

PILLAR 1: PEOPLE (CONTINUED)

WORKFORCE MANAGEMENT (CONTINUED)

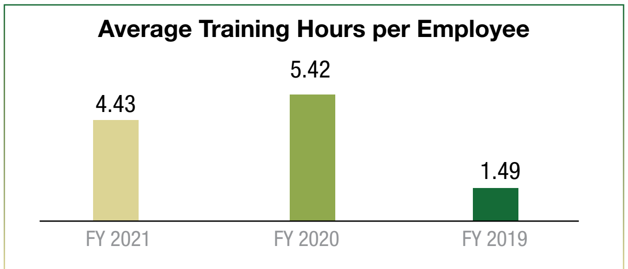


Chart 6 - Average Training Hours per Employee per year

Note: Average training hours reduced FY 2021 because training was either postponed or cancelled, due to the COVID-19 pandemic

Annually, UMB holds Company Dinner planned by staff while the entertainment allows staff to showcase their creative talents. Held in Malacca each year, UMB's Sports Day is an excellent opportunity for teamwork. It has also showcased the superior sporting capabilities of staff in Sabah estates. Since staff from Meridian estate were the overall champions for the last three years, they permanently captured the Tun Tan Cheng Lock trophy, requiring the chairperson to donate another trophy. Due to the COVID-19 pandemic, both the Company Dinner and Sports Day were cancelled in FY 2020 and FY 2021.

HUMAN RIGHTS & LABOUR PRACTICES

UMB adopts a policy that prohibits discrimination based on race, religion, marital status, union membership, national origin or political affiliation. In FY2021, UMB received zero reports of discrimination or allegations that human rights were contravened.

A UMB subsidiary, Syarikat Penanaman Bukit Senorang, joined the NUPW and AMESU in FY 2021. CA negotiation was held in March 2021 and UMB enhanced the grievance procedure while the processing time for completion was shortened from 16 to 8 days. All penalties are aligned with the Employment Act 1955 and Industrial Relation Act 1967.

UMB continues to build new houses in phases. Management in all estates regularly inspects workers' houses to ensure their health, safety and wellbeing.

HR Audits were conducted in all estates in November 2020, December 2020, and January 2021 to ensure that all HR-related documentation and procedures were adhered to accordingly. This has been on hold due to the movement control order.

UMB is also collaborating with a stakeholder and a Non-Governmental Organisation ("NGO") to advise on Ethical Recruitment Practices. Ethical Recruitment is a fully funded and joint initiative by the stakeholder and NGO to ensure recruitment is in line with human rights in the hiring process.

Photo 11 - (Left) Well maintained old workers quarters, (Right) New 3-room houses for workers

PILLAR 1: PEOPLE (CONTINUED)

PERSONAL SECURITY

All entrances to UMB estates are guarded and monitored by private security personnel.

Photo 12 – Security checks people and vehicles movement at the entrances

COMMUNITY ENGAGEMENT & DEVELOPMENT

UMB managers meet regularly with those living near their estates and palm oil mills in Malaysia and Kalimantan, Indonesia to better understand their needs and to address issues raised.

UMB respects local communities' land use and rights of tenure. Through UMB's Free, Prior and Informed Consent ("FPIC") approach, local communities can give or withhold consent to projects that may affect them or their land use.

UMB engaged an independent party to conduct an Social Impact Assessment ("SIA") in 2018 to assess any potential negative social impacts in operations in Malaysia. The next SIA will take place in FY 2022.

UMB's outreach programmes cover four areas: community health and wellbeing, educational aid, infrastructure and cash donations.

- Donated RM 4,250 to purchase school bags and stationery for the orang Asli through the Machap Jaya Community Service Centre's "Back to School" programmes
- RM 45,000 donated to Pertubuhan Kebajikan Mental Selangor, Monfort Youth Training Centre and Melolisa Foundation
- PT Lifere Agro Kapuas (PT LAK): Contributed RM 50,598 to provide health equipment, disinfectants and hand washing facilities to villages and Puskesmas to inhibit the spread of Covid-19; food supply to people affected by Covid-19; "Hewan Kurban" on Eid Al Adha 1441 H; Assistance for the Celebration of Indonesia's 75th Anniversary; Damang election event assistance; road repairs

  Note: Puskesmas is a government-mandated community health clinic located across Indonesia.

PT LAK also encouraged plasma owners to embrace zero burning and to adopt the integrated High Conservation Value ("HCV") - High Carbon Stock Approach ("HCSA") - Social Impact Assessment ("SIA"). To date, 5,175 Ha of Plasma land have been developed. Plasma land schemes are a mandatory requirement in Indonesia aimed at improving the lives of neighbouring communities.

Photo 13 - Opening of Child Learning Centre in Millian Labau Plantation, Sabah

PILLAR 1: PEOPLE (CONTINUED)

COMMUNITY ENGAGEMENT & DEVELOPMENT (CONTINUED)

Photo 14 - Community engagement in PT Lifere Agro Kapuas

Each year, UMB awards scholarships to students applying for courses at local universities. After graduation, the scholarship holders work for UMB for three years. In addition, children of UMB workers and non-executive employees who obtain credible scores in the Sijil Pelajaran Malaysia ("SPM") examination are awarded the Tun Tan Siew Scholarship to encourage them to pursue the Sijil Tinggi Pelajaran Malaysia ("STPM"). The Tun Tan Siew Sin Scholarship is given to children of all local workers and non-executive staff in Malaysia who are students of Form 4 and Form 5.

Table 6 - Total Scholarship Contributions

Scholarships		Financial Year		
		FY2019	**FY2020**	**FY 2021**
United Malacca Scholarship	Amount of contribution	97,000	100,000	73,000
	Number of recipients	11	12	9
Tun Tan Siew Sin Scholarship	Amount of contribution	4,000	0*	0*
	Number of recipients	3	0	0
Educational Aid	Amount of contribution	3,080	3,520	3,160
	Number of recipients	9	9	8
Total Amount		**104,080**	**103,520**	**76,160**

* There were no applicants for the Tun Tan Siew Sin Scholarship in FY2020 and FY 2021

PILLAR 2: PLANET

Waterfall in MLP 1, Sabah

BIODIVERSITY & LAND MANAGEMENT

UMB is committed to protecting High Conservation Value ("HCV") and High Carbon Stock ("HCS") forests. In PT LAK, assessment on HCV, High Carbon Stock Approach ("HCSA") and Social Impact Assessment ("SIA") have been conducted, and the report was submitted to the High Conservation Value Resource Network ("HCVRN") for review in July 2021.

Photo 15: Pictures show team undertaking HCV – HCSA - SIA Integrated Assessments in PT LAK

A desktop study on HCV and HCSA was also conducted at PT Wana Rindang Lestari ("PT WRL") in Sulawesi to determine the plantable areas. A Stop Work Order was issued for PT WRL and is still in place.

UMB engaged an external consultant to conduct Biodiversity and High Conservation Value ("HCV") assessment for all estates in Malaysia in FY2018 valid for five (5) years. UMB has set aside conservation land totalling 1,496.78 Ha in Malaysia and 128.89 Ha PT LAK.

UMB also protects flora and fauna species within its estates and concession areas in PT LAK. Throughout UMB estates and concession areas, signboards have been put up to create awareness of prohibited acts "No trespassing", "No hunting", "No open burning." UMB also refrains from agrochemical activities (weeding and fertilising) near water bodies. Riparian buffer zones are protected by law, and the width of the buffer depending on the size of the river.

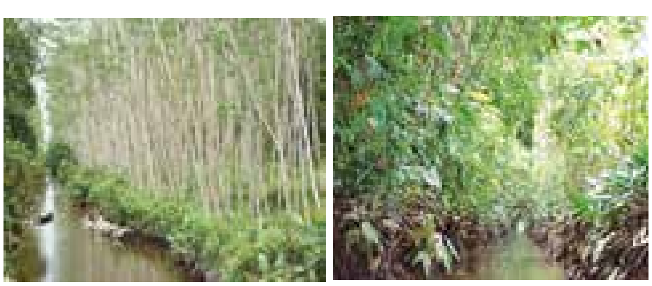


Photo 16 - Conservation of riparian reserves

Photo 17 - Signboards to create awareness on riparian reserves

PILLAR 2: PLANET (CONTINUED)

BIODIVERSITY & LAND MANAGEMENT (CONTINUED)

Photo 18 - A stunning and unpolluted waterfall in MLP 5 plantation in Sabah

Photo 19 - (Left) Bekantan (Nasalis larvatus) sighted in PT LAK, (Right) Dusky leaf monkey (Trachypithecus obscurus) sighted in Leong Hin San Estate

Photo 20 - (Left) Pacific-reef Heron (Egretta sacra) sighted in Marmahat Estate, (Right) Wood sandpiper (Tringa glareola) sighted in PT LAK

Photo 21 - Elang tikus (Elanus caeruleus) on the right, Merbah Cerukcuk (Pycnonotus goiavier) on the left sighted in PT LAK

In line with UMB's zero-burning policy, burning for all new planting and replanting is prohibited. PT LAK Management set up five (5) high watch towers on its land. The Management can monitor outbreaks of fire over 2000 hectares of contiguous flat land from each tower. PT LAK also monitor hotspots using satellite imagery system and conduct routine patrols. In addition, fire extinguishers are installed in all workers' quarters in the estates.

Photo 22 - A programme to train firefighters has trained 68 workers and is still continuing in PT LAK

Photo 23 - (Left) A 12 meter high watch tower in PT LAK, (Right) View from the watch tower

PILLAR 2: PLANET (CONTINUED)

WASTE & EFFLUENT

Wastes pollute the air, water, and soil. UMB's waste management policy aims to reduce and recycle wastes - including organic wastes, domestic wastes and recyclable wastes. Additionally, UMB aims to raise awareness among employees of the importance of segregating and recycling waste.

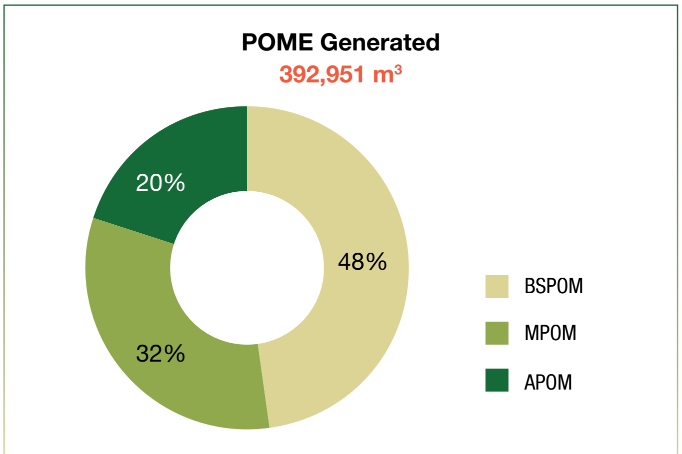


Chart 7 - POME generated in the palm oil mills in FY 2021

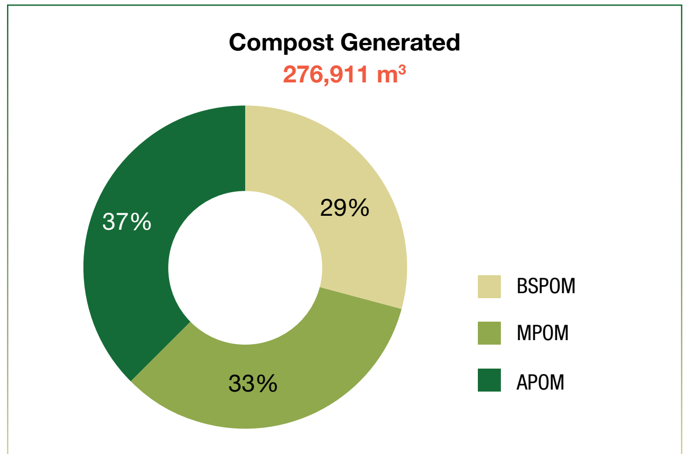


Chart 8 - Compost produced in the plants in FY 2021

During production of crude palm oil ("CPO"), palm oil mills produce large amounts of organic waste, including boiler ash, decanter cake, and empty fruit bunches which are processed as organic fertiliser or used as fuel for the boilers. About 60% of Palm Oil Mill Effluent ("POME") is composted into organic fertiliser while 40% of POME is treated to permissible quality limits and transferred to the fields for use as fertiliser. Through these processes, UMB has reduced use of chemical fertilisers by 40% to 60%, prevented these wastes from polluting rivers.

Note:
1. *BSPOM - Bukit Senorang Palm Oil Mill, Pahang*
2. *MPOM - Meridian Palm Oil Mill, Sabah*
3. *APOM - Arwana Palm Oil Mill, Indonesia*

All UMB's palm oil mills in Malaysia and Kalimantan, Indonesia have their own composting plants. Composting plants also significantly reduce the POME discharge, thus ensuring compliance with environmental requirements. Processing organic wastes from palm oil mills into nutrient-rich compost takes approximately 45 days.

Palm oil mills optimised water use (per tonne of FFB processed) in the palm oil mills to reduce POME generation. Composting plants are an innovative methane avoidance technology.

In Malaysia, UMB employs only certified individuals to handle the discharge and processing of wastes in accordance with regulations. Certified individuals include Certified Environmental Professionals in the Treatment of Palm Oil Mill Effluent ("CePPOME") and Certified Environmental Professionals in Scheduled Waste Management ("CePSWAM").

PILLAR 2: PLANET (CONTINUED)

WASTE & EFFLUENT (CONTINUED)

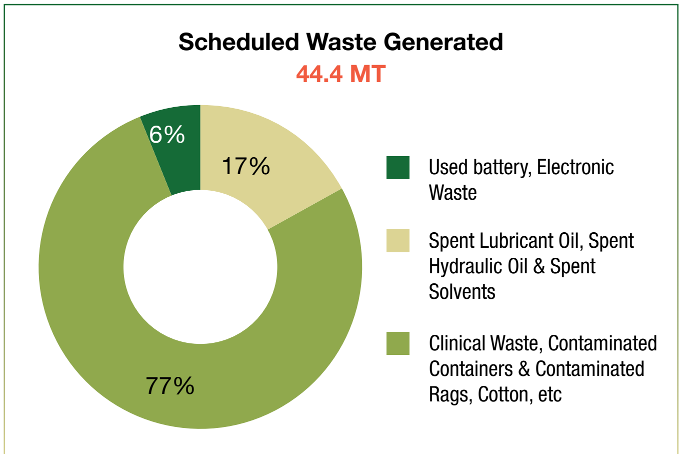


Chart 9 - Breakdown of Scheduled Wastes in Malaysia in FY 2021

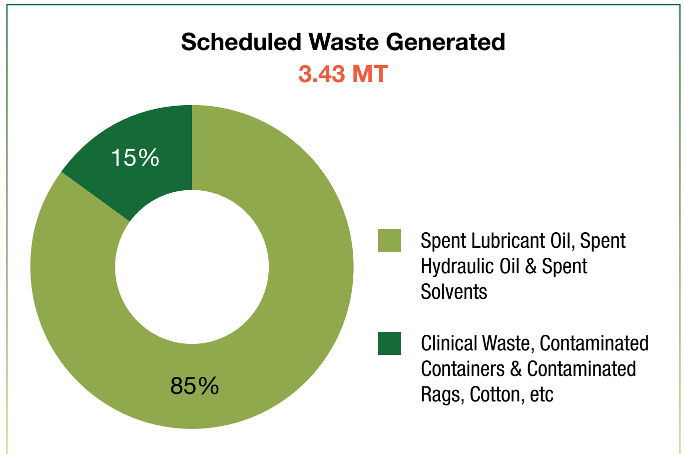
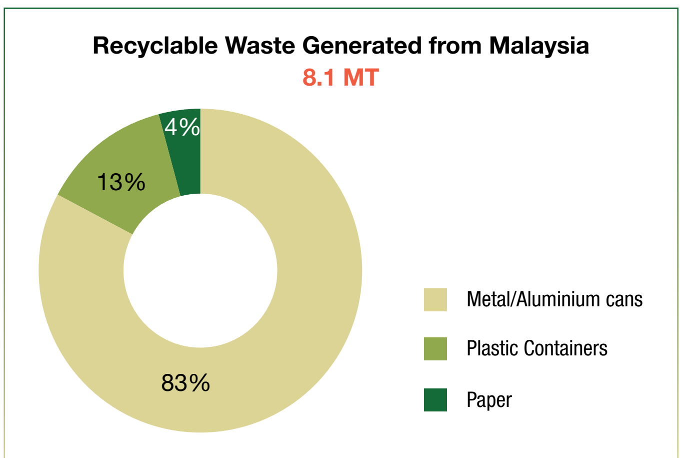


Chart 10 - Breakdown of Scheduled Wastes in Kalimantan, Indonesia in FY 2021
Note: Spent hydraulic and lubricant oil is the biggest waste in PT LAK due to high use of the products in centralised workshop.



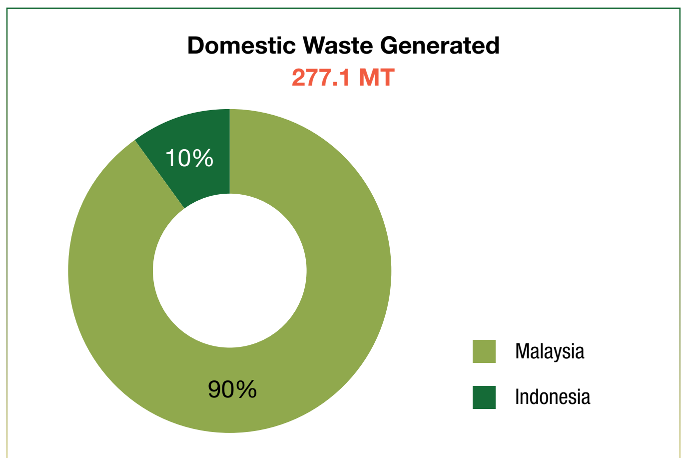


Chart 11 - Breakdown of recyclable and domestic waste in FY 2021

WATER MANAGEMENT

UMB is committed to optimise water usage and minimise consumption. Water sources include surface water like rain-fed ponds, water catchments areas, rivers, and municipal water supply. Riparian reserves act as a filter to preserve water quality entering waterways, particularly chemical runoffs. In addition, the stacking of oil palm fronds and growing legume cover crops enhance soil water retention.

Key initiatives to manage, conserve and optimise water use:

Estates

- Install rainwater harvesting equipment to enhance water reserves for household use
- Build water catchment ponds to capture rainwater for watering plants in the nursery and as back up during drought or low rainfall
- Desilt main drains, collection drains, field drains and boundary drains to hold more water along the drains
- Build water-gates to prevent overflow during floods

PILLAR 2: PLANET (CONTINUED)

WATER MANAGEMENT (CONTINUED)

Palm Oil Mills
- Construct water catchment ponds and reservoirs to capture rainwater for use in the mills operations
- Use decanter process in clarification station (using undiluted crude palm oil)
- Reuse steriliser condensate for press dilution
- 60,000 m^3 of water saved through waste recycling project in APOM

Photo 24 - (Left) River in Meridian Plantation, Sabah; (Right) Water catchment pond in Paitan Estate, Sabah

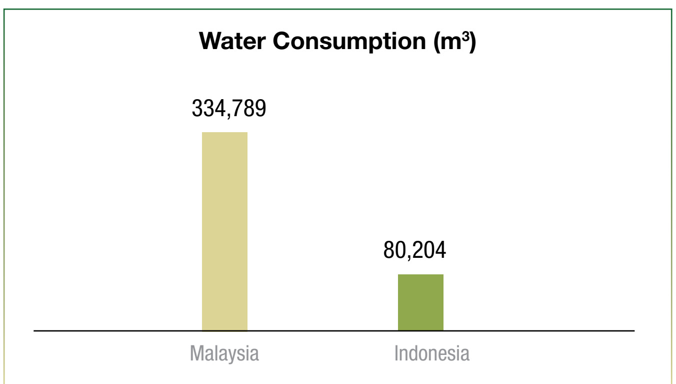


Chart 12 - Water consumption for domestic purposes in FY 2021

Note:
1. *Data obtained from estates and palm oil mills from flowmeters in Malaysia, including Head Office*
2. *Data from Arwana Palm Oil Mill in Indonesia*

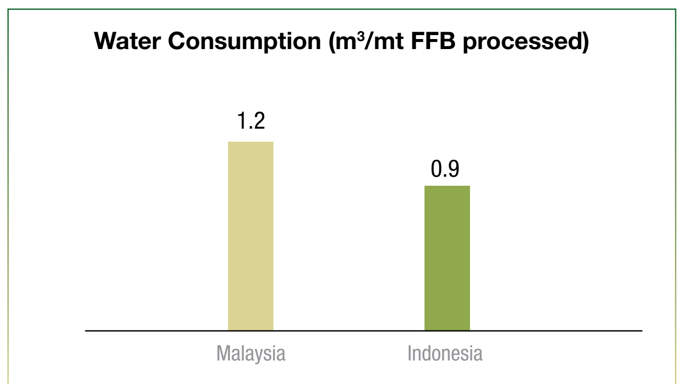


Chart 13 - Water consumption in the palm oil mills (m^3/mt FFB processed) in FY 2021

AIR EMISSIONS

Palm oil mills monitor the concentration of dust to ensure compliance with regulations. In Malaysia, an Electrostatic Precipitator ("ESP") will be installed in palm oil mills in stages to comply with national regulations. The Department of Environment ("DOE") monitors emissions from palm oil mills through the Continuous Emission Monitoring System ("CEMS"). Closed-Circuit Televisions ("CCTV") are installed near the chimney for visual monitoring of smoke. In Indonesia, PT LAK hired an accredited environmental consulting firm to monitor ambient air twice a year.

In 2016, UMB decided to become more environmentally friendly in its operations and adhere to stricter GHG emissions requirements by Malaysian regulators. With the setting up of compost plants, GHG emissions are expected to be reduced by at least 60%. With improved processes, GHG emissions could be cut by 80% by FY 2025. The process is achievable in PT LAK because the mill was built to ensure compliance with environmental regulations.

PT LAK monitors GHG emissions using ISPO Calculator version 9.1. In FY 2021, carbon emissions from Arwana Palm Oil Mill was 1,811 tonnes of carbon dioxide equivalent ("tCO2-e"). Carbon emissions was due to transportation and oil mill operations. In FY 2022, UMB hopes to use a suitable toolkit to calculate GHG emissions in Malaysia operations. In FY 2021, regulators did not allege the UMB Group was non-compliant and no fines were levied.

PILLAR 2: PLANET (CONTINUED)

AIR EMISSIONS (CONTINUED)

Solar panels have been installed in all estates in Sabah, a few in Peninsular Malaysia and two (2) estates in PT LAK. UMB will install more solar panels in stages. In the palm oil mill, palm fibre and kernel shells are used to power boilers, a move that has reduced the use of diesel. Additionally, traditional lamps and bulbs in houses and offices were changed to energy-efficient Light Emitting Diodes ("LED") since two (2) years ago in stages. UMB is targeting for a complete switch to LED by FY 2024.

Photo 25 – Solar panels installed in estates

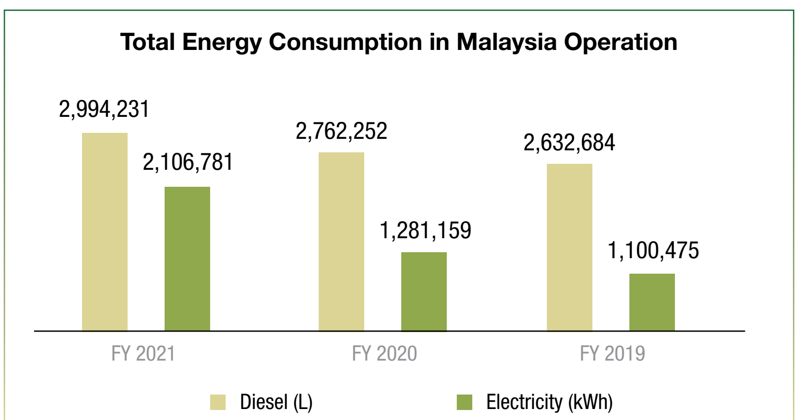


Chart 14 - Electricity and fuel consumption in Malaysia

Note:

1. *Data on electricity is from operating units that have meters, including Head Office*
2. *Data on diesel consumption is from all operating units in Malaysia*
3. *Increased energy consumption is due to expanding operations*

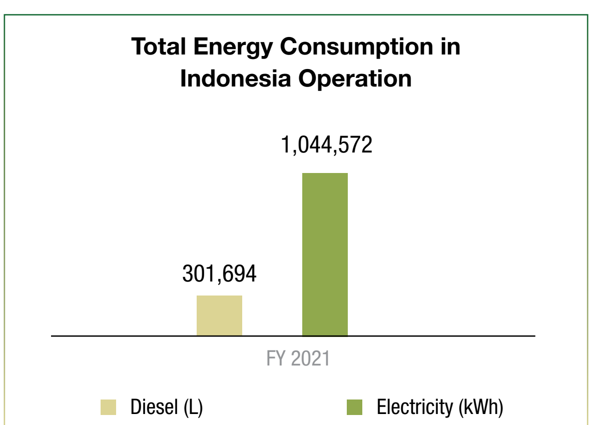


Chart 15 - Electricity and fuel consumption in Indonesia in FY 2021

Note: Data on electricity is collected from operating units meters

PILLAR 3: PROFIT

SUSTAINABLE AGRICULTURAL PRACTICES

UMB's estates and the Agronomy Department are jointly responsible for sustainable agricultural practices. Additionally, UMB collaborates with agrochemical suppliers and manufacturers to conduct trials and evaluate various new products and machinery.

Examples of UMB's Integrated Pest Management ("IPM") include using pheromones to trap Rhinoceros beetles and planting beneficial plants such as Antigonon leptopus and Turnera subulata to keep away bagworm by attracting the predators. Barn owls are enticed to nest in UMB estates to prey on rats.

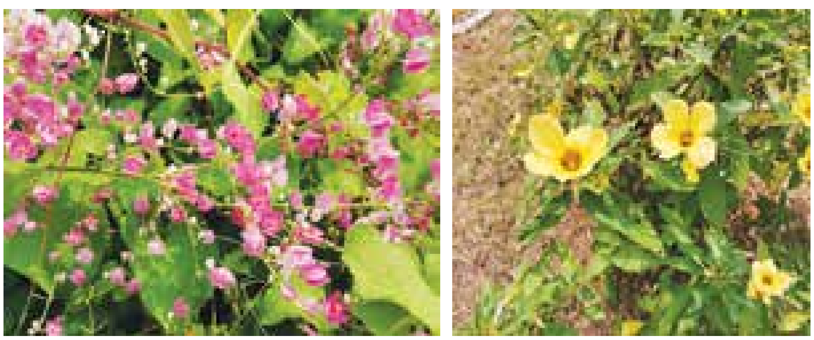


Photo 26 - Beneficial plants

Photo 27 - (Left) Habitat for barn owls on tall poles, (Right) Pheromone trap in the field

Table 7 - Amount of Pesticides used in Malaysia and Indonesia operations

	FY 2021	FY 2020	FY 2019
Malaysia Total (kg/ha)	0.59	0.85	0.72
Malaysia Total (L/ha)	0.04	0.01	0.02
Indonesia Total (kg/ha)	0.57	0.41	0.29
Indonesia Total (L/ha)	0.02	0.02	0.06

Table 8 - Amount of Herbicides used in Malaysia and Indonesia operation

	FY 2021	FY 2020	FY 2019
Malaysia Total (kg/ha)	0.19	0.36	0.18
Malaysia Total (L/ha)	2.40	2.02	2.46
Indonesia Total (kg/ha)	0.08	0.10	0.06
Indonesia Total (L/ha)	2.49	3.64	4.13

Note:
1. *Estates in Sabah experienced high rainfall for four (4) months from November 2020 to March 2021. Higher rainfall boosted the growth of weeds requiring greater use of herbicides.*
2. *An outbreak of bagworm (in mature fields) and the spread of rhinoceros beetles (in immature fields) in Pahang estates triggered greater use of pesticides.*

PILLAR 3: PROFIT (CONTINUED)

SUSTAINABLE AGRICULTURAL PRACTICES (CONTINUED)

UMB's Agronomist recommends the type of fertilisers and pesticides as well as the quantum and frequency of applications. He visits estates to assess the impact of fertiliser and pesticides applied and the frequency of application. UMB aims to minimise the use of chemical fertilisers by applying in-house produced compost to improve soil fertility and moisture. In FY 2021, UMB spread 104,475 MT of compost in plantations in Pahang, Meridian and PT LAK in the reporting year, reducing use of inorganic fertiliser by an average of 46%.

Photo 28 - (Left) Composting Plant in Bukit Senorang Estate, Pahang, (Right) Compost spread in Bukit Senorang Estate field

UMB is stepping up mechanisation to reduce labour usage and to expedite the collection of FFB in the estates. However, undulating or hilly terrain inhibits mechanisation.

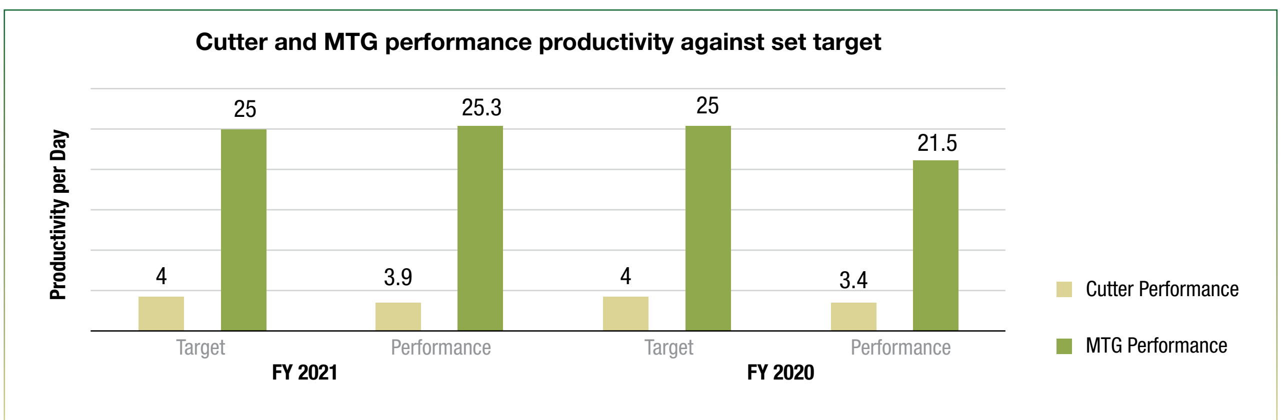


Chart 16 - Productivity against Targets

Table 9 - Investments in Machinery

Machinery & Facilities	Description	Amount of Investment (RM)
Mini Tractor Grabber ("MTG") for FFB collection	To assist FFB collection	RM256,500
Small infield machinery	To assist FFB collection	RM296,100
Air Blast sprayer	To assist field maintenance and control Pest and Disease ("P&D")	RM119,322

Note: Data presented for Malaysia operations only

PILLAR 3: PROFIT (CONTINUED)

SUSTAINABLE AGRICULTURAL PRACTICES (CONTINUED)

Photo 29 - (Left) Machinery used to collect FFB in the field, (Right) Blast sprayer helps to maximise chemical coverage

SUPPLY CHAIN MANAGEMENT

UMB's Sales and Purchasing ("S&P") department develops procurement policies, identifies marketing opportunities and sells forward a pre-determined proportion of UMB's CPO.

S&P oversees processes relating to Tenders and Purchases to ensure UMB secures goods and services at competitive prices. During FY 2021, S&P assessed 50% of UMB Group's key suppliers. In FY 2022, S&P aims to audit 80% of suppliers and contractors.

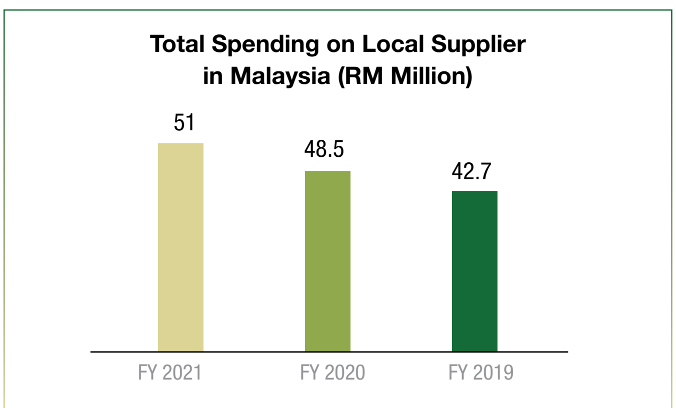


Chart 17 - Spending on supplies in Malaysia

Chart 18 - Spending on supplies in Indonesia

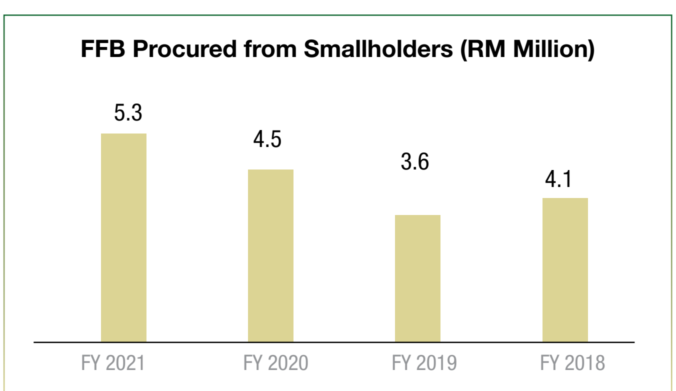


Chart 19 - FFB procured from smallholder

UMB monitors the origins of all FFB from its estates and from third parties to its palm oil mills. Traceability information collected includes the company's name, name and location of estates, GPS coordinates, legal documents, sustainability certification (MSPO and ISPO) and the tonnage supplied to oil mills. Despite difficulty in collating complete information needed, UMB aims to achieve 100% by FY 2024, both in Malaysia and Indonesia.

PILLAR 3: PROFIT (CONTINUED)

ETHICAL BUSINESS

The Administration and Corporate Affairs department ensures compliance with Companies Act 2016, Bursa Malaysia Main Markets Listing Requirements, and other regulatory bodies such as the Securities Commission. UMB has adopted the Employees' Code of Conduct, Directors' Code of Ethics, Whistleblowing Policy, and Anti-Bribery Policy.

In FY 2021, initiatives to enhance awareness and train more employees on these policies had to be postponed due to the COVID-19 pandemic. UMB practices a zero-tolerance approach against bribery, harassment and all forms of misconduct. Aggrieved employees and stakeholders can use the Whistle Blowing platform to report any violations.

Moving forward, UMB aims to conduct courses to enhance awareness among employees and stakeholders to ensure the policy's adherence. In addition, UMB requires employees and suppliers to sign declarations agreeing to comply with UMB's policies. UMB will review the policies to ensure they remain relevant and appropriate.

In FY2021, there were no complaints against UMB alleging corruption and bribery, money laundering, and insider trading.

DATA PROTECTION & PRIVACY

UMB regulates collecting, processing, and using data, both personal and corporate, from all its operations. To maintain the confidentiality of information, all employees sign a confidentiality agreement.

UMB protects the personal information of all stakeholders in line with the Personal Data Protection Act 2010 ("PDPA"). UMB safeguards data by hosting essential applications in Microsoft Azure (Cloud) and installing antivirus software and firewalls on all UMB-owned hardware. The Information Technology ("IT") department ensures privacy and security of data and safeguards UMB's intellectual property.

The Access Management Policy introduced to protect admission to IT systems, applications, and data prevents unauthorised access. The Change Management Policy was adopted to manage changes to its IT resources and prevent disruptions to UMB's IT systems, its strength, integrity, applications and data. These measures have resulted in zero cases of cyber-security breaches reported in FY2021.

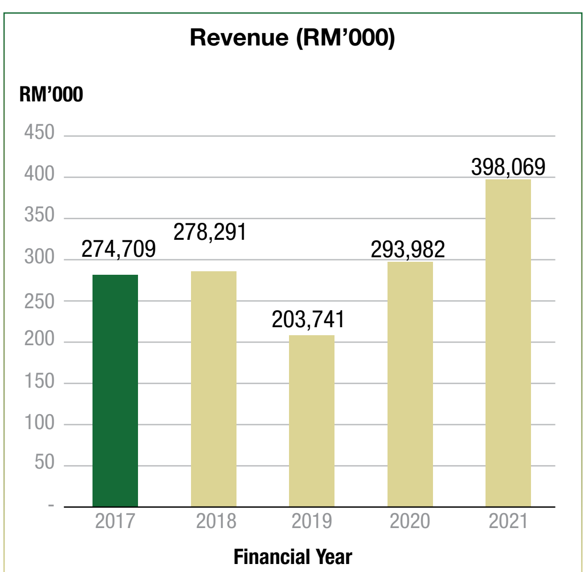
MOVING FORWARD

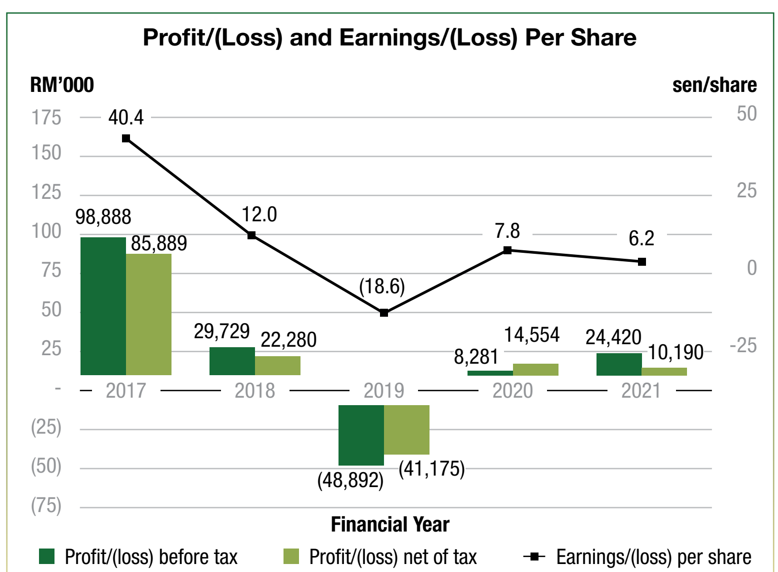
UMB will continue to strengthen implementation of the Sustainable Palm Oil Policy, enhance its reporting and monitor its sustainability performance.

This statement is made in accordance with the resolution of the Board of Directors passed on 5 August 2021.

FIVE YEARS' FINANCIAL STATISTICS

	2021 RM'000	2020 RM'000	2019 RM'000	2018 * RM'000	2017 RM'000
REVENUE					
Plantation	398,069	293,982	203,741	278,291	274,709
GROUP (LOSS)/PROFIT					
Plantation:					
Oil palm products	44,620	(24,854)	(38,532)	26,457	91,577
Replanting expenses	-	-	-	-	(1,696)
Interest expense	(4,928)	(5,588)	-	-	-
Profit/(loss) from plantation activities	39,692	(30,442)	(38,532)	26,457	89,881
Investment holding:					
Investment income/(expense)	2,589	(1,941)	(3,195)	8,491	12,893
Interest expense	(1,827)	(5,719)	(7,165)	(5,219)	(3,886)
Operating profit/(loss)	40,454	(38,102)	(48,892)	29,729	98,888
Gain on disposal of non-current assets held for sale	-	103,196	-	-	-
Impairment of bearer plants	-	(56,813)	-	-	-
Impairment of intangible asset	(16,034)	-	-	-	-
Profit/(loss) before tax	24,420	8,281	(48,892)	29,729	98,888
Taxation	(14,230)	6,273	7,717	(7,449)	(12,999)
Profit/(loss) net of tax	10,190	14,554	(41,175)	22,280	85,889
Profit/(loss) net of tax attributable to:					
Owners of the Company	13,014	16,307	(39,027)	25,173	84,554
Non-controlling interests	(2,824)	(1,753)	(2,148)	(2,893)	1,335
	10,190	14,554	(41,175)	22,280	85,889
(Loss)/earnings per share attributable to owners of the Company (sen)	6.2	7.8	(18.6)	12.0	40.4





* Financial information of the Group for FY 2018 has been adjusted in accordance with First-time Adoption of Malaysian Financial Reporting Standards.

Five Years' Financial Statistics
(continued)

	2021 RM'000	2020 RM'000	2019 RM'000	2018 * RM'000	2017 RM'000
ASSETS					
Property, plant and equipment	665,066	679,144	1,375,402	1,404,204	693,912
Biological assets	-	-	-	-	991,901
Prepaid land lease payments	-	-	130,934	120,973	132,527
Right-of-use assets	796,067	814,681	-	-	-
Goodwill on consolidation	82,474	82,474	82,474	82,474	82,474
Intangible asset	12,562	29,136	29,674	-	-
Other asset	3,538	3,616	2,702	-	-
Non-current assets held for sale	-	-	69,509	-	-
Current assets	172,874	181,952	164,547	208,557	238,420
Total assets	**1,732,581**	**1,791,003**	**1,855,242**	**1,816,208**	**2,139,234**
EQUITY AND LIABILITIES					
Equity					
Share capital	255,375	255,375	254,935	212,084	209,494
Other reserves	(16,387)	(11,748)	(10,894)	26,997	882,963
Retained earnings	1,069,714	1,074,135	1,074,485	1,129,323	660,958
Equity attributable to owners of the Company	1,308,702	1,317,762	1,318,526	1,368,404	1,753,415
Non-controlling interests	32,723	36,163	38,064	38,105	46,414
Total equity	**1,341,425**	**1,353,925**	**1,356,590**	**1,406,509**	**1,799,829**
Liabilities					
Bank borrowings	124,754	153,112	209,263	137,218	151,900
Lease liabilities	7,459	7,292	-	-	-
Retirement benefit obligation	805	805	654	469	365
Trade and other payables	59,155	74,636	62,026	33,802	35,446
Income tax payable	-	-	-	2,132	4,504
Deferred tax liabilities	198,983	201,233	226,709	236,078	147,190
Total liabilities	**391,156**	**437,078**	**498,652**	**409,699**	**339,405**
Total equity and liabilities	**1,732,581**	**1,791,003**	**1,855,242**	**1,816,208**	**2,139,234**
FINANCIAL STATISTICS					
Earnings/(loss) per share (sen)	6.2	7.8	(18.6)	12.0	40.4
Gross/net dividend per share (sen)	10.0	8.0	8.0	12.0	23.0
Net dividend yield per share (%)	2.0	1.8	1.5	2.0	3.7
Return on average total assets (%)	0.6	0.8	(2.2)	1.2	4.1
Return on average equity (%)	0.8	1.1	(3.0)	1.6	4.8
Price earnings ratio (times)	82.2	56.6	(28.8)	50.8	15.3
Net assets per share (RM)	6.2	6.3	6.3	6.5	8.4
Share price as at financial year end (RM)	5.10	4.40	5.36	6.10	6.18
Debt/Equity (%)	9.3	11.3	15.4	9.8	8.4

* Financial information of the Group for FY 2018 has been adjusted in accordance with First-time Adoption of Malaysian Financial Reporting Standards.

GROUP TITLED AREA STATEMENT

As at 30 APRIL 2021

In Hectares	2021 *			2020			2019			2018			2017		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
Oil Palm															
Mature	18,218	5,583	23,801	20,046	5,282	25,328	20,992	5,176	26,168	20,277	4,752	25,029	18,407	1,792	20,199
Immature	770	2,272	3,042	730	2,291	3,021	802	1,424	2,226	1,490	1,489	2,979	3,390	4,076	7,466
	18,988	7,855	26,843	20,776	7,573	28,349	21,794	6,600	28,394	21,767	6,241	28,008	21,797	5,868	27,665
Oil Palm (Plasma)															
Mature	-	5,175	5,175	-	5,162	5,162	-	5,097	5,097	-	5,032	5,032	-	2,894	2,894
Immature	-	-	-	-	13	13	-	78	78	-	143	143	-	2,280	2,280
	-	5,175	5,175	-	5,175	5,175	-	5,175	5,175	-	5,175	5,175	-	5,174	5,174
Total Planted Area	**18,988**	**13,030**	**32,018**	**20,776**	**12,748**	**33,524**	**21,794**	**11,775**	**33,569**	**21,767**	**11,416**	**33,183**	**21,797**	**11,042**	**32,839**
Development in progress	-	844	844	-	1,018	1,018	-	964	964	-	621	621	-	-	-
Plantable area	45	2,909	2,954	95	3,312	3,407	85	4,344	4,429	115	4,720	4,835	85	5,710	5,795
Unplantable area	4,584	8,154	12,738	2,746	7,859	10,605	2,759	7,854	10,613	2,756	7,828	10,584	2,759	7,833	10,592
	4,629	11,907	16,536	2,841	12,189	15,030	2,844	13,162	16,006	2,871	13,169	16,040	2,844	13,543	16,387
Total Group Titled Area	**23,617**	**24,937**	**48,554**	**23,617**	**24,937**	**48,554**	**24,638**	**24,937**	**49,575**	**24,638**	**24,585**	**49,223**	**24,641**	**24,585**	**49,226**

* As at 30 April 2021, planted area in Malaysia totalled 18,988 hectares compared with 20,776 hectares in the preceding year. The decrease of 1,788 hectares was due to reclassifying the area of roads and other infastructure to uplantable area after an Unmanned Aerial Vehicle ("UAV") survey was completed.

FIVE YEARS' PLANTATION STATISTICS

	2021	2020	2019	2018	2017
ESTATES					
FFB production (tonne)					
- Malaysian operations	313,198	301,070	314,865	354,089	321,887
- Indonesian operations	57,622	61,026	38,748	28,467	19,198
Yield per weighted average mature hectare (tonne/ha)					
- Malaysian operations	17.1	14.8	15.1	17.5	17.5
- Indonesian operations	10.3	11.6	7.5	6.0	10.7
MILLS					
Malaysian operations					
FFB processed (tonne)	339,368	348,171	271,152	333,704	311,496
Production					
- Crude palm oil (tonne)	64,938	67,971	52,693	63,244	60,025
- Palm kernel (tonne)	15,581	17,118	13,195	15,237	14,586
Oil extraction rate (OER) (%)	19.1	19.5	19.4	19.0	19.3
Kernel extraction rate (KER) (%)	4.6	4.9	4.9	4.6	4.7
Indonesian operations ^					
FFB processed (tonne)	170,632	164,502	-	-	-
Production					
- Crude palm oil (tonne)	36,331	37,336	-	-	-
- Palm kernel (tonne)	5,043	4,578	-	-	-
OER (%)	21.3	22.7	-	-	-
KER (%)	3.0	2.8	-	-	-

^ Oil mill in Kalimantan, Indonesia commissioned in June 2019

	2021	2020	2019	2018	2017
AVERAGE SELLING PRICE					
Crude palm oil (RM/tonne)					
- Malaysian operations	2,829	2,259	2,051	2,600	2,809
- Indonesian operations	2,536	2,194	-	-	-
Palm kernel (RM/tonne)					
- Malaysian operations	1,834	1,310	1,455	2,279	2,796
- Indonesian operations	1,582	1,125	-	-	-
FFB (RM/tonne)					
- Malaysian operations	584	417	376	518	585
- Indonesian operations	484	396	330	511	567

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of United Malacca Berhad ("UMB") and its subsidiaries (collectively referred to as the "UMB Group") presents this Corporate Governance Overview Statement (CGOS) which outlines the UMB Group's approach, practices, focus areas and priorities.

Supplementing this Corporate Governance Overview Statement is the Corporate Governance Report (CGR) for the financial year ended 30 April 2021. This CGR sets out the UMB Group's corporate governance practices in line with the Malaysian Code on Corporate Governance ("MCCG") and can be downloaded from UMB's website, www.unitedmalacca.com.my as well as from the related announcement on Bursa Malaysia Berhad's website.

Both the CGOS and CGR are in line with Paragraph 15.25 of the Main Market Listing Requirements by Bursa Malaysia Berhad ("MMLR") and the guidance provided by Practice Note 9 of the MMLR and the Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia Berhad.

This CGOS should be read together with other statements in the Annual Report, including the Statement on Risk Management and Internal Controls and Audit Committee Report to obtain a better understanding of UMB Group's corporate governance principles and practices.

UMB GROUP'S CORPORATE GOVERNANCE APPROACH

The UMB Group prioritises strengthening the governance framework to ensure long-term sustainability.

UMB Group is committed to the following principles:

- upholding the highest standard of ethical conduct with particular emphasis on integrity;
- incorporating into its business operations economic, environmental and social considerations;
- nurturing leaders within the UMB Group who share its over-arching vision; and
- instituting a critical review process before establishing corporate governance systems, policies and procedures.

In line with its belief that improving corporate governance is a continuing process, the UMB Board regularly reviews and updates the Group's corporate governance framework.

SUMMARY OF UMB'S CORPORATE GOVERNANCE PRACTICES

Benchmarking UMB's operations against regulatory directives and best corporate practices, all the requirements in MCCG for the financial year ended 30 April 2021 have been observed except:-

- Practice 4.2 (tenure of an Independent Director does not exceed a cumulative term of 9 years);
- Practice 4.6 (use of independent sources to identify potential directors);
- Practice 6.1 (policies and procedures to determine the remuneration of directors and senior management);
- Practice 7.2 (disclosure of top five Senior Management personnel's remuneration); and
- Practice 11.2 (adoption of Integrated Reporting).

UMB has provided detailed explanations for the non-application of the above-mentioned Practices in the Corporate Governance Report. As and when practicable, the UMB Group will adopt these Practices.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Roles and responsibilities of the Board

The Board has constituted four Board Committees - Audit Committee, Nomination and Remuneration Committee, Tender Committee and Executive Committee. UMB Directors are informed of the activities of the Board Committees through minutes of Committee meetings, briefings and reports. In undertaking their responsibilities, the Board Committees are guided by their respective Terms of Reference.

The Board Charter outlines the responsibilities of the Board, Board Committees, individual Directors and the Chief Executive Officer and includes a schedule of matters reserved for the Board. Publicly available on UMB's website www.unitedmalacca.com.my, the Board Charter is reviewed periodically in line with changes in the corporate and business environment. Recommendations from the Committees are forwarded to the Board for its approval and action.

UMB Board's governance structure is as follows:-

- **BOARD OF DIRECTORS**
  - **AUDIT COMMITTEE**
  - **NOMINATION & REMUNERATION COMMITTEE**
  - **TENDER COMMITTEE**
  - **EXECUTIVE COMMITTEE***

* *Mr. Peter Benjamin, CEO of UMB, was co-opted to the Executive Committee to provide management input during the financial year ended 30 April 2021.*

** *Mr. Peter Benjamin retired on 30 June 2021. Newly appointed CEO, Mr. Young Lee Chern was co-opted to the Executive Committee effective 1 July 2021.*

In line with good corporate governance practices, there is a clear demarcation between the roles of the Chairperson and the CEO. The Chairperson oversees the conduct, governance and effectiveness of the Board while the CEO is tasked with managing the Group's day-to-day operations and acts as a bridge between the Board, Management and Group employees. The Board Charter sets out the responsibilities of the Chairperson and the CEO.

The Board and Board Committees meet regularly. Throughout the financial year ended 30 April 2021, the Board met five times to discuss and approve the annual business plan, budgets for the Group and Indonesian subsidiaries, financial results, and regulatory compliance matters.

Company Secretaries always ensure deliberations and decisions of the Board and Board Committees are recorded in the meeting minutes.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Roles and responsibilities of the Board (continued)

Individual Director's attendance at meetings of the Board and Board Committees is outlined below: -

Directors	Board	Audit Committee	Nomination & Remuneration Committee	Tender Committee	Executive Committee
Datin Paduka Tan Siok Choo	5/5			4/4	3/3
Tan Sri Dato' Ahmad Bin Mohd Don^	3/3	3/3	1/1	1/1	
Mr. Tan Jiew Hoe	5/5	5/5	2/2		
Mr. Teo Leng	5/5			4/4	3/3
Dato Dr. Nik Ramlah Binti Nik Mahmood	5/5	5/5	2/2		
Mr. Ong Keng Siew	5/5	5/5	2/2		
Mr. Tee Cheng Hua	5/5			4/4	3/3
Dato' Sri Tee Lip Sin*	1/1				
Mr. Han Kee Juan#	-				

Chairperson of Board / Chairman of Board Committees
Member

Table 1: Directors' attendance at meetings of the Board and Board Committee

^ On 29 September 2020, Tan Sri Dato' Ahmad Bin Mohd Don retired as Independent Non-Executive Director.

* On 25 February 2021, Dato' Sri Tee Lip Sin was redesignated Non-Executive and Non-Independent Director. Previously, he was an alternate director to Mr. Tee Cheng Hua.

On 3 June 2021, Mr. Han Kee Juan was appointed as an Independent Non-Executive Director. (Note: Mr. Han's appointment was AFTER FY 30 April 2021)

The Board and Board Committees are supported by two qualified and experienced joint Company Secretaries who provide the Board with periodic updates on the latest regulatory developments. Both Company Secretaries also advise the Board in upholding high standards of corporate governance and facilitating the flow of information from Management to the Board and ensuring Directors receive the notice of meetings and board papers at least 5 working days before the meetings.

Board composition

On 25 February 2021, the Board welcomed Dato' Sri Tee Lip Sin as a Non-Executive Non-Independent Director. Dato' Sri Tee is a director of Prosper Palm Oil Mill Sdn Bhd, a substantial shareholder of UMB. A graduate in business administration, Dato' Sri Tee is familiar with plantations and palm oil milling.

On 3 June 2021, the Board welcomed Mr. Han Kee Juan, as an Independent and Non-Executive Director. He provides plantation advisory services to more than 100,000 hectares of plantations in Malaysia and Papua New Guinea. He is the Plantation Advisor for Prosper Group and Far East Holdings Berhad.

The Board now comprises eight Non-Executive Directors, four of whom are Independent Directors while another four are Non-Independent Non-Executive Directors. The Directors have varying academic qualifications and work experience, thus ensuring board diversity. The composition and size of the Board are reviewed periodically to ensure its efficacy.

In recommending the appointment of potential Directors, the Nomination and Remuneration Committee ("NRC") assesses the candidate's expertise and work experience to complement and enhance that of the existing Directors.

The Board reviews its performance, that of individual directors and Board Committees annually. For the financial year ended 30 April 2021, a Board Performance Evaluation was conducted in-house, facilitated by the NRC and assisted by both Company Secretaries. The exercise was carried out through questionnaires given to the Directors using a self and peer rating model.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board composition (continued)

The Board Performance Evaluation was divided into three sections - Board Performance Assessment, Board Committee Assessment, and Board of Directors' Self-Assessment. Based on the findings of the evaluation exercise, the overall performance of the Board, Board Committees and individual Directors is satisfactory as evident from the high average ratings in all evaluations. UMB Board was assessed above average in terms of interaction, participation, integrity, independence, self-development and competencies.

As prescribed under paragraph 15.08 of the Main Market Listing Requirements of Bursa Malaysia Berhad, during the financial year ended 30 April 2021, the NRC assessed and determined the training needs for individual Directors.

Seminars/webinars on corporate governance, oil palm industry, Islamic finance, the Malaysian economy and other relevant topics attended by UMB Directors are listed below:

Attended by	List of training programmes attended	Date
Datin Paduka Tan Siok Choo	• Can Employers Force Employees to Take COVID-19 Vaccine by Lee Hishammuddin Allen & Gledhill • Trends in Malaysian Poverty and Income Dynamics: Do Regional Inequalities Trump Ethnic Disparities by Kuala Lumpur World Bank Research • The Economic Landscape in Post-Covid East & South East Asia by JCI • Sustainable Finance: Making Better Financial Decisions by KPMG	22 March 2021 25 March 2021 8 April 2021 9 April 2021
Mr. Tan Jiew Hoe	• Economic Outlook 2021: Investing at the Right Time and Sector by Securities Industry Development Corporation • Sustainable Finance: Making Better Financial Decisions by KPMG • Rethinking Business Sustainability During Pandemic by Securities Industry Development Corporation	17 March 2021 9 April 2021 26 April 2021
Mr. Teo Leng	• Fraud Risk Management by PwC Consulting Services (M) Sdn Bhd • Economic Outlook 2021: Investing at the Right Time and Sector by Securities Industry Development Corporation • Sustainable Finance: Making Better Financial Decisions by KPMG • Rethinking Business Sustainability During Pandemic by Securities Industry Development Corporation	1 December 2020 17 March 2021 9 April 2021 26 April 2021
Dato Dr. Nik Ramlah Binti Nik Mahmood	• Date Breaches: Are You Ready? by Securities Industry Development Corporation • New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur • Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur • Independent Directors - The missing Piece - virtual forum co-organised by SIDC and CIBFM (Brunei) • Economic Conditions in Malaysia - Surviving the Storm by World Bank, organised by PIDM • Economic Conditions in Malaysia: Malaysia's Economic Recovery by BNM, organised by PIDM • Financial Times Global Boardroom - Shaping the recovery - Virtual forum organised by FT Global • Malaysia and ASEAN - Navigating US-China relationship in 21 century organised by PNB Research Institute • How safe are safe havens? - Yayasan Tun Ismail Lecture 2020 • Privacy Awareness Training Program by Zul Rafique & Partners (Darren Kor) and Herbert Smith Freehills (Peggy Chow Mark Robinson)	23 July 2020 6 August 2020 6 August 2020 12 August 2020 8 September 2020 17 September 2020 11-23 November 2020 26 November 2020 2 December 2020 14 December 2020

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board composition (continued)

Attended by	List of training programmes attended	Date
Mr. Ong Keng Siew	• Staying Ahead with Data Analytics by Asia School of Business • Managing Political Risks by Asia School of Business • Fraud Risk Management by PwC Consulting Services (M) Sdn Bhd • Economic Outlook 2021: Investing at the Right Time and Sector by Securities Industry Development Corporation • Navigating Ways Through Tax Audit & Investigation: Good Practices when Dealing with the Inland Revenue Board by KPMG • Sustainable Finance: Making Better Financial Decisions by KPMG • MFRS 15 & MFRS 16 Case Studies on Application & Disclosures	18 August 2020 25 August 2020 3 December 2020 17 March 2021 29 March 2021 9 April 2021 13 April 2021
Mr. Tee Cheng Hua	• Fraud Risk Management by PwC Consulting Services (M) Sdn Bhd • Sustainable Finance: Making Better Financial Decisions by KPMG	23 November 2020 9 April 2021
Dato' Sri Tee Lip Sin	• Withholding Tax Principle & Practice and Transfer Pricing Concept by MAICSA • Sustainable Finance: Making Better Financial Decisions by KPMG	29 March 2021 9 April 2021

Remuneration

UMB Board recognises competitive remuneration is essential to attract, motivate and retain talented individuals to work as senior managers. To achieve this objective, the Board has adopted a remuneration policy for Senior Managers including the CEO, linking pay, bonuses and increments to achieving pre-agreed key performance indicators. Through the NRC, the Board periodically reviews Senior Management's total remuneration to ensure it is within industry norms.

Remuneration packages for Non-Executive Directors are based on their membership of Board and Board Committees as well as attendance at meetings of the Board and Board Committees. Aggregate figures of all fees to be paid to Independent and Non-Independent Non-Executive Directors are subject to the approval of the shareholders at the Annual General Meeting.

Details of individual Director's remuneration are disclosed in the Financial Statements in the Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

Comprising solely of Independent Directors, the AC is currently chaired by Mr. Ong Keng Siew. Other members of the Audit Committee include Mr. Tan Jiew Hoe, Dato Dr. Nik Ramlah Binti Nik Mahmood and Mr. Han Kee Juan. Collectively, AC members have the financial skills and experience to discharge their duties.

To ensure the integrity of UMB's published financial information, the AC oversees the entire financial reporting process and constantly reviews the effectiveness of internal controls and risk management systems. To buttress internal audit's effectiveness and independence, the Internal Auditor reports directly to the AC while his remuneration is assessed by the AC and its recommendation submitted to the Board for final approval.

In addition, the AC has established the External Auditor Independence Policy which governs the selection, appointment and assessment of the external auditor. To ensure the External Auditor's independence, the AC determines the limits on the External Auditor providing non-audit services to UMB. During the year under review, the External Auditor provided written assurance that its personnel were independent.

The AC has reviewed the Recurrent Related Party Transactions within the Group to ensure these transactions were fair, reasonable, in the best interest of UMB and did not impinge on the interests of the Minority Shareholders.

UMB's corporate website includes the AC's terms of reference while the AC Report in UMB's Annual Report details the AC's role in UMB, the number of meetings and activities held during the financial year.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

Risk management and internal control framework

To ensure robust risk management and effective internal controls, UMB Group has instituted an Enterprise Risk Management framework that formalises risk management policies and procedures to identify, evaluate and monitor material risks, internally and externally.

The Group's Internal Audit Department regularly reviews UMB's risk management and internal control systems. To reinforce its effectiveness and independence, the AC ensures the Internal Audit Department is given an adequate budget and sufficient manpower.

Further information on the Group's risk management and internal framework is available from the Statement on Risk Management and Internal Controls in the Annual Report.

Anti-Bribery Policy

Corporate liability for bribery has been introduced in this country through the Malaysian Anti-Corruption Commission (Amendment) Act 2018 that came into effect on 1 June 2020. To ensure Group-wide compliance with this newly enacted amendment, the Board has instituted a new Anti-Bribery Policy written in simple language. UMB's Anti-Bribery Policy covers acts that could be construed as corruption through gifts, donations and sponsorships.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with stakeholders

UMB gives priority to ensuring information is widely disseminated to all stakeholders as soon as practicable through announcements to Bursa Malaysia and on UMB's website.

Apart from corporate announcements and the annual report, UMB's website also includes all announcements to Bursa Malaysia, quarterly financial reports, analysts' reports as well as summaries of the past year minutes of annual general meeting.

Conduct of general meetings

The Annual General Meeting ("AGM") is the primary forum for the Board and Senior Management to interact with shareholders.

At the 106th AGM held on 29 September 2020, the Chairperson and the Chairpersons of the respective Committees were present to clarify issues relating to UMB's results, its prospects and future plans.

Also present to answer enquiries from shareholders were the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the external audit Engagement Partner. As recommended by MCCG, the notice to the forthcoming AGM together with relevant documents will be provided at least 28 days to all shareholders.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Focus Areas on Corporate Governance

Areas which gained prominence from the Board during the financial year ended 30 April 2021 are as follows:

Review of Board composition

During the financial year under review, Dato' Sri Tee Lip Sin was appointed a Non-Independent Non-Executive Director. Dato' Sri Tee is the corporate representative of Prosper Palm Oil Mill, a major shareholder of UMB. After the close of the financial year, Mr. Han Kee Juan was appointed to the Board as an Independent Non-Executive Director. His appointment ensures half of the Board members are independent and UMB exceeds the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which stipulates at least one-third of the board is independent while Practice 4.1 of MCCG requires 50% of board members to be independent.

Professional Development of Directors

During the year under review, directors have continued to attend various training courses and seminars to comply with their role as directors of the Company.

Succession Planning

A major priority for UMB's Board of Director is ensuring continuity in leadership for senior management. Through the Nomination and Remuneration Committee, the Board has appointed Mr. Young Lee Chern as the Chief Executive Officer with effect from 1 July 2021 in place of Mr. Peter Benjamin who retired on 30 June 2021.

Also effective 1 July 2021, Mr. Young ceased to be the Chief Financial Officer; on the same date, this position was be assumed by Mr. Er Hock Swee.

This statement is made accordance with the resolution of the Board of Directors passed on 29 July 2021.

AUDIT COMMITTEE REPORT

1.0 INTRODUCTION

According to Paragraph 15.15 of the Bursa Malaysia Securities Berhad's Listing Requirements, the Board of Directors of United Malacca Berhad is pleased to present the Audit Committee Report for the financial year ended 30 April 2021.

In performing its duties and discharging its responsibilities, the Audit Committee is guided by its Terms of Reference, which are available in the Corporate Governance section of the Company's website www.unitedmalacca.com.my.

2.0 COMPOSITION

Established in January 1991, the Audit Committee reports to the Board of Directors to confirm the independence of External Auditors and compliance with financial reporting in line with the Listing Requirements, Accounting Conventions and Reporting Standards, including full disclosure to stockholders.

In addition to overseeing risk management and internal controls within the Group, the Audit Committee also serves as a conduit among Directors, External and Internal Auditors, and Senior Management on all matters related to its scope of work. It comprises the following members:

Chairman	:	**Mr. Ong Keng Siew** (*) *(Independent Non-Executive Director)*
Members	:	**Mr. Tan Jiew Hoe** *(Independent Non-Executive Director)*
	:	**Dato Dr. Nik Ramlah binti Nik Mahmood** *(Senior Independent Non-Executive Director)*
	:	**Mr. Han Kee Juan** (**) *(Independent Non-Executive Director)*
	:	**Tan Sri Dato' Ahmad bin Mohd Don** (***) *(Senior Independent Non-Executive Director)*

(*) Appointed Chairman of the Audit Committee on 30 September 2020.
(**) Appointed Member of the Audit Committee on 1 July 2021.
(***) Retired as Chairman and Member of the Audit Committee on 29 September 2020.

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

(ii) Members of the Audit Committee shall elect the Chairman, who must be an Independent Director.

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

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

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

b. If the Director is not a member of MIA, the Director 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, and;

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

(v) The term of office and performance of Audit Committee members are reviewed by the Board of Directors periodically to determine whether members of the Audit Committee have carried out their duties in accordance with their terms of reference.

3.0 AUTHORITY

Empowered by the Board of Directors, the Audit Committee shall have authority to do the following:

(i) Investigate any matter within its terms of reference.

(ii) Enjoy full and unrestricted access to any information pertaining to the Company, including access to external resources.

(iii) Obtain external legal or other independent professional advice.

(iv) Granted resources required to perform its duties.

(v) Communicate directly with External Auditors and person(s) carrying out the internal audit function or activity and the Group's Senior Management.

(vi) Convene meetings with the External Auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

The critical functions of the Audit Committee are stated in its Terms of Reference, which can be viewed on the UMB website.

4.0 MEETINGS

During FY 2021, the Audit Committee met on 5 occasions; the attendance of each Audit Committee member is as follows:

Directors	No of Meetings Attended During Director's Tenure in Office
Mr. Ong Keng Siew	5 out of 5
Mr. Tan Jiew Hoe	5 out of 5
Dato Dr. Nik Ramlah binti Nik Mahmood	5 out of 5
Tan Sri Dato' Ahmad bin Mohd Don	3 out of 3

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

(i) Meeting

Meetings shall be held not less than 4 times a year. The Chairman may call for additional meetings at any time at his discretion. Upon request by the External Auditors, the Chairman shall convene a meeting of the Audit Committee to consider any matter the External Auditors believe should be brought to the attention of the Board of Directors or Stockholders.

(ii) Quorum

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

(iii) Attendance At Meeting

The Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, External Auditors and the person(s) carrying out the internal audit function or activity shall attend meetings by invitation of the Audit Committee.

Audit Committee Report
(continued)

5.0 OVERVIEW OF AUDIT COMMITTEE'S WORK

5.1 Financial Reporting

5.1.1 Reviewed the unaudited financial results and the Company's consolidated financial statements and recommended them to the Board for approval.

5.1.2 Reviewed and recommended to the Board for approval the annual audited financial statements of the Company and the Group, and to ensure that the financial statements were drawn up pursuant to the requirements of MFRS and provisions of the Companies Act 2016 in Malaysia.

5.1.3 Reviewed and highlighted to the Board significant matters raised by the external auditors, including financial reporting issues, significant judgements and estimates made by Management, and received updates from Management on actions taken for improvements.

5.1.4 Deliberated significant changes in relevant regulatory requirements, accounting and auditing standards that affect the Group, and the adoption of such changes by Management.

5.2 External Audit

5.2.1 Reviewed and approved the external auditors' audit plan, which outlined the audit strategy and approach for FY 2021.

5.2.2 Reviewed the results and issues arising from external audit, including the Key Audit Matters and the update on Management's responses and actions on the matters highlighted in the audit report.

5.2.3 Obtained written assurance from external auditors in their FY 2021 Audit Plan dated 15 December 2020 to the Audit Committee that, in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for FY 2021.

5.2.4 Conducted an annual assessment of the external auditors' performance which encompassed their competence, audit service quality and resource capacity of the external auditors in relation to the audit; the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and the independence of the external auditors.

Assessment questionnaires were used as a tool to obtain input from UMB personnel who had substantial working contact with the external audit team. Based on the assessment results, the Audit Committee recommended the re-appointment of the external auditors to the Board.

5.2.5 Reviewed the external audit fees and non-audit fees for FY 2021 and recommended them to the Board.

5.2.6 Met with the external auditors on 22 June 2020 and 15 March 2021 without the presence of Management to review and discuss key issues within their duties and responsibilities. The external auditors raised no major concerns at the meetings.

5.3 Internal Audit

5.3.1 Reviewed and approved the Internal Audit Department's staffing requirements, budget and annual audit plan to ensure the adequacy of resources, competencies and coverage.

5.3.2 Reviewed internal audit reports on plantation estates, palm oil mills and key functional units issued by the Internal Audit Department covering the adequacy and effectiveness of governance, risk management, operational and compliance processes.

5.3.3 Reviewed the adequacy of corrective actions taken by Management on all significant audit issues raised.

5.3.4 Reviewed the report on the Employee Share Option Scheme of the Company to ensure compliance with the criteria set out in the By-Laws of the Employee Share Option Scheme.

Audit Committee Report
(continued)

5.0 OVERVIEW OF AUDIT COMMITTEE'S WORK (CONTINUED)

5.3 Internal Audit (continued)

5.3.5 Met with Head of Group Audit on 5 August 2020 and 15 December 2020 without the presence of Management to review and discuss key issues within their duties and responsibilities. The Head of Group Audit raised no major concerns at the meetings.

5.4 Related Party Transactions

Reviewed related party transactions entered into by the Group to ensure that such transactions were carried out on normal commercial terms and were not prejudicial to the Company's interest or its minority shareholders.

5.5 Annual Report

Reviewed the Audit Committee Report, Summary of Activities of Internal Audit Functions, Statement on Risk Management and Internal Control before submission to the Board for approval and inclusion in the 2021 Annual Report.

5.6 Other Matters

5.6.1 Reviewed Terms of Reference of the Audit Committee with reference to the new provisions in the Listing Requirements of Bursa Malaysia Securities Berhad and recommended the revisions to the Board for its approval.

5.6.2 Reviewed the solvency assessment by the Management in relation to the declaration of dividends.

6.0 SUMMARY OF ACTIVITIES OF INTERNAL AUDIT FUNCTION

6.1 The Audit Committee is assisted by the Internal Audit Department ("IAD") in the discharge of its duties and responsibilities. The primary responsibility of IAD is to provide reasonable assurance to the Audit Committee on the effectiveness of the governance, risk management and internal control processes within the Company and the Group.

6.2 IAD is independent of operations and reports functionally to the Audit Committee and administratively to the Chief Executive Officer. IAD is headed by En Abdul Razak bin Md Aris who is a Chartered Member of The Institute of Internal Auditors Malaysia. There are 9 audit executives in the IAD.

6.3 The IAD had conducted risk-based audit engagements as stipulated in the Annual Audit Plan for FY 2021. Significant audit findings regarding risk, control, and governance that had a high impact were discussed with the Management, including the agreed action plans committed by the line management. The audit reports were presented to the Audit Committee for deliberation.

Follow up review on the audit engagements were conducted to ensure proper and effective remedial actions have been taken by line management to close control gaps highlighted by IAD. All internal audit activities and processes were performed as guided by the Internal Audit Charter and the IAD Standard Operating Procedures.

6.4 IAD operated from 3 different locations, with each having its audit teams. The offices are located at the Head Office in Melaka, Millian-Labau Plantations in Keningau and Kalimantan in Indonesia.

6.5 Total cost incurred in managing the internal audit function during the FY 2021 was RM 844,600 [2020: RM 684,587]. The higher cost incurred this financial year was due to the recruitment of 2 additional Executives in July 2020 for Indonesia operations.

6.6 IAD issued 34 audit reports covering operations in the Head Office, estates and palm oil mills in Peninsular Malaysia, Sabah and Indonesia. Internal audit focused on high-risk areas such as security of stored fertilisers and pesticides, frequency of manuring, FFB collection and despatch, estate payroll, vehicle operating costs, FFB quality and mill operations.

6.7 At the Management's request, IAD undertook 7 special investigation audits during the year under review.

This report is made in accordance with a resolution of the Board of Directors dated 29 July 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROLS

This Statement on Risk Management and Internal Controls ("SRMIC") outlines the nature and scope of United Malacca Berhad's ("UMB's") risk management and internal controls for the financial year ended 30 April 2021.

Pursuant to paragraph 15.26(b) of the Main Marketing Listing Requirements of Bursa Malaysia Securities Berhad and Practice Note 9.2 of the Malaysian Code on Corporate Governance ("MCCG"), the SRMIC is based on the Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers (the Guidelines).

BOARD'S RESPONSIBILITY

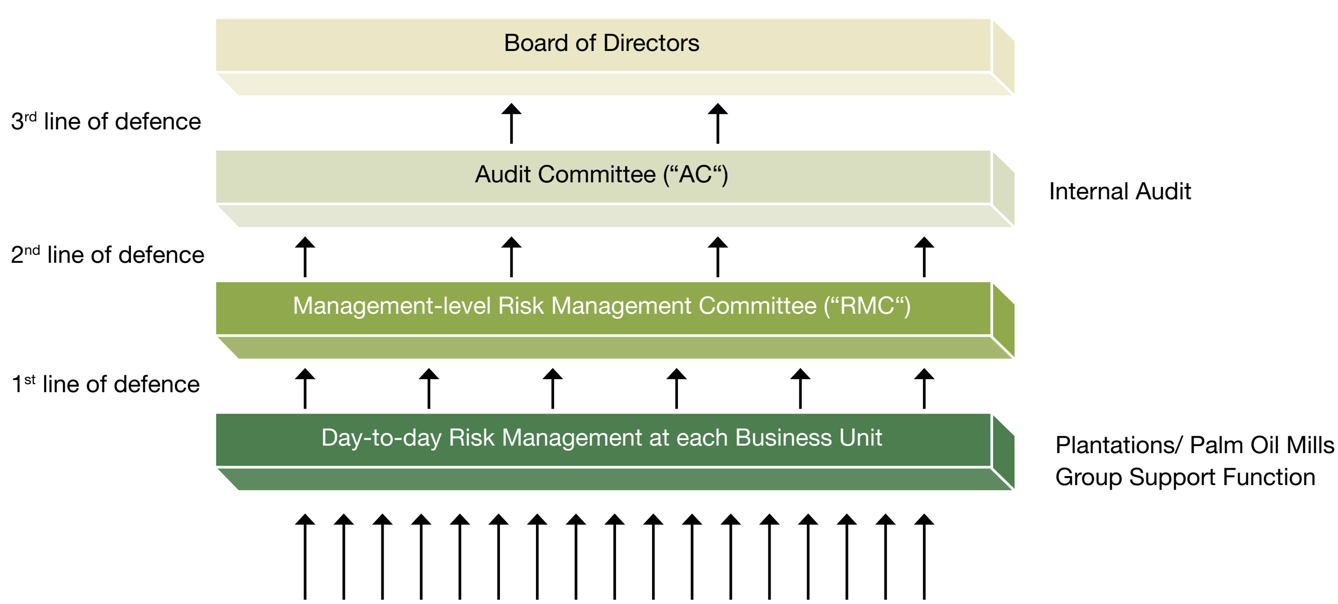
To safeguard stakeholders' interests, the UMB Board prioritises maintaining a sound system of internal controls as well as identifying and managing risks affecting UMB's operations.

Comprising solely of Independent Non-Executive Directors, the Audit Committee ("AC") has been entrusted by the Board to evaluate the adequacy and the effectiveness of UMB's risk management and internal controls.

UMB's risk management strategy is designed to manage financial and non-financial risks within acceptable limits rather than focusing on eliminating totally the risk of failure. Operational disruptions brought about by the Covid-19 pandemic underscores the inherent limitation of any risk management system.

RISK MANAGEMENT

Recognising the importance of a robust risk management system, the UMB Board formalised an Enterprise Risk Management ("ERM") Framework – a triple line of defence to monitor and prevent the taking of unwarranted risks.



RISK MANAGEMENT (CONTINUED)

1st Line of Defence: Monitor day-to-day risks in Group operations

Each business unit assesses internal and external risks it faces every day. All Heads of Business Units are responsible for:

- Identifying risk exposures;
- Reporting risk exposures to the Risk Officer;
- Developing and implementing an action plan to manage risks;
- Reporting status of action plans and their implementation to Risk Officer; and
- Ensuring significant risks are immediately reported to and addressed by management.

The Risk Officer liaises between a Management-level Risk Management Committee ("RMC") and Heads of Business Units ("HBU") who assesses day-to-day risks in the business unit. Both Risk Officer and HBU meet at least once every quarter to assess and evaluate risks and to determine which risks are significant and should be escalated to the RMC.

2nd Line of Defence: Risk Management Committee anticipates risks

Meeting once every quarter, the RMC reviews changes in UMB's risk profile and develops action plans to mitigate risks in line with business objectives. Special purpose meetings were also held during the year under review to discuss measures to mitigate operational disruptions brought about by the Covid-19 pandemic.

Note:
The RMC is a Management-Level Committee.
RMC members include:

- *Chief Executive Officer ("CEO");*
- *Chief Financial Officer ("CFO");*
- *Plantation Controllers;*
- *Head of Group Administration & Corporate Affairs and Human Resource;*
- *Head of Group Audit;*
- *Head of Engineering/Mill Controller;*
- *Senior Manager of Estate Operations;*
- *Senior Manager of Procurement & Marketing and*
- *Risk Officer.*

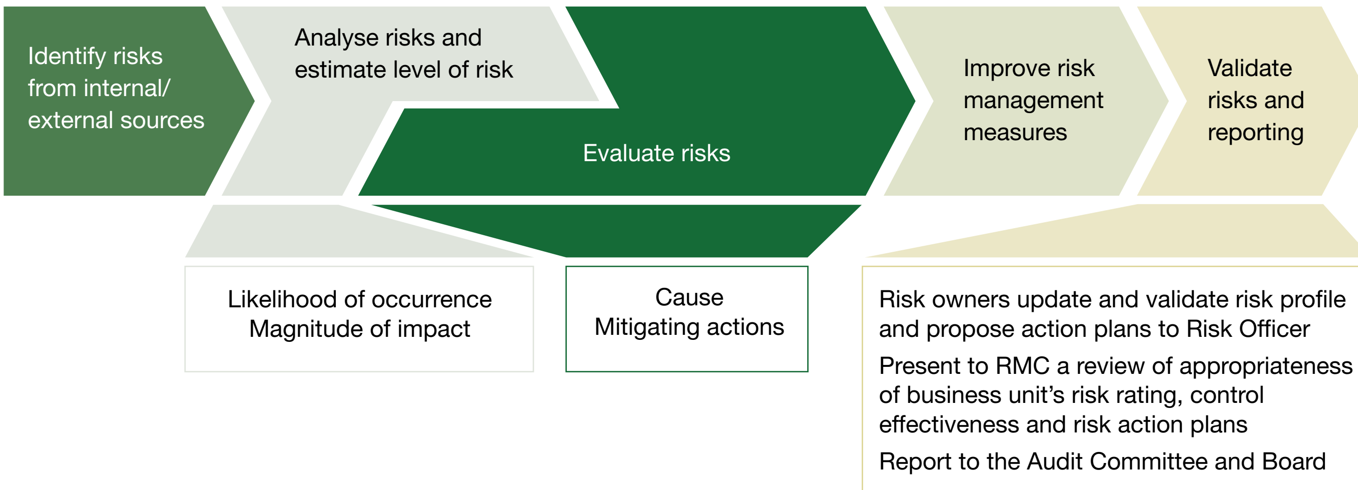
3rd Line of Defence: Audit Committee ensures the adequacy and integrity of Risk Management and Internal Control Systems

During the financial year under review, the results of updated risks were discussed at RMC meetings. Significant risk issues were further deliberated by the AC prior to escalation to the Board. The Head of Internal Audit developed a risk-based internal audit plan to address key risks, and to provide reasonable assurance on the effectiveness of the internal controls.

Statement on Risk Management and Internal Controls
(continued)

RISK MANAGEMENT PROCESS

UMB's ERM Framework comprises the following procedures:



- Business units provide information on the likelihood of significant risks occurring and the likely magnitude of their impact. In their quarterly review, risk owners will update the Risk Officer and propose an action plan;
- Risk owners assess risks and develop action plans which are reviewed by RMC to ensure the likelihood and impact of an adverse event is within a manageable and acceptable level of risk;
- Each quarter, the RMC will review and assess the appropriateness of each risk rating, the adequacy of effective controls and the appropriateness of the risk action plan;
- RMC reports to the Audit Committee each quarter;
- During the quarterly review, the internal audit department focuses on high-risk areas, the effectiveness of governance procedures as well as the adequacy of risk management and internal controls. Furthermore, the internal audit department provides an additional and an independent view of specific risks, internal controls, trends and events.

Risks identified are assessed according to their likelihood and impact and compiled into a risk rating matrix. Based on the risk rating matrix, Management will prioritise risks and follow-up measures.

SIGNIFICANT RISK FACTORS

For the financial year under review, UMB's significant risks were identified and risk management strategies adopted. See table below:

Type of Risk	Risks Outlined	Risk Description	Risk Management Strategies
Human capital	High dependence on foreign workers	Closure of Malaysian borders due to the onset of the Covid-19 pandemic and restrictions on recruitment of foreign workers resulted in a significant shortage of foreign workers. This situation was compounded by foreign workers returning to their home countries without adequate number of replacements.	Mitigating measures undertaken by UMB include: • Offering incentives to retain existing workers and to attract new workers; • Enhancing housing and other benefits; and • Accelerating mechanisation, particularly collecting fresh fruit bunches as well as spraying fertilisers and insecticides.

Statement on Risk Management and Internal Controls
(continued)

SIGNIFICANT RISK FACTORS (CONTINUED)

Type of Risk	Risks Outlined	Risk Description	Risk Management Strategies
Operational risks	Adverse weather	Prolonged dry weather will lower production of fresh fruit bunches. Heavy rain and flooding will affect estate operations - difficulty accessing the fields will affect harvesting and transporting of fresh fruit bunches.	Implement good water management systems, including constructing water conservation pits or ponds, deepening water reservoirs in each estate to mitigate the impact of a drought and stepping-up construction of fertigation systems – a system of underground pipes that carry fertilisers and pesticides to the oil palms. Construct bunds in low lying or flood-prone areas to prevent oil palms from being submerged during heavy rain and flooding. During the rainy season in PT LAK, coconut trunks or Galam wood are placed on top of the roads to enable lorries to pass through the water-logged areas. Plastic drums, boats and motorcycles are used to evacuate FFB from the fields to the collection points.
Operational risks	COVID-19 Pandemic	High Covid-19 infection case found in palm oil plantations and oil mills may result temporary suspension of operations.	Mitigating measures include: • Splitting employees into two alternating teams – working from home and in the office; • Covid-19 screening has been carried out at all operating units to contain the spread of the virus. • Communicating frequently with staff and workers on health issues; for management to respond immediately to those staff or workers infected by Covid-19 to mitigate the risk of the virus spreading within the operating unit. • Issuing travel advisory guidelines whereas staffs are required to do swab test prior to estate/oil mill visit. • Sanitising offices and taking the temperature of all workers and staff daily. • To facilitate employees for vaccination as to achieve the herd immunity target.
Business and investment risks	Impropriate estate selection	Non-strategic location of estates and uneconomic size will result in high production cost per hectare and logistics issues.	• Undertake feasibility studies to assess the suitability of new land to be acquired; and • Conduct due diligence review before embarking on any new acquisition.

Statement on Risk Management and Internal Controls
(continued)

SIGNIFICANT RISK FACTORS (CONTINUED)

Type of Risk	Risks Outlined	Risk Description	Risk Management Strategies
Market Risk	Volatile prices of crude palm oil ("CPO") and palm kernel ("PK")	Fluctuating CPO & PK prices could substantially impact cash flow and profits.	To cushion the impact of volatile CPO and PK prices, UMB in Malaysia sells forward a significant proportion of its CPO. Marketing personnel keep abreast of the outlook for CPO and PK prices via online business websites. To broaden UMB's earning base and reduce its dependence on a single commodity, UMB plans for crops diversification in Malaysia and Indonesia.
Financial risk	Foreign exchange fluctuation	UMB has foreign exchange exposure through bank loans in US Dollars and Indonesian Rupiah. A weaker Ringgit and weaker. Rupiah will increase the cost of servicing foreign currency loans. The risk management strategies will be disclosed in Note 41(d) of the audited financial statements.	UMB's risk management objectives and hypothetical sensitivity analysis is set out in Note 41(d) to the Financial Statements of the Annual Report on page 173.
Liquidity risk	Cash management	Volatile CPO and PK prices ensure liquidity is a constant concern. UMB could face difficulties in meeting financial obligations due to the shortage of funds. UMB's liquidity risk arises primarily from a mismatch of the tenures of financial assets and liabilities.	To meet working capital requirements, the Chief Operating Officer ("COO")/CFO ensures UMB maintains sufficient cash and liquid investments, while its debt maturity profile, operating cash flow and availability of funds are adequate to meet repayment and future funding needs.

INTERNAL CONTROL FRAMEWORK

A sound system of internal controls reduces the risks that could impede achieving UMB's goals and strategic objectives. The Audit Committee ("AC") and the Board regularly reviews the adequacy and operating effectiveness of UMB's internal controls. Salient elements of UMB's internal control framework are listed below:

1. Organisational Structure

UMB's organisational structure has clearly demarcated lines of responsibility and segregated reporting lines to various Committees and the Board. This ensures operational effectiveness and independent stewardship.

2. Integrity and Ethical Values

UMB aims to inculcate an ethical corporate culture as the foundation for sustainable growth.

- **Directors' Code of Ethics**

  The Directors' Code of Ethics state UMB directors must adhere to three (3) principles: uphold good corporate governance; maintain close relations with shareholders, employees, creditors and customers; as well as fulfil social responsibilities and protect the environment. The Directors' Code of Ethics is available on UMB's website.

INTERNAL CONTROL FRAMEWORK (CONTINUED)

2. Integrity and Ethical Values (continued)

- **Employees' Code of Conduct**

  The Code of Conduct sets standards that UMB employees must observe. Issues covered include conflicts of interests; company property; harassment and discrimination; safety and health; confidentiality and anti-bribery. The Code of Conduct is available on UMB's website.

- **Whistleblowing Policy**

  In line with Practice 3.2 of MCCG, UMB's Whistleblowing Policy enables employees and stakeholders to report unethical, unlawful or undesirable conduct through stated reporting channels without fear of retaliatory action.

  The Whistleblowing Policy is available on UMB's website and details the appropriate process for making a complaint.

- **Anti-Bribery Policy**

  After Section 17A of the Malaysian Anti-Corruption Commission Act 2009 came into force on 1 June 2020, UMB established procedures to deter corrupt acts by directors, management and employees. UMB's Anti-Bribery Policy is available on its website.

- **Due Diligence Parameters for Consultants/Vendors**

  UMB has instituted criteria for selecting, monitoring and assessing the performance of consultants, contractors and vendors. Safeguards against corrupt acts have been incorporated in service contracts with consultants and contractors.

3. Guidelines on Misconduct and Discipline

UMB has instituted guidelines for the Human Resources Department to handle disciplinary issues, investigate allegations and if required, institute disciplinary proceedings involving breaches of the Code of Ethics and Code of Conduct.

4. Limits of Authority

UMB has established clear limits of authority, responsibility and accountability to govern business activities, day-to-day operations and matters requiring the Board's approval. Establishing limits of authority provides a framework of authority, responsibility and segregation of duties within UMB.

5. Board Charter

A Board Charter ensures all Directors are aware of their roles and responsibilities, the standard of corporate governance as well as the relevant laws and regulations.

6. Board Committees

UMB has four (4) Board Committees collectively involving all eight (8) Directors:

- **Audit Committee ("AC")**

  The AC serves as a focal point for communication involving Directors, External Auditors, Internal Auditors and Senior Management on issues relating to financial accounting, reporting and internal controls. The AC also oversees and deliberates on UMB's risk profile and the risks brought to its attention from the RMC prior to escalation to the Board. AC scrutinises all significant Related Party Transactions ("RPT") to ensure RPTs are at arm's length and on normal commercial terms. Further details of the AC are outlined in its Terms of Reference available on UMB's website.

Statement on Risk Management and Internal Controls
(continued)

INTERNAL CONTROL FRAMEWORK (CONTINUED)

6. Board Committees (continued)

- **Nomination and Remuneration Committee ("NRC")**

  NRC's duties include proposing new Directors, overseeing directors' annual evaluation and assessment to determine whether changes are needed, reviewing remuneration policies relating to directors and all employees. Further details of the NRC are outlined in the Terms of Reference available on UMB's website.

- **Tender Committee ("TC")**

  A Management-level Tender Committee comprising Senior Management conducts the tender exercise and submits its recommendations to the CEO or the Board Tender Committee depending on the quantum of the tender.

Tender Approval limit	Authorised by
Tender up to RM300,000	CEO
Tender above RM300,000	Board Tender Committee

- **Executive Committee ("EXCO")**

  Its responsibilities include supervising senior management, establishing and managing strategic initiatives, recommending potential candidates for Key Senior Management positions as well as interviewing and awarding UMB's scholarships.

7. Annual Internal Audit Plan

An annual Internal Audit Plan determines the Operating Centres and their auditable areas, desired frequency of audit visits as well as budgetary and manpower resources required for the financial year. In view of the current COVID-19 pandemic, the Internal Audit Plan will also focus on COVID-19 related risks that could impact UMB's operations.

8. Documented Policies and Procedures

UMB's internal policies and procedures are listed in operating manuals available to all employees. These manuals and procedures are regularly updated or revised to ensure conformity with internal controls, business objectives as well as Malaysian laws.

9. Occupational Safety and Health Committee ("OSHC") and Environmental Performance Monitoring Committee ("EPMC")

The OSHC and EPMC meet quarterly as required under the Occupational Safety and Health (Safety and Health Committee) Regulations 1996 and Environmental Mainstreaming Directive. Both committees provide an avenue for employees and management to solve environment, health and safety problems, develop strategies to nurture a healthy and safe working environment as well as to monitor compliance with regulatory requirements relating to the environment, health and safety.

10. Estate and Palm Oil Mill Visits

The CEO, Senior Management, Sustainability, Health and Safety Team, Internal Auditors, Risk Officer and the Group Finance Team visit estates and palm oil mills regularly. In-house agriculture and sustainability policies ensure consistent standards of agronomy and compliance with MSPO or ISPO requirements are observed in all operating units.

Due to the movement control order, the Directors have not visited estates and palm oil mills during the current financial year. However, UMB's management reported the operation progress to the Board of Directors on quarterly basis via virtual meetings.

INTERNAL CONTROL FRAMEWORK (CONTINUED)

11. Business Strategies

UMB's strategic business plans are prepared annually in line with the UMB's budget. Throughout the year, performance of all estates and mills are monitored by the Management Team.

12. Integrated Management System

Malaysian estates are progressively implementing the Lintramax Quarto Connect System ("Quarto Connect"), a software programme enabling staff in all estates to record online all plantation data. In real time, data on fresh fruit bunches harvested and the volume of fresh fruit bunches sent to the ramp and to the mill is logged into the Quarto Connect. Data collected can be viewed and assessed by senior management to enhance decision-making.

Implementation of this integrated operating and financial system in Malaysian estates is expected to complete in financial year 2022. The Management also plans to implement the same system in Indonesian estates in financial year 2023.

13. Business Continuity and Security

- **Business Continuity Management Framework**

  UMB's Business Continuity Management Framework identifies appropriate preventive measures and potential responses to disasters, emergencies or catastrophic incidents to ensure business operations are resilient and able to recover quickly from any calamity.

  Prompted by the COVID-19 pandemic, UMB Senior Management formulated a one-off business policy to facilitate alternative working modes and to identify non-essential work that could be deferred.

- **Insurance and Safeguards**

  Senior Management reviews Insurance policies annually to ensure its adequacy in compensating for any losses while instituting safeguards to prevent material losses.

14. Financial Performance Review and Reporting

Comprising Senior Managers, UMB's Management team monitors and reviews the monthly financial and operational data as well as forecasts for business units. The Management team also assesses performance against annual budgets, monitors marketing operations and formulates plans to address areas of concern.

Monthly reports on financial results and performance are emailed to Board members. Results are assessed against budgets with major variances explained. Monthly marketing reports are also submitted to Board members detailing price movements of crude palm oil and palm kernel as well as UMB's committed and forward sales.

Financial statements are prepared quarterly and annually together with detailed analysis. These reports are reviewed by the AC and recommended to the Board for approval prior to submission to Bursa Malaysia Securities Berhad. Reports on the performance of the estates and palm oil mills, the Group's financial position as well as treasury holdings are also presented at Board meetings.

Without utilising the extension of time offered by Bursa Malaysia Securities Berhad for listed issuers to submit quarterly reports during the Movement Control Order ("MCO") or conditional MCO environment, UMB announced its fourth quarter and full-year results within the two months' timeframe.

INTERNAL AUDIT FUNCTION

UMB's in-house Internal Audit Department provides a regular and independent review of its Operating Units, undertakes follow-up audits, and conducts speedy investigative audits requested by Management, the Audit Committee, EXCO or the Board.

Reporting to the Audit Committee and Board every quarter, Internal Audit provides an assurance that UMB's governance, risk and control systems are functioning effectively and that significant risks are identified while risk mitigation plans are proposed and implemented.

During the financial year under review, a summary of internal audit's focus areas including reports submitted to Audit Committee, are set out in the Audit Committee's Report of this Annual Report.

REVIEW BY THE EXTERNAL AUDITORS

In line with paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, external auditor, Ernst & Young PLT, has reviewed this Statement for inclusion in the Annual Report for the financial year ended 30 April 2021.

Reviewing this Statement by the external auditor is in accordance with the Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3"), issued by the Malaysian Institute of Accountants.

The external auditor states nothing has caused them to believe this Statement, in all material respects, was not prepared in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines nor is this Statement factually inaccurate.

COMMENTARY ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

For the financial year under review and up to the date of this Statement, the Board believes its system of risk management and internal controls is adequate and effective to safeguard the interests of shareholders, customers, employees as well as its assets. There were no material weaknesses or deficiencies in internal controls that could result in material losses.

Where exceptions were noted, they were not material in the context of this report and corrective actions have been taken.

The CEO and COO/CFO have also provided documented assurances to the Board that UMB's system of risk management and internal controls, in all material aspects, are operating adequately.

This Statement is made in accordance with the resolution of the Board of Directors dated 29 July 2021.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

There were no rights issue or issuance of bonds carried out during the financial year ended 30 April 2021 to raise any cash proceeds.

2. Non-Audit Fees

During the financial year under review, the Group's non-audit fees paid or payable to the external auditors amounted to RM38,000 (please refer to page 128 of the audited financial statements).

3. Recurrent Related Party Transactions ("RRPT")

Name of Transacting Party	Nature of Transaction	Related Party #	FY2021 (RM' million)
UMB Group of Companies	Purchase of 2,192 MT of NK Mixture Fertiliser from Phosphate Resources (Malaysia) Sdn. Bhd.	(a) CI Resources Limited (b) Phosphate Resources Limited (c) Prosper Trading Sdn. Bhd. (d) Prosper Palm Oil Mill Sdn. Bhd. (e) Mr. Tee Cheng Hua (f) Dato' Sri Tee Lip Sin	2.23
UMB Group of Companies	Sale of fresh fruit bunches ("FFB")	Prosper Palm Oil Mill Sdn. Bhd. Far East Holdings Berhad Cheekah-Kemayan Plantations Sdn. Bhd.	1.21 0.38 2.10
		Total	**5.92**

Note:

Phosphate Resource (Malaysia) Sdn. Bhd. is a wholly owned operating subsidiary of Phosphate Resources Limited (a public unlisted Australian company) which is wholly owned by CI Resources Limited (a listed company on the Australian Stock Exchange).

Prosper Trading Sdn. Bhd. which holds 7,623,100 shares (3.63%) in UMB as at 30 July 2021 is a substantial shareholder of CI Resource Limited and Far East Holdings Berhad.

Prosper Palm Oil Mill Sdn. Bhd. which is a major shareholder of UMB with equity interest of 11.69% as at 30 July 2021 (by virtue of its direct and indirect shareholding through Prosper Trading Sdn. Bhd.) is the major shareholder of Prosper Trading Sdn. Bhd..

Cheekah-Kemayan Plantations Sdn. Bhd. which holds 13,018,700 shares (6.21%) as at 30 July 2021 in UMB is a wholly owned subsidiary of Phosphate Resources Limited which is wholly owned by CI Resources Limited.

By his directorship in Prosper Trading Sdn. Bhd. and Prosper Palm Oil Mill Sdn. Bhd. as well as the interests of Prosper Trading Sdn. Bhd. through CI Resources Limited, the Director, Mr. Tee Cheng Hua is deemed interested in the transaction between UMB Group of Companies with Phosphate Resources (Malaysia) Sdn. Bhd. and Prosper Palm Oil Mill Sdn. Bhd. respectively.

By his directorship in Prosper Trading Sdn. Bhd., and interests of Prosper Trading Sdn. Bhd. through Far East Holdings Berhad, the Director, Mr. Tee Cheng Hua is deemed interested in the transactions between UMB Group of Companies and Far East Holdings Berhad.

By his directorship in Prosper Trading Sdn. Bhd., Prosper Palm Oil Mill Sdn. Bhd., Phosphate Resources (Malaysia) Sdn. Bhd., Phosphate Resources Limited, and CI Resources Limited, the Director, Dato' Sri Tee Lip Sin is deemed interested in the transactions between UMB Group of Companies with Phosphate Resources (Malaysia) Sdn. Bhd., Cheekah-Kemayan Plantations Sdn. Bhd. and Prosper Palm Oil Mill Sdn. Bhd. respectively.

4. Material Contracts Involving Directors and Major Shareholders

Save as disclosed in item (3) above, there is no material contract involving the Company its subsidiaries with Directors, Chief Executive Officer (who is not a director) or a major shareholders of the Company either still subsisting at the end of the financial year ended 30 April 2021 or entered into since the end of the financial year.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2021.

Principal activities

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

The principal activities of the subsidiaries are investment holding, cultivation of oil palm, palm oil milling, agroforestry plantations and providing management consultancy services.

Other information relating to the subsidiaries are disclosed in Note 19 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the financial year	10,190	34,094
Attributable to:		
Owners of the Company	13,014	34,094
Non-controlling interests	(2,824)	-
	10,190	34,094

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 except for the effects arising from impairment losses on intangible asset of the Group and investment in a subsidiary of the Company amounting to RM16,034,000 and RM14,278,000 respectively.

Dividends

The amounts of dividends paid by the Company since 30 April 2020 were as follows:

	RM'000
In respect of the financial year ended 30 April 2020 as reported in the directors' report of that financial year:	
Second interim single-tier dividend of 6 sen, on 209,769,201 ordinary shares, declared on 23 June 2020 and paid on 14 August 2020	12,586
In respect of the financial year ended 30 April 2021:	
First interim single-tier dividend of 3 sen, on 209,769,201 ordinary shares, declared on 15 December 2020 and paid on 4 February 2021	6,293
	18,879

On 24 June 2021, the directors declared a second interim single-tier dividend of 7 sen per ordinary share in respect of the financial year ended 30 April 2021 on 209,769,201 ordinary shares, amounting to approximately RM14,684,000 which is payable on 16 August 2021. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2022.

Directors' Report
(continued)

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Datin Paduka Tan Siok Choo *	
Tan Jiew Hoe *	
Teo Leng *	
Dato Dr. Nik Ramlah binti Nik Mahmood *	
Ong Keng Siew *	
Tee Cheng Hua	
Dato' Sri Tee Lip Sin	(Appointed on 25 February 2021)
Han Kee Juan	(Appointed on 3 June 2021)
Tan Sri Dato' Ahmad bin Mohd Don *	(Retired on 29 September 2020)

* These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Peter A/L Benjamin	
Winston Chua Eng Meng	
Kiswanto	
Aziz Putera	
Dr Kartika Dianningsih Antono	
Ieneke Santoso	
Young Lee Chern	(Appointed on 30 June 2021)

Directors' benefits

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Option Scheme ("ESOS") and the ordinary shares granted under the Executive Share Incentive Plan ("ESIP"), both under the Employee Share Scheme ("ESS") of the Company.

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 below) 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 36 to the financial statements.

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Fees	643	436
Other emoluments	419	419
Estimated money value of benefits-in-kind	31	31
	1,093	886

Directors' indemnity

The Company maintains a directors' and officers' liability insurance for the directors and officers of the Company. During the financial year, the amount of directors and officers liability insurance coverage totalled RM20,000,000 and the premium paid for this insurance was RM26,000.

Directors' Report
(continued)

Directors' interests

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

		Number of ordinary shares			
Name of director		**1.5.2020**	**Acquired**	**Transferred**	**30.4.2021**
Direct Interest:					
Ordinary shares of the Company					
Datin Paduka Tan Siok Choo		4,527,197	-	-	4,527,197
Tan Jiew Hoe		356,625	-	-	356,625
Teo Leng		70,000	-	-	70,000
Dato' Sri Tee Lip Sin		668,400	-	600,000	1,268,400
Indirect Interest:					
Ordinary shares of the Company					
Datin Paduka Tan Siok Choo	i	7,571,843	69,500	-	7,641,343
Tan Jiew Hoe	ii	2,525,021	-	-	2,525,021
Teo Leng	iii	7,000	-	-	7,000
Tee Cheng Hua	iv	7,544,300	37,317,900	(2,000,000)	42,862,200
Dato' Sri Tee Lip Sin	v	6,492,000	39,466,700	(600,000)	45,358,700

i Interest by virtue of shares held by siblings and sibling's spouse.
ii Interest by virtue of shares held by the companies in which he is a Director.
iii Interest by virtue of shares held by spouse.
iv Interest by virtue of shares held by the companies in which he is a Director, children and siblings.
v Interest by virtue of shares held by the companies in which he is a Director, parents, spouse and siblings.

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.

Employee Share Scheme

The Company's Employee Share Scheme ("ESS") is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 29 August 2009. The ESS was implemented on 18 June 2010 and is in force for a period of 10 years and expired on 17 June 2020.

The ESS comprises ESOS and ESIP for the directors and eligible employees of the Company and its subsidiaries.

Employee Share Option Scheme ("ESOS")

Upon expiry of the ESOS, the share options forfeited and lapsed totalled 7,435,400. The expiry of ESOS does not have any material impact on the financial statements of the Group and of the Company.

Executive Share Incentive Plan ("ESIP")

No ESIP shares have been granted to the directors and executives of the Company and its subsidiaries during the current financial year.

The expiry of ESIP does not have any material impact on the financial statements of the Group and of the Company.

Directors' Report
(continued)

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were finalised, 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 allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and

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

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

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

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

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

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

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

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

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

(f) In the opinion of the directors:

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

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

Significant event

Details of the significant event during the financial year are disclosed in Note 43 to the financial statements.

Directors' Report
(continued)

Auditors and auditors' remuneration

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

Auditors' remuneration are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	280	160
Member firm of Ernst & Young Global	171	-
	451	160

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 30 April 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 5 August 2021.

Datin Paduka Tan Siok Choo

Ong Keng Siew

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datin Paduka Tan Siok Choo and Ong Keng Siew, 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 97 to 176 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 5 August 2021.

Datin Paduka Tan Siok Choo

Ong Keng Siew

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Er Hock Swee, being the officer primarily responsible for the financial management of United Malacca Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 97 to 176 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 Er Hock Swee
at Melaka in the State of Melaka
on 5 August 2021.

Er Hock Swee
(CA 22897)

Before me,

Chan Chiew Yen
Commissioner for Oaths
Melaka, Malaysia

INDEPENDENT AUDITORS' REPORT

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of United Malacca Berhad, which comprise statements of financial position as at 30 April 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 97 to 176.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

<u>Impairment assessment of goodwill</u>

As at 30 April 2021, the Group's carrying amount of the goodwill is RM82.5 million as disclosed in Note 18 to the financial statements. The Group is required to perform an impairment test annually by comparing the carrying amount of cash-generating units ("CGU") or group of CGUs, including goodwill, with their recoverable amount.

We have identified this as an important area of our audit given the significant judgments and estimates involved in the assessment of the recoverable amount. In addressing the matter above, we have amongst others performed the following audit procedures:

- Obtained an understanding of the relevant processes and internal controls over estimating the recoverable amount of the CGUs.
- Evaluated the methodologies used by the Group in performing the impairment assessment.
- Assessed whether the assumptions on which the cash flow projections are based are consistent with past actual outcomes, in particular the assumptions about the forecasted and projected Crude Palm Oil ("CPO") and Fresh Fruit Bunches ("FFB") prices, FFB yield of the oil palm estates and the estimated remaining useful lives of the bearer plants.
- Evaluated the discount rates used in deriving the present value of the cash flows.
- Assessed the adequacy of the disclosures made in the financial statements as disclosed in Notes 6.2 (b) and 18.

Independent Auditors' Report
To the member of United Melacca Berhad
(Incorporated in Malaysia)
(continued)

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Impairment assessment of property, plant and equipment, right-of-use assets and intangible asset

As at 30 April 2021, the carrying amount of the property, plant and equipment, right-of-use assets and intangible asset of the Group are RM665.1 million, RM796.1 million and RM12.6 million respectively. These are disclosed in Notes 16, 17 and 20 to the financial statements. The Group is required to assess at each reporting period whether there is any indication that an asset may be impaired.

During the financial year, the Group has determined that there are indicators of impairment. The market capitalisation of the Group was lower than the net assets as at 30 April 2021. Furthermore, the Indonesian segment reported losses for the financial year. Accordingly, the Group estimated the recoverable amount of the relevant CGUs.

We have identified this as an important area of our audit given the significance of property, plant and equipment, right-of-use assets and intangible asset to the Group and the judgements and estimates involved in the assessment of the recoverable amount.

In addressing the matter above, we have amongst others performed the following audit procedures:

- Obtained an understanding of the relevant processes and internal controls over estimating the recoverable amount of the CGUs.

- Evaluated the methodologies used by the Group in performing the impairment assessment.

- Assessed whether the assumptions on which the cash flow projections are based are consistent with past actual outcomes, in particular the assumptions about the forecasted and projected CPO and FFB prices, FFB yield of the oil palm estates and the yield and prices of other agricultural produce and the estimated remaining useful lives of the bearer plants.

- Evaluated the discount rates and the methodology used in deriving the present value of the cash flows.

- To the extent that the management relied on valuation reports provided by independent professional valuers, we have considered the competence, capabilities and objectivity of the professional valuers. We have also assessed the key assumptions and methodology used by independent professional valuers. This would include comparisons with recent transactions involving other similar land in the vicinity, size, tenure of title and the related valuation adjustments made by independent professional valuers. Further, we have evaluated management's assessment of the estimated transaction cost of disposal by comparing to quotation and industry rate of scale of fees.

- Assessed the adequacy of the disclosures made in the financial statements as disclosed in Notes 6.2(a), 16, 17 and 20.

Impairment assessment of investment in subsidiaries

As at 30 April 2021, the Company's carrying amount of the investment in subsidiaries is RM446.1 million as disclosed in Note 19 to the financial statements. The Company is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired. As the subsidiaries in Indonesia are loss-making during the financial year, the Company has determined that there is indicator of impairment, accordingly the Company estimated the recoverable amount of investment in subsidiaries.

The Company has performed impairment assessments by comparing the carrying amount of the investment in subsidiaries against its recoverable amount.

We have identified this as an area of audit focus given the significance of the carrying values of these assets and the judgements and estimates involved in the assessment of the recoverable amount.

In addressing the matter above, we have amongst others performed the following audit procedures:

- Obtained an understanding of the relevant processes and internal controls over estimating the recoverable amount of the investment in subsidiaries.

- Evaluated the methodologies used by the Company in performing the impairment assessment.

Independent Auditors' Report
To the member of United Melacca Berhad
(Incorporated in Malaysia)
(continued)

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Impairment assessment of investment in subsidiaries (continued)

In addressing the matter above, we have amongst others performed the following audit procedures: (continued)

- Assessed whether the assumptions on which the cash flow projections are based are consistent with past actual outcomes, in particular the assumptions about the forecasted and projected CPO and FFB prices, FFB yield of the oil palm estates and the yield and prices of other agricultural produce and the estimated remaining useful lives of the bearer plants.

- Evaluated the discount rates and the methodology used in deriving the present value of the cash flows.

- Assessed the adequacy of the disclosures made in the financial statements as disclosed in Notes 6.2(c) and 19.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report
To the member of United Melacca Berhad
(Incorporated in Malaysia)
(continued)

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report
To the member of United Melacca Berhad
(Incorporated in Malaysia)
(continued)

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Edwin Joseph Francis
03370/05/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
5 August 2021

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	7	398,069	293,982	115,278	73,555
Cost of sales		(335,507)	(295,701)	(57,643)	(66,238)
Gross profit/(loss)		62,562	(1,719)	57,635	7,317
Other income	8	11,374	8,879	9,312	3,896
Gain on disposal of non-current assets held for sale		-	103,196	-	103,196
Administrative expenses		(26,635)	(26,380)	(8,758)	(9,684)
Other expenses	10(a)	(16,126)	(64,388)	(14,301)	(62,846)
Operating profit		31,175	19,588	43,888	41,879
Interest expense	9	(6,755)	(11,307)	(1,841)	(5,739)
Profit before tax	10(b)	24,420	8,281	42,047	36,140
Taxation	13	(14,230)	6,273	(7,953)	(1,005)
Profit for the financial year		10,190	14,554	34,094	35,135
Other comprehensive (loss)/income:					
Item that will be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations		(3,946)	(942)	-	-
		(3,946)	(942)	-	-
Items that will not be subsequently reclassified to profit or loss:					
Actuarial gain on retirement benefit obligation		168	45	-	-
Deferred tax effect		(33)	1	-	-
		135	46	-	-
Total comprehensive income for the financial year		6,379	13,658	34,094	35,135
Profit for the financial year attributable to:					
Owners of the Company		13,014	16,307	34,094	35,135
Non-controlling interests		(2,824)	(1,753)	-	-
		10,190	14,554	34,094	35,135
Total comprehensive income for the financial year attributable to:					
Owners of the Company		9,819	15,559	34,094	35,135
Non-controlling interests		(3,440)	(1,901)	-	-
		6,379	13,658	34,094	35,135
Earnings per share attributable to owners of the Company (sen per share):					
Basic	14(a)	6.20	7.78		
Diluted	14(b)	6.20	7.78		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	16	665,066	679,144	227,773	233,493
Right-of-use assets	17	796,067	814,681	325,475	331,556
Goodwill on consolidation	18	82,474	82,474	-	-
Investment in subsidiaries	19	-	-	446,053	460,331
Intangible asset	20	12,562	29,136	-	-
Other asset	21	3,538	3,616	-	-
		1,559,707	1,609,051	999,301	1,025,380
Current assets					
Inventories	22	28,101	35,785	2,821	2,378
Biological assets	23	12,429	5,454	6,306	1,946
Trade and other receivables	24	85,774	77,507	173,307	144,402
Income tax recoverable		3,029	4,673	-	1,608
Short term funds	25	10,337	23,412	6,057	20,500
Cash and bank balances	26	33,204	35,121	8,057	6,083
		172,874	181,952	196,548	176,917
Total assets		1,732,581	1,791,003	1,195,849	1,202,297
Equity and liabilities					
Equity					
Share capital	27	255,375	255,375	255,375	255,375
Other reserves	28	(16,387)	(11,748)	-	1,332
Retained earnings	29	1,069,714	1,074,135	778,744	762,197
Equity attributable to owners of the Company		1,308,702	1,317,762	1,034,119	1,018,904
Non-controlling interests		32,723	36,163	-	-
Total equity		1,341,425	1,353,925	1,034,119	1,018,904
Non-current liabilities					
Bank borrowings	30	49,357	56,821	-	-
Lease liabilities	31	6,754	6,757	-	-
Retirement benefit obligation	32	805	805	-	-
Deferred tax liabilities	33	198,983	201,233	80,430	79,170
Trade and other payables	34	179	1,530	-	-
		256,078	267,146	80,430	79,170
Current liabilities					
Bank borrowings	30	75,397	96,291	69,658	94,710
Lease liabilities	31	705	535	-	-
Trade and other payables	34	58,976	73,106	11,177	9,513
Income tax payable		-	-	465	-
		135,078	169,932	81,300	104,223
Total liabilities		391,156	437,078	161,730	183,393
Total equity and liabilities		1,732,581	1,791,003	1,195,849	1,202,297

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Attributable to owners of the Company							
		Non-distributable			Distributable			
	Share capital (Note 27) RM'000	Foreign currency translation reserve (Note 28) RM'000	Employee share option reserve (Note 28) RM'000	Total other reserves (Note 28) RM'000	Retained earnings (Note 29) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2020	255,375	(13,080)	1,332	(11,748)	1,074,135	1,317,762	36,163	1,353,925
Total comprehensive income/(loss):								
Profit/(loss) for the financial year	-	-	-	-	13,014	13,014	(2,824)	10,190
Actuarial gain on retirement benefit obligation, net of tax	-	-	-	-	112	112	23	135
Exchange differences on translation of foreign operations	-	(3,307)	-	(3,307)	-	(3,307)	(639)	(3,946)
	-	(3,307)	-	(3,307)	13,126	9,819	(3,440)	6,379
Transactions with owners:								
Employee share options expired	-	-	(1,332)	(1,332)	1,332	-	-	-
Dividends (Note 15)	-	-	-	-	(18,879)	(18,879)	-	(18,879)
	-	-	(1,332)	(1,332)	(17,547)	(18,879)	-	(18,879)
At 30 April 2021	255,375	(16,387)	-	(16,387)	1,069,714	1,308,702	32,723	1,341,425
At 1 May 2019	254,935	(12,294)	1,400	(10,894)	1,074,485	1,318,526	38,064	1,356,590
Total comprehensive income/(loss):								
Profit/(loss) for the financial year	-	-	-	-	16,307	16,307	(1,753)	14,554
Actuarial gain on retirement benefit obligation, net of tax	-	-	-	-	38	38	8	46
Exchange differences on translation of foreign operations	-	(786)	-	(786)	-	(786)	(156)	(942)
	-	(786)	-	(786)	16,345	15,559	(1,901)	13,658
Transactions with owners:								
Fair value of share options granted to eligible employees	-	-	54	54	-	54	-	54
Shares issued pursuant to ESOS	440	-	(40)	(40)	-	400	-	400
Employee share options forfeited	-	-	(82)	(82)	82	-	-	-
Dividends (Note 15)	-	-	-	-	(16,777)	(16,777)	-	(16,777)
	440	-	(68)	(68)	(16,695)	(16,323)	-	(16,323)
At 30 April 2020	255,375	(13,080)	1,332	(11,748)	1,074,135	1,317,762	36,163	1,353,925

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Attributable to owners of the Company				
		Non-distributable		Distributable	
	Share capital (Note 27) RM'000	Employee share option reserve (Note 28) RM'000	Total other reserves (Note 28) RM'000	Retained earnings (Note 29) RM'000	Total equity RM'000
At 1 May 2020	255,375	1,332	1,332	762,197	1,018,904
Total comprehensive income:					
Profit for the financial year	-	-	-	34,094	34,094
	-	-	-	34,094	34,094
Transactions with owners:					
Employee share options expired	-	(1,332)	(1,332)	1,332	-
Dividends (Note 15)	-	-	-	(18,879)	(18,879)
	-	(1,332)	(1,332)	(17,547)	(18,879)
At 30 April 2021	255,375	-	-	778,744	1,034,119
At 1 May 2019	254,935	1,400	1,400	743,757	1,000,092
Total comprehensive income:					
Profit for the financial year	-	-	-	35,135	35,135
	-	-	-	35,135	35,135
Transactions with owners:					
Fair value of share options granted to eligible employees	-	54	54	-	54
Shares issued pursuant to ESOS	440	(40)	(40)	-	400
Employee share options forfeited	-	(82)	(82)	82	-
Dividends (Note 15)	-	-	-	(16,777)	(16,777)
	440	(68)	(68)	(16,695)	(16,323)
At 30 April 2020	255,375	1,332	1,332	762,197	1,018,904

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Operating activities					
Profit before tax		24,420	8,281	42,047	36,140
Adjustments for:					
Amortisation of intangible asset	10(b)	-	313	-	-
Depreciation of:					
- Property, plant and equipment	10(b)	46,786	50,536	13,280	18,462
- Right-of-use assets	10(b)	14,290	14,326	5,949	5,982
Fair value changes on biological assets (net)	8	(6,982)	(1,549)	(4,360)	(620)
Fair value of share options granted to eligible employees expensed off	11	-	54	-	34
(Gain)/loss on disposal of:					
- non-current assets held for sale		-	(103,196)	-	(103,196)
- property, plant and equipment	8,10(a)	(32)	46	(32)	46
Impairment of:					
- Bearer plants	10(a)	-	56,813	-	56,813
- Intangible asset	10(a)	16,034	-	-	-
- Investment in a subsidiary	10(a)	-	-	14,278	-
Interest expense	9	6,755	11,307	1,841	5,739
Interest income	8	(433)	(1,030)	-	-
Net realised fair value gains on short term funds	7,8	(315)	(1,471)	(207)	(1,428)
Net unrealised foreign exchange (gain)/loss	8,10(a)	(632)	6,971	(3,072)	5,697
Property, plant and equipment written off	10(a)	92	358	23	290
Retirement benefit obligation	11	240	312	-	-
Operating cash flows before changes in working capital		100,223	42,071	69,747	23,959
Changes in working capital:					
Inventories		7,441	(11,876)	(443)	932
Trade and other receivables		(6,607)	3,038	(14,414)	(681)
Trade and other payables		(14,666)	16,356	1,819	(17,311)
Cash flows from operations		86,391	49,589	56,709	6,899
Interest received		442	1,153	-	-
Interest paid		(6,898)	(11,451)	(1,996)	(6,149)
Income taxes refunded		129	286	-	286
Income taxes paid		(15,196)	(20,342)	(4,620)	(17,199)
Retirement benefit obligation paid	32	(57)	(113)	-	-
Net cash flows from/(used in) operating activities		64,811	19,122	50,093	(16,163)

Statements of Cash Flows
For the financial year ended 30 April 2021
(continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Investing activities					
Purchase of property, plant and equipment	16(d)	(35,889)	(103,870)	(7,524)	(6,020)
Net proceeds from disposal of:					
- non-current asset held for sale		-	172,712	-	172,712
- property, plant and equipment		217	339	105	294
Additions of:					
- other asset	21	-	(935)	-	-
- right-of-use assets	17	(824)	(4,511)	-	-
Placements of short term funds		(21,760)	(170,604)	(3,800)	(165,464)
Withdrawals of short term funds		35,150	154,266	18,450	151,995
Loans to subsidiaries	36(a)	-	-	(14,973)	(55,412)
Net withdrawal of other investment		-	19	-	-
Net cash outflow on acquisition of a subsidiary		-	-	-	(763)
Net cash flows (used in)/from investing activities		(23,106)	47,416	(7,742)	97,342
Financing activities					
Dividends paid	15	(18,879)	(16,777)	(18,879)	(16,777)
Payment of fair value of share options granted to eligible employees by subsidiaries		-	-	-	20
Proceeds from exercise of employee share options under ESOS		-	400	-	400
Net repayment of revolving credits		-	(8,930)	-	(8,930)
Net repayment of term loans		(23,827)	(52,411)	(21,498)	(64,492)
Payment of principal portion of lease liabilities	31	(600)	(310)	-	-
Net cash flows used in financing activities		(43,306)	(78,028)	(40,377)	(89,779)
Net (decrease)/increase in cash and cash equivalents		(1,601)	(11,490)	1,974	(8,600)
Effect of foreign exchange rate changes		(316)	(243)	-	-
Cash and cash equivalents at beginning of financial year		35,121	46,854	6,083	14,683
Cash and cash equivalents at end of financial year	26	33,204	35,121	8,057	6,083

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2021

1. Corporate information

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

The principal activities of the Company are cultivation of oil palm and investment holding. The principal activities of the subsidiaries are investment holding, cultivation of oil palm, palm oil milling, agroforestry plantations and providing management consultancy services. Other information relating to the subsidiaries are disclosed in Note 19 to the financial statements.

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

2. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 (the "Act") in Malaysia. At the beginning of the current financial year, the Company adopted the revised conceptual framework and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2020 as described fully in Note 3.

The financial statements have been prepared on the historical cost basis except otherwise disclosed in the accounting policies below.

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

3. Changes in accounting policies

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

On 1 May 2020, the Group and the Company adopted the following revised conceptual framework and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2020.

Description	**Effective for annual periods beginning on or after**
• Revised Conceptual Framework for Financial Reporting	1 January 2020
• MFRS 3: *Definition of a Business (Amendments to MFRS 3)*	1 January 2020
• Amendments to MFRS 101 and MFRS 108: *Definition of Material*	1 January 2020
• Amendments to MFRS 9, MFRS 139 and MFRS 7: *Interest Rate Benchmark Reform*	1 January 2020

The adoption of the above revised conceptual framework and amended MFRSs did not have any material effect on the financial statements of the Group and of the Company.

4. Standards issued but not yet effective

The new and amended standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective.

Description	**Effective for annual periods beginning on or after**
• Amendments to MFRS 16: *Covid-19 - Related Rent Concessions*	1 June 2020
• Amendments to MFRS 4: *Extension of the Temporary Exemption from Applying MFRS 9*	1 August 2020
• Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139: *Interest Rate Benchmark Reform - Phase 2*	1 January 2021
• Amendments to MFRS 16: *Covid-19 - Related Rent Concessions beyond 30 June 2021*	1 April 2021
• Annual Improvements to MFRSs 2018 - 2020	1 January 2022
• Amendments to MFRS 3: *Reference to the Conceptual Framework*	1 January 2022
• Amendments to MFRS 116: *Proceeds before Intended Use*	1 January 2022
• Amendments to MFRS 137: *Cost of Fulfilling a Contract*	1 January 2022
• Amendments to MFRS 101: *Classification of Liabilities as Current or Non-current*	1 January 2023
• MFRS 17: *Insurance Contracts*	1 January 2023
• Amendments to MFRS 17: *Insurance Contracts*	1 January 2023
• Amendments to MFRS 101: *Disclosure of Accounting Policies*	1 January 2023
• Amendments to MFRS 108: *Disclosure of Accounting Estimates*	1 January 2023
• Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The directors expect that the adoption of the above new and amended standards will not have material impact on the financial statements in the period of initial application.

5. Summary of significant accounting policies

5.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure or rights to variable returns from its involvement with the investee;

(iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement(s) with the other vote holders of the investee;

(ii) the Group's voting rights and potential voting rights;

(iii) rights arising from other contractual arrangements.

5. Summary of significant accounting policies (continued)

5.1 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the financial year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the statements of comprehensive income. Any investment retained is recognised at fair value.

5.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date's fair value and any resulting gain or loss is recognised in statements of comprehensive income.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statements of comprehensive income in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in statements of comprehensive income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in statements of comprehensive income.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

5. Summary of significant accounting policies (continued)

5.2 Business combinations and goodwill (continued)

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

5.3 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the parent of the Group, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

5.4 Subsidiaries

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in statements of comprehensive income.

5.5 Foreign currency

(a) 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 Group's consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the respective functional currency spot rates at the date of the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in statements of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the disposal of the net investment, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

5. Summary of significant accounting policies (continued)

5.5 Foreign currency (continued)

(c) Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at average exchange rate. The exchange differences arising on the translation are taken directly to OCI. On disposal of a foreign operation, the cumulative amount recognised in OCI and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

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

The principal exchange rates used for currency ruling at the reporting date are as follows:

	2021 RM	2020 RM
1 United States Dollar (“USD”)	4.0975	4.3050
100 Indonesian Rupiah (“IDR”)	0.0284	0.0289

5.6 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and the Company derecognise the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statements of comprehensive income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Bearer plants represent new and replanting expenditure on oil palms, which consist of cost of land clearing, upkeep of trees to maturity and attributable amortisation and depreciation charges capitalised. Upon maturity, maintenance and upkeep of oil palms are recognised in the statements of comprehensive income.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated as this asset is not yet available for use. Bearer plants are depreciated on a straight-line basis over the estimated productive period, commence when the oil palms reach maturity. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets. The applicable rates are as follows:

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

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

5. Summary of significant accounting policies (continued)

5.6 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of comprehensive income in the financial year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5.7 Intangible asset

Intangible asset acquired separately is measured on initial recognition at cost. The cost of intangible asset acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statements of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible asset is assessed as either finite or indefinite.

Intangible asset is amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible asset with finite life is recognised in the statements of comprehensive income in the expense category that is consistent with the function of the intangible asset.

Intangible asset with indefinite useful lives is not amortised, but is tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statements of comprehensive income when the asset is derecognised.

5.8 Other asset

Other asset represents the expenses incurred in connection with the development of agroforestry plantation on licenced planted forest. When the agroforestry plantation area become commercially productive, the accumulated expenses incurred will be amortised using straight-line basis over the economic life of the agroforestry plantation.

5.9 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing VIU, 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. In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

5. Summary of significant accounting policies (continued)

5.9 Impairment of non-financial assets (continued)

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations generally covered a period of either (i) up to the remaining useful life of the bearer plants; or (ii) 20 years which is then projected to the end of the concession period; depending of the type of non-financial assets being assessed for impairment.

Impairment losses of continuing operations are recognised in the statements of comprehensive income as expenses consistent with the function of the impaired asset except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statements of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

5.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied practical expedient are measured at the transaction price determined under MFRS 15: *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

5. Summary of significant accounting policies (continued)

5.10 Financial instruments (continued)

(a) Financial assets (continued)

(i) Initial recognition and measurement (continued)

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group and the Company commit to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at fair value through profit or loss

<u>Financial assets at amortised cost (debt instruments)</u>

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in statements of comprehensive income when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of comprehensive income.

This category includes investment in income trust funds which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Fair value gains on investment in income trust funds are recognised as income in the statements of comprehensive income when the right of payment has been established.

All other categories of financial assets are not applicable to the Group and the Company.

5. Summary of significant accounting policies (continued)

5.10 Financial instruments (continued)

(a) Financial assets (continued)

(iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (1) The Group and the Company have transferred substantially all the risks and rewards of the asset; or

  (2) The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(b) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments carried at amortised cost and fair value through OCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

5. Summary of significant accounting policies (continued)

5.10 Financial instruments (continued)

(b) Impairment of financial assets (continued)

For trade and other receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(c) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include lease liabilities, bank borrowings and trade and other payables.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss

- Financial liabilities at amortised cost

<u>Financial liabilities at amortised cost</u>

After initial recognition, bank borrowings, lease liabilities and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statements of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of comprehensive income.

This category generally applies to bank borrowings, lease liabilities and trade and other payables as further disclosed in Notes 30, 31 and 34 respectively.

The other category of financial liabilities is not applicable to the Group and the Company.

5. Summary of significant accounting policies (continued)

5.10 Financial instruments (continued)

(c) Financial liabilities (continued)

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statements of comprehensive income.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(e) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees issued are measured at fair value, net of transaction costs.

5.11 Inventories

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

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

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

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

5.12 Biological assets

Biological assets comprise the produce growing on oil palms. Biological assets are measured at fair value less costs to sell. Changes in fair value less costs to sell are recognised in the statements of comprehensive income. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output (FFB harvest) and market price at reporting date of crude palm oil and palm kernel adjusted for extraction rates less processing, harvesting and transportation costs.

5. Summary of significant accounting policies (continued)

5.13 Plasma receivables

Plasma receivables represent the accumulated cost to develop the plasma plantations, which are currently being self-financed by a subsidiary. Upon obtaining financing from the designated bank, the said advances will be offset against the corresponding funds received. The bank loans of plasma plantations are guaranteed by the subsidiary (acting as nucleus company). When the development of plasma plantation is substantially completed and ready to be transferred to plasma farmers, the corresponding investment credit from the bank is also transferred to plasma farmers. Any excess or shortfall from the difference between the carrying value of the plasma receivables and the corresponding bank loans is regarded as payable or recoverable from the plasma farmers.

Impairment losses are made when the estimated recoverable amounts are less than the outstanding amounts as at the reporting date.

5.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with a maturity of three months or less and highly liquid investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value.

5.15 Non-current assets held for sale

The Group and the Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

5.16 Share capital and share issuance expenses

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

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

5. Summary of significant accounting policies (continued)

5.17 Dividend distributions

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed. Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in income as a separate item in the statements of comprehensive income.

5.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

5.19 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

5.20 Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax or sales and services tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company have generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(a) Identify contract with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

5. Summary of significant accounting policies (continued)

5.20 Revenue recognition (continued)

(b) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price

The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

If the consideration in a contract includes a variable amount, the Group and the Company estimate the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Using the practical expedient in MFRS 15, the Group and the Company do not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(d) Allocate the transaction price to the performance obligation in the contract

For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

(i) do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance obligation completed to-date; or

(ii) create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions are met, revenue is recognised over time at which the performance obligation is satisfied.

For performance obligations that the Group and the Company satisfy over time, the Group and the Company determined that the input method is the best method in measuring progress of the services because there is direct relationship between the Group's and the Company's effort and the transfer of service to the customer.

5. Summary of significant accounting policies (continued)

5.20 Revenue recognition (continued)

(e) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation (continued)

The following describes the performance obligation in contracts with customers:

(a) Sale of goods

The Group and the Company contract with the customers for sales of oil palm products. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is recognised at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods.

(b) Other revenue

Revenue from other sources are recognised as follows:

(i) Interest income

Interest income is recognised using the effective interest method.

(ii) Dividend income

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

(iii) Rental income

Rental income arising from operating leases on leased assets is accounted for on a straight-line basis over the lease terms.

(iv) Road toll collection

Road toll collection is recognised when the Group's and the Company's right to receive payment are established.

5.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial 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.

(b) 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 statements of comprehensive income as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

5. Summary of significant accounting policies (continued)

5.21 Employee benefits (continued)

(c) Defined benefit plans

The Group operates defined benefit plans for eligible employees of a foreign subsidiary. The amount recognised as a liability in respect of the defined benefit plan is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The Group determines the present value of the defined benefit obligations and the fair value of the plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The present value of the defined obligations and the related current service cost and past service cost are determined using the projected unit credit method by an actuary. The rate used to discount the obligations is based on market yields at the reporting period for high quality corporate bond or government bonds.

Remeasurement of the net defined obligation which comprise of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets are recognised directly within equity in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

In measuring its defined benefit liability, the Group recognises past service cost as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, the defined benefit plan, the Group recognises past service cost immediately in statements of comprehensive income.

Net interest is recognised in statements of comprehensive income, and is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the balance of the net defined benefit obligation, considering the effects of contributions and benefit payment during the reporting period. Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in statements of comprehensive income.

(d) Employee Share Option Scheme ("ESOS")

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

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

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

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

5. Summary of significant accounting policies (continued)

5.21 Employee benefits (continued)

(e) Executive Share Incentive Plan ("ESIP")

The Company's ESIP, an equity-settled, share-based compensation plan, allows the selected executives of the Group to be entitled for ordinary shares of the Company as consideration for services rendered. The fair value of ordinary shares granted to selected executives is recognised in the statements of comprehensive income, with a corresponding increase in the employee share incentive reserve within equity over the vesting period.

The fair value of ordinary shares is measured at grant date, taking into account, if any, the market vesting conditions.

When the ordinary shares are exercised, the employee share incentive reserve is transferred to share capital if new shares are issued.

5.22 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at costs, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Long term leasehold land	over the period of the respective leases
Prepaid land lease payments	over the period of the respective leases
Buildings	over 20 years
Tractors and trailers	over 5 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policies for impairment of non-financial assets is as disclosed in Note 5.9.

5. Summary of significant accounting policies (continued)

5.22 Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are as disclosed in Note 31.

(c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Company also apply the lease of low-value assets recognition exemption to leases that are considered to be low value. Low value assets are those assets valued at less than RM20,000 each when purchased new. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

5.23 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5. Summary of significant accounting policies (continued)

5.24 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statements of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

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

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

(ii) in respect of taxable temporary differences associated with investment in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

5. Summary of significant accounting policies (continued)

5.24 Taxes (continued)

(b) Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in the statements of comprehensive income.

(c) Value-added Tax ("VAT") or Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of VAT or GST except:

- When the VAT or the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT of the GST are recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;

- When receivables and payables that are stated with the amount of VAT or GST included.

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

(d) Sales and Service Tax ("SST")

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset applicable as SST is not recoverable from the taxation authority.

5.25 Segment reporting

For management purposes, the Group is organised into operating segments based on the activities which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

5. Summary of significant accounting policies (continued)

5.26 Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current or non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

5.27 Fair value measurement

The Group and the Company measure financial instruments and non-financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company .

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

5. Summary of significant accounting policies (continued)

5.27 Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

6. Significant accounting judgments, estimates and assumptions

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

6.1. Judgment made in applying accounting policies

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

Classification between investment property and property, plant and equipment

The Group and the Company have developed certain criteria based on MFRS 140: *Investment Property* in making a judgment as to whether or not a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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

6. Significant accounting judgments, estimates and assumptions (continued)

6.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of property, plant and equipment, right-of-use assets and intangible asset

The Group and the Company review the carrying amounts of the property, plant and equipment, right-of-use assets and intangible asset at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amount is measured at the higher of FVLCD or VIU.

Where the recoverable amounts of CGU or groups of CGU is determined on the basis of FVLCD, the fair values are based on valuations by independent professional valuers which were derived from comparison with recent transactions involving other similar estates in the vicinity in terms of age profile of oil palms, accessibility and title tenure, and from the income capitalisation method derived using assumptions on yields, long term average market prices, cost of production and an appropriate rate of return over the cropping life. The estimated transaction cost of disposal is derived from quotation and industry rate of scale of fees. Changes to any of these assumptions would affect the amount of impairment losses.

Determining the VIU of CGU or groups of CGU requires the determination of future cash flows expected to be derived from continuing use of the asset and from the ultimate disposal of such assets, which thus require the Group and the Company to make estimates and assumptions that can materially affect the financial statements.

The estimation of the recoverable amount involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts.

The accumulated impairment losses is disclosed in Notes 16 and 20.

(b) Impairment of goodwill

The Group tests for impairment of goodwill annually and at any other time when such indicators exist. This requires an estimation of VIU of the assets or CGU to which the goodwill is allocated.

Estimating the VIU requires management to estimate the expected future cash flows from the asset or CGU and also to choose a suitable discount rate in order to determine the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. Further details of the carrying value and the key assumptions applied in the impairment assessment of goodwill are disclosed in Note 18.

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

6. Significant accounting judgments, estimates and assumptions (continued)

6.2. Estimates and assumptions (continued)

(c) Impairment of investment in subsidiaries

The Company reviews its investment in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant estimation is required in determining the recoverable amount. Further details of the carrying value and the key assumptions applied in the impairment assessment of investment in subsidiaries are disclosed in Note 19.

(d) Bearer plants

Bearer plants comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop over the useful economic lives of the crop. Management estimates the useful economic lives of the Group's and the Company's oil palms to be 20 years.

(e) Fair value of biological assets

Biological assets comprise of fresh fruit bunches ("FFB") prior to harvest. The fair value of biological assets are measured at the present value of the net cash flows expected to be generated from the sale of FFB. To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB prior to more than 4 weeks to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to 4 weeks prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 49% for FFB that are 3 to 4 weeks prior to harvest and 83% for FFB that are 1 to 2 weeks prior to harvest, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from tests. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

7. Revenue

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers ^:				
- Fresh fruit bunches	66,823	44,440	86,309	55,603
- Palm oil milling products	331,246	249,542	-	-
	398,069	293,982	86,309	55,603
Revenue from other sources:				
Interest income from:				
- Loan to subsidiaries *	-	-	8,242	6,020
- Other investment and short term deposits	-	-	69	514
Net realised fair value gains on short term funds	-	-	207	1,428
Dividend income from subsidiaries	-	-	20,451	9,990
	-	-	28,969	17,952
	398,069	293,982	115,278	73,555

^ The timing of revenue recognition is at a point in time.

* This represents the interest income from loan to subsidiaries, bearing interest at a rate of 6.7% (2020: 6.7%) per annum as per disclosed in Note 24(c).

Notes to the Financial Statements
For the financial year ended 30 April 2021
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8. Other income

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fair value changes on biological assets (net)	6,982	1,549	4,360	620
Gain on disposal of property, plant and equipment	32	-	32	-
Insurance claim received	104	139	26	75
Insurance commission received	210	202	210	202
Interest income	433	1,030	-	-
Management fee received	756	1,105	-	-
Miscellaneous income	330	389	73	53
Net foreign exchange gain:				
- Realised	1,209	2,529	1,245	2,598
- Unrealised	632	-	3,072	-
Net realised fair value gains on short term funds	315	1,471	-	-
Net rental income	329	411	253	295
Road toll collection	42	54	41	53
	11,374	8,879	9,312	3,896

9. Interest expense

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on:				
- Lease liabilities (Note 31)	438	257	-	-
- Loan from a subsidiary *	-	-	14	20
- Revolving credits	1,483	2,922	1,483	2,922
- Term loans	4,834	8,398	344	2,797
	6,755	11,577	1,841	5,739
Less: Interest expense on term loan capitalised in property, plant and equipment (Note 16(c))	-	(270)	-	-
	6,755	11,307	1,841	5,739

* This represents the interest expense paid for loan from a subsidiary, bearing interest at the rate of one percent (1%) above Malayan Banking Berhad's 12 months fixed deposit interest rate per annum (2020: one percent (1%) above Malayan Banking Berhad's 12 months fixed deposit interest rate per annum) as per disclosed in Note 34(c).

Notes to the Financial Statements
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10. Other expenses and profit before tax

(a) Other expenses

The other expenses included in the statements of comprehensive income comprise of the following:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Impairment of:				
- Bearer plants (Note 16(e))	-	56,813	-	56,813
- Intangible asset (Note 20)	16,034	-	-	-
- Investment in a subsidiary (Note 19)	-	-	14,278	-
Property, plant and equipment:				
- Loss on disposal	-	46	-	46
- Written off	92	358	23	290
Net unrealised foreign exchange loss	-	6,971	-	5,697
Others	-	200	-	-
	16,126	64,388	14,301	62,846

(b) Profit before tax

In addition to the other items disclosed elsewhere in the financial statements, the following items have been included in arriving at profit before tax:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Amortisation of intangible asset (Note 20)	-	313	-	-
Auditors' remuneration:				
- Statutory audits				
- Ernst & Young PLT	242	242	122	122
- Member firm of Ernst & Young Global	171	213	-	-
- Other auditors	41	40	-	-
- Other services				
- Ernst & Young PLT	38	87	38	55
Depreciation of:				
- Property, plant and equipment (Note 16)	46,786	50,536	13,280	18,462
- Right-of-use assets (Note 17)	14,290	14,326	5,949	5,982
Employee benefits expense (Note 11)	78,171	77,221	24,813	26,152
Non-executive directors' remuneration (Note 12)	1,170	1,193	855	857

11. Employee benefits expense

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages and salaries	68,654	66,436	22,451	22,600
Contributions to defined contribution plan	3,722	3,569	1,206	1,250
Social security contributions	1,265	1,073	197	184
Retirement benefit obligation (Note 32)	240	312	-	-
Fair value of share options granted under ESOS	-	54	-	34
Other staff related expenses	4,290	5,777	959	2,084
	78,171	77,221	24,813	26,152

12. Directors' remuneration

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-executive				
Directors of the Company:				
Fees	643	663	436	435
Other emoluments	419	422	419	422
Total excluding benefits-in-kind	1,062	1,085	855	857
Estimated money value of benefits-in-kind	31	31	31	31
Total including benefits-in-kind	1,093	1,116	886	888
Directors of subsidiaries:				
Fees, representing total excluding benefits-in-kind	108	108	-	-
Total directors' remuneration	1,201	1,224	886	888
Analysis of directors' remuneration:				
Total non-executive directors' remuneration excluding benefits-in-kind (Note 10(b) and 36(c))	1,170	1,193	855	857
Estimated money value of benefits-in-kind	31	31	31	31
	1,201	1,224	886	888

Notes to the Financial Statements
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(continued)

12. Directors' remuneration (continued)

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

	Fees RM'000	Other emoluments RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Group				
2021				
Non-executive directors:				
Datin Paduka Tan Siok Choo	148	53	31	232
Tan Sri Dato' Ahmad bin Mohd Don	40	33	-	73
Tan Jiew Hoe	96	62	-	158
Teo Leng	96	63	-	159
Dato Dr. Nik Ramlah binti Nik Mahmood	96	72	-	168
Ong Keng Siew	96	72	-	168
Tee Cheng Hua	60	63	-	123
Dato' Sri Tee Lip Sin	11	1	-	12
	643	419	31	1,093
2020				
Non-executive directors:				
Datin Paduka Tan Siok Choo	148	51	31	230
Tan Sri Dato' Ahmad bin Mohd Don	96	83	-	179
Tan Jiew Hoe	96	66	-	162
Teo Leng	96	60	-	156
Dato Dr. Nik Ramlah binti Nik Mahmood	96	68	-	164
Ong Keng Siew	96	68	-	164
Tee Cheng Hua	35	26	-	61
	663	422	31	1,116
Company				
2021				
Non-executive directors:				
Datin Paduka Tan Siok Choo	100	53	31	184
Tan Sri Dato' Ahmad bin Mohd Don	25	33	-	58
Tan Jiew Hoe	60	62	-	122
Teo Leng	60	63	-	123
Dato Dr. Nik Ramlah binti Nik Mahmood	60	72	-	132
Ong Keng Siew	60	72	-	132
Tee Cheng Hua	60	63	-	123
Dato' Sri Tee Lip Sin	11	1	-	12
	436	419	31	886

Notes to the Financial Statements
For the financial year ended 30 April 2021
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12. Directors' remuneration (continued)

	Fees RM'000	Other emoluments RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Company (continued)				
2020				
Non-executive directors:				
Datin Paduka Tan Siok Choo	100	51	31	182
Tan Sri Dato' Ahmad bin Mohd Don	60	83	-	143
Tan Jiew Hoe	60	66	-	126
Teo Leng	60	60	-	120
Dato Dr. Nik Ramlah binti Nik Mahmood	60	68	-	128
Ong Keng Siew	60	68	-	128
Tee Cheng Hua	35	26	-	61
	435	422	31	888

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 2021	2020
Non-executive directors:		
Up to RM50,000	1	-
RM50,001 - RM100,000	1	1
RM100,001 - RM150,000	1	-
RM150,001 - RM200,000	4	5
RM200,001 - RM250,000	1	1

Notes to the Financial Statements
For the financial year ended 30 April 2021
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13. Taxation

Major components of taxation

The major components of taxation for the financial years ended 30 April 2021 and 30 April 2020 are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Statements of comprehensive income:				
Current income tax:				
- Current financial year	13,220	2,215	5,875	248
- (Over)/underprovision in prior financial years	(110)	119	(6)	68
Real property gain tax	-	16,043	-	16,043
Withholding tax	3,137	749	824	604
	16,247	19,126	6,693	16,963
Deferred tax (Note 33):				
Relating to origination and reversal of temporary differences	(1,969)	(18,925)	1,254	(15,950)
Effect of reduction in foreign tax rate	-	(6,502)	-	-
(Over)/underprovision in prior financial years	(48)	28	6	(8)
	(2,017)	(25,399)	1,260	(15,958)
	14,230	(6,273)	7,953	1,005

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

The corporate tax rates applicable to the Singapore subsidiaries and Indonesia subsidiaries of the Group are 17% (2020: 17%) and 22% (2020: 25%) respectively.

The Indonesian statutory tax rate has reduced to 22% in the current financial year ended 30 April 2021 from the preceding financial year's rate of 25%. The Indonesian statutory tax rate will remain at 22% for the financial year ending 30 April 2022 and will reduce to 20% starting financial year ending 30 April 2023.

Reconciliation between taxation and accounting profit

The reconciliation between taxation and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 30 April 2021 and 30 April 2020 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Accounting profit before tax	24,420	8,281	42,047	36,140
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	5,861	1,987	10,091	8,674
Effect of different tax rates in foreign jurisdiction	164	(75)	-	-
Adjustments:				
Effect of reduction in foreign tax rate on deferred tax	-	(6,502)	-	-
Effect of expenditure capitalised allowable for tax deduction	-	(29)	-	-
Effect of income not subject to tax	(3,208)	(26,510)	(7,996)	(28,774)
Effect of expenses not deductible for tax purposes	8,434	7,917	5,034	4,398
(Over)/underprovision of income tax in prior financial years	(110)	119	(6)	68
(Over)/underprovision of deferred tax in prior financial years	(48)	28	6	(8)
Real property gain tax on disposal of non-current assets held for sale	-	16,043	-	16,043
Withholding tax	3,137	749	824	604
	14,230	(6,273)	7,953	1,005

14. Earnings per share

(a) Basic earnings per share

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

	Group	
	2021	**2020**
Profit net of tax for the financial year attributable to owners of the Company (RM'000)	13,014	16,307
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,724
Basic earnings per share (sen)	6.20	7.78

(b) Diluted earnings per share

Upon expiry of the Company's ESOS on 16 June 2020, the Group does not have any potential diluted shares for the current financial year ended 30 April 2021.

In the preceding financial year, the share options granted under the Company's ESOS could potentially dilute basic earnings per share but have not been included in the calculation of diluted earnings per share because they are antidilutive.

The diluted earnings per ordinary share of the Group for the financial years ended 30 April 2021 and 30 April 2020 are the same as the basic earnings per ordinary share of the Group.

15. Dividends

	Group and Company	
	2021 RM'000	**2020 RM'000**
Recognised during the financial year:		
Second interim dividend for financial year ended 30 April 2019: - single-tier dividend of 6 sen on 209,691,201 ordinary shares	-	12,581
First interim dividend for financial year ended 30 April 2020: - single-tier dividend of 2 sen on 209,769,201 ordinary shares	-	4,196
Second interim dividend for financial year ended 30 April 2020: - single-tier dividend of 6 sen on 209,769,201 ordinary shares	12,586	-
First interim dividend for financial year ended 30 April 2021: - single-tier dividend of 3 sen on 209,769,201 ordinary shares	6,293	-
	18,879	16,777

On 24 June 2021, the directors declared a second interim single-tier dividend of 7 sen per ordinary share in respect of the financial year ended 30 April 2021 on 209,769,201 ordinary shares, amounting to approximately RM14,684,000 which is payable on 16 August 2021. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2022.

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For the financial year ended 30 April 2021
(continued)

16. Property, plant and equipment

	Freehold land RM'000	Bearer plants 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								
2021								
At cost:								
At 1 May 2020	108,875	554,919	216,124	95,733	13,180	62,244	5,256	1,056,331
Additions	-	19,068	8,080	2,123	533	4,320	5,886	40,010
Disposals	-	-	-	(1)	(11)	(573)	-	(585)
Written off	-	(2,104)	(42)	(278)	(128)	(2,648)	-	(5,200)
Reclassifications	-	-	494	2,725	-	249	(3,468)	-
Exchange differences	-	(2,633)	(2,140)	(410)	(65)	(293)	(31)	(5,572)
At 30 April 2021	108,875	569,250	222,516	99,892	13,509	63,299	7,643	1,084,984
Accumulated depreciation and impairment losses:								
At 1 May 2020	-	251,846	32,596	43,645	7,998	41,102	-	377,187
Depreciation charge for the financial year:	-	20,902	14,173	7,636	1,485	5,008	-	49,204
- Recognised in statements of comprehensive income (Note 10(b))	-	20,902	12,746	7,148	1,374	4,616	-	46,786
- Capitalised in bearer plants (Note 16(b))	-	-	1,067	338	84	313	-	1,802
- Charged to Plasma receivables (Note 37(a))	-	-	360	150	27	79	-	616
Disposals	-	-	-	-	(8)	(392)	-	(400)
Written off	-	(2,104)	(29)	(271)	(121)	(2,583)	-	(5,108)
Exchange differences	-	(408)	(269)	(101)	(32)	(155)	-	(965)
At 30 April 2021	-	270,236	46,471	50,909	9,322	42,980	-	419,918
Analysed as:								
Accumulated depreciation	-	213,423	46,471	50,909	9,322	42,980	-	363,105
Accumulated impairment losses	-	56,813	-	-	-	-	-	56,813
	-	270,236	46,471	50,909	9,322	42,980	-	419,918
Net carrying amount:								
At 30 April 2021	108,875	299,014	176,045	48,983	4,187	20,319	7,643	665,066

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

16. Property, plant and equipment (continued)

	Freehold land RM'000	Bearer plants 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 (continued)								
2020								
At cost:								
At 1 May 2019	108,875	531,061	114,215	76,364	11,196	48,475	68,447	958,633
Additions	-	27,358	63,271	2,375	1,991	8,272	4,106	107,373
Disposals	-	-	-	(5)	(6)	(1,626)	-	(1,637)
Written off	-	(2,802)	(739)	(611)	(178)	(1,818)	-	(6,148)
Reclassifications	-	-	40,746	17,829	194	9,107	(67,876)	-
Reclassified (to)/from held for sale	-	(10)	-	-	11	-	-	1
Exchange differences	-	(688)	(1,369)	(219)	(28)	(166)	579	(1,891)
At 30 April 2020	108,875	554,919	216,124	95,733	13,180	62,244	5,256	1,056,331
Accumulated depreciation and impairment losses:								
At 1 May 2019	-	172,194	19,626	41,279	6,769	35,114	-	274,982
Depreciation charge for the financial year:	-	25,760	13,538	7,293	1,357	4,761	-	52,709
- Recognised in statements of comprehensive income (Note 10(b))	-	25,760	12,232	6,843	1,296	4,405	-	50,536
- Capitalised in bearer plants (Note 16(b))	-	-	967	298	45	276	-	1,586
- Charged to Plasma receivables (Note 37(a))	-	-	339	152	16	80	-	587
Disposals	-	-	-	(5)	(6)	(1,241)	-	(1,252)
Written off	-	(2,802)	(482)	(611)	(123)	(1,772)	-	(5,790)
Impairment recognised in statements of comprehensive income (Note 10(a))	-	56,813	-	-	-	-	-	56,813
Reclassifications	-	-	-	(4,277)	-	4,277	-	-
Reclassified from held for sale	-	-	-	-	8	-	-	8
Exchange differences	-	(119)	(86)	(34)	(7)	(37)	-	(283)
At 30 April 2020	-	251,846	32,596	43,645	7,998	41,102	-	377,187
Analysed as:								
Accumulated depreciation	-	195,033	32,596	43,645	7,998	41,102	-	320,374
Accumulated impairment losses	-	56,813	-	-	-	-	-	56,813
	-	251,846	32,596	43,645	7,998	41,102	-	377,187
Net carrying amount:								
At 30 April 2020	108,875	303,073	183,528	52,088	5,182	21,142	5,256	679,144

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

16. Property, plant and equipment (continued)

	Freehold land RM'000	Bearer plants 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								
2021								
At cost:								
At 1 May 2020	68,225	271,136	44,979	10,213	5,493	20,669	51	420,766
Additions	-	1,962	2,460	592	102	2,299	392	7,807
Disposals	-	-	-	-	(6)	(277)	-	(283)
Written off	-	(377)	(15)	(117)	(52)	(1,510)	-	(2,071)
Reclassifications	-	-	26	18	-	-	(44)	-
At 30 April 2021	68,225	272,721	47,450	10,706	5,537	21,181	399	426,219
Accumulated depreciation and impairment losses:								
At 1 May 2020	-	150,650	10,659	5,733	4,116	16,115	-	187,273
Depreciation charge for the financial year:	-	8,461	2,486	870	408	1,206	-	13,431
- Recognised in statements of comprehensive income (Note 10(b))	-	8,461	2,410	844	396	1,169	-	13,280
- Capitalised in bearer plants (Note 16(b))	-	-	76	26	12	37	-	151
Disposals	-	-	-	-	(4)	(206)	-	(210)
Written off	-	(377)	(2)	(109)	(50)	(1,510)	-	(2,048)
At 30 April 2021	-	158,734	13,143	6,494	4,470	15,605	-	198,446
Analysed as:								
Accumulated depreciation	-	101,921	13,143	6,494	4,470	15,605	-	141,633
Accumulated impairment losses	-	56,813	-	-	-	-	-	56,813
	-	158,734	13,143	6,494	4,470	15,605	-	198,446
Net carrying amount:								
At 30 April 2021	68,225	113,987	34,307	4,212	1,067	5,576	399	227,773

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

16. Property, plant and equipment (continued)

	Freehold land RM'000	Bearer plants 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 (continued)								
2020								
At cost:								
At 1 May 2019	68,225	269,427	43,769	9,923	5,301	20,903	1,279	418,827
Additions	-	3,511	382	291	252	1,821	34	6,291
Disposals	-	-	-	(5)	(6)	(1,564)	-	(1,575)
Written off	-	(1,792)	(372)	(5)	(107)	(502)	-	(2,778)
Reclassifications	-	-	1,200	9	42	11	(1,262)	-
Reclassified (to)/from held for sale	-	(10)	-	-	11	-	-	1
At 30 April 2020	68,225	271,136	44,979	10,213	5,493	20,669	51	420,766
Accumulated depreciation and impairment losses:								
At 1 May 2019	-	82,598	7,769	4,876	3,671	16,628	-	115,542
Depreciation charge for the financial year:	-	13,031	3,020	867	505	1,210	-	18,633
- Recognised in statements of comprehensive income (Note 10(b))	-	13,031	2,942	835	496	1,158	-	18,462
- Capitalised in bearer plants (Note 16(b))	-	-	78	32	9	52	-	171
Disposals	-	-	-	(5)	(6)	(1,224)	-	(1,235)
Written off	-	(1,792)	(130)	(5)	(62)	(499)	-	(2,488)
Impairment recognised in statements of comprehensive income (Note 10(a))	-	56,813	-	-	-	-	-	56,813
Reclassified from held for sale	-	-	-	-	8	-	-	8
At 30 April 2020	-	150,650	10,659	5,733	4,116	16,115	-	187,273
Analysed as:								
Accumulated depreciation	-	93,837	10,659	5,733	4,116	16,115	-	130,460
Accumulated impairment losses	-	56,813	-	-	-	-	-	56,813
	-	150,650	10,659	5,733	4,116	16,115	-	187,273
Net carrying amount:								
At 30 April 2020	68,225	120,486	34,320	4,480	1,377	4,554	51	233,493

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

16. Property, plant and equipment (continued)

(a) Assets pledged as security

(i) All the assets of the Company are negative pledged to secure the Company's USD term loan and revolving credits which are used by the Company to part finance the acquisition of subsidiaries and as working capital as disclosed in Note 30(b)(i).

(ii) Certain buildings and plant and machinery of a subsidiary with net carrying amount of RM66,215,000 (2020: RM71,386,000) were pledged to secure the IDR term loan as disclosed in Note 30(b)(ii).

(iii) Certain long term leasehold land of the Company in Sabah with net carrying amount of RM296,779,000 (2020: RM300,584,000) were mortgaged to secure the Company's loan from a subsidiary as disclosed in Note 34(c).

(b) Capitalisation of depreciation and amortisation

Included in additions of bearer plants during the financial year are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation of property, plant and equipment capitalised (Note 16)	1,802	1,586	151	171
Depreciation of right-of-use assets capitalised (Note 17)	1,783	1,693	132	100
Amortisation of intangible asset capitalised (Note 20)	536	224	-	-
	4,121	3,503	283	271

(c) Capitalisation of interest expense

Included in additions of capital work-in-progress during the financial year are:

	Group	
	2021 RM'000	2020 RM'000
Interest expense capitalised (Note 9)	-	270

(d) Additions of property, plant and equipment

For the purpose of statements of cash flows, additions of property, plant and equipment by the Group and the Company during the financial year were by means of:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Total additions of property, plant and equipment	40,010	107,373	7,807	6,291
Less:				
Depreciation of property, plant and equipment capitalised (Note 16)	(1,802)	(1,586)	(151)	(171)
Depreciation of right-of-use assets capitalised (Note 17)	(1,783)	(1,693)	(132)	(100)
Amortisation of intangible asset capitalised (Note 20)	(536)	(224)	-	-
Total cash outflows on additions of property, plant and equipment	35,889	103,870	7,524	6,020

16. Property, plant and equipment (continued)

(e) Impairment of bearer plants

During the preceding financial year, the Company carried out a review on the recoverable amount of the bearer plants which are located in Sabah due to the unsatisfactory performance of the said bearer plants in the past few years. The said bearer plants have been revalued at the reporting date by an independent professional valuer. The valuation was determined by reference to open market value on an existing use basis.

The fair value of bearer plants is determined based on the value-in-use calculations using cash flow projections, covering a period up to 21 years, being the remaining useful life of the bearer plants. The discount rate used is based on the expected rate of return of the bearer plants, determined by the accredited independent professional valuer.

As a result, an impairment of RM56,813,000 representing the write-down in value of the bearer plants were recognised in statements of comprehensive income as per disclosed in Note 10(a).

17. Right-of-use assets

	Long term leasehold land RM'000	Prepaid land lease payments RM'000	Buildings RM'000	Tractors and trailers RM'000	Total RM'000
Group					
2021					
At cost:					
At 1 May 2020	710,332	151,206	7,734	-	869,272
Additions	-	824	-	767	1,591
Adjustment *	-	(1,900)	-	-	(1,900)
Exchange differences	-	(2,547)	-	-	(2,547)
At 30 April 2021	710,332	147,583	7,734	767	866,416
Accumulated depreciation:					
At 1 May 2020	33,338	20,882	371	-	54,591
Depreciation charge for the financial year:	11,113	4,497	387	76	16,073
- Recognised in statements of comprehensive income (Note 10(b))	10,715	3,112	387	76	14,290
- Capitalised in bearer plants (Note 16(b))	398	1,385	-	-	1,783
Exchange differences	-	(315)	-	-	(315)
At 30 April 2021	44,451	25,064	758	76	70,349
Net carrying amount:					
At 30 April 2021	665,881	122,519	6,976	691	796,067

* This represents the reversal of prepaid land lease payments cost of an Indonesian subsidiary.

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For the financial year ended 30 April 2021
(continued)

17. Right-of-use assets (continued)

	Long term leasehold land RM'000	Prepaid land lease payments RM'000	Buildings RM'000	Tractors and trailers RM'000	Total RM'000
Group (continued)					
2020					
At cost:					
At 1 May 2019	710,332	147,278	3,737	-	861,347
Additions	-	4,511	3,997	-	8,508
Exchange differences	-	(583)	-	-	(583)
At 30 April 2020	710,332	151,206	7,734	-	869,272
Accumulated depreciation:					
At 1 May 2019	22,225	16,344	93	-	38,662
Depreciation charge for the financial year:	11,113	4,628	278	-	16,019
- Recognised in statements of comprehensive income (Note 10(b))	10,813	3,235	278	-	14,326
- Capitalised in bearer plants (Note 16(b))	300	1,393	-	-	1,693
Exchange differences	-	(90)	-	-	(90)
At 30 April 2020	33,338	20,882	371	-	54,591
Net carrying amount:					
At 30 April 2020	676,994	130,324	7,363	-	814,681

	Company	
	2021 RM'000	2020 RM'000
Long term leasehold land		
At cost:		
At beginning of financial year/at end of financial year	349,802	349,802
Accumulated depreciation:		
At beginning of financial year	18,246	12,164
Depreciation charge for the financial year:	6,081	6,082
- Recognised in statements of comprehensive income (Note 10(b))	5,949	5,982
- Capitalised in bearer plants (Note 16(b))	132	100
At end of financial year	24,327	18,246
Net carrying amount:		
At end of financial year	325,475	331,556

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For the financial year ended 30 April 2021
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17. Right-of-use assets (continued)

Additions of right-of-use assets

For the purpose of statements of cash flows, additions of right-of-use assets by the Group and the Company during the financial year were by means of:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Total additions of right-of-use assets	1,591	8,508	-	-
Less:				
Additions by way of lease liabilities	(767)	(3,997)	-	-
Total cash outflows on additions of right-of-use assets	824	4,511	-	-

18. Goodwill on consolidation

	Group	
	2021 RM'000	**2020 RM'000**
At net carrying amount	82,474	82,474

Goodwill of the Group had been allocated to the Group's CGUs identified according to the individual subsidiaries that made up the respective CGUs as follows:

(a) Pahang CGU

Goodwill of RM18,628,000 had been allocated to the Pahang CGU made up of Syarikat Penanaman Bukit Senorang Sdn. Bhd. and South-East Pahang Oil Palm Berhad, both of which are principally involved in plantation activities.

(b) Kalimantan CGU

Goodwill of RM63,846,000 has been allocated to the Kalimantan CGU made up of International Natural Resources Pte. Ltd. ("INR"), an investment holding company incorporated in the Republic of Singapore and PT Lifere Agro Kapuas, a company incorporated under the laws of the Republic of Indonesia, which is held through INR and principally involved in plantation activities.

Impairment test for goodwill on consolidation

Key assumptions used in value-in-use calculations

The recoverable amount is determined based on value-in-use calculations using cash flow projections based on a master plan covering a period up to 19 years, being the remaining useful life of the bearer plants. The following describes each key assumptions used in value-in-use calculations on which management has based its cash flow projections to undertake impairment testing of goodwill:

(a) Budgeted gross margin

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

(b) Discount rate

The pre-tax discount rates used range from 9.4% to 13.1% (2020: 9.0% to 14.0%) which reflect the specific risks of the oil palm industry.

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For the financial year ended 30 April 2021
(continued)

18. Goodwill on consolidation (continued)

Impairment test for goodwill on consolidation (continued)

Key assumptions used in value-in-use calculations (continued)

(c) Raw materials price inflation

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

Sensitivity of key assumptions used in value-in-use calculations

The Group's impairment assessment of the CGU as outlined above included a sensitivity analysis on the significant key assumptions used. Amongst the key assumption is the discount rate. Based on the results of the sensitivity analysis, no reasonable change in the key assumptions used would result in an impairment charge for current financial year.

19. Investment in subsidiaries

	Company	
	2021 RM'000	**2020 RM'000**
In Malaysia		
- Unquoted shares, at cost	142,288	142,288
- Less: Accumulated impairment losses	(1,334)	(1,334)
	140,954	140,954
Outside Malaysia		
- Unquoted shares, at cost	319,377	319,377
- Impairment recognised in statements of comprehensive income (Note 10(a))	(14,278)	-
	305,099	319,377
	446,053	460,331

At the reporting date, the Company conducted an impairment review of the investment in certain subsidiaries based on the recoverable amounts of these subsidiaries, which represents the Directors' estimation of value-in-use of these subsidiaries.

In the current financial year, included in the total carrying amount of investment in subsidiaries of RM460,331,000 is investment in a subsidiary, Clifton Cove Pte. Ltd. ("Clifton") with a carrying amount of RM31,275,000. Clifton held the 60% shares of PT Wana Rindang Lestari ("WRL") through PT Bintang Gemilang Permai ("BGP"). WRL was engaged in the agroforestry plantations activities and owns an intangible asset which represents the cost of investment of business licence "Izin Usaha Pemanfaatan Hasil Hutan Kayu Pada Hutan Tanaman Industri" ("HTI Licence") over an area measuring approximately 59,920 hectares in the Regencies of Tojo Una-Una and Morowali, Province of Central Sulawesi.

During the current financial year, work in Sulawesi was temporarily halted due to environmental concerns raised by Non-Governmental Organisations ("NGOs") and the need to furnish a High Conservation Value/High Carbon Stock ("HCV/HCS") study for the licenced area. An AMDAL (Environmental Impact Assessment) has been carried out. Due to the Covid-19 pandemic, the Group cannot state with certainty the time frame needed to undertake and complete the HCV/HCS study. These indicated that the carrying amount of the investment in this subsidiary may be impaired.

19. Investment in subsidiaries (continued)

Investment in this subsidiary was tested for impairment by comparing the carrying amount with its recoverable amount. The recoverable amount of investment in a subsidiary was determined based on value-in-use calculations using cash flow projections for a master plan covering 20 years which is then projected to the end of the concession period as per the HTI Licence.

The key assumptions used by management in undertaking the impairment testing of investment in a subsidiary such as estimated gross margin and raw materials price inflation are based on internal and external sources of data, where available whilst the pre-tax discount rate used was 13.1% (2020: 14.0%) which reflect the specific risks of the investment in a subsidiary.

Accordingly, the impairment assessment of investment in a subsidiary gave rise to an impairment loss of RM14,278,000 for the financial year ended 30 April 2021 as disclosed in Note 10(a) to the financial statements.

Details of the subsidiaries are as follow:

Name of subsidiaries	Country of incorporation/ Principal place of business	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
		2021	2020	2021	2020	
Held by the Company						
Leong Hin San Sdn. Bhd.[i]	Malaysia	100	100	-	-	Cultivation of oil palm
Meridian Plantations Sdn. Bhd. [i]	Malaysia	100	100	-	-	Cultivation of oil palm and palm oil milling
Syarikat Penanaman Bukit Senorang Sdn. Bhd. [i]	Malaysia	100	100	-	-	Cultivation of oil palm and palm oil milling
South-East Pahang Oil Palm Berhad [i]	Malaysia	100	100	-	-	Cultivation of oil palm
Masjid Tanah Properties Sdn. Bhd. [i]	Malaysia	100	100	-	-	Investment holding
Melaka Pindah Properties Sdn. Bhd. [i]	Malaysia	100	100	-	-	Property development (currently dormant)
Vintage Plantations Sdn. Bhd. [i]	Malaysia	100	100	-	-	Dormant
International Natural Resources Pte. Ltd. (“INR”) [ii]	Singapore	88	88	12	12	Investment holding
Clifton Cove Pte. Ltd. (“Clifton”) [ii]	Singapore	100	100	-	-	Investment holding
PT Usaha Mulia Bahagia [ii]	Indonesia	100	100	-	-	Providing management consultancy services

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

19. Investment in subsidiaries (continued)

Details of the subsidiaries are as follow (continued):

Name of subsidiaries	Country of incorporation/ Principal place of business	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
		2021	2020	2021	2020	
Held through INR						
PT Lifere Agro Kapuas ("LAK") [iii]	Indonesia	83	83	17	17	Cultivation of oil palm and palm oil milling
Held through Clifton						
PT Bintang Gemilang Permai ("BGP") [ii]	Indonesia	65	65	35	35	Investment holding
Held through BGP						
PT Wana Rindang Lestari ("WRL") [iii]	Indonesia	60	60	40	40	Agroforestry plantations

[i] Audited by Ernst & Young PLT.
[ii] Audited by a firm other than Ernst & Young PLT.
[iii] Audited by member firm of Ernst & Young Global.

(a) Establishment of new subsidiary

On 26 April 2019, the Company announced the establishment of a foreign investment limited liability company by the name of PT Usaha Mulia Bahagia in Indonesia. The initial paid-up capital of PT Usaha Mulia Bahagia will be Indonesian Rupiah ("IDR") 4.3 billion (equivalent to RM1,250,000) to be held 60% by the Company and 40% by Masjid Tanah Properties Sdn. Bhd. (a wholly-owned subsidiary of the Company). The principal activity of PT Usaha Mulia Bahagia is providing management consultancy services to the Group's subsidiaries in Indonesia.

During the preceding financial year, the injection of the abovementioned paid-up capital of IDR4.3 billion by the Company and Masjid Tanah Properties Sdn. Bhd. were completed.

19. Investment in subsidiaries (continued)

(b) Summarised financial information of subsidiaries which have non-controlling interests

Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

	INR		LAK		BGP		WRL		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Summarised statements of comprehensive income										
Revenue	-	-	108,047	80,197	-	-	-	-	108,047	80,197
Profit/(loss) for the financial year	46	512	(16,155)	(9,210)	(8)	(60)	(190)	(568)	(16,307)	(9,326)
Profit/(loss) for the financial year attributable to:										
- The Company	41	452	(13,405)	(7,645)	(5)	(39)	(114)	(341)	(13,483)	(7,573)
- Non-controlling interests	5	60	(2,750)	(1,565)	(3)	(21)	(76)	(227)	(2,824)	(1,753)
	46	512	(16,155)	(9,210)	(8)	(60)	(190)	(568)	(16,307)	(9,326)
Other comprehensive (loss)/income for the financial year	(671)	(197)	(3,099)	(630)	2	(1)	(28)	(44)	(3,796)	(872)
Other comprehensive (loss)/income for the financial year attributable to:										
- The Company	(592)	(174)	(2,572)	(523)	1	(1)	(17)	(26)	(3,180)	(724)
- Non-controlling interests	(79)	(23)	(527)	(107)	1	-	(11)	(18)	(616)	(148)
	(671)	(197)	(3,099)	(630)	2	(1)	(28)	(44)	(3,796)	(872)
Total comprehensive (loss)/income for the financial year attributable to:										
- The Company	(551)	278	(15,977)	(8,168)	(4)	(40)	(131)	(367)	(16,663)	(8,297)
- Non-controlling interests	(74)	37	(3,277)	(1,672)	(2)	(21)	(87)	(245)	(3,440)	(1,901)
	(625)	315	(19,254)	(9,840)	(6)	(61)	(218)	(612)	(20,103)	(10,198)

19. Investment in subsidiaries (continued)

(b) Summarised financial information of subsidiaries which have non-controlling interests (continued)

	INR		LAK		BGP		WRL		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Summarised statements of financial position										
Non-current assets	139,187	139,187	220,660	233,790	-	-	8,302	5,631	368,149	378,608
Current assets	42,130	44,067	89,639	93,578	8,907	4,200	3,490	1,924	144,166	143,769
Total assets	181,317	183,254	310,299	327,368	8,907	4,200	11,792	7,555	512,315	522,377
Non-current liabilities	-	-	68,960	77,951	-	-	-	257	68,960	78,208
Current liabilities	584	505	171,646	165,514	9,025	4,312	10,164	5,452	191,419	175,783
Total liabilities	584	505	240,606	243,465	9,025	4,312	10,164	5,709	260,379	253,991
Net assets/(liabilities)	180,733	182,749	69,693	83,903	(118)	(112)	1,628	1,846	251,936	268,386
Equity attributable to:										
- The Company	159,840	161,782	58,472	69,405	(77)	(73)	978	1,109	219,213	232,223
- Non-controlling interests	20,893	20,967	11,221	14,498	(41)	(39)	650	737	32,723	36,163
	180,733	182,749	69,693	83,903	(118)	(112)	1,628	1,846	251,936	268,386
Summarised statements of cash flows										
Net cash flows from/(used in) operating activities	36	(13)	11,161	67,294	(10)	11	4,146	4,096	15,333	71,388
Net cash flows used in investing activities	-	-	(13,628)	(83,843)	-	-	(2,919)	(2,620)	(16,547)	(86,463)
Net cash flows (used in)/ from financing activities	-	-	(2,329)	12,080	-	-	-	-	(2,329)	12,080
Net increase/(decrease) in cash and cash equivalents	36	(13)	(4,796)	(4,469)	(10)	11	1,227	1,476	(3,543)	(2,995)
Effect of foreign exchange rate changes	(1)	1	(70)	(56)	(1)	(1)	(43)	(23)	(115)	(79)
Cash and cash equivalent at beginning of financial year	1	13	13,100	17,625	20	10	1,541	88	14,662	17,736
Cash and cash equivalent at end of financial year	36	1	8,234	13,100	9	20	2,725	1,541	11,004	14,662

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For the financial year ended 30 April 2021
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20. Intangible asset

	Group 2021 RM'000	Group 2020 RM'000
At cost:		
At beginning of financial year	30,048	30,049
Exchange differences	(4)	(1)
At end of financial year	30,044	30,048
Accumulated depreciation and impairment losses:		
At beginning of financial year	912	375
Amortisation for the financial year:	536	537
- Recognised in statements of comprehensive income (Note 10(b))	-	313
- Capitalised in bearer plants (Note 16(b))	536	224
Impairment recognised in statements of comprehensive income (Note 10(a))	16,034	-
At end of financial year	17,482	912
Analysed as:		
Accumulated amortisation	1,448	912
Accumulated impairment losses	16,034	-
	17,482	912
Net carrying amount	12,562	29,136

Intangible asset represents the cost of investment of business licence "Izin Usaha Pemanfaatan Hasil Hutan Kayu Pada Hutan Tanaman Industri" ("HTI Licence") owned by an Indonesian subsidiary, PT Wana Rindang Lestari, covering an area measuring approximately 59,920 hectares in the Regencies of Tojo Una-Una and Morowali, Province of Central Sulawesi. The licence is valid for 60 years from 4 June 2014.

Impairment of intangible asset

During the current financial year, work in Sulawesi was temporarily halted due to environmental concerns raised by Non-Governmental Organisations ("NGOs") and the need to facilitate a High Conservation Value/High Carbon Stock ("HCV/HCS") study. An AMDAL (Environmental Impact Assessment) has been carried out. Due to the Covid-19 pandemic, the Group cannot state with certainty the time frame needed to undertake and complete the HCV/HCS study.

Intangible asset was tested for impairment by comparing the carrying amount with its recoverable amount. The recoverable amount of intangible asset was determined based on value-in-use calculations using cash flow projections for a master plan covering 20 years which is then projected to the end of the concession period as per the HTI Licence.

The key assumptions which management used to undertake impairment testing of intangible asset such as estimated gross margin and raw materials price inflation are based on internal and external sources of data, where available whilst the pre-tax discount rate used was 13.1% (2020: 14.0%) which reflect the specific risks of the investment in intangible asset.

Accordingly, the impairment assessment of intangible asset gave rise to an impairment loss of RM16,034,000 for the financial year ended 30 April 2021 as disclosed in Note 10(a) to the financial statements.

Sensitivity of key assumptions used in value-in-use calculations

The Group's impairment assessment of the intangible asset as outlined above included a sensitivity analysis on the significant key assumptions used. Amongst the key assumption is the discount rate. Based on the results of the sensitivity analysis, if the discount rate decrease/increase by 1%, the profit before tax of the Group will increase by RM15,990,000/decrease by RM12,855,000 respectively.

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

21. Other asset

	Group	
	2021	2020
	RM'000	RM'000
At cost:		
At beginning of financial year	3,616	2,702
Additions	-	935
Exchange differences	(78)	(21)
At end of financial year	3,538	3,616

Other asset represents the expenses incurred in connection with the development of agroforestry plantation on an area measuring approximately 59,920 hectares in the Regencies of Tojo Una-Una and Morowali, Province of Central Sulawesi as disclosed in Note 20.

22. Inventories

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At cost:				
Produce stocks	8,779	7,667	-	-
Nursery stocks	4,711	4,273	286	274
Estate and palm oil mill stores	14,611	13,675	2,535	2,104
	28,101	25,615	2,821	2,378
At net realisable value:				
Produce stocks	-	10,170	-	-
	28,101	35,785	2,821	2,378

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group and the Company was RM49,208,000 (2020: RM61,298,000) and RM10,900,000 (2020: RM17,053,000) respectively.

23. Biological assets

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At carrying amount:				
At beginning of financial year	5,454	3,937	1,946	1,326
Transferred to produce stocks	(5,454)	(3,937)	(1,946)	(1,326)
Fair value changes	12,436	5,486	6,306	1,946
Exchange differences	(7)	(32)	-	-
At end of financial year	12,429	5,454	6,306	1,946

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For the financial year ended 30 April 2021
(continued)

23. Biological assets (continued)

	Group		Company	
	2021 tonne	2020 tonne	2021 tonne	2020 tonne
Oil palm fresh fruit bunches production	31,759	34,030	13,586	12,693

The biological assets of the Group and of the Company comprise of Fresh Fruit Bunches ("FFB") prior to harvest. The valuation model adopted by the Group and the Company considers the present value of the net cash flows expected to be generated from the sale of FFB.

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 4 weeks to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to 4 weeks prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 49% for FFB that are 3 to 4 weeks prior to harvest and 83% for FFB that are 1 to 2 weeks prior to harvest, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from tests. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flows to be generated.

The fair value adjustment of the biological assets in each accounting period is recognised in statements of comprehensive income.

The Group's and the Company's biological assets were fair valued within Level 3 of the fair value hierarchy, the valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Fair value assessments have been completed consistently using the same valuation techniques.

24. Trade and other receivables

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade receivables:	(a)				
Amount due from a subsidiary		-	-	2,326	1,439
Third parties		18,355	11,233	4,788	2,464
		18,355	11,233	7,114	3,903
Other receivables:					
Amounts due from subsidiaries	(b)	-	-	8,456	4,625
Loans to subsidiaries	(c)	-	-	156,684	134,647
Deposits		392	398	252	259
VAT/GST receivable		6,305	8,605	-	33
Prepayments of operating expenses		2,164	2,141	411	144
Interest receivable		5	17	2	2
Plasma receivables (Note 37(a))		55,859	49,673	-	-
Sundry receivables		2,694	5,440	388	789
		67,419	66,274	166,193	140,499
Total trade and other receivables		85,774	77,507	173,307	144,402

24. Trade and other receivables (continued)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 15 to 30 days (2020: 15 to 30 days) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Neither past due nor impaired	18,355	11,233	7,114	3,903

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company respectively. None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

(b) Amounts due from subsidiaries

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

(c) Loans to subsidiaries

The loans to subsidiaries are unsecured, bearing interest at the rate of 6.7% (2020: 6.7%) and repayable upon demand.

25. Short term funds

Short term funds consist of investment in income trust funds placed with a licensed investment bank in Malaysia which are highly liquid and readily convertible to cash as follows:

	Group			
	Carrying amount		Fair value	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
In Malaysia				
- income trust funds	10,337	23,412	10,337	23,412

	Company			
	Carrying amount		Fair value	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
In Malaysia				
- income trust funds	6,057	20,500	6,057	20,500

26. Cash and bank balances

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash at banks and on hand	10,589	6,429	373	721
Deposits with licensed commercial banks	22,615	28,692	7,684	5,362
	33,204	35,121	8,057	6,083

(a) Interest rates of cash at banks and deposits

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

The weighted average effective interest rates of deposits at the reporting date are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Deposits with licensed commercial banks	1.41	2.73	1.40	2.16

(b) Varying periods of deposits

The varying periods of deposits at the reporting date are as follows:

	Group		Company	
	2021 days	2020 days	2021 days	2020 days
Deposits with licensed commercial banks	6 - 30	4 - 30	6 - 13	7 - 14

27. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2021 '000	2020 '000	2021 RM'000	2020 RM'000
At beginning of financial year	209,769	209,691	255,375	254,935
Ordinary shares issued during the financial year:				
- issued pursuant to share options exercised	-	78	-	440
At end of financial year	209,769	209,769	255,375	255,375

In the previous financial year, ordinary shares were issued pursuant to the share options exercised under ESOS by the grantees.

The Company's Employee Share Scheme ("ESS") which comprises ESOS and ESIP for the directors and eligible employees of the Company and its subsidiaries was implemented on 18 June 2010 and is in force for a period of 10 years. The ESS expired on 17 June 2020 as disclosed in Note 35.

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

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For the financial year ended 30 April 2021
(continued)

28. Other reserves

	Group		
	Foreign currency translation reserve RM'000	Employee share option reserve RM'000	Total RM'000
At 1 May 2020	(13,080)	1,332	(11,748)
Other comprehensive (loss)/income:			
Exchange differences on translation of foreign operations	(3,946)	-	(3,946)
Less: non-controlling interests	639	-	639
	(3,307)	-	(3,307)
Transactions with owners:			
Employee share options expired	-	(1,332)	(1,332)
At 30 April 2021	(16,387)	-	(16,387)
At 1 May 2019	(12,294)	1,400	(10,894)
Other comprehensive (loss)/income:			
Exchange differences on translation of foreign operations	(942)	-	(942)
Less: non-controlling interests	156	-	156
	(786)	-	(786)
Transactions with owners:			
Fair value of share options granted to eligible employees	-	54	54
Shares issued pursuant to ESOS	-	(40)	(40)
Employee share options forfeited	-	(82)	(82)
	-	(68)	(68)
At 30 April 2020	(13,080)	1,332	(11,748)

	Company	
	2021 RM'000	2020 RM'000
<u>**Employee share option reserve**</u>		
At beginning of financial year	1,332	1,400
Transactions with owners:		
Fair value of share options granted to eligible employees	-	54
Shares issued pursuant to ESOS	-	(40)
Employee share options forfeited	-	(82)
Employee share options expired	(1,332)	-
	(1,332)	(68)
At end of financial year	-	1,332

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

28. Other reserves (continued)

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Employee share option reserve

Employee share option reserve represents the fair value of equity-settled share options granted to the eligible directors and employees under ESOS as disclosed in Note 35. This reserve is made up of the cumulative value of services received from the eligible directors and employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the forfeiture or exercise of the share options.

29. Retained earnings

The Company may distribute dividends out of its entire retained profits as of 30 April 2021 and 30 April 2020 under the single-tier system.

30. Bank borrowings

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Secured:				
Term loan (in IDR)	49,357	56,821	-	-
Current				
Secured:				
Term loan (in USD)	-	21,525	-	21,525
Term loan (in IDR)	5,739	1,581	-	-
Revolving credits (in USD)	69,658	73,185	69,658	73,185
	75,397	96,291	69,658	94,710
	124,754	153,112	69,658	94,710
Total non-current and current				
Secured:				
Term loan (in USD)	-	21,525	-	21,525
Term loan (in IDR)	55,096	58,402	-	-
Revolving credits (in USD)	69,658	73,185	69,658	73,185
	124,754	153,112	69,658	94,710
Analysis by maturity:				
- Less than one year	75,397	96,291	69,658	94,710
- More than one year and less than two years	8,609	5,406	-	-
- More than two years and less than five years	30,991	34,285	-	-
- More than five years	9,757	17,130	-	-
	124,754	153,112	69,658	94,710

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

30. Bank borrowings (continued)

(a) Interest rates of bank borrowings

(i) The USD term loan carries an interest rate based on the bank's cost of funds + 0.75% to 1% per annum.

(ii) The IDR term loan carries an interest rate based on the 1-month Jakarta Interbank Offered Rate ("JIBOR") + 3.45% per annum.

(iii) The USD revolving credits carry interest rates based on the bank's cost of funds + 0.75% to 1% per annum.

(b) Assets pledged as security

(i) The USD term loan and revolving credits are secured by negative pledge over all the assets of the Company as disclosed in Note 16(a)(i).

(ii) The IDR term loan is secured by the corporate guarantees provided by the Company as disclosed in Note 41(a). In addition, certain buildings and plant and machinery of a subsidiary with net carrying amount of RM66,215,000 (2020: RM71,386,000) were pledged to secure this IDR term loan.

(c) Changes in liabilities arising from financing activities

	At 1 May 2020 RM'000	Repayment RM'000	Exchange differences RM'000	At 30 April 2021 RM'000
2021				
Group				
Revolving credits	73,185	-	(3,527)	69,658
Term loans	79,927	(23,827)	(1,004)	55,096
	153,112	(23,827)	(4,531)	124,754
Company				
Revolving credits	73,185	-	(3,527)	69,658
Term loans	21,525	(21,498)	(27)	-
	94,710	(21,498)	(3,554)	69,658

	At 1 May 2019 RM'000	Repayment RM'000	Exchange differences RM'000	At 30 April 2020 RM'000
2020				
Group				
Revolving credits	79,893	(8,930)	2,222	73,185
Term loans	129,370	(52,411)	2,968	79,927
	209,263	(61,341)	5,190	153,112
Company				
Revolving credits	79,893	(8,930)	2,222	73,185
Term loans	82,731	(64,492)	3,286	21,525
	162,624	(73,422)	5,508	94,710

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

31. Lease liabilities

	Group 2021 RM'000	Group 2020 RM'000
At beginning of financial year	7,292	3,605
Additions	767	3,997
Accretion of interest recognised in statements of comprehensive income (Note 9)	438	257
Payment of principal portion	(600)	(310)
Payment of interest	(438)	(257)
At end of financial year	7,459	7,292
Breakdown:		
Current	705	535
Non-current	6,754	6,757
	7,459	7,292
Analysis by maturity:		
- Less than one year	705	535
- More than one year and less than two years	748	567
- More than two years and less than five years	2,444	1,913
- More than five years	3,562	4,277
	7,459	7,292

32. Retirement benefit obligation

	Group 2021 RM'000	Group 2020 RM'000
At beginning of financial year	805	654
Expenses recognised in statements of comprehensive income (Note 11)	240	312
- Current service cost	291	353
- Interest cost	98	55
- Settlement cost	(149)	(96)
Actuarial gain recognised in other comprehensive income	(168)	(45)
Payment during the financial year	(57)	(113)
Exchange differences	(15)	(3)
At end of financial year	805	805
Present value of obligation/recognised liability for retirement benefit obligation	805	805

(a) The Group makes provision for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the Indonesian Labour Law. This provision is unfunded and estimated using actuarial calculations. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

32. Retirement benefit obligation (continued)

(b) The Group's obligation under the defined benefit plan for the financial years ended 30 April 2021 and 30 April 2020 are determined based on the actuarial valuations performed by an independent actuary on 21 July 2021 and 22 June 2020 respectively.

(c) Principal actuarial assumptions used at the reporting date in respect of the Group's defined benefit plan are as follows:

	2021	2020
Discount rate (% p.a.)	3.98 - 8.09	5.46 - 8.42
Future salary increase (% p.a.)	5.00	5.00
Retirement age (years)	55.00	55.00
Mortality rate (% p.a.)	0.025 - 0.585	0.025 - 0.585

(d) The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation at the reporting date, assuming if all other assumptions were held constant:

		Increase/(decrease) in retirement benefit obligation	
		2021 RM'000	2020 RM'000
Discount rate	+ 1%	(81)	(76)
	- 1%	94	88
Future salary	+ 1%	101	95
	- 1%	(88)	(82)

33. Deferred tax liabilities

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At beginning of financial year	201,233	226,709	79,170	95,128
Recognised in statements of comprehensive income (Note 13)	(2,017)	(25,399)	1,260	(15,958)
Recognised in other comprehensive income	33	(1)	-	-
Exchange differences	(266)	(76)	-	-
At end of financial year	198,983	201,233	80,430	79,170

Presented after appropriate offsetting as follows:

Deferred tax assets	-	-	-	-
Deferred tax liabilities	198,983	201,233	80,430	79,170
	198,983	201,233	80,430	79,170

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For the financial year ended 30 April 2021
(continued)

33. Deferred tax liabilities (continued)

Deferred tax as at 30 April relates to the following:

	At 1 May 2020 RM'000	Recognised in statements of comprehensive income (Note 13) RM'000	Overprovision in prior financial years RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	At 30 April 2021 RM'000
Group						
2021						
Deferred tax assets:						
Provisions	(556)	(533)	-	33	6	(1,050)
Unabsorbed capital allowances and tax losses	(10,690)	1,899	(26)	-	140	(8,677)
	(11,246)	1,366	(26)	33	146	(9,727)
Deferred tax liabilities:						
Property, plant and equipment	62,117	(2,208)	(22)	-	(54)	59,833
Right-of-use assets	149,065	(2,790)	-	-	(353)	145,922
Biological assets	1,297	1,663	-	-	(5)	2,955
	212,479	(3,335)	(22)	-	(412)	208,710
	201,233	(1,969)	(48)	33	(266)	198,983

	At 1 May 2019 RM'000	Recognised in statements of comprehensive income (Note 13) RM'000	Underprovision in prior financial years RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	At 30 April 2020 RM'000
Group (continued)						
2020						
Deferred tax assets:						
Provisions	(428)	(128)	-	(1)	1	(556)
Unabsorbed capital allowances and tax losses	(8,612)	(2,137)	17	-	42	(10,690)
	(9,040)	(2,265)	17	(1)	43	(11,246)
Deferred tax liabilities:						
Property, plant and equipment	78,239	(16,103)	11	-	(30)	62,117
Right-of-use assets	156,562	(7,409)	-	-	(88)	149,065
Biological assets	948	350	-	-	(1)	1,297
	235,749	(23,162)	11	-	(119)	212,479
	226,709	(25,427)	28	(1)	(76)	201,233

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For the financial year ended 30 April 2021
(continued)

33. Deferred tax liabilities (continued)

	At 1 May 2020 RM'000	Recognised in statements of comprehensive income (Note 13) RM'000	Under-provision in prior financial years RM'000	At 30 April 2021 RM'000
Company				
2021				
Deferred tax assets:				
Provisions	(160)	(300)	-	(460)
Unabsorbed capital allowances	(2,472)	2,472	-	-
	(2,632)	2,172	-	(460)
Deferred tax liabilities:				
Property, plant and equipment	30,177	(885)	6	29,298
Right-of-use assets	51,158	(1,079)	-	50,079
Biological assets	467	1,046	-	1,513
	81,802	(918)	6	80,890
	79,170	1,254	6	80,430

	At 1 May 2019 RM'000	Recognised in statements of comprehensive income (Note 13) RM'000	Over-provision in prior financial years RM'000	At 30 April 2020 RM'000
Company (contineud)				
2020				
Deferred tax assets:				
Provisions	(59)	(101)	-	(160)
Unabsorbed capital allowances	(1,374)	(1,098)	-	(2,472)
	(1,433)	(1,199)	-	(2,632)
Deferred tax liabilities:				
Property, plant and equipment	43,876	(13,691)	(8)	30,177
Right-of-use assets	52,367	(1,209)	-	51,158
Biological assets	318	149	-	467
	96,561	(14,751)	(8)	81,802
	95,128	(15,950)	(8)	79,170

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

34. Trade and other payables

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Other payables					
Balance outstanding on acquisition of office lots		179	1,530	-	-
Current					
Trade payables	(a)				
Third parties		25,465	34,042	2,408	2,743
Other payables:					
Advance from customers		573	6,234	-	-
Directors' fees and other emoluments		1,170	1,272	855	857
Amount due to a subsidiary	(b)	-	-	1	34
Loan from a subsidiary	(c)	-	-	500	500
Balance outstanding on acquisition of land		596	596	-	-
Balance outstanding on acquisition of office lots		1,325	1,371	-	-
VAT payable		428	-	-	-
Interest payable		286	474	45	200
Accruals and sundry payables		29,133	29,117	7,368	5,179
		33,511	39,064	8,769	6,770
		58,976	73,106	11,177	9,513
Total trade and other payables		59,155	74,636	11,177	9,513

(a) Trade and other payables

These amounts are non-interest bearing and are normally settled on 30 to 60 days (2020: 30 to 60 days) terms.

(b) Amount due to a subsidiary

This amount is unsecured, non-interest bearing and repayable on demand.

(c) Loan from a subsidiary

This loan is bearing interest at the rate of one percent (1%) above Malayan Banking Berhad's 12 months fixed deposit interest rate per annum (2020: one percent (1%) above Malayan Banking Berhad's 12 months fixed deposit interest rate per annum) and secured by a first mortgage over certain of the Company's long term leasehold land as disclosed in Note 16(a)(iii). The loan is repayable on demand.

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

35. Employee benefits

Employee Share Scheme

The Company's Employee Share Scheme ("ESS") is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 29 August 2009. The ESS was implemented on 18 June 2010 and is in force for a period of 10 years expired on 17 June 2020.

The ESS comprises Employee Share Option Scheme ("ESOS") and Executive Share Incentive Plan ("ESIP") for the directors and eligible employees of the Company and its subsidiaries. However, the Board of Directors has decided that non-executive directors of the Company will not participate in the ESS effective from the financial year ended 30 April 2018.

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

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

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

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

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

(c) Option price (the price at which an eligible employee shall be entitled to subscribe for or acquire shares of the Company upon the exercise of the option under the ESOS) and the grant price (the reference price adopted in determining the number of shares of the Company to be vested in and transferred to the selective executives pursuant to the right under the ESIP) shall be determined by the ESS Committee at its discretion based on the five (5)-day weighted average market price of the underlying shares immediately prior to the date of offer and/or date of grant by the ESS Committee, provided the said option and/or grant price shall not be lower than 10% from the five (5)-day weighted average market price of the underlying shares immediately prior to the date of offer and/or date of grant and the par value of the shares of the Company.

    Notwithstanding the above, with the implementation of the Companies Act 2016 effective 31 January 2017, the concept of par value of share capital was abolished. Therefore, the par value of the shares of the Company as one of the option or grant price determinant is to be disregarded.

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

35. Employee benefits (continued)

Employee Share Scheme (continued)

Employee Share Option Scheme ("ESOS")

Movement of share options during the financial year

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

	2021		2020	
	No.	**WAEP (RM)**	**No.**	**WAEP (RM)**
Outstanding at beginning of financial year	1,669,600	5.55	1,840,800	5.54
- Exercised	-	-	(78,000)	5.13
- Forfeited	-	-	(93,200)	5.70
- Expired	(1,669,600)	5.55	-	-
Outstanding at end of financial year	-	-	1,669,600	5.55
Exercisable at end of financial year	-	-	1,669,600	5.55

Upon expiry of the ESOS, the share options forfeited and lapsed totalled 7,435,400. The expiry of ESOS does not have any material impact on the financial statements of the Group and of the Company.

- The weighted average fair value of options granted during the previous financial year was RM0.75.
- The weighted average share price at the date of exercise of the options during the previous financial year was RM5.26.
- The range of exercise prices for options outstanding at the end of previous financial year was RM5.13 to RM5.79. The weighted average of the remaining contractual life for these options at the end of previous financial year was 0.05 year.

During the previous financial year, options for 78,000 ordinary shares of the Company were exercised at a weighted average price of RM5.13 each, with a total cash consideration of approximately RM400,000 paid to the Company.

Fair value of share options granted

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

No options under ESOS have been granted to directors and employees during the current and previous financial years.

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

During the previous financial year, fair value of share options granted amounting to RM54,000 for the Group and RM34,000 for the Company were charged to statements of comprehensive income. No cash outflows was incurred for this charge to statements of comprehensive income.

Executive Share Incentive Plan ("ESIP")

Movement of ordinary shares granted during the financial year

During the current financial year, no ordinary shares have been granted to the directors and selected executives of the Company and its subsidiaries.

The expiry of ESIP does not have any material impact on the financial statements of the Group and of the Company.

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For the financial year ended 30 April 2021
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36. Related party disclosures

(a) Transactions with related parties

In addition to the related party transactions information as disclosed in Notes 7 and 9, the Group and the Company had the following significant transactions with related parties at terms agreed between the parties during the financial year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subsidiaries				
- Sale of oil palm fresh fruit bunches	-	-	21,888	14,058
- Administrative expenses charged	-	-	5,528	5,247
- Fair value of share options granted to eligible employees charged	-	-	-	20
- Loans to subsidiaries	-	-	14,973	55,412
- Purchase of property, plant and equipment	-	-	83	45
- Sale of property, plant and equipment	-	-	71	95
Companies in which certain directors of the Company are directors				
- Sale of oil palm fresh fruit bunches	3,695	-	1,461	-
- Purchase of fertiliser	1,227	-	434	-

(b) Balances with related parties

In addition to the balances with related party transactions as as disclosed in Notes 24 and 34, the Group and the Company had the following balances with related parties as at 30 April 2021 and 30 April 2020:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Companies in which certain directors of the Company are directors				
- Trade payable	730	-	305	-

(c) Compensation of key management personnel

The remuneration of directors and other members of key management, being the Chief Executive Officer, Chief Operating Officer/Chief Financial Officer, General Manager (Plantation), Plantation Controller, Head of Engineering/ Mill Controller, Head of Group Administration & Corporate Affairs and Human Resource and Head of Group Audit during the financial year were as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term employee benefits	3,945	4,115	3,065	3,262
Contributions to defined contribution plan	331	361	331	361
Social security contributions	5	6	5	6
Fair value of share options granted under ESOS	-	27	-	27
	4,281	4,509	3,401	3,656

36. Related party disclosures (continued)

(c) Compensation of key management personnel (continued)

Included in the total compensation of key management personnel of the Group and of the Company was non-executive directors' remuneration amounting to RM1,170,000 (2020: RM1,193,000) and RM855,000 (2020: RM857,000) respectively as disclosed in Note 12.

Directors' interest in Employee Share Option Scheme ("ESOS")

During the current and previous financial years, no share options under ESOS have been granted to the directors.

Directors' interest in Executive Share Incentive Plan ("ESIP")

During the current and previous financial years, no ordinary shares have been granted to the directors.

37. Commitments

(a) Plasma receivables

The Indonesian government requires oil palm plantation companies to develop new plantations together with the local small landholders, generally known as the "Plasma Scheme". Once developed, the plasma plantations will be transferred to the small landholders who then operate the plasma plantations under the management of the developer for a management fee. In line with this requirement, the Indonesian subsidiary of the Group, PT Lifere Agro Kapuas is committed to developing plantations under the Plasma Scheme through two cooperatives. The funding for the development of the plantations under the Plasma Scheme is currently advanced by the subsidiary. This advance is repayable to the subsidiary upon the cooperatives obtaining a loan from a commercial bank. This includes the subsidiary providing corporate guarantees for the loans advanced by the bank to the cooperatives.

When the oil palm matures, the cooperatives are obliged to sell their entire crop to the subsidiary and a portion of the resulting proceeds will be used to repay the loans from the bank and the subsidiary.

The accumulated development costs net of funds receives are presented as Plasma receivables under trade and other receivables as disclosed in Note 24 and are classified in the plantation segment. An analysis of the movement in the Plasma receivables is as follows:

	Group	
	2021 RM'000	**2020 RM'000**
At beginning of financial year	49,673	33,032
Additional development and maintenance costs, net of proceeds from fresh fruit bunches	6,533	16,388
Depreciation of property, plant and equipment charged (Note 16)	616	587
Exchange differences (IDR to RM)	(963)	(334)
At end of financial year	55,859	49,673

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(continued)

37. Commitments (continued)

(b) Capital commitments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Capital expenditure approved and contracted for:				
Bearer plants	885	98	547	-
Purchase of other property, plant and equipment	18,485	4,193	2,355	2,374
	19,370	4,291	2,902	2,374
Capital expenditure approved but not contracted for:				
Bearer plants	24,738	28,061	2,061	2,692
Purchase of other property, plant and equipment	45,927	24,752	13,891	7,204
	70,665	52,813	15,952	9,896
	90,035	57,104	18,854	12,270

38. Segment information

(a) Business segments

For management purposes, the Group is organised into business units based on the Group's management and internal reporting structure, and has two reportable operating segments, as follows:

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

(ii) Investment holding

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Non-recurring items such as gain on disposal of non-current assets held for sale and impairment of bearer plants and intangible asset are excluded from the measurement of a segment's performance.

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

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

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

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For the financial year ended 30 April 2021
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38. Segment information (continued)

(a) Business segments (continued)

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

	Plantation RM'000	Investment holding RM'000	Consolidated RM'000
2021			
Revenue:			
Total sale of oil palm products	453,024	-	453,024
Inter-company sales	(54,955)	-	(54,955)
Total revenue	398,069	-	398,069
Results:			
Segment results	39,692	762	40,454
Impairment of intangible asset			(16,034)
Profit before tax			24,420
Taxation			(14,230)
Profit for the financial year			10,190
Assets:			
Segment assets	1,689,035	43,546	1,732,581
Other segment information:			
Material income			
Fair value changes on biological assets (net)	6,982	-	6,982
Interest income	-	433	433
Management fee received	756	-	756
Net foreign exchange gain:			
- realised	-	1,209	1,209
- unrealised	-	632	632
Net realised fair value gains on short term funds	-	315	315
Material expenses			
Depreciation of property, plant and equipment	46,786	-	46,786
Depreciation of right-of-use assets	14,290	-	14,290
Interest expense	4,928	1,827	6,755
Additions to non-current assets			
Purchase of property, plant and equipment	40,010	-	40,010
Additions of right-of-use assets	1,591	-	1,591

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(continued)

38. Segment information (continued)

(a) Business segments (continued)

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

	Plantation RM'000	Investment holding RM'000	Consolidated RM'000
2020			
Revenue:			
Total sale of oil palm products	328,942	-	328,942
Inter-company sales	(34,960)	-	(34,960)
Total revenue	293,982	-	293,982
Results:			
Segment results	(30,442)	(7,660)	(38,102)
Gain on disposal of non-current assets held for sale			103,196
Impairment of bearer plants			(56,813)
Profit before tax			8,281
Taxation			6,273
Profit for the financial year			14,554
Assets:			
Segment assets	1,732,464	58,539	1,791,003
Other segment information:			
Material income			
Fair value changes on biological assets (net)	1,549	-	1,549
Interest income	-	1,030	1,030
Management fee received	1,105	-	1,105
Net realised fair value gains on short term funds	-	1,471	1,471
Net realised foreign exchange gain	-	2,529	2,529
Material expenses			
Amortisation of intangible asset	313	-	313
Depreciation of property, plant and equipment	50,536	-	50,536
Depreciation of right-of-use assets	14,326	-	14,326
Interest expense	5,588	5,719	11,307
Net unrealised foreign exchange loss	-	6,971	6,971
Additions to non-current assets			
Purchase of property, plant and equipment	107,373	-	107,373
Additions of:			
- other asset	935	-	935
- right-of-use assets	8,508	-	8,508

38. Segment information (continued)

(b) Geographical segments

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	290,022	213,785	1,111,293	1,133,878
Indonesia	108,047	80,197	448,414	475,173
	398,069	293,982	1,559,707	1,609,051

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Property, plant and equipment	665,066	679,144
Right-of-use assets	796,067	814,681
Goodwill on consolidation	82,474	82,474
Intangible asset	12,562	29,136
Other asset	3,538	3,616
	1,559,707	1,609,051

39. Financial assets and liabilities

(a) Financial assets

Financial assets measured at amortised cost

Total financial assets measured at amortised cost of the Group and of the Company at the reporting date consist of the following:

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade and other receivables *	24	83,610	75,366	172,896	144,258
Cash and bank balances	26	33,204	35,121	8,057	6,083
		116,814	110,487	180,953	150,341

* Excluding prepayments of the Group and of the Company amounting to RM2,164,000 (2020: RM2,141,000) and RM411,000 (2019: RM144,000) which are not recoverable in cash.

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(continued)

39. Financial assets and liabilities (continued)

(a) Financial assets (continued)

Financial assets measured at fair value through profit or loss

Total financial assets measured at fair value through profit or loss of the Group and of the Company at the reporting date consist of the following:

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Short term funds	25	10,337	23,412	6,057	20,500

(b) Financial liabilities

Total financial liabilities carried at amortised cost of the Group and of the Company at the reporting date consist of the following:

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Bank borrowings	30	124,754	153,112	69,658	94,710
Lease liabilities	31	7,459	7,292	-	-
Trade and other payables ^	34	58,727	74,636	11,177	9,513
		190,940	235,040	80,835	104,223

^ Excluding VAT payable of the Group amounting to RM428,000 (2020: RM Nil).

40. Fair value measurement

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2
Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

40. Fair value measurement (continued)

(a) Financial instruments that are measured at fair value

The following are the classes of financial instruments that are measured at fair value at the reporting date, according to the levels in the fair value hierarchy:

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Fair value Level 1					
Short term funds	25	10,337	23,412	6,057	20,500

There are no other financial assets or liabilities measured at fair value.

There have been no transfer between Level 1, Level 2 and Level 3 during the financial year.

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

	Group Carrying amount RM'000	Group Fair value RM'000
2021		
Financial liabilities:		
Lease liabilities	7,459	8,812
2020		
Financial liabilities:		
Lease liabilities	7,292	9,053

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

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

	Note
Trade and other receivables *	39(a)
Bank borrowings	39(b)
Trade and other payables ^	39(b)

* Excluding prepayments.
^ Excluding VAT payable.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of bank borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

The fair value of bank borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar type of borrowing arrangement at the reporting date.

40. Fair value measurement (continued)

(d) Non-financial assets that are measured at fair value

The table below analyses the Group's and the Company's non-financial assets measured at fair value at the reporting date, according to the levels in the fair value hierarchy:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fair value Level 3					
Biological assets	23	12,429	5,454	6,306	1,946

Description of valuation techniques used and key inputs to valuation on biological assets are disclosed in Note 23.

There have been no transfer between Level 1, Level 2 and Level 3 during the financial year.

41. Financial risk management objective and policies

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

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

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

(a) Credit risk

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

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increase of credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant.

<u>Exposure to credit risk</u>

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Corporate guarantees for bank borrowing facilities granted by financial institution to a subsidiary (Note 30(b)(ii))	55,096	58,402	55,096	58,402
Corporate guarantees for bank borrowing facilities granted by financial institution to cooperatives under Plasma Scheme in Indonesia (Note 37(a))	67,224	77,246	-	-
	122,320	135,648	55,096	58,402

Financial guarantees have not been recognised in the financial statements as the directors are of the opinion that the fair value on initial recognition was not material and that it is not probable that a future sacrifice of economic benefits will be required.

41. Financial risk management objective and policies (continued)

(a) Credit risk (continued)

Credit risk concentration profile

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

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 24(a).

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

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group strives to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group maintains available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 30 April 2021				
Group				
Bank borrowings	80,750	48,339	10,204	139,293
Lease liabilities	1,129	4,425	4,043	9,597
Trade and other payables ^	58,548	179	-	58,727
Total undiscounted financial liabilities	140,427	52,943	14,247	207,617
Company				
Bank borrowings	71,253	-	-	71,253
Trade and other payables	11,177	-	-	11,177
Total undiscounted financial liabilities	82,430	-	-	82,430

^ Excluding VAT payable of the Group amounting to RM428,000.

41. Financial risk management objective and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 30 April 2020				
Group				
Bank borrowings	103,179	53,494	17,607	174,280
Lease liabilities	948	3,790	4,984	9,722
Trade and other payables	73,106	1,530	-	74,636
Total undiscounted financial liabilities	177,233	58,814	22,591	258,638
Company				
Bank borrowings	96,748	-	-	96,748
Trade and other payables	9,513	-	-	9,513
Total undiscounted financial liabilities	106,261	-	-	106,261

At the reporting date, the counterparties to the financial guarantees do not have a right to demand cash as the defaults have not occurred. Accordingly, financial guarantees under the scope of MFRS 9 are not included in the above maturity profile analysis.

(c) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their term loans and revolving credits. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowing. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

In addition, the Group and the Company have short term interest bearing financial assets as at 30 April 2021. The investment in financial assets are mainly short term in nature and are not held for speculative purposes but have been mostly placed in deposits which classified as cash and bank balances.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM290,000 (2020: RM382,000) and RM63,000 (2020: RM108,000) lower/higher respectively, arising mainly as a result of higher/lower interest expense on term loans and revolving credits and higher/lower interest income from placements of fund in short term deposits and fixed deposits.

41. Financial risk management objective and policies (continued)

(d) Foreign currency risk

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

The Group has transactional currency exposure mainly arising from bank borrowings that are denominated in United States Dollar ("USD"), which is a currency other than the functional currency of the operations to which they relate. At the reporting date, such foreign currency balance amount to RM69,658,000 (2020: RM94,710,000). The Group's and the Company's exposure to foreign currency changes for all other currencies is not material.

Sensitivity analysis for foreign currency risk

The hypothetical sensitivity of the Group's and the Company's profit net of tax to every 1% change in USD exchange rate at the reporting date against RM (base rate 2021: USD1 = RM4.0975; 2020: USD1 = RM4.3050), assuming all other variables remain unchanged, is RM697,000 (2020: RM947,000).

(e) Market price risk

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

(i) Commodity price risk

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

Sensitivity analysis for commodity price risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonable possible change in commodity prices of CPO and PK, with all other variables held constant:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Increase/(decrease) on profit net of tax				
Malaysian operations				
Base CPO price: 2021: RM2,829 2020: RM2,259				
- CPO price 10% higher	12,514	9,844	5,706	4,351
- CPO price 10% lower	(12,684)	(9,844)	(5,772)	(4,351)
Base PK price: 2021: RM1,834 2020: RM1,310				
- PK price 10% higher	1,978	1,418	856	583
- PK price 10% lower	(1,978)	(1,418)	(856)	(583)

41. Financial risk management objective and policies (continued)

(e) Market price risk (continued)

(i) Commodity price risk (continued)

Sensitivity analysis for commodity price risk (conitnued)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Increase/(decrease) on profit net of tax				
Indonesian operations				
Base CPO price:				
2021: RM2,536				
2020: RM2,194				
- CPO price 10% higher	2,427	2,279	-	-
- CPO price 10% lower	(2,427)	(2,279)	-	-
Base PK price:				
2021: RM1,582				
2020: RM1,125				
- PK price 10% higher	210	143	-	-
- PK price 10% lower	(210)	(143)	-	-

(ii) Equity price risk

The Group's and the Company's short term funds consisting of investment in income trust funds are subject to fluctuation in net asset values of the income trust funds. These instruments are measured at fair value through profit or loss.

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

Sensitivity analysis for equity price risk

The analysis below is performed for reasonably possible price movements in investment in income trust funds which are measured at fair value through profit or loss at the reporting date:

	2021		2020	
	Increase/ (decrease) on profit before tax RM'000	Increase/ (decrease) on equity RM'000	Increase/ (decrease) on profit before tax RM'000	Increase/ (decrease) on equity RM'000
Group				
Short term funds				
Investment in income trust funds				
- Market value + 10%	1,034	1,034	2,341	2,341
- Market value - 10%	(1,034)	(1,034)	(2,341)	(2,341)

41. Financial risk management objective and policies (continued)

(e) Market price risk (continued)

(ii) Equity price risk (continued)

Sensitivity analysis for equity price risk (conitnued)

	2021		2020	
	Increase/ (decrease) on profit before tax RM'000	Increase/ (decrease) on equity RM'000	Increase/ (decrease) on profit before tax RM'000	Increase/ (decrease) on equity RM'000
Company				
Short term funds				
Investment in income trust funds				
- Market value + 10%	606	606	2,050	2,050
- Market value - 10%	(606)	(606)	(2,050)	(2,050)

42. Capital management

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

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

No changes were made in the objectives, policies or processes during the financial years ended 30 April 2021 and 30 April 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, trade and other payables, less cash and bank balances and highly liquid short term investments. Capital includes equity attributable to equity holders of the Company.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bank borrowings	124,754	153,112	69,658	94,710
Lease liabilities	7,459	7,292	-	-
Trade and other payables	59,155	74,636	11,177	9,513
Less: - Cash and bank balances	(33,204)	(35,121)	(8,057)	(6,083)
- Short term funds	(10,337)	(23,412)	(6,057)	(20,500)
Net debt	147,827	176,507	66,721	77,640
Equity attributable to owners of the Company	1,308,702	1,317,762	1,034,119	1,018,904
Capital and net debt	1,456,529	1,494,269	1,100,840	1,096,544
Gearing ratio	10%	12%	6%	7%

Notes to the Financial Statements
For the financial year ended 30 April 2021
(continued)

43. Significant event

COVID-19 outbreak

On 11 March 2020, the World Health Organisation assessed the COVID-19 outbreak as a pandemic due to rapid escalation of COVID-19 cases across the globe. The COVID-19 pandemic also resulted in travel restriction and other precautionary measures implemented by the Government of Malaysia. The directors have assessed the overall impact of this situation towards the Group's and Company's operations, financial performance and cash flows and concluded there is no material adverse effect on the Group's and Company's financial statements for the financial year ended 30 April 2021.

Nevertheless, the directors of the Group and Company shall continue to monitor the developments of the COVID-19 situation closely, assess and react actively to its impacts on the financial position and operating results of the Group and Company for the financial year ending 30 April 2022. This includes continuous special attention to be given towards ensuring all standard operating procedures set by the government are complied with to minimise the risk of COVID-19 occurrences as well as ensuring the facilities and work activities of the Company are in normal and stable operation.

44. Reclassifications

The following reclassification had been made to the statement of financial position as at 30 April 2020 to conform with the presentation for the current financial year.

		Group		
	Note	**Previously stated RM'000**	**Reclassi-fications RM'000**	**Restated RM'000**
Statement of financial position As at 30 April 2020				
Trade and other receivables				
Other receivables:				
VAT/GST receivable	24	202	8,403	8,605
Income tax recoverable		13,076	(8,403)	4,673

45. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 April 2021 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 5 August 2021.

LIST OF PROPERTIES HELD

AS AT 30 APRIL 2021

Location	Tenure	Titled Hectarage	Description	Year of Acquisition/ Revaluation *	Carrying Amount of Properties # as at 30 April 2021 RM'000
MALAYSIA					
Machap Estate 76100 Durian Tunggal Melaka	Freehold Leasehold (expiring on: 20-12-2024 25-04-2025 21-03-2038)	244.5 215.7 153.0 240.2	Oil palm estate	2017 *	40,835
Batu Anam Estate Batu Anam P.O. 85100 Batu Anam Segamat, Johor	Freehold	864.9	Oil palm estate	2017 *	54,358
Malaka Pinda Estate Alor Gajah P.O. 78000 Alor Gajah Melaka	Freehold Leasehold (expiring on: 21-03-2038 22-10-2048 25-10-2053)	68.0 112.1 20.3 123.8	Oil palm estate	2017 *	18,991
Leong Hin San Estate 71200 Rantau Negeri Sembilan	Freehold	844.7	Oil palm estate	2017 *	47,671
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	2017 *	78,338
South-East Pahang Estate 28380 Kemayan Pahang	Leasehold (expiring on: 06-09-2066 18-09-2084)	 202.3 1,416.4	Oil palm estate	2017 *	71,609
Marmahat Estate Labuk Sugut Beluran District 90000 Sabah	Lease land (expiring between: 2031 and 2032 2097 and 2099)	 30.1 1,396.5	Oil palm estate	2017 *	66,886
Paitan and Tanjung Nipis Estates Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring between: 2098 and 2102) Lease land (expiring between: 2031 and 2035 2098 and 2100)	 918.1 979.2 1,222.8	Oil palm estate and palm oil mill	2017 *	133,797

List of Properties Held
As at 30 April 2021
(continued)

Location	Tenure	Titled Hectarage	Description	Year of Acquisition/ Revaluation *	Carrying Amount of Properties # as at 30 April 2021 RM'000
MALAYSIA (continued)					
Tengkarasan Estate Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring on 2100) Lease land (expiring between: 2031 and 2035 2098 and 2100) (expiring on: 08-01-2043)	 68.2 938.1 1,291.9 508.3	Oil palm estate	2017 * 2013	96,527
Millian-Labau Estate Sungai Millian-Labau Jalan Pulutan, Off KM 61 Jalan Keningau-Sook- Nabawan-Sapulut District of Tongod, Sabah	Leasehold (expiring on: 31-12-2098)	10,126.3	Oil palm estate	2020 *	415,699
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: 15 years)	2017 *	10,334
Office Building Lot 6, Block E Keningau Plaza 89008 Keningau, Sabah	Leasehold (expiring on: 31-12-2097)	4,280 sq. ft.	Shophouse (Age of building: 11 years)	2017 *	1,181
Office Building Lot 130, One Avenue 10, Mile 6, North Road, 90000 Sandakan, Sabah	Leasehold (expiring on: 31-12-2081)	2,242 sq. ft.	Shophouse (Age of building: 6 years)	2017 *	743
Regional Office Building Lot 10, Block 19 Lorong Bandar Indah 5 Bandar Indah Mile 4, North Road 90000 Sandakan, Sabah	Leasehold (expiring on 2882)	2,000 sq. ft.	Shophouse (Age of building: 20 years)	2017 *	755
Awana Condominium Unit 5542 Awana Condominium 8th Mile, Genting Highlands 89000 Genting Highlands, Pahang	Freehold	1,258 sq. ft.	Holiday condominium (Age of building: 34 years)	2017 *	596
Executive Bungalow MDLB 1849 Taman Khong Lok Jalan Airport Sandakan 90000 Sandakan, Sabah	Leasehold (expiring on: 09-07-2887)	7,880 sq. ft.	Company bungalow (Age of building: 21 years)	2017 *	653

List of Properties Held
As at 30 April 2021
(continued)

Location	Tenure	Titled Hectarage	Description	Year of Acquisition/ Revaluation *	Carrying Amount of Properties # as at 30 April 2021 RM'000
INDONESIA					
Belida, Haruan, Biawan, Arwana and Seluang Estates Kecamatan Dadahup, Mentangai Kapuas Murung, Kapuas Barat Kabupaten Kapuas Propinsi Kalimantan Tengah	Leasehold (expiring between: 2049 and 2050)	24,937.4	Oil palm estate and palm oil mill	2017 *	332,025
Office Lots OTA03, Unit 3G, 3H, 3J, 3K, 3L & 3M 3 Floor, Gold Coast Office Tower - Eiffel Tower Jl, Pantai Indah Kapuk Boulevard RT.6/RW.2, Pantai Indah Kapuk Kel. Kamal Muara, Kec. Penjaringan Jakarta Utara 14470	Leasehold (Strata Titles yet to issue)	5,339 sq. ft.	Office lots (Age of building: 2 years)	2020	4,109
TOTAL					**1,375,107**

\# Include freehold land, bearer plants, buildings and right-of-use assets.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JULY 2021

Total number of issued shares : 209,769,201
Class of share : Ordinary shares
Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	No. of Shares	% of issued shares
Less than 100	236	11,517	0.01
100 to 1,000	892	692,491	0.33
1,001 to 10,000	4,058	16,222,193	7.73
10,001 to 100,000	1,164	31,352,068	14.95
100,001 to less than 5% of issued capital	146	97,247,973	46.36
5% and above of issued shares	4	64,242,959	30.62
	6,500	**209,769,201**	**100**

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS

Name of Directors	Direct shareholdings	% of issued shares	Indirect shareholdings	% of issued shares
Datin Paduka Tan Siok Choo	4,527,197	2.16	7,641,343	3.64
Tan Jiew Hoe	356,625	0.17	2,525,021	1.20
Teo Leng	70,000	0.03	7,000	0.003
Dato Dr. Nik Ramlah Binti Nik Mahmood	-	-	-	-
Ong Keng Siew	-	-	-	-
Tee Cheng Hua	-	-	41,084,500	19.59
Dato' Sri Tee Lip Sin	1,868,400	0.89	45,181,000	21.54
Han Kee Juan	130,000	0.06	50,000	0.02

Name of Chief Executive Officer	Direct shareholdings	% of issued shares	Indirect shareholdings	% of issued shares
Young Lee Chern	-	-	-	-

Analysis of Shareholdings
As at 30 July 2021
(continued)

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS (continued)

Name	Shareholdings registered in the name of the substantial shareholders	Shareholdings in which the substantial shareholders are deemed to be interested	Total	% of issued shares
Oversea-Chinese Banking Corporation Limited	-	29,577,888[*1]	29,577,888	14.10
Great Eastern Life Assurance (Malaysia) Bhd.	28,185,701	-	28,185,701	13.44
Prosper Palm Oil Mill Sdn. Bhd.	16,906,400	7,623,100[*2]	24,529,500	11.69
The Hongkong And Shanghai Corporation Limited ("HBAP")	-	17,738,485	17,738,485	8.46
Cheekah-Kemayan Plantations Sdn. Bhd.	13,018,700	-	13,018,700	6.21
Datin Paduka Tan Siok Choo	4,527,197	7,641,343[*3]	12,168,540	5.80

1. Oversea-Chinese Banking Corporation Ltd. is deemed interested in the shareholdings registered in the following holder:-
   - Malaysia Nominees (Tempatan) Sdn. Bhd. - for Great Eastern Life Assurance (Malaysia) Berhad – 28,185,701
   - Citigroup Nominees (Asing) Sdn. Bhd. for CB Singapore GW for Orient Holdings Private Limited – 1,392,187
2. Prosper Palm Oil Mill Sdn. Bhd. is deemed interested by indirect interest through Prosper Trading Sdn. Bhd..
3. Datin Paduka Tan Siok Choo is deemed interested by virtue of interests of her siblings and her sibling's spouse.

LIST OF TOP 30 SHAREHOLDERS
(without aggregating securities from different securities accounts belonging to the same person)

		No. of shares	% of issued shares
1)	Citigroup Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	22,050,523	10.51
2)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for The Hong Kong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	15,944,686	7.60
3)	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for OCBC Securities Private Limited (CLIENT A/C-NR)	13,229,050	6.31
4)	Cheekah-Kemayan Plantations Sdn. Bhd.	13,018,700	6.21
5)	Prosper Palm Oil Mill Sdn. Bhd.	9,595,800	4.57
6)	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for Bank of Singapore Limited (Foreign)	7,514,000	3.58
7)	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Prosper Palm Oil Mill Sdn. Bhd.	7,281,000	3.47
8)	Prosper Trading Sdn. Bhd.	6,072,600	2.89
9)	Tan Siok Lee	3,979,738	1.90
10)	Datin Paduka Tan Siok Choo	3,900,197	1.86

Analysis of Shareholdings
As at 30 July 2021
(continued)

LIST OF TOP 30 SHAREHOLDERS (continued)
(without aggregating securities from different securities accounts belonging to the same person)

		No. of shares	% of issued shares
11)	Citigroup Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	3,600,138	1.72
12)	Tan Siok Eng	3,502,480	1.67
13)	Citigroup Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad (SHF)	2,535,040	1.21
14)	Tee Lip Jen	1,890,000	0.90
15)	Dato' Sri Tee Lip Sin	1,868,400	0.89
16)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)	1,843,799	0.88
17)	Klebang Investments Pte. Ltd.	1,801,600	0.86
18)	Citigroup Nominess (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	1,697,700	0.81
19)	Azimat Pelangi Sdn. Bhd.	1,623,700	0.77
20)	Prosper Trading Sdn. Bhd.	1,550,500	0.74
21)	Tee Lip Hian	1,480,000	0.71
22)	Citigroup Nominess (Asing) Sdn. Bhd. - CB Spore GW for Orient Holdings (Private) Limited	1,392,187	0.66
23)	Citigroup Nominess (Tempatan) Sdn. Bhd. - Exempt An for OCBC Securities Private Limited (Client A/C-R ES)	1,092,387	0.52
24)	Tee Chain Yee	1,074,500	0.51
25)	Chee Bay Hoon & Co Sdn. Bhd.	1,060,000	0.51
26)	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tee Kim Tee @ Tee Ching Tee (M09)	1,016,200	0.48
27)	Tee Cheng Hua Holdings Sdn. Bhd.	1,000,000	0.48
28)	Citigroup Nominess (Asing) Sdn. Bhd. - CBNY for Dimensional Emerging Markets Value Fund	941,000	0.45
29)	Amanahraya Trustees Berhad - Public Smallcap Fund	913,800	0.44
30)	Tan Kee Lock Sdn. Bhd.	910,000	0.43
		135,379,725	**64.54**

UNITED MALACCA BERHAD
Registration No. 191001000010 (1319-V)
(Incorporated in Malaysia)

FORM OF PROXY

I/We .... NRIC/Company No ....
(FULL NAME IN CAPITAL)

of ....
(FULL ADDRESS)

being a member of UNITED MALACCA BERHAD hereby appoints ....
.... NRIC/Company No ....
(FULL NAME IN CAPITAL)

of ....
(FULL ADDRESS)

or failing him/her .... NRIC/Company No ....
(FULL NAME IN CAPITAL)

of ....
(FULL ADDRESS)

or the Chairperson of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 107th Annual General Meeting of the Company to be held on Wednesday, 29 September 2021 at 11.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below. (Please indicate with an "X" how you wish your vote to be cast. If no specific instruction as to the voting is given, the proxy will vote or abstain at his/her own discretion).

Resolution	Relating to:	For	Against
No. 1	Approval for payment of Directors' fees for the financial year ended 30 April 2021		
No. 2	Approval for payment of Directors' remuneration (excluding Directors' fees) for the year ended 30 April 2021		
No. 3	Re-election of Datin Paduka Tan Siok Choo, a Director retiring by rotation in accordance with Clause 130 of the Company's Constitution		
No. 4	Re-election of Mr. Tan Jiew Hoe, a Director retiring by rotation in accordance with Clause 130 of the Company's Constitution		
No. 5	Election of Dato' Sri Tee Lip Sin, a Director retiring in accordance with Clause 135 of the Company's Constitution		
No. 6	Election of Mr. Han Kee Juan, a Director retiring in accordance with Clause 135 of the Company's Constitution		
No. 7	Re-appointment of Auditors and fixing of their remuneration		
No. 8	Approval for Mr. Tan Jiew Hoe to continue in office as Independent Non-Executive Director		

Dated this .... day of 2021

No. of Shares Held	
CDS Account No.	

....
(Signature(s)/Common Seal of Shareholder)

Notes:
1. *A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company. A member shall not be entitled to appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
2. *The instrument appointing a proxy shall be in writing under the hand of the depositor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal. If you wish to appoint a proxy to participate and vote on behalf at the 107th AGM, you may deposit the duly completed and signed Form of Proxy to the Company at 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka or by electronic means through the Share Registrar's Boardroom Smart Investor Portal at https://investor.boardroomlimited.com no later than 24 hours before the time for holding the AGM or any adjournment thereof.* ***Please follow the procedure provided under Section G of the Administrative Guide.***
3. *Only members whose name appear in the Register of Members or registered in the Record of Depositors on or before 5.00 p.m. on 22 September 2021 ("General Meeting Record of Depositors") shall be eligible to participate and vote at the 107th AGM or appoint proxy(ies) to participate and vote on his/her behalf.*
4. *Where this proxy form is executed by a corporation, it must be either under its seal or under the hand of an officer or attorney duly authorised.*
5. *All the Resolutions will be put to vote by poll.*

Please Fold Here

Affix
stamp

The Company Secretary
UNITED MALACCA BERHAD
Registration No. 191001000010 (1319-V)
6th Floor, No. 61, Jalan Melaka Raya 8,
Taman Melaka Raya,
75000 Melaka.

Please Fold Here

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

www.unitedmalacca.com.my

Cover photo shows a panoramic view of Bukit Senorang, an estate of United Malacca Berhad Group in Pahang. The pale-brown rectangular area is where oil palms were newly planted during FY 30 April 2021.

Photo taken by Encik Mohamed Rezal Bin Bakal, Senior Manager of Bukit Senorang and South-East Pahang Estates.