



United Malacca Berhad

Registration No. 191001000010 (1319-V)

Annual
Report
2024



stevia



pepper



coffee



pineapple



United Malacca Berhad

Registration No. 191001000010 (1319-V)

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110th *Annual General Meeting*

VENUE:

Level 13, DoubleTree Hotel by Hilton Melaka,
Jalan Melaka Raya 23,
Hatten City, 75000
Melaka

DATE:

Friday, 27 September 2024

TIME:

11.30 a.m



The digital version of UNITED MALACCA BERHAD
Annual Report 2024 is available at our website.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN the 110th Annual General Meeting (AGM) of the Company will be held at Level 13, DoubleTree Hotel by Hilton Melaka, Jalan Melaka Raya 23, Hatten City, 75000 Melaka on Friday, 27 September 2024 at 11.30 a.m. for the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 April 2024 and the Reports of the Directors and Auditors thereon. *Please refer Note (5)*
2. To approve the payment of Directors' fees amounting to RM902,583 to the Directors of the Company and its subsidiaries for the financial year ended 30 April 2024. *(Refer Note 6)* **[Resolution 1]**
3. To approve the payment of Directors' remuneration (excluding Directors' fees) amounting to RM277,417 to the Directors of the Company for the financial year ended 30 April 2024. *(Refer Note 7)* **[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) Dato' Sri Tee Lip Sin **[Resolution 4]**
 - (iii) Mr. Han Kee Juan **[Resolution 5]***(Refer Note 8)*
5. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the financial year ending 30 April 2025 and to authorise the Board of Directors to determine their remuneration. *(Refer Note 9)* **[Resolution 6]**
6. 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 2024

NOTES:

- (1) Only members whose name registered in the General Meeting Record of Depositors on or before 5.00 p.m. on 19 September 2024 shall be eligible to attend and vote at the 110th Annual General Meeting (110th AGM) or appoint proxy(ies) to attend and vote on his/her behalf.
- (2) 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 110th AGM. Where a member appoints two (2) proxies, both appointments shall be invalid unless the member specifies the number of shares to be represented by each proxy.

Notice of Annual General Meeting (continued)

- (3) For the proxy to be valid, the duly executed instrument appointing a proxy must be deposited at the registered office of the Company on the 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka not less than twenty-four (24) hours before the time appointed for holding the 110th AGM or any adjournment thereof.

(4) **Voting by poll**

According 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 110th AGM will be put to vote by poll.

(5) **Agenda 1**

The Audited Financial Statements for the financial year ended 30 April 2024 together with the accompanying Reports, will be presented at the Company's 110th AGM following Section 340(1)(a) of the Companies Act, 2016, under Agenda 1 for discussion only. No voting is required.

(6) **Agenda 2**

According to Section 230(1) of the Companies Act, 2016, 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.

During the year, the Board, through the Nomination and Remuneration Committee, reviewed the structure and quantum of fees and benefits accorded to the Chairperson and the other Directors. After review, the Board maintained the structure and level of fees for the Board, Board Committees, meeting allowances, and other benefits.

For the financial year ended 30 April 2024, fees totalling RM902,583 payable to the Directors of the Company and its subsidiaries are based on the existing quantum of Directors' fees listed in the table below:

UMB Board – Fixed Annual fees*	FY 2023/2024
Chairperson	RM120,000
Director	RM70,000

* in relation to United Malacca Berhad

Therefore, through Resolution 1, the Board seeks shareholders' approval to pay the Directors' fees totalling RM902,583 to the Directors of the Company and its subsidiaries for the financial year ended 30 April 2024.

(7) **Agenda 3**

Remuneration (excluding Directors' fees) payable to the Directors of the Company for the financial year ended 30 April 2024 comprises the following:

UMB Board Committees – Fixed Annual Fee	Chairperson (RM)	Members (RM)
Audit Committee	40,000	30,000
Nomination and Remuneration Committee	30,000	20,000
Meeting Allowance	1,000 per meeting	

Resolution 2, if approved, will empower the Company to pay remuneration (excluding Directors' fees) totalling RM277,417 to the Chairperson and Directors for the financial year ended 30 April 2024.

(8) **Agenda 4**

According to Clause 130 of the Company's Constitution, Datin Paduka Tan Siok Choo, Dato' Sri Tee Lip Sin and Mr. Han Kee Juan retire by rotation and are eligible for re-election at the Company's 110th AGM. Datin Paduka Tan Siok Choo, Dato' Sri Tee Lip Sin and Mr. Han Kee Juan have offered themselves for re-election.

Through the Nomination and Remuneration Committee, the Board conducted due diligence and assessed the retiring directors' fitness and propriety according to the Company's Fit and Proper Policy criteria. The Board also assessed the performance of Datin Paduka Tan Siok Choo, Dato' Sri Tee Lip Sin and Mr. Han Kee Juan during the annual evaluation exercise of the Board Committees and individual Directors. The Nomination and Remuneration Committee and the Board are satisfied with the suitability, performance, and effectiveness of Datin Paduka Tan Siok Choo, Dato' Sri Tee Lip Sin and Mr. Han Kee Juan.

Therefore, the Board recommends the shareholders approve Resolutions 3, 4 and 5 to re-elect Datin Paduka Tan Siok Choo, Dato' Sri Tee Lip Sin and Mr. Han Kee Juan as the Company's Directors.

(9) **Agenda 5**

The Audit Committee (AC) considered Messrs. Crowe Malaysia PLT's (Crowe) qualifications and performance, the quality and openness of Crowe's communications with the AC and UMB Group, and Crowe's independence, objectivity, and professional scepticism. Having considered Crowe's audit quality, performance, competency, sufficiency of resources, objectivity, and independence, the AC was satisfied with the suitability of Crowe as the Company's External Auditors. On the AC's recommendation, the Board seeks shareholders' approval for the proposed reappointment of Crowe as the Company's Auditors at this AGM.

STATEMENT ACCOMPANYING NOTICE OF 110TH ANNUAL GENERAL MEETING

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

- (1) There is no individual standing for election as Director (excluding the Directors standing for re-election).
- (2) The following Directors are standing for re-election:
- (i) Datin Paduka Tan Siok Choo
 - (ii) Dato' Sri Tee Lip Sin
 - (iii) Mr. Han Kee Juan

Their details (including disclosure of conflict of interest/potential conflict of interest) are provided in the "Profiles of Directors" on pages 8, 13 and 14 respectively, in this Annual Report. Details of their interests in the securities of the Company are set out in the "Analysis of Shareholdings" on page 203 of this Annual Report.

- (3) The details of Directors' attendance at Board Meetings held during the financial year ended 30 April 2024 are as follows:

Directors	Attendance
Datin Paduka Tan Siok Choo	5 of 5 Meetings
Mr. Tan Jiew Hoe (<i>resigned on 27 September 2023</i>)	3 of 3 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	5 of 5 Meetings
Mr. Han Kee Juan	5 of 5 Meetings
Datin Noor Azimah Binti Abd. Rahim	5 of 5 Meetings

GROUP HIGHLIGHTS

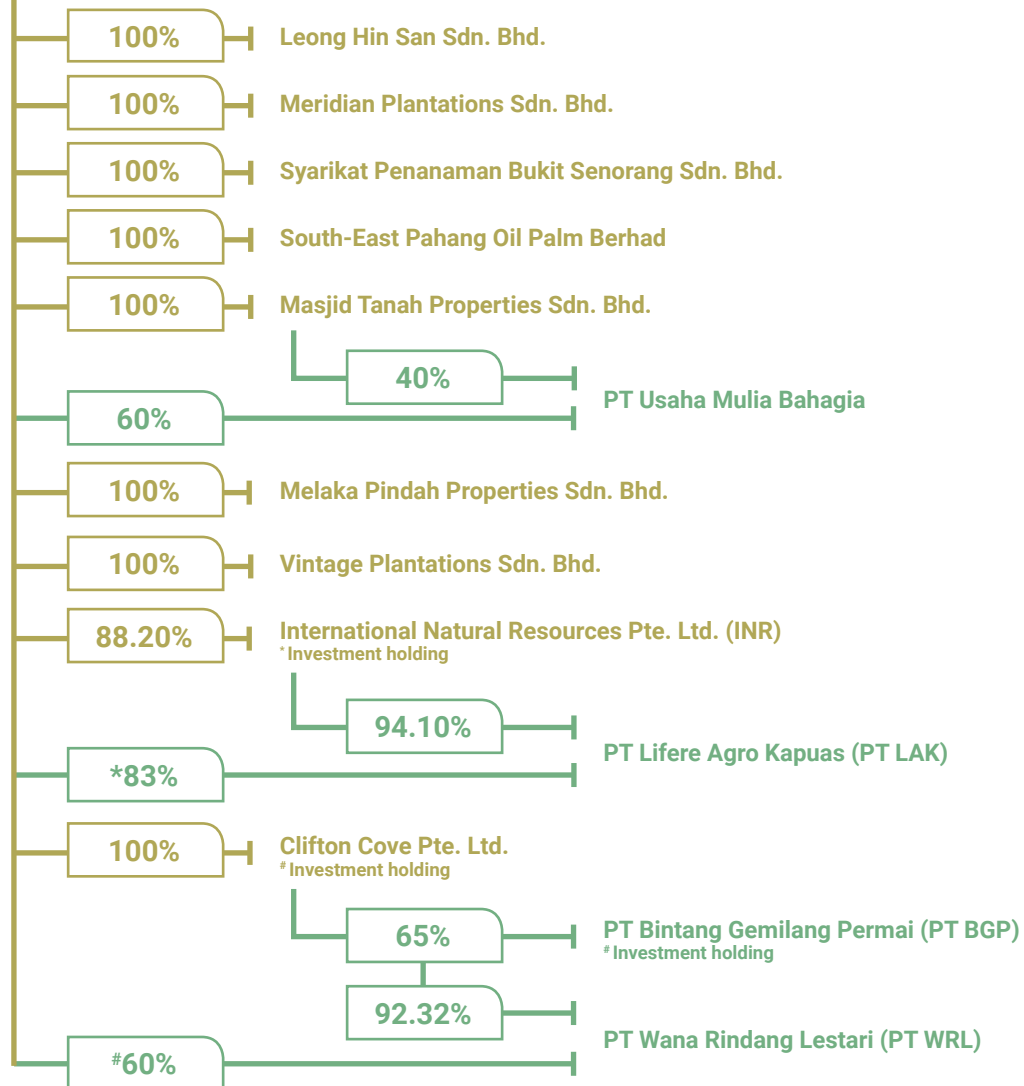
	2024	2023
PRODUCTION		
	Tonne	Tonne
Fresh fruit bunches	441,950	422,923
Crude palm oil	128,786	110,985
Palm kernel	26,837	22,680
FINANCIAL		
	RM'000	RM'000
Revenue	595,640	604,497
Profit:		
Before tax	74,571	82,221
Net of tax	47,768	55,521
Profit net of tax attributable to:		
Owners of the Company	50,448	61,326
Non-controlling interests	(2,680)	(5,805)
	47,768	55,521
	Sen	Sen
Earnings per share attributable to owners of the Company:		
Basic/Diluted	24.05	29.24
Dividend per share:		
Net	12.00	12.00
	RM'000	RM'000
Total assets	1,848,728	1,841,943
	RM	RM
Net assets per share attributable to owners of the Company	6.92	6.84

CORPORATE STRUCTURE AS AT 31 JULY 2024



United Malacca Berhad

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



* 83% effective equity interest in PT LAK through INR

60% effective equity interest in PT WRL through Clifton Cove Pte. Ltd. and PT BGP

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datin Paduka Tan Siok Choo (Chairperson)

Non-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

Executive Director

Mr. Han Kee Juan

Independent Non-Executive Director

Datin Noor Azimah Binti Abd. Rahim

Independent Non-Executive Director

AUDIT COMMITTEE

Mr. Ong Keng Siew (*Chairman*)

Dato Dr. Nik Ramlah Binti Nik Mahmood

Mr. Han Kee Juan

Datin Noor Azimah Binti Abd. Rahim

NOMINATION AND REMUNERATION COMMITTEE

Dato Dr. Nik Ramlah Binti Nik Mahmood (*Chairperson*)

Mr. Ong Keng Siew

Mr. Tee Cheng Hua

Datin Noor Azimah Binti Abd. Rahim

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

Mr. Mageswaran Narappan

Acting Head of Engineering / Mill Controller

HEAD OFFICE/REGISTERED OFFICE

6th Floor, No. 61, Jalan Melaka Raya 8

Taman Melaka Raya, 75000 Melaka

P.O. Box 117, 75720 Melaka

Tel : 06-2823700

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

Crowe Malaysia PLT

52, Jalan Kota Laksamana 2/15

Taman Kota Laksamana, Seksyen 2

75200 Melaka

Tel : 06-2825995

Fax : 06-2836449

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

Age 72 | Female | Malaysian

Datin Paduka Tan Siok Choo, is the Chairperson. She joined the Board as an Independent Non-Executive Director on 8 December 1988; 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. 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 the Group's subsidiaries in Indonesia: PT Bintang Gemilang Permai, PT Wana Rindang Lestari, and PT Usaha Mulia Bahagia.

She holds a Bachelor of Law 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. She worked at the Institute of Strategic and International Studies (ISIS) Malaysia, in Corporate Finance at Southern

Bank Berhad, and as an investment analyst for Rashid Hussain Securities and Morgan Grenfell Asia & Partners' Securities. Apart from a short stint with the world's largest executive search firm, Korn Ferry International, she spent 10 years as 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 Bank 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 conflict of interest or potential conflict of interest with the Company or its subsidiaries. She has no personal interest in any business arrangement involving the Company or its subsidiaries.

She attended all five Board Meetings held during the financial year ended 30 April 2024.

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. TEO LENG

Non-Independent Non-Executive Director

Age 72 | Male | Malaysian

Mr. Teo Leng, was appointed as an Independent Non-Executive Director on 1 September 2009. He was re-designated as a Non-Independent Non-Executive Director on 10 July 2017. He is a director of several subsidiaries of the Group in Malaysia. He is a Commissioner of 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 from the University of Malaya in 1976. He holds a Master of Science (Soil Chemistry) from the University of Wisconsin in 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-year career at EPA Management Sdn. Bhd., Mr. Teo was responsible for the full implementation of certification requirements under Roundtable for Sustainable Palm Oil (RSPO). He was also involved in developing and commercialising of the Mill Integrated

Waste Management System (MIWAMAS), a green technology that converts 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 the Malaysian Palm Oil Association (MPOA), The Malayan Agricultural Producers Association (MAPA), and the 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 the director of several other companies in Malaysia.

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

He attended all five Board Meetings held during the financial year ended 30 April 2024. 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

Age 68 | Female | Malaysian

Dato Dr. Nik Ramlah Binti Nik Mahmood, was appointed as 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 the University of 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 is also a Board member of INCEIF University.

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

Dato Dr. Nik Ramlah is not related to any Director and/or major shareholder of United Malacca Berhad and has no conflict of interest or potential conflict of interest with the Company or its subsidiaries. She has no personal interest in any business arrangement involving the Company or its subsidiaries.

She attended all five Board Meetings held during the financial year ended 30 April 2024. She has not been convicted of any offence within the past 5 years. She 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

Age 68 | Male | Malaysian

Mr. Ong Keng Siew, was appointed as 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 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 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, Pekat Group Berhad and a listed company in Australia, PRL Global Limited (formerly known as C.I. Resources Limited). He is also a director of Perbadanan Asset Keretapi (Railway Assets Corporation), a federal statutory body established under the Railway Act 1991.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has no personal interest in any business arrangement involving the Company or its subsidiaries. He attended all five Board Meetings held in the financial year ended 30 April 2024.

Mr. Ong 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

Age 70 | Male | Malaysian

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

Mr. Tee graduated with a Bachelor of Mechanical Engineering 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 and a Director of Prosper Capital Holdings 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 producing 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 or its subsidiaries except that he shall be deemed interested in transactions that may be carried out in the ordinary course of business by the Company or its subsidiaries with Prosper Group or its related companies. He attended all five Board Meetings held during the financial year ended 30 April 2024. 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' SRI TEE LIP SIN

Executive Director

Age 53 | Male | Malaysian

Dato' Sri Tee Lip Sin, was appointed Alternate Director to his uncle, Mr. Tee Cheng Hua on 1 October 2019. He was subsequently appointed as a Non-Independent Non-Executive Director on 25 February 2021. Effective 1 January 2023, he was re-designated as Non-Independent Executive Director and assumed the role of the Company's Executive Director.

Dato' Sri Tee Lip Sin graduated with a Master of Business Administration from the University of Sunderland. He also holds a Degree in Business Administration from the University of Wales, an Associate Diploma in Commerce from Curtin University, Australia and an Executive Diploma in Plantation Management from the University of Malaya.

Dato' Sri Tee Lip Sin started his career as an executive at Prosper Capital Holdings Sdn. Bhd. ("Prosper") in 1995 and subsequently rose to the rank of Executive Director. He is the Group Managing Director of Prosper Group and a Director of Prosper Trading Sdn. Bhd., a major shareholder of United Malacca Berhad. Dato' Sri Tee Lip Sin also sits on the Board of several private companies in plantation and milling businesses. He is a Director of PRL Global Ltd (formerly known as 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. in fertiliser businesses.

Dato' Sri Tee Lip Sin has no personal interest in any business involving the Company or its subsidiaries except that he shall be deemed interested in transactions that may be carried out in the ordinary course of business by the Company or its subsidiaries with Prosper Group or its related companies. He attended all five Board Meetings held during the financial year ended 30 April 2024.

Dato' Sri Tee Lip Sin 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. HAN KEE JUAN

Independent Non-Executive Director

Age 72 | Male | Malaysian

Mr. Han Kee Juan, joined United Malacca Berhad as an Independent Non-Executive Director on 3 June 2021. He is a member of the Audit Committee.

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

After graduating from the University of Malaya in 1976, Mr. Han joined Highlands Research Unit as a Research Officer.

He moved to Eastern Plantation Agency in 1981 and served as an Agronomist.

Mr. Han joined IOI Corporation Bhd in 1989 as a Senior Agronomist/Senior Manager.

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).

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 conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has no personal interest in any business arrangement involving the Company or its subsidiaries.

He attended all five Board Meetings held during the financial year ended 30 April 2024. 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 Directors (continued)



DATIN NOOR AZIMAH BINTI ABD. RAHIM

Independent Non-Executive Director

Age 63 | Female | Malaysian

Datin Noor Azimah Binti Abd. Rahim, was appointed as an Independent Non-Executive Director on 1 May 2023. She is a member of the Audit Committee as well as a member of the Nomination and Remuneration Committee.

Datin Noor Azimah Binti Abd. Rahim is an Associate of the Chartered Institute of Management Accountants (CIMA), United Kingdom, since 1993.

She started her career as an Administrative Officer/ Executive Assistant to the Adviser of Bank Negara Malaysia from September 1986 to July 1988. She joined Price Waterhouse Associates as an Associate Consultant from August 1988 to March 1990. From 1990 to 2000, she was a Dealer Representative at Rashid Hussain Securities, Kuala Lumpur.

Currently, Datin Noor Azimah is the Chairman of the Parent Action Group for Education Malaysia (PAGE) and Elena Cooke Education Fund (ECEP). She is also a member of G25, a Director of the Edunity Foundation, and a Columnist for The Edge.

Datin Noor Azimah is not related to any Director and/or major shareholder of United Malacca Berhad and has no conflict of interest or potential conflict of interest with the Company or its subsidiaries. She has no personal interest in any business arrangement involving the Company or its subsidiaries.

She attended all five Board Meetings during the financial year ended 30 April 2024. She has not been convicted of any offence within the past 5 years. She has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

PROFILE OF CHIEF EXECUTIVE OFFICER



MR. YOUNG LEE CHERN

Chief Executive Officer

Age 46 | Male | Malaysian

Mr. Young Lee Chern, was appointed Chief Executive Officer on 1 July 2021. He joined United Malacca Berhad as Chief Financial Officer on 13 February 2019 and was subsequently promoted to Chief Operating Officer/Chief Financial Officer on 1 October 2019.

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

Mr. Young has over 19 years of experience in auditing, accounting, and finance in Malaysia and Indonesia. He was the 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 the Financial Controller of Genting Plantations Berhad in Indonesia.

Mr. Young is currently a Council member of the Malaysian Palm Oil Association (MPOA) and the Malaysian Estate Owner's Association (MEOA). He is a Director of the Group's subsidiaries in Malaysia, namely, Leong Hin San Sdn. Bhd., Meridian Plantations Sdn. Bhd., Syarikat Penanaman Bukit Senorang Sdn. Bhd., South-East Pahang Oil Palm Berhad, Masjid Tanah Properties Sdn. Bhd., Melaka Pindah Properties Sdn. Bhd and Vintage Plantations Sdn. Bhd.. He is also the President Director of PT. Lifere Agro Kapuas, as well as the Director of PT. Bintang Gemilang Permai, PT. Wana Rindang Lestari and PT. Usaha Mulia Bahagia, the Group's subsidiaries in Indonesia.

He is not related to any Director and/or major shareholder of United Malacca Berhad and has no conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has no personal interest in any business arrangement involving the Company or its subsidiaries. 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 KEY SENIOR MANAGEMENT



MR. ER HOCK SWEE
Chief Financial Officer

47
Male
Malaysian

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

54
Female
Malaysian

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

55
Male
Malaysian

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)



MR. MAGESWARAN NARAPPAN
Acting Head of Engineering / Mill Controller

50
Male
Malaysian

Date Appointed as Key Senior Management:

1 January 2022

Qualification:

- Bachelor of Engineering Honours (Mechanical-Pure) by University Technology of Malaysia
- Diploma in Palm Oil Milling and Technology by Malaysian Palm Oil Board (MPOB)
- 1st Grade of Steam Engineer Competency, (137/2009) by DOSH

Working Experience:

- Cadet Engineer in Socfin Plantation Berhad (1998)
- Mill Engineer in Berjaya Plantation Mill Engineer (1998 - 2004)
- Resident Engineer (Palm Oil Mill Manager) in United Plantations Berhad (2004 - 2016)
- Mill Manager in Sinarmas, Riau Sumatera, Indonesia (2016 - 2017)
- Senior Mill Manager in Good Hope Holding Asia (2017 - 2019)
- United Malacca Berhad (since 2019)

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 or potential conflict of interest with the Company or its subsidiaries, 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 2024.

GROUP TITLED AREA STATEMENT

LAND BANK ANALYSIS

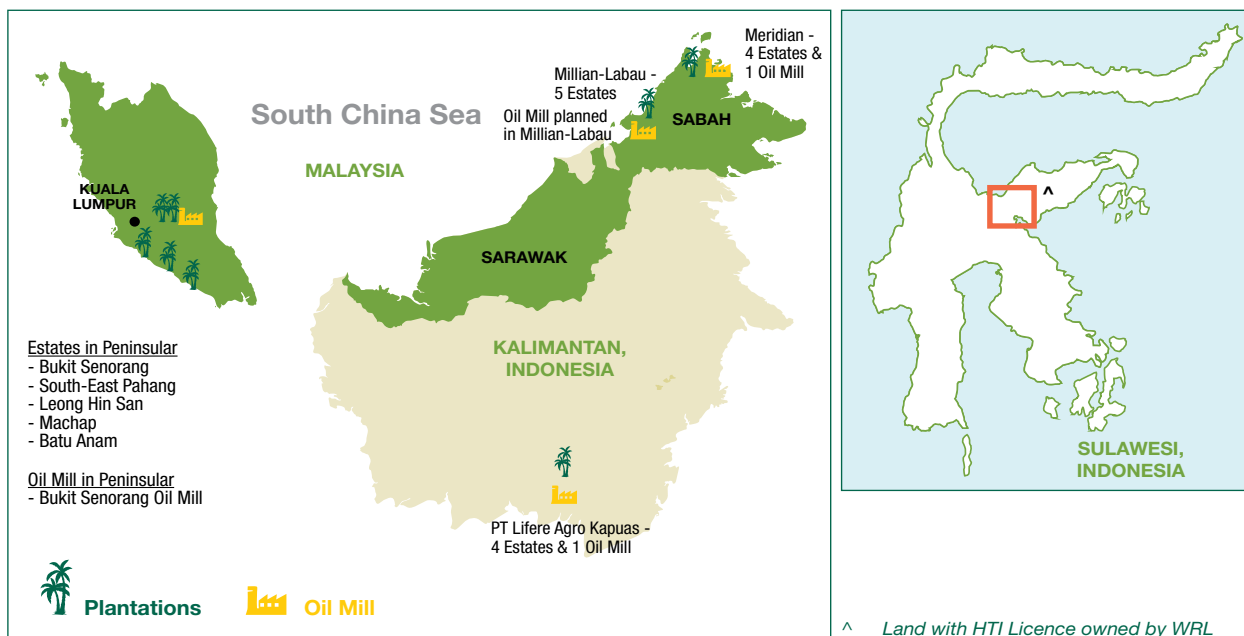
	Malaysia	Indonesia (Inti)	Total excluding Plasma	Indonesia (Plasma *)	Total
	Ha	Ha	Ha	Ha	Ha
Matured	17,676	6,783	24,459	5,175	29,634
Immature	1,218	1,316	2,534	8	2,542
Total Planted	18,894	8,099	26,993	5,183	32,176
Land clearing	–	301	301	18	319
Plantable	166	3,320	3,486	–	3,486
Unplantable ^	4,501	2,453	6,954	5,233	12,187
Total Land Bank	23,561	14,173	37,734	10,434	48,168

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

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

• 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, PT Wana Rindang Lestari (WRL).

MAP SHOWING GROUP'S ESTATES & MILLS



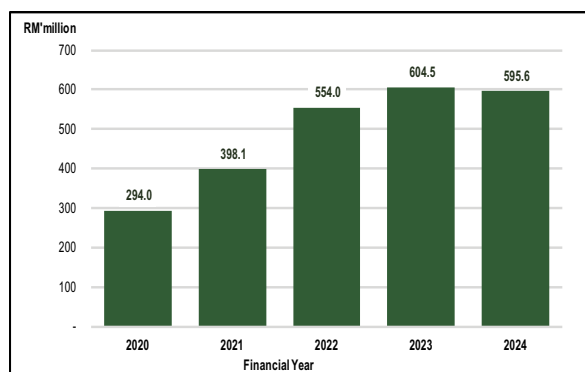
FIVE YEARS' PLANTATION STATISTICS

	2024	2023	2022	2021	2020
<u>ESTATES</u>					
Fresh fruit bunches (FFB) production (tonne)					
- Malaysian operations	348,084	361,825	317,206	313,198	301,070
- Indonesian operations	93,866	61,098	55,426	57,622	61,026
Yield per weighted average mature hectare (tonne/ha)					
- Malaysian operations	19.4	20.2	17.5	17.1	14.8
- Indonesian operations	13.9	10.1	9.5	10.3	11.6
<u>MILLS</u>					
Malaysian operations					
FFB processed (tonne)	377,946	419,216	314,681	339,368	348,171
Production					
- Crude palm oil (tonne)	72,764	78,729	60,757	64,938	67,971
- Palm kernel (tonne)	17,318	17,758	13,719	15,581	17,118
Oil extraction rate (OER) (%)	19.3	18.8	19.3	19.1	19.5
Kernel extraction rate (KER) (%)	4.6	4.2	4.4	4.6	4.9
Indonesian operations					
FFB processed (tonne)	269,981	169,914	126,275	170,632	164,502
Production					
- Crude palm oil (tonne)	56,022	32,256	27,037	36,331	37,336
- Palm kernel (tonne)	9,519	4,922	3,806	5,043	4,578
OER (%)	20.8	19.0	21.4	21.3	22.7
KER (%)	3.5	2.9	3.0	3.0	2.8
<u>AVERAGE SELLING PRICE</u>					
Crude palm oil (RM/tonne)					
- Malaysian operations	3,830	4,387	4,706	2,829	2,259
- Indonesian operations	3,398	3,386	3,613	2,536	2,194
Palm kernel (RM/tonne)					
- Malaysian operations	2,076	2,309	3,441	1,834	1,310
- Indonesian operations	1,615	1,952	2,504	1,582	1,125
FFB (RM/tonne)					
- Malaysian operations	721	811	967	584	417
- Indonesian operations	714	695	748	484	396

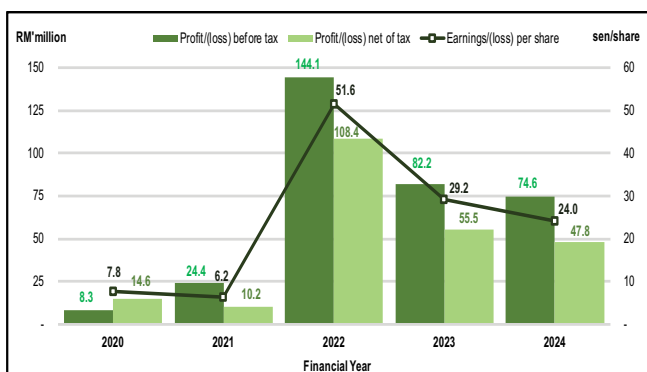
FIVE YEARS' FINANCIAL STATISTICS

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
REVENUE					
Plantation	595,640	604,497	553,962	398,069	293,982
GROUP PROFIT/(LOSS)					
Plantation:					
Oil palm products	93,459	82,606	158,026	44,620	(24,854)
Interest expense	(4,024)	(4,455)	(4,250)	(4,928)	(5,588)
Profit/(loss) from plantation activities	89,435	78,151	153,776	39,692	(30,442)
Investment holding:					
Investment (expense)/income	(10,279)	5,075	6,818	2,589	(1,941)
Interest expense	(4,585)	(3,065)	(1,414)	(1,827)	(5,719)
Profit/(loss) from operations	74,571	80,161	159,180	40,454	(38,102)
Gain on disposal of non-current assets held for sale	–	–	–	–	103,196
Impairment of intangible asset	–	–	(12,336)	(16,034)	–
Impairment of other asset	–	(3,569)	–	–	–
Net reversal of impairment/impairment of bearer plants	–	3,816	–	–	(56,813)
Loss on termination of lease liabilities	–	(902)	–	–	–
Reversal of discounting value/discounting value of Plasma receivables	–	2,715	(2,709)	–	–
Profit before tax	74,571	82,221	144,135	24,420	8,281
Taxation	(26,803)	(26,700)	(35,784)	(14,230)	6,273
Profit net of tax	47,768	55,521	108,351	10,190	14,554
Profit net of tax attributable to:					
Owners of the Company	50,448	61,326	108,189	13,014	16,307
Non-controlling interests	(2,680)	(5,805)	162	(2,824)	(1,753)
	47,768	55,521	108,351	10,190	14,554
Earnings per share attributable to owners of the Company (sen)	24.0	29.2	51.6	6.2	7.8

Revenue



Profit and Earnings Per Share



Five Years' Financial Statistics (continued)

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
ASSETS					
Property, plant and equipment	667,246	681,180	671,298	665,066	679,144
Right-of-use assets	786,935	806,120	788,442	796,067	814,681
Goodwill on consolidation	82,474	82,474	82,474	82,474	82,474
Intangible asset	220	233	234	12,562	29,136
Other asset	–	–	3,501	3,538	3,616
Other receivables (non-current)	–	–	15,647	–	–
Current assets	311,853	271,936	274,106	172,874	181,952
Total assets	1,848,728	1,841,943	1,835,702	1,732,581	1,791,003
EQUITY AND LIABILITIES					
Equity					
Share capital	255,375	255,375	255,375	255,375	255,375
Other reserves	(11,391)	(3,949)	(6,026)	(16,387)	(11,748)
Retained earnings	1,207,846	1,182,385	1,152,552	1,069,714	1,074,135
Equity attributable to owners of the Company	1,451,830	1,433,811	1,401,901	1,308,702	1,317,762
Non-controlling interests	29,478	33,578	38,914	32,723	36,163
Total equity	1,481,308	1,467,389	1,440,815	1,341,425	1,353,925
Liabilities					
Bank borrowings	102,932	110,496	117,388	124,754	153,112
Lease liabilities	4,105	2,994	7,951	7,459	7,292
Retirement benefit obligation	1,135	1,059	1,037	805	805
Trade and other payables	64,253	65,365	63,626	59,155	74,636
Income tax payable	–	–	8,613	–	–
Deferred tax liabilities	194,995	194,640	196,272	198,983	201,233
Total liabilities	367,420	374,554	394,887	391,156	437,078
Total equity and liabilities	1,848,728	1,841,943	1,835,702	1,732,581	1,791,003
FINANCIAL STATISTICS					
Earnings per share (sen)	24.0	29.2	51.6	6.2	7.8
Net dividend per share (sen)	12.0	12.0	15.0	10.0	8.0
Net dividend yield per share (%)	2.4	2.2	2.6	2.0	1.8
Return on average total assets (%)	2.6	3.0	6.1	0.6	0.8
Return on average equity (%)	3.2	3.8	7.8	0.8	1.1
Price earnings ratio (times)	21.1	18.4	11.0	82.2	56.6
Net assets per share (RM)	6.9	6.8	6.7	6.2	6.3
Share price as at financial year end (RM)	5.07	5.38	5.68	5.10	4.40
Debt/Equity (%)	6.9	7.5	8.1	9.3	11.3

CHAIRPERSON'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of United Malacca Berhad (UMB), I present the Group's Annual Report and Audited Financial Statements for the financial year ended 30 April 2024 (FY 2024).



OVERVIEW

C-suite personnel in all plantation companies, including United Malacca Berhad, need to broaden their focus. Undoubtedly, nurturing healthy oil palms profitably and sustainably is – and will always be – essential.

Equally crucial and urgent is the need to accelerate the mechanisation of harvesting fresh fruit bunches (FFB).

Not to be overlooked is the perennial need to comply with the European Union's Deforestation Free Regulation and other sustainability requirements, a critical issue as Plantations and Commodities Minister Datuk Seri Johari Abdul Ghani reminded the plantation sector recently.

Assuming policy planners in Putrajaya will continue to allow estate owners to import thousands of foreigners to this country indefinitely is, at best, misplaced optimism and, at worst, culpable naivete.

Admittedly, Malaysian policy planners aren't likely to stop immediately allowing foreign workers to work in the plantation sector; a move that could crimp export earnings for palm oil and palm-based products totalling RM102.15 billion last year and a sector that contributed RM83.2 billion or 5.3% of the country's gross domestic production.

Because developing machines able to harvest FFB with minimal human involvement could take years, a start must be made soon. No doubt, several major plantation companies have already started developing mechanical harvesting tools. To ensure maximum benefits, however, mechanising harvesting must be a plantation-wide effort.

Financing will, undoubtedly, be a major issue for smaller plantation companies and smallholders. As a major stakeholder in the plantation sector, Putrajaya should consider funding the development of machines to harvest FFB.

One possibility is allowing the excess profit tax levied on plantation companies to be used to develop harvesting machines. Currently, a 3% excess profit tax is levied on plantation companies when palm oil prices exceed RM3,000 per tonne in Peninsular Malaysia and RM3,500 per tonne in Sabah and Sarawak.

Accelerating mechanisation in harvesting as well as other plantation work could have the added benefit of changing Malaysian mindsets towards working in estates. Currently, many regard these jobs as unattractive because the work is "dirty, physically back-breaking and low-paying."

Chairperson's Statement (continued)

OVERVIEW (continued)

Greater mechanisation will require harvesters, with higher skills and therefore offer more attractive salaries while reducing the need for onerous manual labour.

Currently, harvesters are among the highest paid workers in oil palm estates – earning RM3,000 to RM4,000 monthly. This excludes the free housing, electricity water, medical care for themselves and their families.

Mechanising harvest offers plantation companies two benefits: higher productivity and lessening the need to building houses for workers. Combined, both will increase plantation profits.

Currently, palm oil is the most cost competitive vegetable oil globally. That it will continue generating profits cannot be taken for granted. Stepped up compliance on environmental, social and governance (ESG) issues could inhibit profits.

The outcome of the US Presidential elections on November 5 this year could be another factor.

If Vice-President Kamala Harris becomes the first woman US President, her strong advocacy of climate and environmental issues plus her track record as attorney general in prosecuting oil companies suggests she will take a tough stand on ensuring the highest level of compliance on ESG issues.

If former President Donald Trump re-occupies the White House, a major component of his electoral platform is: “drill, baby, drill” together with more relaxed legal requirements towards this activity. Further down the road, this could cause global oil prices to fall – pulling down, in its wake, palm oil prices.

In short, a laid-back attitude towards accelerating mechanisation of harvesting could be a medium-term threat to palm oil's sustained profitability.

BUSINESS PERFORMANCE

For FY 2024, the UMB Group achieved a pre-tax profit of RM74.6 million or 9% lower than the previous year's profit of RM82.2 million.

Excluding the RM3.8 million net reversal of impairment of bearer plants, RM3.6 million impairment of other asset, RM2.7 million reversal of the discounted value of Plasma receivables and RM0.9 million loss on termination of lease liabilities, the Group would have recorded a slightly lower pre-tax profit of RM80.2 million in financial year ended 30 April 2023 (FY 2023).

At the Company level, UMB recorded a RM48.7 million pre-tax profit in FY 2024 compared with a pre-tax loss of RM8.3 million in the preceding year.

Excluding the RM92.0 million impairment of investment in Indonesian subsidiaries and RM8.3 million reversal of impairment of bearer plants, the Company would have recorded a pre-tax profit of RM75.4 million in FY 2023.

Even though UMB Group's FFB production in FY 2024 was higher by 4% than that in the previous year, reduced pre-tax profit of UMB Group in FY 2024 was mainly due to lower average prices of crude palm oil (CPO) and palm kernel (PK).

The UMB Group's FFB output in FY 2024 totalled 441,950 tonnes – a 4% improvement from the 422,923 tonnes recorded in the preceding financial year.

Compared with the previous financial year, FFB output in Malaysian estates declined by 4% or 13,741 tonnes to 348,084 tonnes in FY 2024 due to lower yield trend in Peninsular estates and replanting of 504 hectares of oil palm area, mainly in Sabah estates.

FFB output in PT Lifere Agro Kapuas (LAK) in Kalimantan improved by 54% or 32,768 tonnes to 93,866 tonnes in FY 2024 due to improved operational efficiency.

In FY 2024, average prices of CPO and PK in Malaysia eased by 13% and 10% respectively to RM3,830 and RM2,076 per tonne from the preceding year's average of RM4,387 and RM2,309 respectively.

Prices for PK for UMB's Kalimantan estates were more subdued. Averaging RM1,615 per tonne, this was a drop of 17% from the preceding year's record of RM1,952 per tonne. CPO price increased marginally from an average price of RM3,386 per tonne in FY 2023 to RM3,398 per tonne in FY 2024. Compared with Malaysia, CPO and PK prices in Indonesia are lower due to the export levy to support the republic's mandatory biodiesel programme and to fulfil its domestic market obligation.



Visit to Batu Anam Estate by Directors and Senior Management.

Chairperson's Statement (continued)

DIVIDENDS

For FY 2024, the Board of Directors declared a second interim single-tier dividend of 7 sen payable on 9 August 2024.

Together with the first interim single-tier dividend of 5 sen paid on 31 January 2024, the total single-tier dividend for FY 2024 is 12 sen or RM25.2 million (FY 2023: total single-tier dividend of 12 sen or RM25.2 million comprising the first interim single-tier dividend of 5 sen and a second interim single-tier dividend of 7 sen).

The Board of Directors do not recommend a final dividend for FY 2024.

ENHANCING SUSTAINABILITY

Several strategies underscore UMB's commitment to nurturing oil palms through sustainable and environmentally-friendly policies. Although all oil palm estates in Malaysia and Kalimantan have obtained Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO) certification respectively, UMB believes implementing sustainable agricultural practices is a journey, not a destination.

Sustainable agricultural practices adopted by UMB include:

1. Reducing emissions of greenhouse gas (GHG) in UMB mills by composting empty fruit bunches (EFB), a move that reduced appreciably the usage of chemical fertilisers.
2. Stepped up use of solar power in Pahang estates, an initiative that will be replicated, when feasible, in other estates.
3. Under the United Malacca University Scholarship Scheme (UMUS), UMB has awarded scholarships totalling RM1.138 million to 45 students – 27 male and 18 female students studying agricultural science and engineering in local universities. Among those who graduated in previous years, nine currently work for UMB. Two scholarship holders will graduate and join UMB in 2024. Another two scholarship students are still studying in universities. To date, 25 students have completed serving their bond with UMB, while seven opted out of their scholarships for personal reasons.
4. During the latter part of 2023, the Board established a bursary programme to assist children of employees pursuing all degree courses at Malaysian public universities. This bursary programme replaced UMUS. One employee's son, pursuing a degree in physical education, has received the bursary award for his 4-year study.

More details are set out in the Sustainability Statement on page 43 to page 75 of this Annual Report.



Machap Estate in Melaka.

Chairperson's Statement (continued)

CURRENT YEAR PROSPECTS

For the financial year ending 30 April 2025 (FY 2025), UMB Group expects improved FFB production compared with the preceding year, stemming from the palms' better age profile and improved operational efficiency.

As in previous years, management's priority will remain focused on improving labour productivity, stepping up mechanisation initiatives wherever possible, enhancing cost efficiency as well as increasing oil yield.

Assuming CPO prices remain at the current level, the Group expects satisfactory results for FY 2025.

MOVING FORWARD

Despite 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 nurture is unlikely to be challenged.

Notwithstanding palm oil's laudable long-term prospects, UMB remains committed to reducing its 100% reliance on a single crop in Malaysia and Indonesia.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to thank all UMB's loyal managers, employees and staff as well as shareholders.

I thank management, employees and staff for their continuing commitment, exemplary dedication and steadfast tenacity in steering the organisation forward.

Datin Paduka Tan Siok Choo
Chairperson



The Chairperson released small fish into a pond in Batu Anam Estate.

PENYATA PENERUS

Para Pemegang Saham yang Dihormati,

Bagi pihak Lembaga Pengarah United Malacca Berhad (UMB), saya membentangkan Laporan Tahunan Kumpulan dan Penyata Kewangan Beraudit bagi tahun kewangan berakhir 30 April 2024 (TK 2024).

GAMBARAN KESELURUHAN

Ketua pegawai eksekutif di semua syarikat perladangan, termasuk United Malacca Berhad, perlu memperluaskan tumpuan mereka. Tidak dinafikan, memelihara kelapa sawit yang sihat secara menguntungkan dan mampan perlu sentiasa diutamakan.

Keperluan untuk mempercepatkan mekanisasi penuaian buah tandan segar (BTS) adalah mustahak dan terdesak.

Keperluan berterusan untuk mematuhi Peraturan Bebas Penebangan Hutan Kesatuan Eropah dan syarat-syarat kemampanan lain juga tidak boleh diabaikan. Ini adalah satu isu kritikal seperti yang diingatkan oleh Menteri Perladangan dan Komoditi Datuk Seri Johari Abdul Ghani kepada sektor perladangan baru-baru ini.

Andaian bahawa perancang dasar di Putrajaya akan terus membenarkan pemilik estet mengimport beribu-ribu warga asing ke negara ini secara berterusan adalah, paling baik, optimisme yang tersilap dan, paling teruk, kenaifan yang wajar dipersalahkan.

Perancang dasar Malaysia memperakui mereka tidak akan segera memberhentikan pengambilan pekerja asing di sektor perladangan; satu langkah yang boleh mengurangkan pendapatan eksport minyak sawit dan produk berasaskan sawit berjumlah RM102.15 bilion tahun lepas dan mengecutkan sektor yang telah menyumbang sebanyak RM83.2 bilion atau 5.3% daripada pengeluaran domestik kasar.

Disebabkan pembangunan mesin yang mampu menuai BTS dengan penglibatan tenaga kerja manusia yang minimum akan mengambil masa bertahun-tahun, maka satu permulaan mesti dibuat dengan segera. Tidak dinafikan, beberapa syarikat perladangan utama telah mula membangunkan alat penuaian mekanikal.

Walau bagaimanapun, untuk memastikan faedah yang maksimum, penuaian secara mekanisasi mestilah dijadikan satu usaha yang merangkumi seluruh perladangan.

Pembiayaan, sudah pasti, akan menjadi isu utama bagi syarikat perladangan berskala kecil dan pekebun kecil. Sebagai pihak berkepentingan utama dalam sektor perladangan, Putrajaya seharusnya membuat pertimbangan untuk membiayai pembangunan mesin untuk menuai BTS.

Satu kemungkinan adalah membenarkan lebih cukai keuntungan yang dikenakan ke atas syarikat perladangan digunakan untuk membangunkan mesin penuaian. Pada masa ini, lebih cukai keuntungan sebanyak 3% dikenakan ke atas syarikat perladangan apabila harga minyak sawit melebihi RM3,000 setan di Semenanjung Malaysia dan RM3,500 setan di Sabah dan Sarawak.

Mempercepatkan mekanisasi dalam penuaian serta kerja-kerja perladangan lain boleh memberi manfaat tambahan untuk mengubah pemikiran rakyat Malaysia terhadap bekerja di estet. Pada saat ini, terdapat ramai orang yang menganggap pekerjaan ini tidak menarik kerana kerja itu “kotor, keletihan dari segi fizikal dan bergaji rendah.”

Perkembangan mekanisasi akan memerlukan penuai yang berkemahiran tinggi, dengan menawarkan gaji yang lebih menarik bagi mengurangkan keperluan tenaga buruh secara manual.

Kini, penuai adalah antara pekerja bergaji tertinggi di ladang kelapa sawit – memperoleh RM3,000 hingga RM4,000 sebulan. Ini tidak termasuk perumahan percuma, air, elektrik, rawatan perubatan untuk diri sendiri dan keluarga mereka.

Penuaian secara mekanisasi menawarkan dua kebaikan kepada syarikat perladangan: produktiviti yang lebih tinggi dan mengurangkan pembinaan rumah untuk pekerja. Jika digabungkan, kedua-duanya akan meningkatkan keuntungan perladangan.

Penyata Pengerusi (sambungan)

GAMBARAN KESELURUHAN (sambungan)

Pada masa ini, minyak sawit adalah minyak sayuran yang kosnya paling berdaya saing di seluruh dunia. Tanggapan bahawa minyak sawit akan terus menjana keuntungan tidak boleh diambil mudah begitu sahaja. Pematuhan yang ketat terhadap isu alam sekitar, sosial dan tadbir urus (ESG) boleh menghalang penjana keuntungan.

Keputusan pilihan raya Presiden Amerika Syarikat pada 5 November tahun ini boleh menjadi satu lagi faktor yang boleh mempengaruhi industri kelapa sawit.

Jika Naib Presiden Kamala Harris menjadi Presiden Amerika Syarikat wanita pertama, advokasi beliau yang kuat terhadap isu iklim dan alam sekitar serta rekod prestasinya sebagai peguam negara dalam pendakwaan syarikat minyak boleh mencadangkan beliau akan mengambil pendirian tegas dalam memastikan tahap pematuhan tertinggi terhadap isu ESG.

Jika bekas Presiden Donald Trump menduduki semula Rumah Putih, komponen utama platform pilihan rayanya ialah: "drill, baby, drill" bersama-sama dengan syarat-syarat perundangan yang lebih longgar terhadap aktiviti ini. Lama-kelamaan, ini boleh menyebabkan harga minyak global jatuh – dan selepas itu menurunkan harga minyak sawit.

Secara ringkas, sikap sambil lewa ke arah mempercepatkan mekanisasi penuaian boleh menjadi satu ancaman jangka sederhana kepada keuntungan berterusan yang dijana oleh minyak sawit.

PRESTASI PERNIAGAAN

Bagi TK 2024, Kumpulan UMB mencapai keuntungan sebelum cukai sebanyak RM 74.6 juta atau 9% lebih rendah daripada keuntungan tahun sebelumnya sebanyak RM 82.2 juta.

Tanpa mengambil kira pengembalian bersih kemerosotan nilai tanaman sebanyak RM3.8 juta, kemerosotan nilai aset lain sebanyak RM3.6 juta, pengembalian sebanyak RM2.7 juta nilai terdiskaun penghutang Plasma dan kerugian sebanyak RM0.9 juta selepas penamatan liabiliti pajakan, Kumpulan akan mencatatkan keuntungan sebelum cukai yang lebih rendah sebanyak RM80.2 juta pada tahun kewangan berakhir 30 April 2023 (TK 2023).

Di peringkat Syarikat, UMB merekodkan keuntungan sebelum cukai sebanyak RM48.7 juta pada TK 2024 berbanding kerugian sebelum cukai sebanyak RM8.3 juta pada tahun sebelumnya.

Tidak termasuk kemerosotan nilai sebanyak RM92.0 juta pelaburan dalam anak syarikat Indonesia dan RM8.3 juta pengembalian kemerosotan nilai tanaman, Syarikat dapat menjana keuntungan sebelum cukai sebanyak RM75.4 juta pada TK 2023.

Walaupun pengeluaran BTS Kumpulan UMB pada TK 2024 meningkat sebanyak 4% berbanding tahun sebelumnya, pengurangan keuntungan sebelum cukai Kumpulan UMB pada TK 2024 adalah disebabkan harga purata minyak sawit mentah dan isirong sawit yang lebih rendah.

Pengeluaran BTS Kumpulan UMB pada TK 2024 berjumlah 441,950 tan - peningkatan sebanyak 4% daripada 422,923 tan yang dicatatkan pada tahun kewangan sebelumnya.



Timbalan Menteri Perladangan dan Komoditi, YB Datuk Chan Foong Hin dan Ahli Parlimen Kota Melaka, YB Tuan Khoo Poay Tiong, bersama-sama Pengarah dan Pengurusan Kanan UMB semasa lawatan mereka ke Ladang Machap pada 28 Mac 2024.

Penyata Pengerusi (sambungan)

PRESTASI PERNIAGAAN (sambungan)

Berbanding dengan tahun kewangan sebelumnya, pengeluaran BTS di estet-estet Malaysia merosot sebanyak 4% atau 13,741 tan kepada 348,084 tan pada TK 2024 disebabkan trend hasil yang lebih rendah di estet-estet Semenanjung dan penanaman semula sebanyak 504 hektar kawasan kelapa sawit, terutamanya di estet-estet Sabah.

Pengeluaran BTS di PT Lifere Agro Kapuas (LAK) di Kalimantan meningkat sebanyak 54% atau 32,768 tan kepada 93,866 tan pada TK 2024 berikutan kecekapan operasi yang lebih baik.

Pada TK 2024, harga purata minyak sawit mentah dan isirong sawit di Malaysia susut sebanyak 13% dan 10% kepada RM3,830 dan RM2,076 setan daripada purata tahun sebelumnya iaitu RM4,387 dan RM2,309 setan.

Harga isirong sawit untuk ladang UMB di Kalimantan adalah lebih rendah. Dengan harga purata RM1,615 setan, ini adalah satu penurunan sebanyak 17% daripada rekod tahun sebelumnya sebanyak RM1,952 setan. Harga minyak sawit mentah meningkat sedikit daripada harga purata RM3,386 setan pada TK 2023 kepada RM3,398 setan pada TK 2024. Berbanding dengan Malaysia, harga minyak sawit mentah dan isirong sawit di Indonesia adalah lebih rendah disebabkan oleh levi eksport untuk menyokong program biodiesel mandatori Republik itu dan untuk memenuhi obligasi pasaran domestiknya.

DIVIDEN

Untuk TK 2024, Lembaga Pengarah telah mengisytiharkan dividen interim satu peringkat yang kedua sebanyak 7 sen yang akan dibayar pada 9 Ogos 2024.

Bersama-sama dengan dividen interim satu peringkat yang pertama sebanyak 5 sen yang dibayar pada 31 Januari 2024, jumlah dividen satu peringkat untuk TK 2024 ialah 12 sen atau RM25.2 juta (TK 2023: jumlah dividen satu peringkat sebanyak 12 sen atau RM25.2 juta yang terdiri daripada dividen interim satu peringkat yang pertama sebanyak 5 sen dan dividen interim satu peringkat yang kedua sebanyak 7 sen).

Lembaga Pengarah tidak mengesyorkan sebarang dividen akhir untuk TK 2024.

PENINGKATAN KELESTARIAN

Beberapa strategi menekankan komitmen UMB untuk memupuk kelapa sawit melalui dasar yang mampan dan mesra alam.

Walaupun semua ladang kelapa sawit di Malaysia dan Kalimantan masing-masing telah memperoleh pensijilan Minyak Sawit Mampan Malaysia (MSPO) dan Minyak Sawit Mampan Indonesia (ISPO), UMB percaya pelaksanaan amalan pertanian mampan adalah satu perjalanan, bukan destinasi.

Amalan pertanian lestari yang diterima pakai oleh UMB termasuk:

1. Mengurangkan pelepasan gas rumah hijau (GHG) di kilang UMB dengan mengompos tandan buah kosong (TBK), yakni satu langkah yang mengurangkan penggunaan baja kimia dengan ketara.
2. Meningkatkan penggunaan tenaga solar di estet-estet Pahang, satu inisiatif yang akan dilaksanakan, apabila sesuai, di ladang-ladang lain.



Sukan karnival di Ladang Leong Hin San.

Penyata Pengerusi (sambungan)

PENINGKATAN KELESTARIAN (sambungan)

3. Di bawah Skim Biasiswa Universiti United Malacca (UMUS), UMB telah menganugerahkan biasiswa berjumlah RM1.138 juta kepada 45 pelajar – 27 pelajar lelaki dan 18 pelajar perempuan yang mengikuti pengajian sains dan kejuruteraan pertanian di universiti tempatan. Di kalangan pelajar yang telah menamatkan pengajian pada tahun-tahun sebelumnya, 9 orang kini bekerja di UMB. 2 pemegang biasiswa akan menamatkan pengajian dan menyertai UMB pada tahun 2024. 2 lagi pelajar penerima biasiswa masih menuntut di universiti. Setakat ini, 25 pelajar telah menamatkan perkhidmatan mereka dengan UMB, manakala 7 pelajar menarik diri daripada biasiswa mereka atas sebab peribadi.
4. Pada akhir tahun 2023, Lembaga Pengarah telah menubuhkan program dermasiswa untuk membantu anak-anak pekerja yang mengikuti mana-mana kursus ijazah di universiti awam Malaysia. Program dermasiswa ini menggantikan UMUS. Anak lelaki seorang pekerja, yang melanjutkan pengajian di peringkat ijazah dalam pendidikan jasmani, telah menerima anugerah dermasiswa untuk pengajiannya selama 4 tahun.

Butiran lanjut dibentangkan dalam Penyata Kelestarian di halaman 43 ke halaman 75 Laporan Tahunan ini.

PROSPEK TAHUN SEMASA

Untuk tahun kewangan berakhir 30 April 2025 (TK 2025), Kumpulan UMB menjangkakan pengeluaran BTS yang lebih baik berbanding tahun sebelumnya, berdasarkan kepada profil umur sawit yang lebih baik dan kecekapan operasi yang lebih baik.

Seperti tahun-tahun sebelumnya, keutamaan pengurusan akan kekal tertumpu pada peningkatan produktiviti buruh, meningkatkan inisiatif mekanisasi, meningkatkan kecekapan kos serta meningkatkan hasil minyak.

Dengan andaian harga minyak sawit mentah kekal pada paras semasa, pihak UMB menjangkakan keputusan yang memuaskan untuk TK 2025.

MELANGKAH KE HADAPAN

Walaupun menghadapi cabaran semasa, pihak UMB percaya prospek jangka panjang minyak sawit kekal cerah. Pada masa hadapan, status berkembar minyak sawit sebagai minyak sayuran dengan hasil tertinggi sehektar dan penghasilan minyak sayuran paling murah tidak mungkin dicabar.

Meskipun prospek jangka panjang minyak sawit adalah sangat cerah, pihak UMB tetap komited untuk mengurangkan 100% kebergantungan pada tanaman tunggal di Malaysia dan Indonesia.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih kepada semua pengurus dan kakitangan UMB yang setia serta para pemegang saham.

Saya berterima kasih kepada pihak pengurusan, staf dan kakitangan atas komitmen yang berterusan, dedikasi yang boleh dicontohi dan ketabahan yang teguh dalam memacu organisasi ke hadapan.

Datin Paduka Tan Siok Choo
Pengerusi

MANAGEMENT DISCUSSION & ANALYSIS

AT A GLANCE

Key Dates

Financial Year End	30 April 2024
Annual General Meeting	27 September 2024
Dividend Payments:	
1 st Interim: 5 sen	31 January 2024
2 nd Interim: 7 sen	9 August 2024

LAND BANK ANALYSIS

	Malaysia	Indonesia (Inti)	Total excluding Plasma	Indonesia (Plasma *)	Total
	Ha	Ha	Ha	Ha	Ha
Matured	17,676	6,783	24,459	5,175	29,634
Immature	1,218	1,316	2,534	8	2,542
Total Planted	18,894	8,099	26,993	5,183	32,176
Land clearing	–	301	301	18	319
Plantable	166	3,320	3,486	–	3,486
Unplantable ^	4,501	2,453	6,954	5,233	12,187
Total Land Bank	23,561	14,173	37,734	10,434	48,168

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

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

• 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, PT Wana Rindang Lestari (WRL).

Management Discussion & Analysis (continued)

AT A GLANCE (continued)

Group Business Performance (RM'000)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
1. Revenue					
• Malaysia	400,114	485,398	452,074	290,022	213,785
• Indonesia	195,526	119,099	101,888	108,047	80,197
Total	595,640	604,497	553,962	398,069	293,982
% change year on year	(1)	9	39	35	44
2. Profit Before Tax	74,571	82,221	144,135	24,420	8,281
% change year on year	(9)	(43)	490	195	117
Segmental Results					
Plantation:					
• Malaysia	78,820	91,328	146,835	44,610	(19,910)
• Kalimantan	10,824	(12,890)	7,329	(4,648)	(9,583)
• Sulawesi	(209)	(287)	(388)	(270)	(949)
Investment (expense)/income	(14,864)	2,010	5,404	762	(7,660)
Gain on disposal of non-current assets held for sale	–	–	–	–	103,196
Impairment of intangible asset	–	–	(12,336)	(16,034)	–
Impairment of other asset	–	(3,569)	–	–	–
Net reversal of impairment/impairment of bearer plants	–	3,816	–	–	(56,813)
Loss on termination of lease liabilities	–	(902)	–	–	–
Reversal of discounting value/discounting value of Plasma receivables	–	2,715	(2,709)	–	–
Total Profit Before Tax	74,571	82,221	144,135	24,420	8,281
3. Breakdown of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)					
• Malaysia	121,265	139,989	186,220	80,604	26,213
• Indonesia (Kalimantan)	38,963	11,784	31,823	18,270	13,154
• Indonesia (Sulawesi)	(95)	(166)	(266)	(160)	(595)
Total EBITDA	160,133	151,607	217,777	98,714	38,772
% change year on year	6	(30)	121	155	89
4. Operating Margin (%)	15	13	28	10	(10)
5. Capital Management					
5.1 Return on average equity (%)	3.2	3.8	7.8	0.8	1.1
5.2 Earnings per share (sen)	24.0	29.2	51.6	6.2	7.8
5.3 Dividend per share (sen)	12.0	12.0	15.0	10.0	8.0
5.4 Net assets per share (RM)	6.9	6.8	6.7	6.2	6.3
5.5 Dividend cover	2.0	2.4	3.4	0.6	1.0
5.6 Interest cover	9.7	11.7	29.1	7.0	(2.4)

Management Discussion & Analysis (continued)

AT A GLANCE (continued)

Group Business Performance (RM'000)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
6. Average Selling Price (RM/tonne)					
• Malaysian Operations					
Crude palm oil (CPO)	3,830	4,387	4,706	2,829	2,259
Palm kernel (PK)	2,076	2,309	3,441	1,834	1,310
• Kalimantan Operations					
CPO	3,398	3,386	3,613	2,536	2,194
PK	1,615	1,952	2,504	1,582	1,125
7. Plantation Statistics					
• Malaysian Operations					
Fresh fruit bunches (FFB) production (tonnes)	348,084	361,825	317,206	313,198	301,070
Mature hectares as at financial year end	17,676	17,823	18,125	18,218	20,046
FFB yield (tonnes/weighted average mature hectares)	19.4	20.2	17.5	17.1	14.8
• Kalimantan Operations					
FFB production (tonnes)	93,866	61,098	55,426	57,622	61,026
Mature hectares as at financial year end	6,783	6,073	5,827	5,583	5,282
FFB yield (tonnes/weighted average mature hectares)	13.9	10.1	9.5	10.3	11.6
8. Oil Mill Statistics					
• Malaysian Operations					
FFB processed (tonnes)	377,946	419,216	314,681	339,368	348,171
CPO production (tonnes)	72,764	78,729	60,757	64,938	67,971
PK production (tonnes)	17,318	17,758	13,719	15,581	17,118
Oil extraction rate (OER) (%)	19.3	18.8	19.3	19.1	19.5
Kernel extraction rate (KER) (%)	4.6	4.2	4.4	4.6	4.9
Mill processing capacity (tonnes/hour)	80	80	80	80	80
• Kalimantan Operations					
FFB processed (tonnes)	269,981	169,914	126,275	170,632	164,502
CPO production (tonnes)	56,022	32,256	27,037	36,331	37,336
PK production (tonnes)	9,519	4,922	3,806	5,043	4,578
OER (%)	20.8	19.0	21.4	21.3	22.7
KER (%)	3.5	2.9	3.0	3.0	2.8
Mill processing capacity (tonnes/hour)	45	45	45	45	45

Management Discussion & Analysis (continued)

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 2024, UMB owns and manages 48,168 hectares of oil palm estates in Malaysia and Central Kalimantan.

In the financial year ended 30 April 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, beginning from 4 June 2014.

In the financial year ended 30 April 2021 (FY 2021), work in Sulawesi was temporarily halted due to environmental concerns raised by Non-Governmental Organisations (NGOs). Currently, the planting programme in Sulawesi has been deferred.

Group production of fresh fruit bunches (FFB) rose by 4% or 19,027 tonnes in the current financial year ended 30 April 2024 (FY 2024) compared with the previous financial year ended 30 April 2023 (FY 2023). There was a 4% decrease in FFB output by 13,741 tonnes in UMB’s Malaysian estates from the previous year due to seasonal low yielding trend in Peninsular estates and replanting in Sabah estates.

On the bright side, FFB output in Indonesian subsidiary, PT Lifere Agro Kapuas (LAK), surged by 54% or 32,768 tonnes from FY 2023 due to improved operational efficiency.

Average prices of CPO and PK for Malaysian operations in FY 2024 dropped by 13% and 10% respectively to RM3,830 and RM2,076 per tonne from the FY 2023’s average of RM4,387 and RM2,309 respectively.

Prices for CPO increased marginally by 0.4% in Kalimantan operations, from the average of RM3,386 per tonne in FY 2023 to RM3,398 per tonne in FY 2024. However, PK prices took a dive and suffered a 17% decline in FY 2024, an average of RM1,615 per tonne compared with the preceding year’s record of RM1,952 per tonne.

In FY 2024, UMB continued to speed up mechanisation in all estates, to further minimise crop losses and improve productivity while reducing reliance on manual labour.

In line with UMB’s commitment to manage its plantations sustainably, all estates and mills in Malaysia and Kalimantan have been certified by Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO), respectively.

**UMB’s vision
is to achieve
excellence in
agriculture practices,
grow crops sustainably
and create value for all
stakeholders**

Management Discussion & Analysis (continued)

FINANCIAL MATTERS

• Revenue

Group revenue fell to RM595.6 million in FY 2024, a marginal decrease of 1% or RM8.9 million from RM604.5 million in the previous year.

Revenue for Malaysian operations fell by 18% to RM400.1 million from RM485.4 million in FY 2023. This was mainly due to lower CPO and PK prices in Malaysia and the reduction in FFB processed by Malaysian oil mills, from 419,216 tonnes in FY 2023 to 377,946 tonnes in FY 2024 – due to the seasonal low yields in Peninsular estates and lower FFB supplied by outsiders, which in turn, led to a 8% decline in CPO production from 78,729 tonnes in FY 2023 to 72,764 tonnes in FY 2024.

Meanwhile, in Kalimantan, CPO production spiked by 74% or 23,766 tonnes to 56,022 tonnes in FY 2024 from 32,256 tonnes in FY 2023. As a result, revenue increased by 64% to RM195.5 million from RM119.1 million in FY 2023. This was supported by a 54% increase in FFB production from 61,098 tonnes in FY 2023 to 93,866 tonnes in FY 2024 as well as higher FFB supplied by outsiders, which led to FFB processed by the oil mill soaring by 59% from 169,914 tonnes in FY 2023 to 269,981 tonnes in FY 2024.

• Profit Before Tax

During FY 2024, the Group recorded a pre-tax profit of RM74.6 million – a 9% decline from the comparable figure of RM82.2 million in the previous year.

FY 2023 results included a RM3.8 million net reversal of impairment of bearer plants, RM3.6 million impairment of other asset in WRL, RM2.7 million reversal of discounted value of Plasma receivables and RM0.9 million loss on termination of lease liabilities. Excluding these four items, UMB would have recorded a slightly lower pre-tax profit of RM80.2 million in FY 2023.

Even though FFB production of UMB Group in FY 2024 strengthened by 4% or 19,027 tonnes from FY 2023, pre-tax profit in FY 2024 was diminished by falling prices of CPO and PK.

• Assets and Liabilities

Right-of-use assets decreased from RM806.1 million in FY 2023 to RM786.9 million in FY 2024 after additions of RM2.3 million, depreciation of RM16.5 million and the impact of foreign currency adjustment of RM5.0 million.

The increase in inventories from RM36.3 million in FY 2023 to RM53.2 million in FY 2024 was mainly due to higher CPO and PK closing stocks as of 30 April 2024.

Trade and other receivables rose from RM97.1 million in FY 2023 to RM116.6 million in FY 2024, mainly due to higher trade receivables and value added tax receivable in LAK as of 30 April 2024.

In FY 2024, the UMB group's cash and bank balances and short term funds remained healthy, with a slight increase from RM123.8 million in FY 2023 to RM126.1 million in FY 2024.

During FY 2024, UMB repaid partially the RM11.0 million term loan for LAK's mill. As of 30 April 2024, after a foreign currency adjustment of RM3.4 million, outstanding bank borrowings totalled RM102.9 million compared with RM110.5 million in the previous year.

Management Discussion & Analysis (continued)

FINANCIAL MATTERS (continued)

- **Investment Holdings**

Investment loss of RM14.9 million in FY 2024 was attributable to net foreign exchange loss of RM13.4 million and interest expense of RM4.6 million, net of interest income of RM1.7 million and fair value gain on short term funds of RM1.4 million.

During the previous financial year, investment income of RM2.0 million was attributable to a net foreign exchange gain of RM1.7 million, fair value gain on short term funds of RM1.0 million and interest income of RM2.4 million, less interest expense of RM3.1 million.

- **Plantation Finances**

Malaysian Operations

In FY 2024, Malaysian operations recorded a plantation profit of RM78.8 million; a 14% decrease from RM91.3 million in FY 2023.

Excluding depreciation, fair value changes on biological assets and interest expense on lease liabilities, Malaysian operations' EBITDA in FY 2024 totalled RM121.3 million – a 13% reduction from RM140.0 million in FY 2023.

EBITDA suffered from the dual impact of lower CPO and PK prices, as well as lower FFB production of 4% or 13,741 tonnes. In FY 2024, CPO prices eased to RM3,830/tonne from RM4,387/tonne previously while PK prices tumbled to RM2,076/tonne from RM2,309/tonne in the previous year.

Meanwhile, FFB production cost in Malaysian operations declined from RM180.5 million in FY 2023 to RM170.0 million in FY 2024, mainly due to reductions in fertiliser costs and savings from compost application after Management took over the operations of compost plants which were previously managed by contractors.

Labour continued to top charts at 36% of overall FFB production costs in FY 2024 (FY 2023: 36%) or RM61.7 million (FY 2023: RM64.1 million) (see chart below on Malaysia's FFB production costs). Restructuring management of harvesters and reducing labour headcount by accelerating mechanisation in the field has reduced labour costs by 4% in FY 2024.

Going forward, UMB's senior management will prioritise improving yields, accelerating mechanisation, enhancing operational efficiency in oil mills and stepping up FFB collection through performance-based payments for harvesters.

Furthermore, UMB will continue to hedge CPO prices to mitigate the Group's exposure to volatile price volatility.

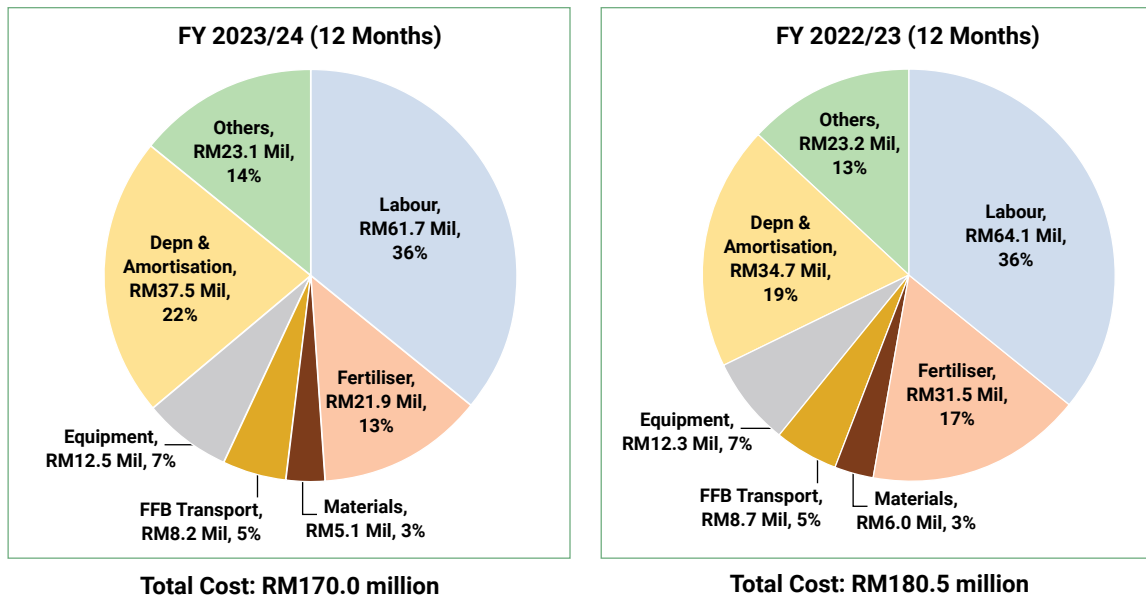
Management Discussion & Analysis (continued)

FINANCIAL MATTERS (continued)

- Plantation Finances (continued)

Malaysian Operations (continued)

MALAYSIA'S FFB PRODUCTION COST



Indonesian Operations – Kalimantan

During FY 2024, Indonesian subsidiary, LAK reported a plantation profit of RM10.8 million compared with a RM12.9 million plantation loss in FY 2023. Excluding depreciation, fair value changes on biological assets and interest expense on mill loan, LAK's EBITDA soared by 231% from RM11.8 million in FY 2023 to RM39.0 million in FY 2024.

Despite the diminished PK price of RM1,615/tonne (FY2023: RM1,952/tonne), LAK was able to record an astonishing profit due to a 54% increase in FFB production or 32,768 tonnes to 93,866 tonnes compared with 61,098 tonnes in the preceding year. Another contributor to LAK's higher profit was the higher milling margin stemming from a jump of 59% or 100,067 tonnes of FFB processed and an improved oil extraction rate (OER) of 20.8% compared with 19.0% in the preceding year, which in turn, led to higher CPO production.

Labour continued to account for a significant share of costs at 34% in FY 2024 (FY 2023: 36%) or RM17.8 million (FY 2023: RM13.2 million) (see chart below on Kalimantan's FFB production costs). Increased labour costs mainly resulted from higher FFB production – thus, higher harvesting costs.

Management Discussion & Analysis (continued)

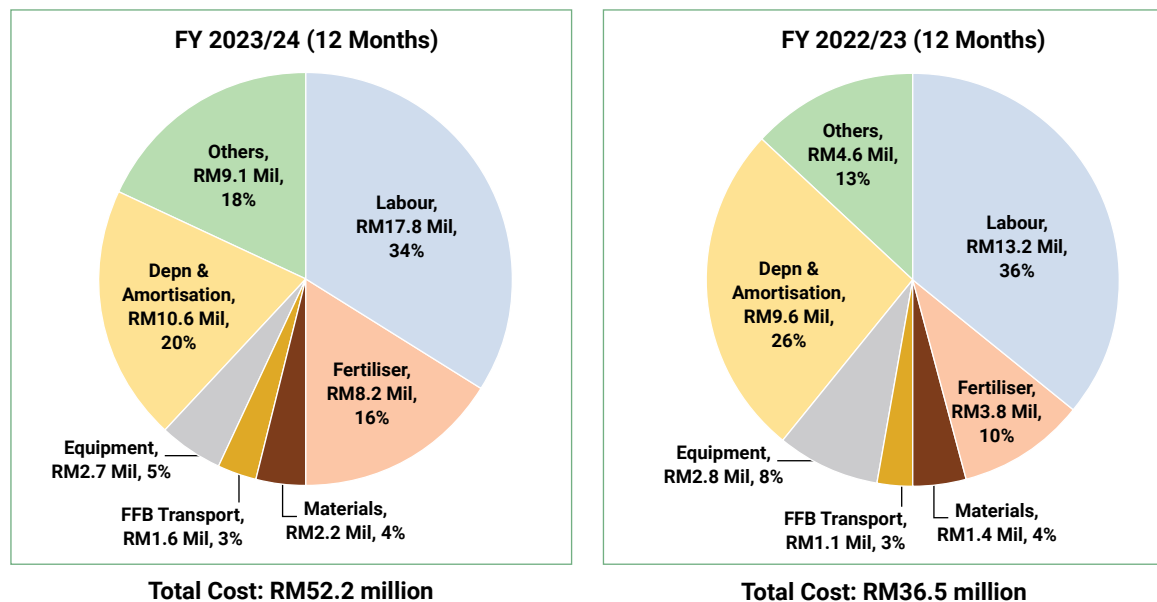
FINANCIAL MATTERS (continued)

• Plantation Finances (continued)

Indonesian Operations – Kalimantan (continued)

In addition, fertiliser costs also accelerated from RM3.8 million in FY 2023 to RM8.2 million in FY 2024; costs were unusually low in the previous year due to the delayed manuring programme.

KALIMANTAN'S FFB PRODUCTION COST



Indonesian Operations – Sulawesi

In FY 2021, work in Sulawesi was temporarily halted due to environmental concerns raised by NGOs.

In Sulawesi, the recoverable amount of intangible asset (HTI licence), bearer plants and other asset based on the value-in-use calculation using cash flow projections was lower than their carrying amounts.

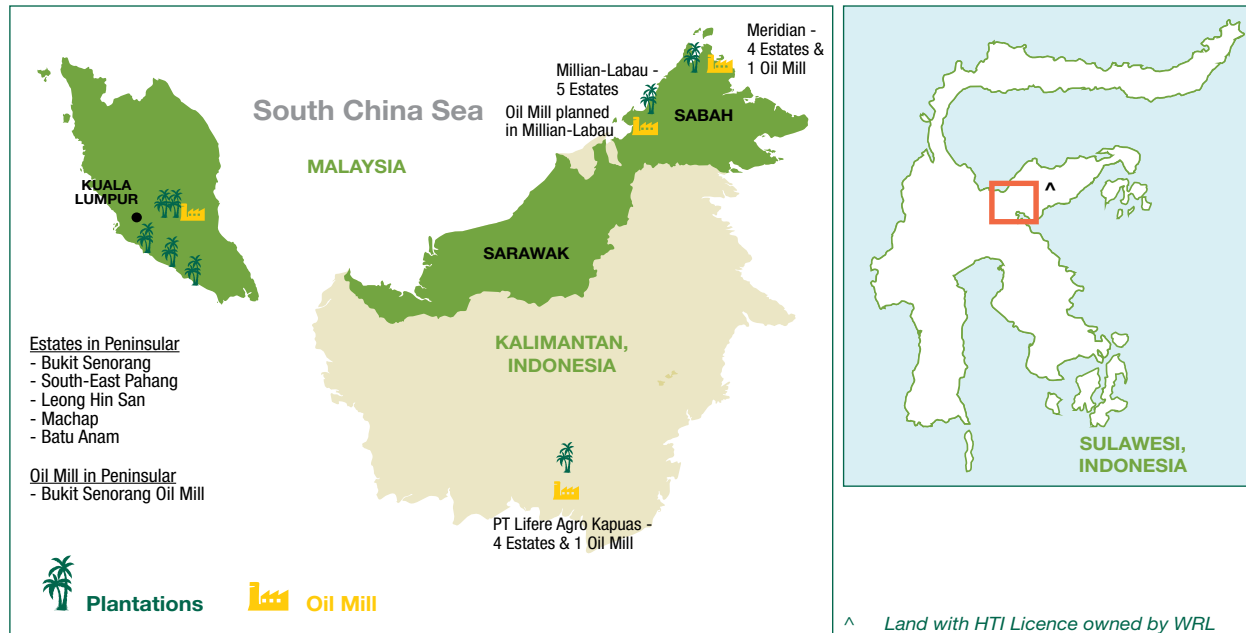
An impairment of intangible asset totalling RM12.3 million and RM16.0 million was recorded in financial years ended 30 April 2022 (FY 2022) and FY 2021, respectively.

A further impairment of bearer plants of RM4.5 million and other asset of RM3.6 million respectively, was recorded in FY 2023.

Management Discussion & Analysis (continued)

REVIEW OF OPERATIONS

MAP SHOWING GROUP'S ESTATES & MILLS



Plantation Operations

As of 30 April 2024, UMB's planted area in Malaysia totalled 18,894 hectares. During the year under review:

- 337 hectares of oil palm reached maturity;
- 83 hectares were reclassified from unplantable area to matured planted area after the land survey;
- 63 hectares of mature area in Machap Estate were surrendered to the Melaka State Government upon expiry of the lease; and
- 504 hectares of matured area were replanted.

Consequently, total matured area shrank marginally from 17,823 hectares to 17,676 hectares or 94% of the total planted area in Malaysia.

Of the 1,218 hectares planted with immature palms in FY 2024, 25% are in Peninsular Malaysia while the remainder are in Sabah. In the financial year ending 30 April 2025 (FY 2025), 303 hectares will be declared matured.

LAK in Central Kalimantan has a land bank (including Plasma) of 24,607 hectares, of which 54% or 13,282 hectares have been planted with oil palms. During the year under review, 710 hectares of planted oil palms reached maturity, enlarging the total matured area to 11,958 hectares. Of the immature area of 1,324 hectares, oil palms grown in 380 hectares will mature in FY 2025.

Management Discussion & Analysis (continued)

REVIEW OF OPERATIONS (continued)

Plantation Operations (continued)

Breakdown of planted area:

	Malaysia	Indonesia (Inti)	Total exclude Plasma	Indonesia (Plasma *)	Total
	Ha	Ha	Ha	Ha	Ha
Matured	17,676	6,783	24,459	5,175	29,634
Immature	1,218	1,316	2,534	8	2,542
Total planted	18,894	8,099	26,993	5,183	32,176
Land clearing	–	301	301	18	319
Plantable	166	3,320	3,486	–	3,486
Unplantable ^	4,501	2,453	6,954	5,233	12,187
Total Land Bank	23,561	14,173	37,734	10,434	48,168

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

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

The age profile of UMB Group's planted oil palms (excluding Plasma) is noteworthy – 39% are in prime production (aged 8 to 15 years), 7% are on an increasing yield trend (5 to 7 years) and 9% are immature palms of less than 5 years. Only 22% or 6,093 hectares of palms aged more than 20 years need to be progressively replanted. The average age of palms is 14.4 years – within the prime production bracket.

	Peninsular		Meridian		Millian-Labau		Malaysia		Indonesia #		Group	
	Ha	%	Ha	%	Ha	%	Ha	%	Ha	%	Ha	%
≤ 4 years	305	5	913	14	–	–	1,218	6	1,316	16	2,534	9
5 - 7 years	480	9	81	1	–	–	561	3	1,203	15	1,764	7
8 - 15 years	436	8	400	6	4,229	62	5,065	27	5,451	67	10,516	39
16 - 20 years	2,151	39	1,266	19	2,540	38	5,957	31	129	2	6,086	23
21 - 25 years	1,851	34	3,950	60	–	–	5,801	31	–	–	5,801	21
> 25 years	292	5	–	–	–	–	292	2	–	–	292	1
	5,515	100	6,610	100	6,769	100	18,894	100	8,099	100	26,993	100
Average Age	17.5 years		18.2 years		14.5 years		16.7 years		9.2 years		14.4 years	

Excludes Plasma

In FY 2024, FFB production from UMB's Malaysian estates totalled 348,084 tonnes – a 4% reduction from FY 2023. FFB output in Sabah totalled 245,215 tonnes, more than double compared to Peninsular estates' total of 102,869 tonnes.

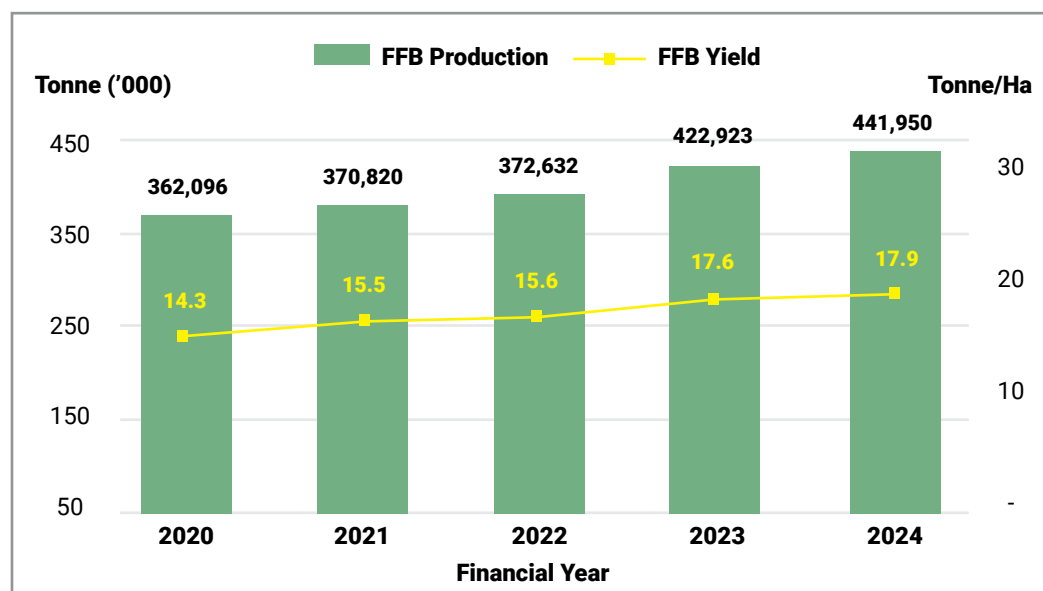
UMB's Indonesian plantations contributed 93,866 tonnes of FFB in FY 2024 from a matured area of 6,783 hectares, a great achievement of 54% from the previous year due to better age profile and improved operational efficiency. With an average age of 9.2 years, sufficient workforce in place and clement weather, UMB expects FFB output from LAK will contribute handsomely to overall UMB Group's production in the coming years.

Management Discussion & Analysis (continued)

REVIEW OF OPERATIONS (continued)

Plantation Operations (continued)

GROUP'S FFB PRODUCTION OUTPUT & YIELDS OVER THE PAST 5 YEARS



In view of the oil palm industry's constantly challenging environment, UMB continues to place heavy emphasis on improving yields and reducing costs. Palms older than 24 years will be gradually replanted with high-yielding clonal and semi-clonal seedlings. For the current year under review, RM10.1 million was spent on nurturing immature oil palms planted over 1,218 hectares in Malaysia. About 378 hectares in Malaysia will be replanted in FY 2025.

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 2024, FFB processed totalled 377,946 tonnes, a decrease of 10% from 419,216 tonnes in the preceding year. Lower FFB processed was mainly due to the low yielding trend in Peninsular estates and lower supply of FFB by outsiders. UMB's own FFB accounted for 60% of the total crop processed.

Both mills collectively produced 72,764 tonnes (2023: 78,729 tonnes) of CPO and 17,318 tonnes (FY 2023: 17,758 tonnes) of PK with an average OER of 19.3% (FY 2023: 18.8%) and a 4.6% kernel extraction rate (KER) (2023: 4.2%).

LAK's palm oil mill in Kalimantan – the Arwana palm oil mill with a FFB processing capacity of 45 tph – commenced operations in June 2019. FFB processed in FY 2024 totalled 269,981 tonnes, 59% higher than the 169,914 tonnes in the previous year, resulting from increased FFB output from own estates and higher FFB supplied by outsiders.

During the year under review, CPO output totalled 56,022 tonnes (FY 2023: 32,256 tonnes) and 9,519 tonnes of PK (FY 2023: 4,922 tonnes). Additionally, Arwana palm oil mill also achieved higher OER of 20.8% (FY 2023: 19.0%) and KER of 3.5% (FY 2023: 2.9%).

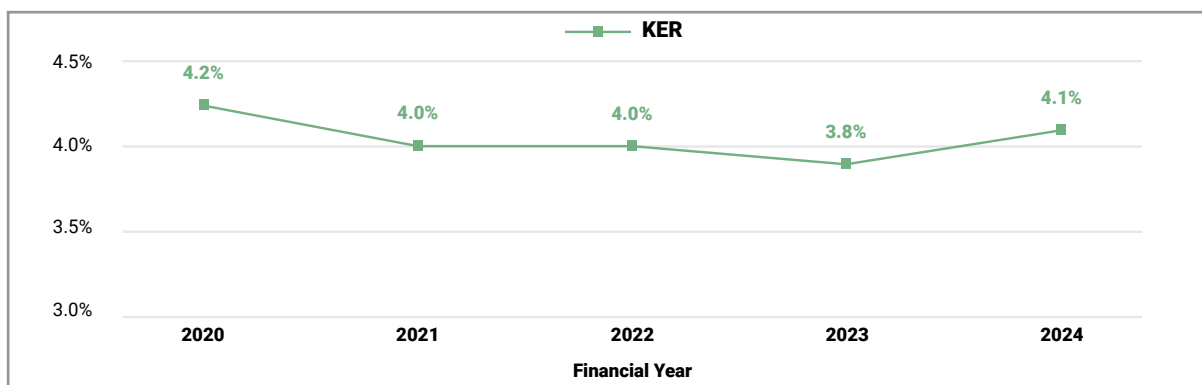
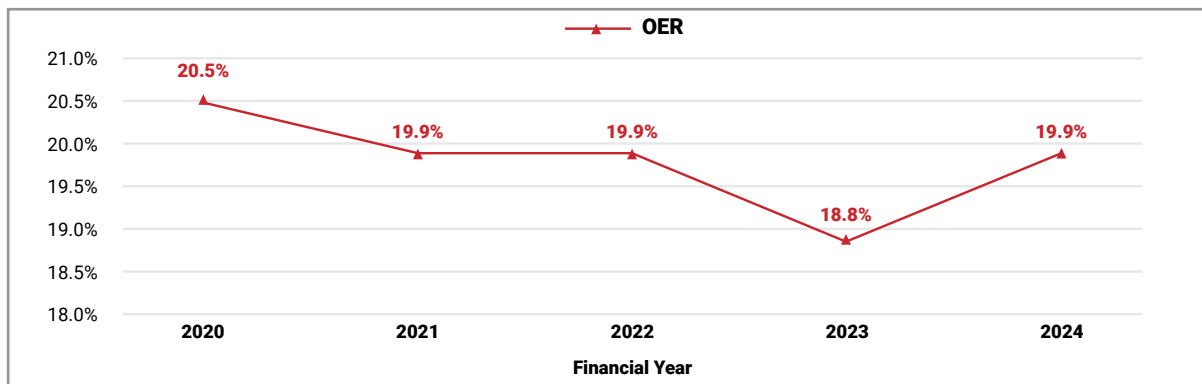
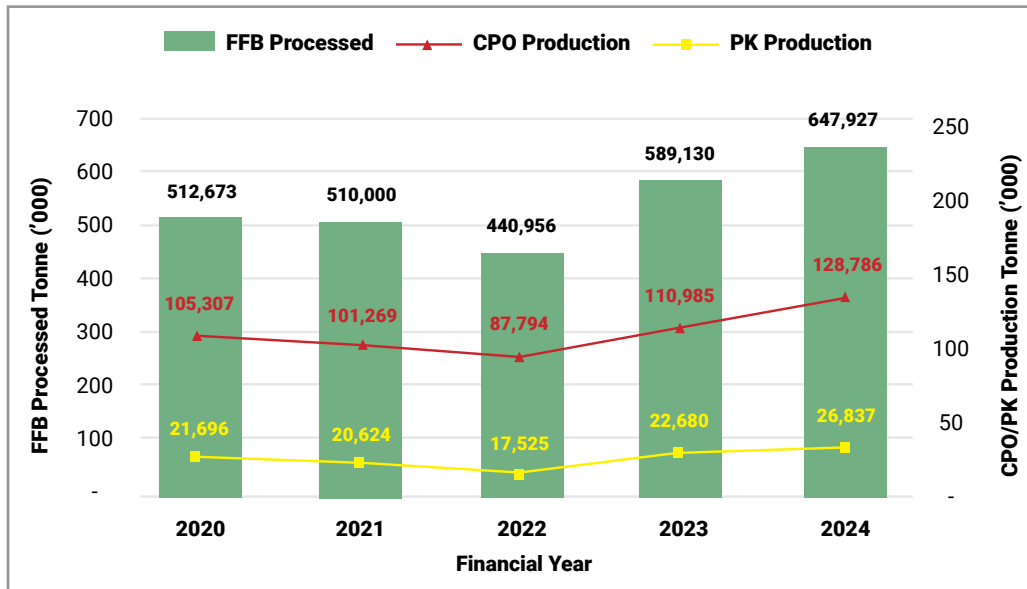
FFB processed by the UMB Group in FY 2024 was 647,927 tonnes (FY 2023: 589,130 tonnes) with CPO output of 128,786 tonnes (FY 2023: 110,985 tonnes), 26,837 tonnes of PK (FY 2023: 22,680 tonnes), as well as OER of 19.9% (FY 2023: 18.8%) and KER of 4.1% (FY 2023: 3.8%).

Management Discussion & Analysis (continued)

REVIEW OF OPERATIONS (continued)

Milling Operations (continued)

GROUP'S PALM OIL MILL PERFORMANCE OVER THE PAST 5 YEARS



Management Discussion & Analysis (continued)

FORWARD-LOOKING STATEMENT

Sustained by oil palms' healthy age profile, a comprehensive replanting programme using high-yielding semi-clonal material, improved operational efficiency and expanded mature hectareage in Kalimantan, Indonesia, and barring severe inclement weather and assuming current CPO prices continue, better prospects are in sight for the UMB Group in FY 2025.

As always, UMB's senior management will continually prioritise initiatives that stimulate higher yielding crops, reduce costs and strengthen environmentally-friendly and sustainable policies.

In FY 2025, the Group's capital expenditures will continue to be substantial. These include replanting costs in Malaysia, new planting in Kalimantan, Indonesia, upgrading workers' houses and improving access roads as well as building a new oil mill in Millian-Labau Estates in Sabah.

However, with healthy cash and bank balances and short term funds totalling RM126.1 million as of 30 April 2024, the Group will be able to utilise a substantial proportion of internal funds for capital expenditure while maintaining the payment of stable dividends to shareholders.

This Statement was presented and approved by the Board on 30 July 2024.

SUSTAINABILITY STATEMENT

STATEMENT OVERVIEW

The Sustainable Palm Oil Policy guides United Malacca Berhad's ("UMB") agronomic practices. UMB recognises Sustainability as a journey centred on continuous improvement and prioritises finding the right balance between the well-being of individuals and the company's success and growth. UMB manages 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.

The Sustainability Statement ("SS") provides an update on the company's sustainability efforts for the reporting period from 1 May 2023 to 30 April 2024. Historical data from UMB subsidiaries spanning three financial years are included for comparison and trend analysis. UMB's sustainability framework is supported by three (3) pillars – People, Planet and Profit, and is aligned with the United Nations' Sustainable Development Goals ("SDG").

Disclosures for this SS are prepared based on the following:

- Sustainability Reporting Guide (3rd Edition) by Bursa Malaysia Berhad ("Bursa Malaysia"),
- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting, and
- Global Reporting Initiatives ("GRI") Universal Standards 2021.

UMB conducted internal assurance exercises on information collated for this report for the financial year ("FY") 2024 as stated in the Statement of Assurance. Before publication, this statement was reviewed by the Board of Directors. UMB welcomes any feedback from its stakeholders to improve its policies and contribute to a more sustainable future. Feedback may be addressed via email to umb@unitedmalacca.com.my.

SUSTAINABILITY GOVERNANCE

Sustainability governance is spearheaded by the Board of Directors ("BOD") and supported by the Executive Director ("ED"), Chief Executive Officer ("CEO") and management committee members. The management committee consists of key personnel from various departments, including the Human Resources Department, Administration and Corporate Affairs Department, Sustainability Department, and others, as well as representatives from the operations. The Sustainability department works closely with the management committee and the operating units to achieve optimum effectiveness in managing the environment (including climate-related), social and governance ("ESG").

Sustainability Statement (continued)



Diagram 1 – Sustainability Governance Structure

Sustainability Statement (continued)

STAKEHOLDER ENGAGEMENT

Throughout the year, UMB maintains continuous engagement with internal and external stakeholders through various channels. These engagements allow UMB to understand the stakeholders' sustainability concerns and issues and create opportunities to address them effectively. They also enable UMB to ensure stakeholders' fundamental interests are aligned with UMB's.

Table 1 – Stakeholder Engagement

Stakeholder Groups	Engagement Channels	Key Topics/Concerns	Possible Outcome/Solution
Board of Directors	<ul style="list-style-type: none"> Board Meetings Annual General Meetings ("AGM") Quarterly reporting Annual report Corporate website 	<ul style="list-style-type: none"> Earnings prospects Return on Investment Succession planning Corporate governance and compliance ESG performance 	<ul style="list-style-type: none"> Sustainable business progress and performance ESG reporting
Investors/ Financiers/ Shareholders/ Analysts	<ul style="list-style-type: none"> Annual report AGM Corporate website Response to queries/ Email surveys Announcements Meetings 	<ul style="list-style-type: none"> Group's financial performance Corporate changes Corporate governance and compliance ESG performance 	<ul style="list-style-type: none"> Sustainable business progress and performance ESG reporting
Government/ Regulators/ Industry Associations	<ul style="list-style-type: none"> Public/virtual seminars Site visits, audits and inspections Periodic reporting Meetings, engagements and dialogues 	<ul style="list-style-type: none"> Legal and policies compliance Contribution to national sustainability goals 	<ul style="list-style-type: none"> Compliance with laws and regulations Update on the latest changes in laws and regulations
Local Communities, Smallholders, Plasma schemes	<ul style="list-style-type: none"> Meetings Free, Prior and Informed Consent (FPIC) Community outreach activities and development Mill engagement 	<ul style="list-style-type: none"> Land matters, complaints and grievances Sustainability issues Employment and business opportunities Prices of fresh fruit bunches ("FFB") and quality of FFB Supply chain concerns 	<ul style="list-style-type: none"> Solutions to conflicts Sharing of best agricultural practices Awareness of sustainability policies and code of conduct Community development and activities
Non-Governmental Organisations ("NGO")	<ul style="list-style-type: none"> Site Visits Meetings Collaboration and project partnership Engagements Policy and documentation reviews 	<ul style="list-style-type: none"> Sustainability-related issues Challenges faced by the palm oil industry Clarification of media reports 	<ul style="list-style-type: none"> Understand concerns and issues relating to the palm oil industry Recommend and assist in improving sustainability policies and practices

Sustainability Statement (continued)

Table 1 – Stakeholder Engagement (continued)

Stakeholder Groups	Engagement Channels	Key Topics/Concerns	Possible Outcome/Solution
Certification Bodies	<ul style="list-style-type: none"> • Audits • Meetings • Emails 	<ul style="list-style-type: none"> • Laws, regulations and certifications requirements • Updates on the latest changes in the industry 	<ul style="list-style-type: none"> • Audit and certifications • Compliance with policies and requirements
Suppliers/Buyers/Contractors/Customers	<ul style="list-style-type: none"> • Periodic Performance Evaluations • Product and technology trials • Site visits • Webinars • Emails • Meetings 	<ul style="list-style-type: none"> • Prompt delivery of goods and services • Product quality and services • Licensing, certification and traceability • Compliance with relevant laws and regulations • New products or technology • Supplier Code of Conduct 	<ul style="list-style-type: none"> • Awareness of UMB's sustainability policies and commitments • Awareness of Supplier Code of Conduct • Product and technology trials
Employees/Workers	<ul style="list-style-type: none"> • Meetings • Annual appraisals • Briefings/Training programmes • Complaints and grievances channel • Memos 	<ul style="list-style-type: none"> • Welfare and remuneration • Employee development • Sustainability issues and practices • Operational performance and productivity 	<ul style="list-style-type: none"> • Awareness of policies, SOP and Sustainability practices and commitments • Improvement of performance and productivity • Training and development of employees • Resolution of complaints and grievances
Schools & Universities	<ul style="list-style-type: none"> • Provision of scholarships • Internship programmes • Meetings • Letters 	<ul style="list-style-type: none"> • Talent acquisition • Corporate social responsibility 	<ul style="list-style-type: none"> • Opportunities for underprivileged students to further studies • Awareness of the palm oil industry • Donations

Sustainability Statement (continued)

MATERIALITY ASSESSMENT

The report addresses vital sustainability matters identified after considering UMB's and stakeholders' views on significant environmental, economic and social aspects, impacts, risks and opportunities. UMB understands there is a need to re-evaluate the materiality assessment to ensure it aligns with the many changes happening throughout the years. For this reason, UMB will conduct the materiality assessment in the next financial year, FY 2025, to correspond with current trends.

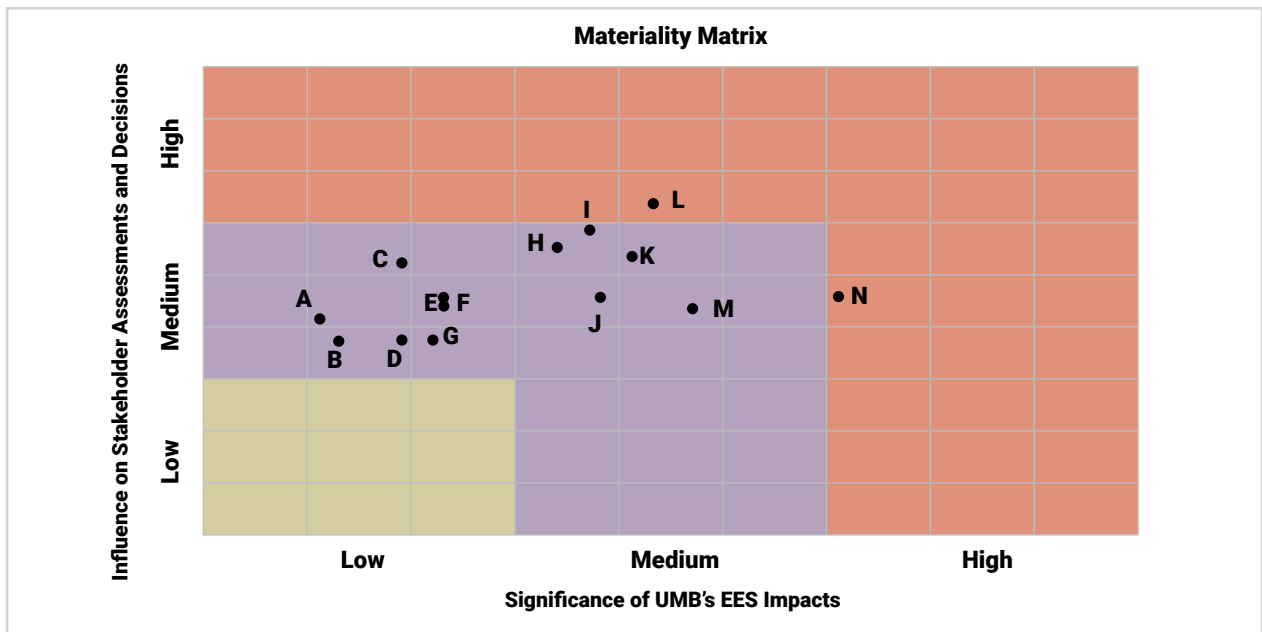


Diagram 2 – Materiality Matrix

Legends:

- A – Community Engagement & Development
- B – Data Protection & Privacy
- C – Ethical Business
- D – Human Rights & Labour Practices
- E – Air Emissions
- F – Personal Security
- G – Energy Efficiency
- H – Waste & Effluent
- I – Sustainable Agricultural Practices
- J – Water Management
- K – Workforce Management
- L – Biodiversity & Land Management
- M – Supply Chain Management
- N – Occupational Safety & Health

Sustainability Statement (continued)

Identified materiality matters are mapped under the three (3) pillars: People, Planet and Profit and are benchmarked against Sustainable Development Goals (“SDG”). The table below summarises UMB’s key initiatives and values created.

Table 2 – Summary of Pillars and Materiality Matters

Sustainability Matters	Related SDG (s)	Values UMB Created
Pillar 1: People <ul style="list-style-type: none"> Occupational Safety & Health Workforce Management Human Rights & Labour Practices Personal Security Community Engagement & Development 	       	<ul style="list-style-type: none"> Enhance workers’ knowledge of OSH Comply with OSH regulatory requirements Create a conducive working and living environment Provide better amenities in the estates Facilitate continuous professional and personal growth Improve the ethical recruitment process Structure, fair and confidential process to raise grievances Address stakeholder concerns Assist in getting workers’ children to get quality education
Pillar 2: Planet <ul style="list-style-type: none"> Biodiversity & Land Management Wastes and Effluents Water Management Air Emissions Energy Efficiency 	    	<ul style="list-style-type: none"> Address environmental and social risks Prohibit burning Comply with regulatory requirements Implement water and energy management strategies to optimise water and energy consumption Explore renewable energy resources such as solar Progressively explore and update information on greenhouse gas (“GHG”) emission Enhance regulatory compliance
Pillar 3: Profit <ul style="list-style-type: none"> Sustainable Agricultural Practices Supply Chain Management Ethical Business Data Protection & Privacy 	    	<ul style="list-style-type: none"> Enhance business conduct and practices Adopt good agricultural practices Implement transparency in procurement and tender awards Support local vendors Enhance the compliance on data protection and privacy

Sustainability Statement (continued)

PILLAR 1: PEOPLE



OCCUPATIONAL SAFETY AND HEALTH ("OSH")

The Environment, Health and Safety ("EHS") policy is the foundation of UMB's commitment to provide a safe, healthy and conducive workplace for its employees, contractors and visitors. Standard Operating Procedures ("SOP"), Work Instructions ("WI"), and guidelines have been established to support this policy and commitment. Employees on the ground are trained on safety and health issues regularly. In some instances, contractors are also briefed by the key OSH personnel at the site to ensure compliance with UMB's OSH requirements at the workplace. Health-related topics like malaria prevention are also covered.

The Occupational Safety and Health Committee ("OSHC"), comprising employer and employee representatives, is set up in every operating unit ("OU") and meets quarterly to address safety and health issues at all operating units. The OSHC also conducts workplace inspections quarterly according to the regulations. Periodically, EHS representatives will conduct checks on workplaces and report the findings to the operating units' personnel to mitigate them. OSH coordinators are appointed at each operating unit or region to comply with the new laws and assist the EHS department and OSHC. Operating units are responsible for crafting an annual EHS and Sustainability plan to ensure that initiatives and programmes are carried out as planned.

Hazard Identification, Risk Assessment, and Risk Controls ("HIRARC") are conducted on all operations to identify work hazards and potential risks. HIRARC is reviewed at least once a year. Similar to HIRARC, Chemical Health Risk Assessment ("CHRA") and Noise Risk Assessment ("NRA") are conducted to identify specific risks associated with chemicals and excessive noise in the workplace, respectively. Both assessments are reviewed at least once in every five years or whenever there is a change in the process or activity.

Every year, UMB audits sustainability and OSH requirements on all estates and palm oil mills to identify non-compliance. Internal MSPO auditors detect deficiencies, which are then communicated to the relevant operating units and senior management during the management review meeting. Additionally, UMB's incident reporting procedures ensure swift reporting and investigation of incidents to uncover their root causes and expedite corrective action.

UMB aimed for zero fatality and to reduce the lost time incident rate by 5% in FY 2024; it has successfully achieved this target. UMB has set a target to reduce the number of accidents and lost time accident rate to 3% in FY 2025. UMB will continue its efforts to ensure the safety and health of employees, contractors and visitors at the workplace while striving to comply with the related OSH legislations.

Table 3 – Number of employees trained on OSH

	FY 2024
Malaysia	1,068
Indonesia	411
TOTAL	1,479

Sustainability Statement (continued)

Table 4 – Safety Performance Data for Malaysia operations

Safety Performance	FY 2024	FY 2023	FY 2022
Malaysia			
Fatalities	0	0	0
Lost Time Incident ("LTI") Accident	84	107	107
Lost Day	294	353	384
Total Man Hours Worked	3,138,312	2,836,744	3,144,896
Lost Time Injury Rate ("LTIR")	5.35	7.54	6.80
Severity Rate ("SR")	93.68	124.44	122.10
Indonesia			
Fatalities	0	0	1
Lost Time Incident ("LTI") Accident	199	5	5
Lost Day	512	49	6,108
Total Man Hours Worked	4,097,478	3,096,750	2,780,400
Lost Time Injury Rate ("LTIR")	9.71	0.32	0.36
Severity Rate ("SR")	124.95	15.82	2,196.81
Malaysia & Indonesia			
Fatalities	0	0	1
Lost Time Incident Rate ("LTIR")	7.82	3.78	3.78

Notes:

1. One fatality = 6,000 lost days
2. LTIR – Incidents per 200,000 hours worked
3. SR – Lost Days per 1 million hours worked
4. The higher number of accidents in FY 2024 in Indonesia operations is due to better awareness of accident reporting

Photo 1: Photos showing fire-fighting training and drill in UMB Head Office for employees and tenants



Sustainability Statement (continued)

Photo 1: Photos showing fire-fighting training and drill in UMB Head Office for employees and tenants (continued)



Photo 2: Photos showing blood donation and cancer screening in UMB Head Office, Melaka



Photo 3: (Left) Medical check-ups in PT LAK, (Right) First aid training in PT LAK



Sustainability Statement (continued)

Photo 4: EHS representative briefing harvesters on safety



WORKFORCE MANAGEMENT

UMB is dedicated to cultivating a safe and supportive environment where employees can grow personally, thrive professionally and advance their skills and knowledge. Competitive remuneration, good welfare benefits, and opportunities for self-development are key factors in retaining talent at UMB. UMB's benefits include medical and insurance coverages, vehicle loans, and additional employer EPF contributions. UMB rewards its long-term employees with Long Service Awards to employees who have served the company for 10, 15, 20, 25 and 30 years, and long-term managers enjoy paid holidays.

UMB embraces diversity and an inclusive work environment. Apart from having a workforce of both genders, UMB's employees are of different ethnicities and nationalities, cultures, age groups, skills and experiences. Employees from other countries are predominantly employed in the estates and palm oil mills. Though the plantation industry has evolved and mechanisation initiatives have been implemented, manual labour is still required. Manual labour demands significant physical strength, often leading to a higher representation of men in the field than women. Nonetheless, UMB prioritises inclusivity, ensuring that women keen on participating in estate and palm oil operations are not marginalised. In UMB, 42% of employees fall within the contractors/temporary category in FY 2024.

Sustainability Statement (continued)

Table 5 – Employee Data in Malaysia

		FY 2024	FY 2023	FY 2022
Category of Workforce				
Permanent		583		
Contractors/Temporary		1,757		
Total employees		2,340	2,716	2,418
Gender Group by Employee Category				
Management	Male	85%		
	Female	15%		
Executive	Male	70%		
	Female	30%		
Non-executive/Staff	Male	57%		
	Female	43%		
Worker	Male	79%		
	Female	21%		
All	Male	1,815	2,076	1,818
	Female	525	640	663
Age Group by Employee Category				
Management	Below 30	–		
	30-50	65%		
	Above 50	35%		
Executive	Below 30	16%		
	30-50	78%		
	Above 50	6%		
Non-executive/Staff	Below 30	22%		
	30-50	66%		
	Above 50	12%		
Worker	Below 30	33%		
	30-50	58%		
	Above 50	9%		
All	Below 30	739	916	791
	30-50	1,394	1,606	1,496
	Above 50	207	194	194

Sustainability Statement (continued)

Table 5 – Employee Data in Malaysia (continued)

		FY 2024	FY 2023	FY 2022
Function Group by Employee Category (%)				
Management	Operation	50%		
	Non-operation	50%		
Executive	Operation	50%		
	Non-operation	50%		
Non-executive/Staff	Operation	86%		
	Non-operation	14%		
Workers	Operation	100%		
Total Number	Operation	2,262		
	Non-operation	78		
Workforce Locality				
Local		25%	26%	25%
Foreign		75%	74%	75%
Employees worked for more than ten years (Number)				
Management, Executive & Non-executive/Staff		107	90	66
Worker		204	298	255
Directors Profile				
Board of Directors	Number	8	8	8
Independent Directors on the board	Number	4	3	3
Women on board	Number	3	2	2
Age Group (%)	50-59	12%	12%	12%
	60-69	38%	38%	38%
	Above 70	50%	50%	50%
Gender (%)	Male	63%	75%	75%
	Female	37%	25%	25%

Table 6 – Employee Data in Indonesia

		FY 2024	FY 2023	FY 2022
Category of Workforce (Number)				
Permanent		1,948	1,804	1,391
Contractors/Temporary		110	–	–
Total employees		2,058	1,804	1,391
Gender Group by Employee Category				
Management	Male	91%	91%	91%
	Female	9%	9%	9%
Executive	Male	88%	84%	85%
	Female	12%	16%	15%

Sustainability Statement (continued)

Table 6 – Employee Data in Indonesia (continued)

		FY 2024	FY 2023	FY 2022
Non-executive/Staff	Male	85%	81%	80%
	Female	15%	19%	20%
Worker	Male	85%	84%	84%
	Female	15%	16%	16%
All	Male	1,774	1,515	1,127
	Female	284	289	264
Age Group by Employee Category				
Management	Below 30	–	–	–
	30-50	100%	100%	100%
	Above 50	–	–	–
Executive	Below 30	17%	11%	17%
	30-50	79%	86%	82%
	Above 50	4%	3%	1%
Non-executive/Staff	Below 30	48%	31%	17%
	30-50	52%	67%	83%
	Above 50	–	2%	–
Worker	Below 30	26%	25%	25%
	30-50	54%	54%	65%
	Above 50	20%	21%	10%
All	Below 30	516	592	486
	30-50	1,152	1,075	875
	Above 50	390	137	30
Function Group by Employee Category				
Management	Operation	55%	55%	64%
	Non-operation	45%	45%	36%
Executive	Operation	69%	58%	50%
	Non-operation	31%	42%	50%
Non-executive/Staff	Operation	57%	62%	59%
	Non-operation	43%	38%	41%
Worker	Operation	100%	100%	100%
Total Number	Operation	1,966	1,723	1,329
	Non-operation	92	81	62
Workforce Locality				
Local		100%	100%	100%
Foreign		–	–	–
Employees worked for more than ten years (Number)				
Management, Executive & Non-executive/Staff		1	–	–
Worker		–	–	–

Sustainability Statement (continued)

Table 7 – Employee Turnover Data in UMB

		FY 2024	FY 2023	FY 2022
Employee Turnover by Employee Category (Number) - Malaysia				
By gender	Male	1,081	2,076	1,818
	Female	332	640	663
By age	Below 30	569	916	791
	30-50	738	1,606	1,496
	Above 50	106	194	194
By level	Management	3		
	Executive	11		
	Non-executive/ Staff	9		
	Worker	1,390		
By function	Operation	1,404		
	Non-operation	9		
Employee Turnover by Employee Category (Number) - Indonesia				
By gender	Male	904	1,052	925
	Female	191	55	59
By age	Below 30	416	432	325
	30-50	438	620	472
	Above 50	241	55	187
By level	Management	1	4	6
	Executive	23	15	16
	Non-executive/ Staff	16	12	7
	Worker	1,055	1,076	955
By function	Operation	1,089	1,095	968
	Non-operation	6	12	16
Employee Turnover by Employee Level Category (Number) - UMB				
Management		4		
Executive		34		
Non-executive		25		
Worker		2,445		

Sustainability Statement (continued)

Photo 5: Festival celebrations



Photo 6: Celebration of World OSH Day and family day in MPOM



UMB is committed to providing inclusive access to comprehensive training and development programmes for all employees, irrespective of their educational qualifications and gender. It is essential to foster a skilled and adaptable workforce that will enable the employees to perform their jobs effectively and contribute to the company's success. In FY 2024, a total of 2,582 hours of training were conducted by external trainers.



Sustainability Statement (continued)

Table 8 – Training information

	FY 2024	FY 2023	FY 2022
Training hours by employee's category			
Management	684	62	
Executive	1,377	395	
Non-executive/Staff	521	144	
Training hours by function			
Operation	1,313	334	
Non-operation	1,269	267	
Other information on training			
Average training hours per employee	9.1	3.4	

Note:

1. Data reflects training for Management, Executives and Staff in Malaysia only.
2. UMB's target to achieve an average 4.5 training hours per employee in FY 2024 was successful.
3. The new target for average training hours per employee in FY 2025 is 6 training hours per employee.
4. The average training hours per employee is 9.1 in FY 2024 due to new amendments and updates in the Malaysian laws.

HUMAN RIGHTS AND LABOUR PRACTICES

UMB upholds fundamental human rights for its employees and communities where UMB operates. UMB employees enjoy freedom of association and collective bargaining. Unionised labour represents 5.68% of UMB's total workforce in Malaysia and 7% in Indonesia. UMB does not allow children or young people under 18 years old to work in the company and prohibits forced labour.

UMB is committed to recruiting all foreign workers ethically and in line with the Sustainable Palm Oil Policy ("SPOP"). Since UMB covers the statutory-related cost of recruitment, UMB employees do not have to pay recruitment fees. Employees are paid minimum wages according to the respective countries' laws: RM1,500 in Malaysia and IDR3,261,700 in Indonesia. Employees are paid an additional daily rate based on harvest tonnage for specific tasks such as harvesting. Employees also enjoy productivity incentives and overtime.

The Complaints and Grievances and *Kebebasan Berkeluh Kesah* procedures are established to enable employees to raise concerns about any issues they face in the workplace or on company premises. Stakeholders may use the same procedure to lodge any concerns. Newly recruited workers were given orientation programmes, including a human rights briefing. No substantiated complaints concerning human rights violations were received in the current reporting year. There are also procedures in place if there are land disputes and how to solve the conflicts. UMB's Conflict of Interest Policy outlines the rules and principles that address situations where employees have private interests that could improperly influence, or be seen to influence, their decisions or actions in performing their duties.

Employees in the estates and palm oil mills are provided with good housing with a small garden. UMB is still building concrete terraced houses in stages, replacing the old wooden houses in all its operating units. This ensures compliance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990. Every week, estate and the mill management conduct thorough inspections of all residences to ensure their proper upkeep and functionality.

Visiting Medical Officers ("VMO") visit clinics in the estates to check the sanitary conditions of workers' quarters, creches and general well-being. Recreational facilities like football fields and sepak takraw courts are also available for employees to use during their free time. Houses of worship are also available for employees. UMB also furnishes complimentary medical care for employees and their dependents.

Sustainability Statement (continued)

**Photo 7: (Left) A female worker seeks treatment from the estate clinic
(Right) Staff caring for children in the creche**



PERSONAL SECURITY

UMB strictly prohibits all forms of harassment, whether sexual, physical, or psychological, and maintains a zero-tolerance policy towards such behaviour. UMB also promotes cultures that prohibit discrimination and promote equality in the workplace. Employees are made aware of the commitment via Sustainable Palm Oil Policy, Harassment procedure and Grievance and Disciplinary Management Procedure. Posters on sexual harassment are posted throughout the company to promote awareness, prevention and education about sexual harassment and facilitate access to support and reporting mechanisms for victims.

UMB implements security protocols in all its operating units, coupled with some technologies like CCTV and secured entry, to help ensure the security of its employees on the company's premises. Women employees who occasionally work late at night will be accompanied by security personnel and escorted home. Engaging with local communities and stakeholders can foster positive relationships and promote social cohesion.

Persatuan Wanita ("PERNITA") was established to champion gender equality, empower women and create an inclusive society where women's voices are heard and valued. Besides, the association strives to cultivate a sense of security in the workplace, mainly because women constitute a minority within the workforce.

Photo 8: PERNITA members performing a show during family day cum Raya Open House in Meridian Palm Oil Mill



Sustainability Statement (continued)

COMMUNITY ENGAGEMENT AND DEVELOPMENT

UMB actively engages with local communities. These include providing business and employment opportunities that contribute to the growth and prosperity of the local communities. UMB provides convenient means of transportation in remote areas, free medical services, treated water to schools, sponsors diesel for authorities in Sabah, assists in repairing roads and offers donations. UMB also meets with stakeholders annually, facilitating a platform for them to voice grievances and propose improvements. Apart from annual meetings, there are also other engagements with stakeholders during Raya Open Houses, blood donation programmes and meetings with cattle owners near the estates.

Photo 9: UMB's stakeholder meetings



Community Learning Centres ("CLC") have been established in collaboration with the Indonesian Consulate in UMB's oil palm plantations in Sabah. Indonesian teachers manage the CLCs, and the establishment is set to educate children of Indonesian foreign workers. This initiative is part of UMB's efforts to eradicate child labour. Currently, 251 children benefit from such establishments.

Photo 10: Photos of children attending classes in CLCs in MPSB and MLP



Sustainability Statement (continued)

During FY 2024, UMB established a bursary programme to assist children of employees pursuing degree courses at Malaysian public universities. This programme replaced the United Malacca University Scholarship ("UMUS"). Existing UMUS recipients will continue to receive the funds they were awarded until they complete their courses.

Table 9 – Scholarships Awarded

Scholarships		Financial Year		
		FY 2024	FY 2023	FY 2022
United Malacca University Scholarship ("UMUS")	Contribution (RM)	36,000	58,000	61,000
	Number of recipients	4	7	8
Tun Tan Siew Sin Scholarship	Contribution (RM)	1,500	7,500	6,000
	Number of recipients	1	5	4
Educational Aid	Contribution (RM)	200	400	1,720
	Number of recipients	1	1	4
Bursary Programme	Contribution (RM)	3,765	0	0
	Number of recipients	1	0	0
Total Contribution (RM)		41,465	65,900	68,720

Table 10 – Breakdown of UMUS Award Recipients

Category	Female	Male	Total
Completed bond but left service	10	15	25
In employment	4	5	9
Still studying	1	3	4
Withdrew from scholarship	3	4	7
Total	18	27	45

Note: The above information is taken from the year UMUS was established in 2006.

In FY 2024, through outreach programmes, UMB contributed RM 101,847 in Malaysia and RM 230,349 in Indonesia. The amount invested in the community is RM 332,196 to a total of 47 beneficiaries. Significant contributions included:

- RM 182,688 was spent in assisting with road repairs, bridges, drains and raw material provision for the eight (8) neighbouring villages in PT LAK.
- RM 39,183 was spent in assisting nine (9) villages in the vicinity of PT LAK with festival donations and repairs of worship houses.
- RM 30,000 to Monfort Youth Training Centre.
- RM 10,000 to sponsor the MPOA Palm Oil Conference.
- RM 5,000 each to National Stroke Association Malaysia, Melaka Cancer Society, Hospis Melaka, The Registered Trustees of Osimal Foundation, Pertubuhan Kebajikan Bacang Melaka, The National Autism Society of Malaysia, Osimal Charitable Activities.
- RM 5,000 for Program Rumah Terbuka Hari Raya Aidilfitri Dun Machap Jaya.

Photo 11: A student receives bursary programme award from UMB



UMB aims to continue providing donations for public welfare and sponsoring community events, including supporting children's education through scholarship awards. In FY 2024, scholarships were awarded to two students pursuing agriculture and two students pursuing mechanical engineering studies.

UMB continues to support the PLASMA scheme in Indonesia. The PLASMA scheme represents a significant component of Indonesia's strategy for agricultural development, particularly in the palm oil sector, with ongoing efforts to enhance its efficacy and address socio-environmental concerns. Under the scheme, 5,183 Ha of land has been planted with oil palms, benefitting 2,551 farmers.

Sustainability Statement (continued)

PILLAR 2: PLANET



BIODIVERSITY & LAND MANAGEMENT

The SPOP guides biodiversity protection in UMB estates. Since biodiversity assessment is required under the certification standard, 100% of UMB's operating units have been assessed on Biodiversity and High Conservation Value ("HCV"). UMB also conducted Social Impact Assessments ("SIA") for all its operating units. High Carbon Stock ("HCS") assessments are carried out in PT LAK in Indonesia. HCV and HCS activities in Indonesia are monitored and reported to the Balai Konservasi Sumber Daya Alam in respective regions. In Sabah, Environmental Impact Assessments ("EIA") are conducted for operating units scheduled for oil palm replanting as per the local regulations. UMB engaged a registered consultant with the Environment Protection Department of Sabah to monitor and inspect the environmental and social issues that may present in its operating units.

Photo 12: Some of the fauna found in UMB estates



A total of 1 flora and 37 fauna species sighted in UMB estates fall under the endangered, vulnerable, and threatened categories, in the International Union for the Conservation of Nature ("IUCN") Red List of Threatened Species and National Conservation List Species.

Sustainability Statement (continued)

Table 11 – Number of flora and fauna species listed under the IUCN Red List found in Malaysian operations

IUCN Red List	Fauna
Critically endangered	1
Endangered	7
Vulnerable	10
Near Threatened	12
Least Concern	113

Table 12 – Number of flora and fauna species listed under the IUCN Red List found in Indonesian operations

IUCN Red List	Flora	Fauna
Critically endangered	–	1
Endangered	–	2
Vulnerable	1	3
Near Threatened	–	1
Least Concern	–	8

Riparian reserves are maintained to preserve flora and fauna, ensure water quality and prevent erosion. Chemicals are prohibited from being applied around riparian reserves. Signboards are erected to remind workers not to spray chemicals or apply fertiliser near the reserves. Signboards on flora and fauna are erected to educate employees and the community. Water samples collected from raw water sources and treated water are routinely analysed to ensure safe consumption. The total HCV area in Malaysia is 1,496.78 Ha (6.35%), and the PT LAK is 1,018.69 Ha (3.94%).

Photo 13: A view of preserved river in MLP 5B, Sabah



UMB implemented various preventive measures to detect and respond promptly to fires in estates and surrounding forests. In Indonesia, special fire extinguishing teams are appointed at each estate. The team is tasked with maintaining fire extinguishing facilities, conducting fire patrols, educating the community if open burning or burning activity is detected, and reporting to the management of hotspots or asking if people are engaged in burning activities.

Other initiatives include fire drill simulation and training and spreading awareness among employees and communities about the ban on burning. Boundary drains are also built to prevent fire from spreading to or from neighbouring estates. There were 29 fire cases reported in PT LAK in FY 2024, comprising 41.63 Ha of planted area, which damaged some oil palms and grass. The Pemadam Kebakaran ("DAMKAR") team typically takes one to three days to completely clear out the fires in each incident.

Sustainability Statement (continued)

WASTES AND EFFLUENTS

Pesticide containers are collected and triple-rinsed for reuse or before disposal. Other contaminated containers, used batteries, spent oils, and spent filters are disposed of through licensed contractors under the Department of Environment ("DOE"). Waste recycling is implemented wherever feasible, including collecting empty water bottles, aluminium cans and paper, which are later sent to recyclers. Domestic wastes are collected by local councils or deposited in the estate landfills. Landfills within the estates are supervised and kept according to local regulations or certification standards.

Oil palm fibres are used to generate renewable energy in the boilers for palm oil mill processing. Waste from the palm oil mills, such as empty fruit bunches, decanter cake, and boiler ash, is sent to compost plants to produce compost. A certain amount of palm oil mill effluent ("POME") is also channelled to compost plants for the same purpose. POME in ponds undergoes treatment to break down organic matter by microorganisms, reducing its organic contents and pollutant loads. POME parameters are measured to ensure compliance with regulatory standards. Treated POME are discharged to the field via furrows (irrigation where the POME flow down small trenches running between crops) and monitored to prevent over-discharge and potential groundwater contamination.

Table 13 – POME/EFB generated and channelled to compost plant in m³

POME/EFB Generated	FY 2024	FY 2023	FY 2022
Bukit Senorang Palm Oil Mill ("BSPOM")	144,839	132,187	62,570
Meridian Palm Oil Mill ("MPOM")	197,178	185,047	143,982
Arwana Palm Oil Mill ("APOM")	162,998	100,008	67,723
POME Channelled to Compost Plant	FY 2024	FY 2023	FY 2022
BSPOM	11,014	80,321	47,596
MPOM	1,548	135,054	66,328
APOM	165,105	121,957	90,386

Note:

1. POME channelled to compost plant lower in BSPOM and MPOM in FY 2024 due to the temporary shutdown of compost plants.
2. Restatement of POME channelled to compost plant data for APOM in FY 2023 and FY 2024.

Table 14 – Breakdown of wastes in Malaysia and Indonesia

Malaysia	FY 2024	FY 2023	FY 2022
Scheduled waste (MT)	33.72	20.67	15.60
Recyclable waste (MT)	1.04	0.36	0.82
Domestic waste (MT)	709.91	742.35	864.03
Indonesia	FY 2024	FY 2023	FY 2022
Scheduled waste (MT)	4.76	5.40	2.88
Recyclable waste (MT)	17.45	23.71	
Domestic waste (MT)	34.19	28.73	24.28
Malaysia & Indonesia	FY 2024	FY 2023	FY 2022
Total waste generated	801.07	821.22	907.61
Total waste diverted from disposal	18.49	24.07	0.82
Total waste directed from disposal	782.58	797.15	906.79

Note:

1. Restatement of the amount of scheduled wastes disposed of for FY 2023
2. Restatement of recyclable waste is comprised of the disposed amount

Sustainability Statement (continued)

WATER MANAGEMENT

UMB continues to emphasise optimising water consumption. Each estate and palm oil mill has a management plan for managing its water resources, usage and associated risks. Bunds are built at strategic points to retain water along the drain. Drain desilting is conducted to maintain an efficient drainage system and improve water quality. Flap gates control the influx of water by allowing unidirectional flow, preventing backflow, regulating water levels, and mitigating the risk of flooding.

Rainwater harvesting implementation continues to be in place. Water collected is used for domestic purposes to water plants and chemical premix. Operating units ensure water pipelines are inspected and maintained regularly to prevent leakages or damage. Employees are made aware of the need to use water responsibly and to report any leakages. The total rejected reverse osmosis water is 81m³, and it is reutilised for domestic needs.

Signboards are erected to remind chemical sprayers in the estates not to spray chemicals near the water bodies. Cover crops were also planted to increase moisture retention and reduce soil run-off to waterbodies. Samples taken upstream and downstream are analysed to monitor the water quality needed to meet the regulatory and certification requirements.

Table 15 – Water consumption for domestic use and in the palm oil mill

	FY 2024	FY 2023	FY 2022
Water consumption in Megaliter			
Malaysia (domestic)	236.046	326.089	275.891
Malaysia (mill processing)	543.736	679.374	450.064
Indonesia (domestic)	19.799	13.425	8.831
Indonesia (mill processing)	336.670	278.386	175.230
TOTAL	1,136.251	1,297.274	910.016
Water consumption in the mill (m³/FFB processed)			
BSPOM	1.84	1.81	1.39
MPOM	1.14	1.49	1.46
APOM	1.25	1.64	1.39

Note: The restatement of domestic water and mill consumption in Indonesia depicts the changes in the scope.

AIR EMISSIONS

In Malaysia, UMB adheres to various mandates by Malaysian law, including employing electrostatic precipitators ("ESP") to mitigate the emission of pollutants from palm oil mills. Continuous Emission Monitoring System ("CEMS") continues to measure air pollutants in real-time. Stack emissions monitoring complies with air quality standards set by the Malaysian environmental authority. In Indonesia, some assessments are done to comply with local law by the accredited assessors registered with government authorities, namely ambient air monitoring, air emission monitoring, and POME pond odour monitoring. No fines or penalties were issued to UMB in the reporting year.

During the reporting year, UMB maintains the use of ISPO Calculator version 9.1, which aligns with the practices of its Indonesian operations, for monitoring the release of greenhouse gases ("GHG"). UMB remains committed to seeking practical innovations to effectively reduce GHG emissions within its operations.

Sustainability Statement (continued)

Table 16 – GHG emission in Malaysia and Indonesia

	Malaysia ⁽¹⁾			Indonesia ⁽³⁾		
	FY 2024	FY 2023	FY 2022	FY 2024	FY2023	FY 2022
With Palm Oil Mill						
tCO ₂ /MT FFB	0.212	0.223	0.216	-0.061	-0.310	-2.618
tCO ₂ /MT CPO	0.917	1.012	0.946	-0.249	-1.437	-10.927
Without Palm Oil Mill⁽²⁾						
tCO ₂ /MT FFB	-0.307	-0.240	-0.262	–	–	–

Note:

1. Data for Malaysia (With Palm Oil Mill) includes all estates in Peninsular Malaysia and Meridian Plantations in Sabah supplying FFB to Bukit Senorang Palm Oil Mill (BSPOM) and Meridian Palm Oil Mill (MPOM)
2. Data for Malaysia (Without Palm Oil Mill) comprises data from Millian-Labau Plantations (MLP) in Sabah
3. Data for Indonesia (With Palm Oil Mill) represents the whole of PT LAK
4. Restatement of GHG data for Indonesia operation in FY 2022 and FY 2023

ENERGY EFFICIENCY

UMB has been exploring alternative energy sources to mitigate the negative impact on the environment. UMB is leveraging palm fibres to reduce its reliance on fossil fuels in its palm oil mill operations. Steam produced by the boiler in the palm oil mill is harnessed to propel the steam turbine which transforms it into electrical power. UMB palm oil mills consume more energy from steam turbines than generator sets to reduce dependence on fossil fuels.

Bio-diesel is used to operate mechanised equipment and for vehicles to transport FFB from estates to the mills and processing in the mill. One of the initiatives to reduce total dependence on bio-diesel is using battery-operated crawlers for FFB collection in the estates instead of fossil fuel-operated crawlers. Machinery in the estates and palm oil mills undergo regular maintenance or replacement to enhance efficiency.

Solar panels are installed in selected operating unit areas, such as guard houses, street lights, employee quarters and stores. Solar panels were installed and commissioned on a bigger scale in Pahang last year, generating 414,716 kWh in FY 2024. In the long run, solar panels offer the benefit of sustainable energy generation and lower energy costs. Employees are educated on energy conservation practices and switch off electrical devices at homes and in offices when not in use.

Sustainability Statement (continued)

Table 17 – Electricity (MW) and diesel (L) consumption in Malaysia and Indonesia operations

Consumption	Unit	FY 2024	FY 2023	FY 2022
Diesel (Malaysia)	L	2,888,331	2,616,951	2,697,629
Diesel (Indonesia)	L	1,675,883	1,131,331	687,157
TOTAL	L	4,564,214	3,748,282	3,384,786
Electricity (Malaysia)	MW	2.11	1.86	1.78
Electricity (Indonesia)	MW	2.28	2.21	1.01
TOTAL	MW	4.39	4.07	2.79

Note:

1. The increase in diesel consumption is due to additional machinery in the estates, electricity generation for additional employees' quarters and higher trips to evacuate FFB to the palm oil mill.
2. Electricity data is only from operating units with meters, including the Head Office
3. Restatement of electricity for Malaysia for FY 2023 and FY 2022 depicts the electricity purchased and generated from the turbine only.
4. The increase in electricity is due to the higher amount of FFB processing in the palm oil mill.

PILLAR 3: PROFIT



SUSTAINABLE AGRICULTURAL PRACTICES

UMB is committed to undertaking sustainable agricultural practices to improve yields, minimise environmental harm and reduce the need for manual labour. Mechanisation has been a key area of improvement throughout UMB. UMB is actively exploring new technology in the market that can increase productivity and reduce dependence on manual labour. In the long term, UMB believes that mechanisation helps sustain good agricultural practices and optimises overall operational costs. Machinery used in UMB includes a tractor with a grabber, crawlers, and fertiliser spreaders.

**Photo 14: (Left) Driver evacuates FFB by a tractor-grabber
(Right) Evacuated FFB is loaded into the bin before it is sent to the mill**



Sustainability Statement (continued)

Recycling fields and milling biomass back to the land remains a practice that reduces dependence on chemical fertiliser while sustaining yields and palm growth. UMB continues to adopt Integrated Pest Management (“IPM”), which is consistent with environmentally conscious agricultural practices and reduces pesticide use. Beneficial plants such as *Antigonon leptopus*, *Turnera ulmifolia* and *Turnera subulata* were planted to attract predatory insects for pest control.

Barn owls, scientifically known as *tyto alba*, prey on rodents that are common pests in oil palm plantations. By providing a habitat for barn owls, growers can reduce the need for chemical pesticides, promote a more sustainable and eco-friendly agricultural practice. Barn owl boxes are erected every 11 Ha in Peninsular Malaysia. In Indonesia, it is planned to erect barn owl boxes at every 30 Ha.

UMB also conducts regular surveillance and monitoring of pest outbreaks. These efforts indirectly control the excessive use of pesticides, thus minimising the environmental impact and reduce field management costs. Census teams were set up to survey the level of pest infestation in the field. Treatment is only performed when the damage surpasses the thresholds set in the company policy. Pheromone traps are also used in the estates to reduce the population of pests like rhinoceros beetles.

Table 18 – Amount of fertilisers and pesticides used in Malaysia operations

	FY 2024	FY 2023	FY 2022
Fertiliser (MT)	15,952	14,698	14,729
Pesticides (MT)	17	18	22
Pesticides (L)	1,670	714	1,159
Herbicides (MT)	4	3	2
Herbicides (L)	54,186	58,417	51,182

Table 19 – Amount of fertilisers and pesticides used in Indonesia operations

	FY 2024	FY 2023	FY 2022
Fertiliser (MT)	10,352	3,437	3,728
Pesticides (MT)	2	3	3
Pesticides (L)	1	–	–
Herbicides (MT)	43	17	32
Herbicides (L)	40,852	26,207	28,578

Note: Shrubs and bushes in the PT LAK concessions are being cleared for plantation in stages. The higher amount of fertiliser and herbicides in FY 2024 depicts the use in these areas as well.

Sustainability Statement (continued)

Photo 15: An agronomist is doing GIS mapping with a drone



Agronomy trials for compounded or compacted fertiliser containing significant nutrients are expected to reduce frequent application of chemicals in hilly terrain and are ongoing at a few estates. Organic fertilisers are also being tried at selected blocks in the estates. Drones are deployed for Geographic Information System ("GIS") mapping to analyse spatial data, enable informed decision-making, and solve complex problems.

Empty Fruit Bunch ("EFB"), oil palm trunks and fronds are mulched and composted as organic material, maintaining soil properties. Compost is a product that combines EFB and wastes from the palm oil mill, such as decanter

cake, boiler ash, and POME which are produced in-house in the compost plant of BSPOM and MPOM. Compost is an excellent substitute for agrochemicals and is friendlier to the environment. Compost is applied in the fields near to the compost plants.

Table 20 – Quantum of compost generated versus applied

	FY 2024	FY 2023	FY 2022
Pahang			
Compost generated (MT)	24,101	30,245	20,495
Compost applied in the field (MT)	24,101	30,245	19,789
Sabah			
Compost generated (MT)	48,640	58,393	29,541
Compost applied in the field (MT)	48,640	53,495	24,585
PT LAK			
Compost generated (MT)	64,795	40,779	22,730
Compost applied in the field (MT)	86,144	40,885	45,622

UMB continues embracing digitalisation to help manage the estates and palm oil mills more efficiently, such as adopting the LintraMax Quarto system which tracks field works and crop harvesting in estates, crop dispatch from estates to oil mills, FFB receipt and grading in oil mills, and etc. The system utilises Quick Response ("QR") Code scanning via mobile application and integrates with Weighbridge Management System to ensure data integrity. The software is updated from time to time in parallel with the needs and changes in the operations.

Sustainability Statement (continued)

SUPPLY CHAIN MANAGEMENT

UMB adopts a strategic procurement approach and ensures that all sourcing, sales contracts, sales transactions, and negotiations are done in line with the company policy and manual. Key procuring is centralised at the headquarters level. Spend Analysis, Vendor Pre-qualification Assessment, Vendor Performance Assessment and Traceability are some key initiatives that augment the procurement process. These initiatives are supported:

- Purchasing and tender process policies
- Sales policy
- Supplier Code of Conduct
- Harvesting & Transport, and sales of FFB and CPO

Table 21 – Vendor assessment

Malaysia	FY 2024			FY 2023		
Types of Vendor	Number of vendors	Vendors Assessed	Percentage of suppliers that have met the requirements	Total vendors	Vendors Assessed	Percentage of suppliers that have met the requirements
Supplier	460	318	80%	492	299	89%
Contractor*	35	29	100%	22	22	91%
FFB Supplier	29	8	100%	20	20	100%
Indonesia	FY 2024			FY 2023		
Types of Vendor	Number of vendors	Vendors Assessed	Percentage of suppliers that have met the requirements	Total vendors	Vendors Assessed	Percentage of suppliers that have met the requirements
Supplier	157	48	98%	89	22	95%
Contractor*	83	8	100%	13	4	75%
FFB Supplier	11	8	100%	7	7	100%

Note: *Randomly selected for assessment purpose

Table 22 – FFB procured from FFB suppliers in Malaysia and Indonesia

	FY 2024	FY 2023	FY 2022
Malaysia			
Total spending on FFB suppliers (RM million)	107.3	141.3	117.9
Number of FFB suppliers engaged	132	123	113
Indonesia			
Total spending on FFB suppliers (RM million)	74.0	44.2	35.4
Number of FFB suppliers engaged	2,551	2,551	2,551

Note: The increase in spending on FFB suppliers is directly proportional to the higher amount of FFB purchases.

Sustainability Statement (continued)

Table 23 – Total spending on goods and services from local suppliers

	FY 2024	FY 2023	FY 2022
Malaysia			
Total spending on local purchases (RM million)	61.3	59.8	44.2
Proportion of spending on local suppliers	100%	100%	100%
Indonesia			
Total spending on local purchases (RM million)	52.4	27.5	20.6
Proportion of spending on local suppliers	100%	100%	100%
UMB Group			
Total spending on local purchases (RM million)	113.7	87.3	64.8
Proportion of spending on local suppliers	100%	100%	100%

By adopting Malaysian Sustainable Palm Oil (“MSPO”), UMB adheres to producing certified sustainable palm products. UMB remains committed to addressing emerging concerns for responsible sourcing, particularly with FFB sourcing, to ensure that FFB source is deforestation-free supply. UMB works closely with stakeholders whenever there is a need to investigate any concerns or allegations of deforestation and formulate any alleviation measures, if necessary.

Leading brand manufacturers and retailers demand full traceability to ensure that palm products they purchase are produced sustainably. Traceability and transparency continue to be UMB’s key initiatives in demonstrating to the public that palm oil produced by UMB is sustainable. UMB is still facing issues in tracking FFB from third-party suppliers, such as dealers and smallholders, as some are still reluctant to share specific data required for traceability requirements. Efforts continue to be put in place to reach out to dealers and smallholders about the importance of providing such information for the exercise.

Table 24 – Traceability to plantation information

	Peninsular Malaysia	Sabah	Indonesia
Percentage of sourcing from own plantation	64.06%	57.88%	34.60%
Percentage of sourcing from third-party plantations	9.09%	8.86%	2.94%
Percentage of sourcing from smallholders	0%	5.51%	37.79%
Percentage of sourcing from dealers	26.85%	27.75%	24.67%
Percentage of traceability to plantation	82.91%	85.36%	64.00%
Percentage of certified FFB	73.15%	70.87%	24.09%
Percentage of certified palm oil	73.15%	70.94%	24.09%

Supplier Code of Conduct (“SCOC”) is established to provide suppliers with requirements to support UMB’s commitment to ensuring its products are produced sustainably, suppliers are expected to respect and adopt the same procedure. All vendors dealing with the Head Office have signed the SCOC. In the next financial year, UMB plans to roll out SCOC in Bahasa Indonesia for suppliers in Indonesia.

MPOM organised the annual Mill Engagement Day, bringing together FFB suppliers, particularly smallholders, for a knowledge-sharing session in April 2024. During the event, suppliers are briefed on some OSH regulations in conjunction with World OSH Day.

MPOM also organised a talk on malaria, which the health assistant from MPSB presented. MPOM suppliers were also briefed on SCOC, which aims to achieve the highest business ethics, transparency, and traceability. This event enabled suppliers to interact directly with palm oil mill representatives regarding concerns related to supplying FFB.

Sustainability Statement (continued)

Photo 16: Mill Engagement Day in MPOM



ETHICAL BUSINESS

UMB is committed to doing business with integrity and professionalism, guided by its anti-bribery policy. UMB has zero tolerance for fraud, bribery and corruption, which applies to all dealings by its BOD, employees, suppliers, and any persons connected with UMB. The company does not give contributions to political parties or candidates. UMB allows gifts of a reasonable value, not in cash, which are not corruptly given. The Employee Conflict of Interest policy requires employees to declare if their personal interests may contradict the company's interests and to promote appropriate standards of conduct and ethical practices.

The Whistleblowing policy enables internal and external stakeholders to report cases involving fraud, bribery, corruption and other improper conduct. UMB encourages reporting these concerns via its Whistleblowing channel on its corporate website or by emailing whistleblowing@unitedmalacca.com.my. The audit committee is authorised to investigate the reported incidents and report the findings directly to the Board of Directors. The Whistleblowing policy is published on the company's corporate website.

UMB reported zero incidences of corruption, extortion or bribery cases involving its employees. Therefore, no disciplinary action or dismissal of an employee was taken during the year under review. UMB was not fined, penalised or forced to make settlements in relation to corruption in the reporting year.

Table 25 – Information on anti-bribery-related activity

	FY 2024	FY 2023	FY 2022
Malaysia			
Percentage of operations assessed for corruption-related risks	0	0	0
Confirmed number of incidents of corruption and action taken	0	0	0
Indonesia			
Percentage of operations assessed for corruption-related risks	0	0	0
Confirmed number of incidents of corruption and action taken	0	0	0

Sustainability Statement (continued)

UMB will continue to adopt the anti-corruption culture and adhere to the anti-corruption laws and regulations in the countries where it operates. UMB also greatly emphasises educating the employees on the importance of ethical behaviour in all business dealings and relationships.

Table 26 – Percentage of employees who received anti-corruption awareness in Malaysia

	FY 2024	FY 2023	FY 2022
Malaysia			
Management	66%		
Executive	51%		
Non-executive/Staff	46%		

DATA PROTECTION & PRIVACY

UMB stringently adheres to the Personal Data Protection Act (PDPA) 2010 requirements in managing internal and external stakeholders' data. UMB also continues to implement the Access Management Policy and Change Management Policy to manage IT and cybersecurity. The IT Department continuously monitors the company's email system for phishing attacks. Alerts and cybersecurity tips are shared among employees to prevent cyber threats. Spammer domains are blocked to eliminate recurring risks. Anti-virus software is installed on all UMB's computers and devices. UMB targets to provide annual cybersecurity awareness training and offers updates on cyber threats to promote awareness of shielding sensitive data. UMB received no substantiated complaints concerning breaches of stakeholder privacy, leaks, thefts, or data loss in the reporting year.

CONCLUSION

UMB is committed to pursuing meaningful sustainability policies to ensure it remains relevant in the industry and continues creating value for its people, community and the environment.

This Sustainability Statement was presented and approved by the Board on 30 July 2024.

Sustainability Statement (continued)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	7.82
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,479
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management (Malaysia) Below 30	Percentage	0.00
Management (Malaysia) 30 - 50	Percentage	65.00
Management (Malaysia) Above 50	Percentage	35.00
Executive (Malaysia) Below 30	Percentage	16.00
Executive (Malaysia) 30 - 50	Percentage	78.00
Executive (Malaysia) Above 50	Percentage	6.00
Non-executive/Staff (Malaysia) Below 30	Percentage	22.00
Non-executive/Staff (Malaysia) 30 - 50	Percentage	66.00
Non-executive/Staff (Malaysia) Above 50	Percentage	12.00
Worker (Malaysia) Below 30	Percentage	33.00
Worker (Malaysia) 30 - 50	Percentage	58.00
Worker (Malaysia) Above 50	Percentage	9.00
Management (Indonesia) Below 30	Percentage	0.00
Management (Indonesia) 30 - 50	Percentage	100.00
Management (Indonesia) Above 50	Percentage	0.00
Executive (Indonesia) Below 30	Percentage	17.00
Executive (Indonesia) 30 - 50	Percentage	79.00
Executive (Indonesia) Above 50	Percentage	4.00
Non-executive/ Staff (Indonesia) Below 30	Percentage	48.00
Non-executive/ Staff (Indonesia) 30 - 50	Percentage	52.00
Non-executive/ Staff (Indonesia) Above 50	Percentage	0.00
Worker (Indonesia) Below 30	Percentage	26.00
Worker (Indonesia) 30 - 50	Percentage	54.00
Worker (Indonesia) Above 50	Percentage	20.00
Gender Group by Employee Category		
Management (Malaysia) Male	Percentage	85.00
Management (Malaysia) Female	Percentage	15.00
Executive (Malaysia) Male	Percentage	70.00
Executive (Malaysia) Female	Percentage	30.00
Non-executive/Staff (Malaysia) Male	Percentage	57.00
Non-executive/Staff (Malaysia) Female	Percentage	43.00
Worker (Malaysia) Male	Percentage	79.00
Worker (Malaysia) Female	Percentage	21.00
Management (Indonesia) Male	Percentage	91.00
Management (Indonesia) Female	Percentage	9.00
Executive (Indonesia) Male	Percentage	88.00
Executive (Indonesia) Female	Percentage	12.00
Non-executive/ Staff (Indonesia) Male	Percentage	85.00
Non-executive/ Staff (Indonesia) Female	Percentage	15.00
Worker (Indonesia) Male	Percentage	85.00
Worker (Indonesia) Female	Percentage	15.00

Sustainability Statement (continued)

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	63.00
Female	Percentage	37.00
50 - 59	Percentage	12.00
60 - 69	Percentage	38.00
Above 70	Percentage	50.00
Bursa C6(a) Total hours of training by employee category		
Management	Hours	684
Executive	Hours	1,377
Non-executive/ Staff	Hours	521
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	42.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	4
Executive	Number	34
Non-executive/ Staff	Number	25
Worker	Number	2,445
Number of Board Directors	Number	8
Number of independent Directors on the board	Number	4
Number of women on the board	Number	3
Bursa (Labour practices and standards)		
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	332,196.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	47
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	801.07
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	18.49
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	782.58
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1,136.251000
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	4.39
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	66.00
Executive	Percentage	51.00
Non-executive/ Staff	Percentage	46.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement for FY 2024, selected aspects/parts of this Sustainability Statement as listed below have been subjected to an internal review by the Company's Internal Auditors. The scope of the internal review covers Head Office operations, all oil palm plantations and palm oil mill operations in Malaysia and Indonesia.

Subject Matter	Indicator
Anti-Corruption	<ul style="list-style-type: none"> Percentage of employees who have received training on anti-corruption by employee category. Percentage of operations assessed for corruption related risks. Confirmed incidents of corruption and action taken.
Community/Society	<ul style="list-style-type: none"> Total amount invested in the community where the target beneficiaries are external to the Company. Total number of beneficiaries of the investment in communities.
Diversity	<ul style="list-style-type: none"> Percentage of employees by gender and age group for each employee category. Percentage of directors by gender and age group.
Health and Safety	<ul style="list-style-type: none"> Number of work-related fatalities. Lost time incident rate. Number of employees trained on health and safety standards.
Labour practices and standards	<ul style="list-style-type: none"> Total hours of training by employee category.
Supply Chain Management	<ul style="list-style-type: none"> Percentage of employees that are contractors or temporary staff. Total number of employee turnover by employee category. Proportion of spending on local suppliers.
Data privacy and security	<ul style="list-style-type: none"> Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
Water	<ul style="list-style-type: none"> Total volume of water used.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Headquartered in Malacca, the UMB Group comprises the parent company, United Malacca Berhad (“UMB”), and its subsidiaries in Malaysia, Singapore and Indonesia. The Corporate Governance Overview Statement (“CGOS”) outlines the UMB Group’s corporate governance approach, focus, priorities and practices.

Supplementing this CGOS is the Corporate Governance Report (“CG Report”) for the financial year ended 30 April 2024. The CG Report details the UMB Group’s compliance with the Malaysian Code on Corporate Governance 2021 (“MCCG”) and is available on UMB’s website, www.unitedmalacca.com.my.

To better understand UMB Group’s corporate governance principles and practices, this CGOS should be read together with the Statement on Risk Management and Internal Controls and Audit Committee Report.

UMB GROUP’S CORPORATE GOVERNANCE APPROACH

UMB Board of Directors (the Board) recognises corporate governance and sustainable practices are essential to developing added value for its stakeholders. To facilitate improved decision-making, the Board prioritises strengthening the governance framework.

UMB Group is committed to the following principles:

- upholding the highest standard of ethical conduct with particular emphasis on integrity;
- incorporating economic, environmental, and social considerations in all its operations;
- 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 Board regularly reviews and updates the Group’s corporate governance framework.

SUMMARY OF UMB GROUP’S CORPORATE GOVERNANCE PRACTICES

Following Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia (“the Listing Requirements”), this CGOS outlines UMB Group’s Corporate Governance Practices for the financial year ended 30 April 2024 (“FY 2024”) based on MCCG’s three Principles:

Principle A - Board Leadership and Effectiveness

Principle B - Effective Audit and Risk Management

Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The CG Report documents the extent of UMB Group’s adherence to MCCG’s Practices in FY 2024.

Corporate Governance Overview Statement (continued)

A

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

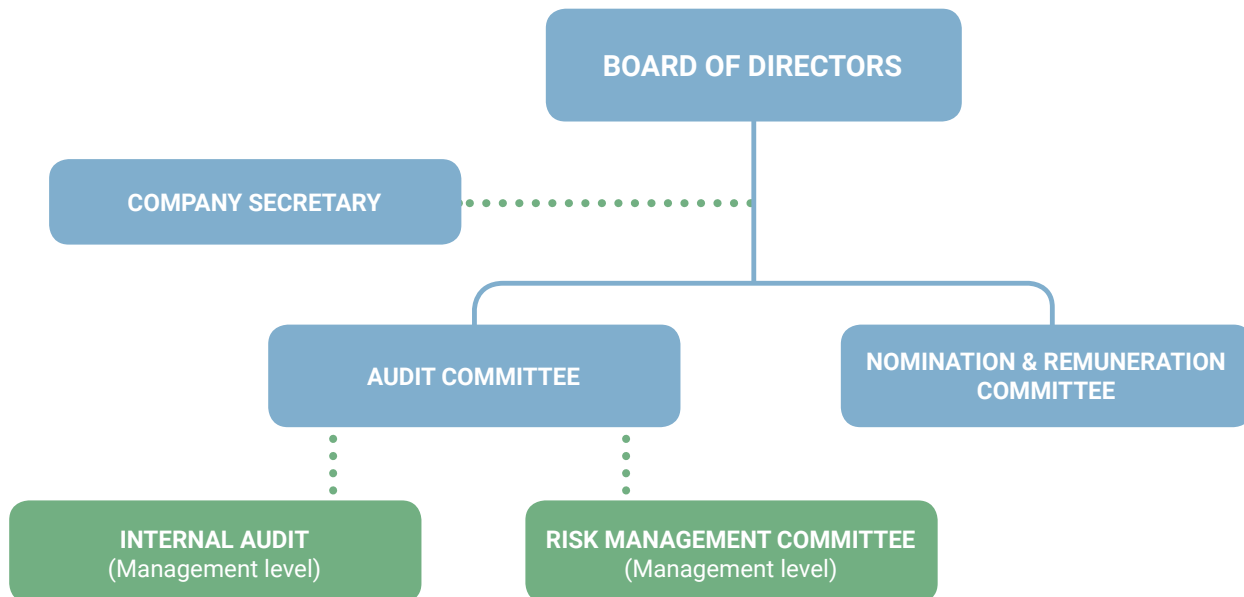
The Board has constituted two Committees – the Audit Committee and the Nomination and Remuneration Committee (“NRC”). Each committee’s terms of reference set out its responsibilities. Directors keep abreast of the Committees’ activities through their minutes of meetings, briefings and reports.

The Board Charter outlines the responsibilities of the Board, individual Directors, the Executive Director (“ED”) and the Chief Executive Officer (“CEO”), and includes a schedule of matters reserved for the Board.

The Board Charter, publicly available on UMB’s website www.unitedmalacca.com.my, is reviewed periodically to reflect changes in the corporate and business environment.

Recommendations from the Board Committees are forwarded to the Board for approval and action.

UMB’s governance structure is as follows:



In line with good corporate governance, the roles and responsibilities of the Chairperson, ED and CEO are clearly defined. The Chairperson oversees the conduct, governance and effectiveness of the Board. Providing a link between the CEO and the Board, the ED facilitates faster decision-making while the CEO manages the Group’s day-to-day operations and liaises between the ED, managers and employees.

Corporate Governance Overview Statement (continued)

In FY 2024, the Board met five times to discuss and approve the financial results, annual business plan and the Group's budgets, including that for the Indonesian subsidiaries. Whenever necessary, the Board also discusses regulatory compliance matters.

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

Individual Director's attendance at meetings of the Board and Board Committees during the financial year ended 30 April 2024 is listed below:

Directors	Board	Audit Committee (AC)	Nomination & Remuneration Committee (NRC)
Datin Paduka Tan Siok Choo	5/5		
Mr. Tan Jiew Hoe ^(a)	3/3	3/3	
Mr. Teo Leng	5/5		
Dato Dr. Nik Ramlah Binti Nik Mahmood	5/5	5/5	1/1
Mr. Ong Keng Siew	5/5	5/5	1/1
Mr. Tee Cheng Hua	5/5		1/1
Dato' Sri Tee Lip Sin	5/5		
Mr. Han Kee Juan	5/5	5/5	
Datin Noor Azimah Binti Abd. Rahim ^(b)	5/5	2/2	–

Chairperson of Board/Chairman of Board Committees

Member

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

- (a) Mr. Tan Jiew Hoe resigned as Board member after the conclusion of UMB's 109th Annual General Meeting held on 27 September 2023.
- (b) Datin Noor Azimah Binti Abd. Rahim was appointed AC and NRC member effective 1 October 2023.

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 facilitate the flow of information from Management to the Board and ensure Directors receive the notice of meetings and board papers at least 5 working days before the meetings.

Board Composition

The Board's composition complies with Paragraph 15.02(1) of the Listing Requirements which stipulates at least two Directors or 1/3 of the Board, whichever higher, are independent and one director is a woman.

For the first half of the year, the Board consisted of nine members but was reduced to eight after Mr. Tan Jiew Hoe resigned as UMB's Non-Independent Non-Executive Director on 27 September 2023. The Board now comprises seven Non-Executive Directors and one Executive Director; four of the eight are Independent Directors, while three directors are women. UMB Directors have varying academic qualifications and work experience. The Board periodically reviews the Board's composition and size to ensure its diversity and efficacy.

The Nomination and Remuneration Committee ("NRC") assesses the candidate's expertise and work experience before recommending their appointment as directors to the Board.

Corporate Governance Overview Statement (continued)

Through the NRC, the Board annually reviews its performance and that of individual directors and Board Committees. For FY 2024, a Board Performance Evaluation was conducted in-house, facilitated by the NRC and assisted by the Company Secretaries. The evaluation was based on a self-and peer-rating model questionnaire given to each director.

The Board Performance Evaluation was divided into three sections – Board Performance Assessment, Board Committee Assessment and Board of Directors' Self-Assessment. UMB Board was assessed as above average in interaction, participation, integrity, independence, self-development and competencies. High average ratings in the evaluation exercise indicate the overall performance of the Board, Board Committees and individual Directors is satisfactory.

Following UMB's Fit and Proper Policy, the NRC also assessed the eligibility of Datin Paduka Tan Siok Choo, Dato' Sri Tee Lip Sin and Mr. Han Kee Juan for re-election as directors at the forthcoming 110th Annual General Meeting. Based on the directors' fit and proper criteria and declaration, the NRC ascertained they are suitable to continue as directors and recommended the Board proposes their re-election at the forthcoming 110th Annual General Meeting.

Directors' Training

The Board acknowledges the importance of continuous training for Directors, which enables them to keep abreast of industry developments, enhance their knowledge, and effectively discharge their roles and responsibilities.

In line with Paragraph 15.08 of Bursa Malaysia's Listing Requirements, the NRC assessed and determined the training needs for individual Directors during the financial year ended 30 April 2024.

Training programmes attended by the Directors during the FY 2024 are as follows:

Attended by	Training programmes attended	Date
Datin Paduka Tan Siok Choo	• Remaking Corporate Governance for an ESG World by Asia School of Business (ASB).	31 May 2023
	• 36 th Asia-Pacific Roundtable "An Age of Strategic Uncertainty" by Institute of Strategic and International Studies (ISIS) Malaysia.	9-10 August 2023
	• Investing in Era of Disruption by Tan Sri Andrew Sheng.	16 August 2023
	• National Palm Oil Conference 2023 (Palm Progress: Future-Proofing Competitiveness and Sustainability) by Malaysian Palm Oil Association (MPOA).	2-3 October 2023
	• Inaugural Ungku Aziz Global Lecture by Jeff Sachs "The Way Forward to Sustainable Development in Asia".	22 January 2024
	• The Japan Asean Roundtable – Geopolitical and geoeconomic shifts: Impacts and Implications on Multilateral and bilateral relations by Institute of Strategic and International Studies (ISIS) Malaysia.	30 January 2024
Mr. Teo Leng	• Remaking Corporate Governance for an ESG World by Asia School of Business (ASB).	31 May 2023
	• National Palm Oil Conference 2023 (Palm Progress: Future-Proofing Competitiveness and Sustainability) by Malaysian Palm Oil Association (MPOA).	2-3 October 2023
	• 35 th Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2024) by Bursa Malaysia.	4-6 March 2024

Corporate Governance Overview Statement (continued)

Directors' Training (continued)

Attended by	Training programmes attended	Date
Dato Dr. Nik Ramlah Binti Nik Mahmood	• Resolution Planning, Lesson from recent bank failures by Perbadanan Insurans Deposit Malaysia (PIDM).	15 May 2023
	• A Leadership Agenda Driving Trust from the Top by PwC.	31 May 2023
	• Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom.	12 July 2023
	• Reshaping Markets and Finance: Thought Leadership, Technology & Talent as Levers for Change by Institute for Capital Market Research Malaysia (ICMR) and Securities Industry Development Corporation (SIDC).	25 July 2023
	• GR&C Annual Conference 2023, Navigating Risk Horizons building resilience for a thriving future by GR&C.	31 July 2023
	• Artificial Intelligence by Stephen Rose, IBM.	8 November 2023
Mr. Ong Keng Siew	• Introduction to ESG: "What BODs need to know" by TS Raja Shazrin Shah bin Raja Ehsan Shah by Galaxy Tech Solutions.	25 August 2023
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia (ICDM).	13-14 September 2023
	• National Palm Oil Conference 2023 (Palm Progress: Future-Proofing Competitiveness and Sustainability) by Malaysian Palm Oil Association (MPOA).	2-3 October 2023
	• Sustainable Sustainability – Why ESG Is Not Enough by Iclif Executive Education Center.	1 March 2024
	• 35 th Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2024) by Bursa Malaysia.	4-6 March 2024
	• Future Proofing Malaysia Businesses: Navigating Cyber – Threats In The Age of AI by Institute of Corporate Directors Malaysia (ICDM).	11 March 2024
Mr. Tee Cheng Hua	• National Palm Oil Conference 2023 (Palm Progress: Future-Proofing Competitiveness and Sustainability) by Malaysian Palm Oil Association (MPOA).	2-3 October 2023
	• International Palm Oil Congress and Exhibition (PIPOC 2023) by Malaysian Palm Oil Board and Ministry of Plantation and Commodities, Malaysia.	7-9 November 2023
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia (ICDM).	28-29 February 2024
	• 35 th Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2024) by Bursa Malaysia.	4-6 March 2024

Corporate Governance Overview Statement (continued)

Directors' Training (continued)

Attended by	Training programmes attended	Date
Dato' Sri Tee Lip Sin	• ICP 2023: Ensuring the Resilience of the Palm Oil Industry in the 21st Century by The Incorporated Society of Planters.	12-14 June 2023
	• National Palm Oil Conference 2023 (Palm Progress: Future-Proofing Competitiveness and Sustainability) by Malaysian Palm Oil Association (MPOA).	2-3 October 2023
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia (ICDM).	23-24 January 2024
	• Introduction to Corporate Directorship in The New Era of ESG by Institute of Corporate Directors Malaysia (ICDM).	20-21 February 2024
Mr. Han Kee Juan	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia (ICDM).	6-7 November 2023
Datin Noor Azimah Binti Abd. Rahim	• Reshaping Markets & Finance: Thought Leadership, Technology & Talent as Levers for Change by Institute for Capital Market Research Malaysia (ICMR) and Securities Industry Development Corporation (SIDC).	25 July 2023
	• Bursa Malaysia Mandatory Accreditation Programme (MAP) by Institute of Corporate Directors Malaysia (ICDM).	28-30 August 2023
	• National Palm Oil Conference 2023 (Palm Progress: Future-Proofing Competitiveness and Sustainability) by Malaysian Palm Oil Association (MPOA).	2-3 October 2023
	• Malaysia Carbon Market Forum 2023: Empowering Climate Actions through Carbon Market by Bursa Malaysia.	5 October 2023
	• National Economic Outlook Conference (NEOC) – The Malaysian Economy in 2024: What's Ahead for Business and Government by Malaysian Institute of Economic Research (MIER).	27-28 November 2023
	• 35 th Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2024) by Bursa Malaysia.	4-6 March 2024

Remuneration

UMB Board recognises competitive remuneration is essential to attract, motivate and retain talented individuals to work as senior managers. To achieve this objective and align with industry norms, the Board has adopted a Remuneration Policy that offers fair rewards for achieving key deliverables.

Directors' remuneration comprises a fixed fee for the Chairperson and members of the Board and Board Committees, meeting allowances and other benefits as disclosed in the Remuneration Policy.

Corporate Governance Overview Statement (continued)

The Board determines the quantum of fees and other remuneration/benefits payable to the Directors, subject to shareholders' approval at the Company's Annual General Meeting. For FY 2024, the Board maintained the following quantum of fees for Directors and members of Committees:

UMB Board - Fixed Annual Fee	FY2023/2024
Chairperson	RM120,000
Director	RM70,000

UMB Board Committees - Fixed Annual Fee for FY 2023/2024	Chairperson	Member
Audit Committee	RM40,000	RM30,000
Nomination and Remuneration Committee	RM30,000	RM20,000

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

Remuneration for the ED, CEO, and Key Senior Management includes basic salary, performance-based bonus, benefits-in-kind and other incentives. The remuneration package is structured to link rewards to Group and individual performance. Based on NRC's recommendations, the Board determines and approves the remuneration package of the ED and CEO. The ED abstains from participating in decision-making for his remuneration. For Key Senior Management, the NRC reviews and makes its recommendations to the Board for approval annually.



PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

No AC member is a former partner of the firm auditing UMB. Comprising solely of Independent Directors, the AC is currently chaired by Mr. Ong Keng Siew. Other AC members include Dato Dr. Nik Ramlah Binti Nik Mahmood, Mr. Han Kee Juan and Datin Noor Azimah Binti Abd. Rahim. As required, 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 policies. To enhance internal audit's effectiveness and buttress its independence, the Internal Auditor reports directly to the AC. Additionally, the AC assesses the Internal Auditor's remuneration and recommends it to the Board for final approval.

Adopted by the Board on 28 June 2022, the External Auditor's Independence Policy governs the selection, appointment and assessment of the external auditor. To ensure the External Auditor's independence and objectivity are not compromised, the AC reviews the non-audit services rendered by the external auditors, their proposed fees and the threshold that would jeopardise the External Auditor's independence. The AC also assesses and satisfies itself with the External Auditors' performance, effectiveness, and independence. During the year under review, the AC obtained written assurance from the new External Auditor, Messrs Crowe Malaysia PLT (appointed at the 109th Annual General Meeting held on 27 September 2023), confirming their independence throughout their audit engagement.

Corporate Governance Overview Statement (continued)

During the year, the AC held two private sessions with the External Auditors without Management to discuss issues and significant matters highlighted by the External Auditors.

The AC has reviewed the Recurrent Related Party Transactions within the Group to ensure they were fair and reasonable, in the best interest of UMB, and did not impinge on minority shareholders' interests.

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

Risk Management and Internal Control Framework

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

The Group's Internal Audit Department ("IAD") regularly reviews UMB's risk management and internal control policies. To reinforce the IAD's effectiveness and independence, the AC ensures the IAD has sufficient resources and authority to carry out its responsibilities.

The Statement on Risk Management and Internal Controls in the Annual Report provides further information on the Group's risk management and internal framework.

Anti-Bribery Policy

UMB Group is committed to upholding high ethical values in its operations and dealings with third parties. UMB Group's Anti-Bribery Policy sets behavioural guidelines for all management and staff to avoid bribery and corruption risks in all dealings within and outside the Group.

Whistleblowing Policy

The Board and UMB Group are committed to maintaining good work ethics, integrity, and transparency in business dealings and operations. UMB Group's Whistleblowing Policy encapsulates the governance standards to ensure ethical conduct by all UMB Group employees. The whistleblowing platform on UMB's website provides a confidential and secure avenue for employees to report any wrongdoing or improper conduct without fear of retribution.

Corporate Governance Overview Statement (continued)



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

Engagement with Stakeholders

UMB consistently ensures information is disseminated to all stakeholders as soon as practicable through timely announcements to Bursa Malaysia and on UMB's website.

UMB's website, www.unitedmalacca.com.my, is accessible at all times to shareholders, investors and the public and includes all announcements to Bursa Malaysia, quarterly financial reports, analysts' reports, summaries of the minutes of annual general meetings, the Board Committees' terms of reference, UMB's mission & vision, UMB Constitution, the Board Charter and the following codes and policies:

- Directors' Code of Ethics
- Code of Conduct
- Fit and Proper Policy
- Anti-Bribery Policy
- Whistleblowing Policy
- Dividend Policy
- Remuneration Policy
- External Auditors' Independency Policy
- Sustainable Palm Oil Policy

Conduct of General Meetings

The Annual General Meeting ("AGM") is the primary forum for the Board and Key Senior Management to interact with shareholders. As recommended by MCGG, the notice of AGM and the accompanying documents are circulated to all shareholders at least 28 days before the AGM.

The Company conducted its 109th AGM on 27 September 2023. All members of the Board, including the Chief Executive Officer, the Chief Financial Officer, the Company Secretaries, and the then External Auditors, Messrs. Ernst & Young PLT, were present during the AGM.

All resolutions were voted on during the 109th AGM. The scrutineer, Boardroom Corporate Services Sdn. Bhd. verified the poll results and the Chairperson declared the resolutions duly passed.

The minutes of the AGM held on 27 September 2023, including all the questions raised at the meeting and the answers by Management, were made available on UMB's website, www.unitedmalacca.com.my.

This Corporate Governance Overview Statement was presented and approved by the Board on 27 June 2024.

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 2024 (FY 2024) 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 RM8,000 (please refer to page 134 of the audited financial statements).

3. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

Name of Transacting Party	Nature of Transaction	Related Party #	FY2024 (RM' million)
UMB Group of Companies	Purchase of 689.21 tonnes of Compact B Fertiliser from Phosphate Resources (Malaysia) Sdn. Bhd.	(i) PRL Global Ltd (formerly known as CI Resources Limited) (ii) Phosphate Resources Limited (iii) Prosper Trading Sdn. Bhd. (iv) Prosper Capital Holdings Sdn. Bhd. (v) Mr. Tee Cheng Hua (vi) Dato' Sri Tee Lip Sin	0.99
	Purchase of 1,989.82 tonnes of oil palm fresh fruit bunches from Tiang Guan Rubber Estate	(i) Tiang Guan Rubber Estate (ii) Mr. Tan Jiew Hoe	1.51
Total			2.50

Note:

Phosphate Resource (Malaysia) Sdn. Bhd. is a wholly owned subsidiary of Phosphate Resources Limited (a public unlisted Australian company) which is wholly owned by PRL Global Ltd (a listed company on the Australian Stock Exchange) which holds 13,018,700 shares (6.21%) as at 31 July 2024 in UMB.

Prosper Trading Sdn. Bhd. which holds 12,207,178 shares (5.82%) in UMB as at 31 July 2024 is a substantial shareholder of PRL Global Ltd and Far East Holdings Berhad.

Prosper Capital Holdings Sdn. Bhd. which is a major shareholder of UMB with equity interest of 19.21% as at 31 July 2024 (by virtue of its direct and indirect shareholding through Prosper Trading Sdn. Bhd.) is the major shareholder of Prosper Trading Sdn. Bhd.

By his directorship in Prosper Trading Sdn. Bhd. and Prosper Capital Holdings Sdn. Bhd. as well as the interests of Prosper Trading Sdn. Bhd. through PRL Global Ltd, the Director, Mr. Tee Cheng Hua is deemed interest in the transaction(s) between UMB Group of Companies with Phosphate Resources (Malaysia) Sdn. Bhd.

Additional Compliance Information (continued)

3. RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”) (CONTINUED)

Note: (continued)

By his directorship in Prosper Trading Sdn. Bhd., Prosper Capital Holdings Sdn. Bhd., Phosphate Resources (Malaysia) Sdn. Bhd., Phosphate Resources Limited and PRL Global Ltd, the Director, Dato' Sri Tee Lip Sin is deemed interested in the transaction(s) between UMB Group of Companies and Phosphate Resources (Malaysia) Sdn. Bhd.

Tiang Guan Rubber Estate is a family-owned business of Mr. Tan Jiew Hoe, a Director of the Company until he ended his tenure as a director on 27 September 2023. However, Mr. Tan Jiew Hoe remains as a director of the Company's subsidiaries. Therefore, Mr. Tan Jiew Hoe is deemed interested in the transactions between the Company and Tiang Guan Rubber Estate.

4. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

Save as disclosed in item (3) above, there is no material contract involving the Company and its subsidiaries with Directors, Chief Executive Officer (who is not a director) or a major shareholder of the Company either still subsisting at the end of the FY 2024 or entered into since the end of the financial year.

AUDIT COMMITTEE REPORT

For The Financial Year Ended 30 April 2024

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 2024.

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 shareholders.

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 Key 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 (*) (Non-Independent Non-Executive Director)
	:	Dato Dr. Nik Ramlah binti Nik Mahmood (Senior Independent Non-Executive Director)
	:	Mr. Han Kee Juan (Independent Non-Executive Director)
	:	Datin Noor Azimah binti Abd. Rahim (**) (Independent Non-Executive Director)

(*) Resigned as Member of the Audit Committee effective 27 September 2023.

(**) Appointed as Member of the Audit Committee effective 1 October 2023.

- (i) The Audit Committee shall be appointed by the Board of Directors from among the Directors and comprises not less than three (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 three (3), the Board of Directors shall, within three (3) months of that event, appoint such several new members required to fulfil the minimum requirement.
- (iv) At least one (1) member of the Audit Committee:
 - (a) Must be a member of The Malaysian Institute of Accountants ("MIA"); or
 - (b) If the Director is not a member of MIA, the Director must have at least three (3) years of working experience and;
 - Must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - Must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967, and
 - Fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

Audit Committee Report For The Financial Year Ended 30 April 2024 (continued)

2.0 COMPOSITION (CONTINUED)

- (iv) At least one (1) member of the Audit Committee: (continued)
- (c) 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 the authority to do the following:

- (i) Investigate any matters within its terms of reference.
- (ii) Enjoy full and unrestricted access to any information about the Company, including access to external resources.
- (iii) Obtain external legal or other independent professional advice.
- (iv) Provide 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, www.unitedmalacca.com.my.

4.0 MEETINGS

During FY 2024, the Audit Committee met on five (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 (*)	3 out of 3
Dato Dr. Nik Ramlah binti Nik Mahmood	5 out of 5
Mr. Han Kee Juan	5 out of 5
Datin Noor Azimah binti Abd. Rahim (**)	2 out of 2

(*) Resigned as Member of the Audit Committee effective 27 September 2023.

(**) Appointed as Member of the Audit Committee effective 1 October 2023.

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.

Audit Committee Report

For The Financial Year Ended 30 April 2024

(continued)

4.0 MEETINGS (CONTINUED)

(i) Meeting

Meetings shall be held not less than four 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 Shareholders.

(ii) Quorum

The quorum for a meeting shall be two 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.

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 of the annual audited financial statements of the Company and the Group, and to ensure that the financial statements were drawn up under 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 2024.
- 5.2.2 Reviewed the results and issues arising from the 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 2024 Audit Plan dated 18 December 2023 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 2024.

Audit Committee Report For The Financial Year Ended 30 April 2024 (continued)

5.0 OVERVIEW OF AUDIT COMMITTEE'S WORK (CONTINUED)

5.2 External Audit (continued)

- 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 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.

- 5.2.5 Reviewed the external audit fees and non-audit fees for FY 2024 and recommended them to the Board.
- 5.2.6 Met with the external auditors on 18 December 2023 and 26 March 2024 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.
- 5.2.7 Reviewed and assessed the suitability of the nominated external auditors and recommended to the Board to propose their appointment or re-appointment at the Company's Annual General Meeting.

5.3 Internal Audit

- 5.3.1 Reviewed and approved the Internal Audit Department i.e., IAD 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 IAD covering the adequacy and effectiveness of governance, risk management, and 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 Met with Head of Group Audit on 26 March 2024 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 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, and Statement on Risk Management and Internal Control before submission to the Board for approval and inclusion in the 2024 Annual Report.

Audit Committee Report

For The Financial Year Ended 30 April 2024

(continued)

5.0 OVERVIEW OF AUDIT COMMITTEE'S WORK (CONTINUED)

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.
- 5.6.3 Reviewed conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

6.0 SUMMARY OF ACTIVITIES OF INTERNAL AUDIT FUNCTION

- 6.1 The Audit Committee is assisted by the 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 nine (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 2024. 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 reviews 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 also reviewed and assessed the design adequacy, implementation effectiveness and compliance with UMB's anti-bribery and corruption controls, and corruption risks management processes.
- 6.5 IAD operated from three (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.
- 6.6 Total cost incurred in managing the internal audit function during the FY 2024 was RM 1,109,301 [2023: RM 1,248,036]. The lower cost incurred was mainly due to lower staffs cost for Indonesia operations.
- 6.7 IAD issued 26 audit reports covering operations in the Head Office, estates and palm oil mills in Peninsular Malaysia, Sabah, and Indonesia. The internal audit focused on high-risk areas such as security of stored fertilizers and pesticides, frequency of manuring, FFB collection and despatch, estate payroll, vehicle operating costs, FFB quality and mill operations.
- 6.8 At the Management's request, IAD undertook 3 special investigation audits during the year under review.

This Audit Committee report was presented and approved by the Board on 27 June 2024.

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 policies and internal controls for the financial year ended 30 April 2024 (FY 2024).

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

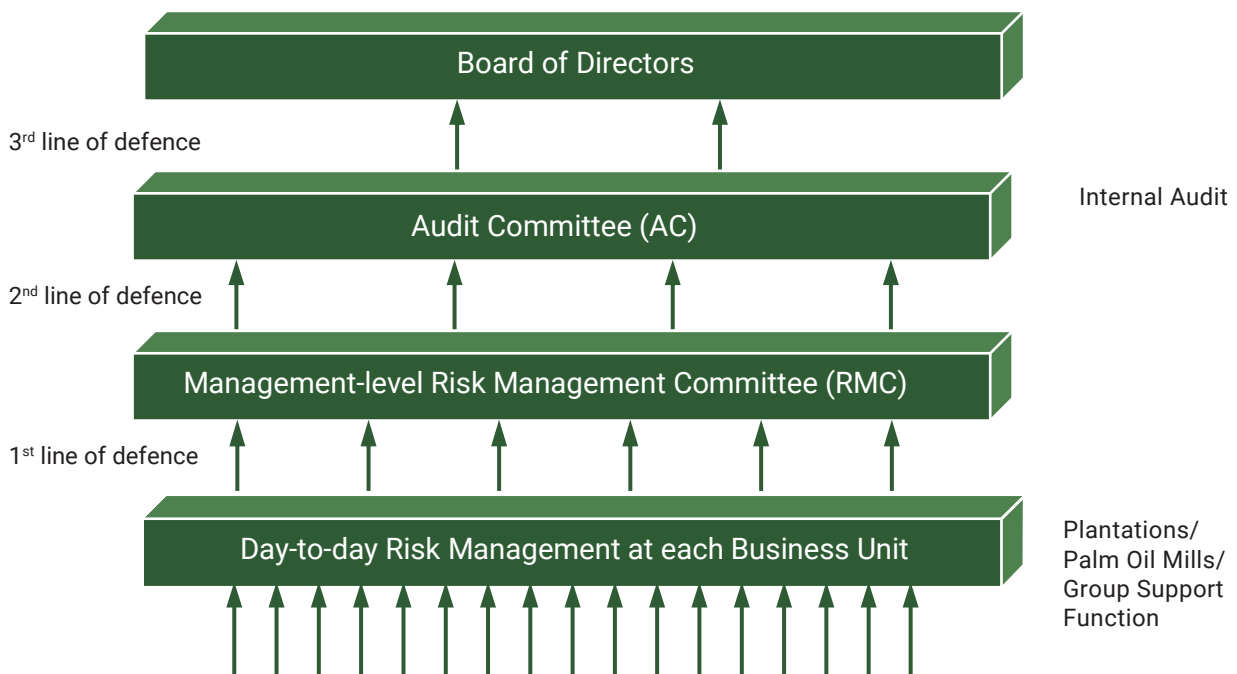
To safeguard stakeholders' interests, the UMB Board prioritises maintaining a sound system of internal controls as well as identifying and managing risks affecting UMB's operations.

Comprising Independent Non-Executive Directors, the Audit Committee (AC) has been entrusted by the Board to evaluate the adequacy and 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.

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.



Statement On Risk Management And Internal Controls (continued)

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 the 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); they assess 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.

Note:

The RMC is a Management-Level Committee.

RMC members include:

- Executive Director (ED);
- Chief Executive Officer (CEO);
- Chief Financial Officer (CFO);
- Head of Group Administration, Corporate Affairs and Human Resources;
- Head of Group Audit;
- Head of Procurement & Marketing;
- Acting Head of Engineering/Mill Controller;
- General Manager (Indonesian Operations);
- Plantation Controller;
- Senior Manager of Estate Operations; and
- Risk Officer.

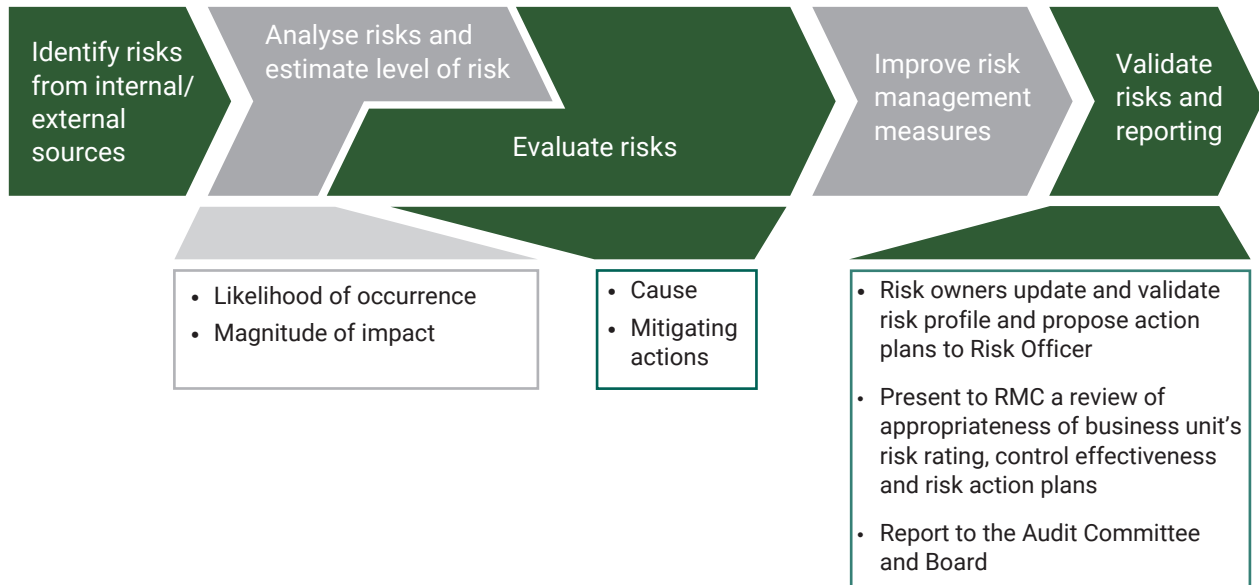
3rd Line of Defence: Audit Committee ensures the adequacy and integrity of Risk Management and Internal Control Systems

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; and
- 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; thereafter the risks are compiled into a risk rating matrix. Based on the risk rating matrix, Management will prioritise risks and follow-up measures.

Statement On Risk Management And Internal Controls (continued)

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 risk	High dependence on foreign workers	A shortage of harvesters and field workers will impede the upkeep of oil palms and delay the harvesting of fresh fruit bunches (FFB).	<p>Mitigating measures undertaken by UMB include:</p> <ul style="list-style-type: none"> • Offering incentives to retain existing workers and to attract new workers; • Enhancing housing and other benefits; and • Accelerating mechanisation, particularly for activities like collecting FFB as well as application of fertilisers and spraying insecticides.
Operational risk	Adverse weather	<p>Prolonged dry weather will lower production of FFB.</p> <p>Heavy rain and flooding will affect estate operations – difficulty accessing the fields will affect harvesting and transporting of FFB.</p>	<p>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 to the oil palms.</p> <p>Construct bunds in low lying or flood-prone areas to prevent oil palms from being submerged during heavy rain and flooding.</p> <p>During the rainy season in PT Lifere Agro Kapuas, Galam wood are placed on top of the roads to enable lorries to pass through the waterlogged areas.</p> <p>Plastic drums and crawlers are used to evacuate FFB from the waterlogged fields to the collection points.</p>

Statement On Risk Management And Internal Controls (continued)

SIGNIFICANT RISK FACTORS (continued)

Type of Risk	Risks Outlined	Risk Description	Risk Management Strategies
Business and investment risks	Inappropriate estate selection	Non-strategic location of estates and uneconomic size will result in high production cost per hectare and logistics issues.	<ul style="list-style-type: none"> Undertake feasibility studies to assess the suitability of new land to be acquired; and Conduct due diligence review before embarking on any new acquisition.
Market Risk	Volatile prices of crude palm oil (CPO) and palm kernel (PK)	Fluctuating CPO & PK prices could substantially impact cash flow and profits.	<p>To cushion the impact of volatile CPO and PK prices, UMB in Malaysia sells forward not more than 30% of its CPO production from FFB harvested from its own estates.</p> <p>Marketing personnel keep abreast of the outlook for CPO and PK prices via online business websites.</p>
Financial risk	Foreign currency fluctuation	<p>UMB has foreign currency exposure through a bank loan in US Dollars. A weaker Ringgit will increase the cost of servicing foreign currency loan.</p> <p>Risk management strategies will be disclosed in Note 40(d) of the audited financial statements.</p>	UMB's risk management objectives and hypothetical sensitivity analysis are set out in Note 40(d) to the Financial Statements of the Annual Report on page 195.
Liquidity risk	Cash management	<p>Volatile CPO and PK prices ensure liquidity is a constant concern. UMB could face difficulty in meeting financial obligations due to the shortage of funds.</p> <p>UMB's liquidity risk arises primarily from a mismatch of the tenures of financial assets and liabilities.</p>	To meet working capital requirements, 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.

Statement On Risk Management And Internal Controls (continued)

INTERNAL CONTROL FRAMEWORK

A sound system of internal controls reduces the risks that could impede achieving UMB's goals and strategic objectives. The 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**

Directors' Code of Ethics enhances corporate governance and behaviour by establishing standards of ethical conduct for directors and outlines directors' social responsibility and accountability in line with legislation, regulations, and guidelines governing the Company. Directors' Code of Ethics is available on UMB's website.

- **Code of Conduct**

Code of Conduct (for employees) sets standards that UMB employees must observe in preventing conflicts of interest, safeguarding company property, handling complaints of harassment and discrimination, ensuring employees' safety and health, enhancing confidentiality, and nurturing anti-bribery practices. Code of Conduct is available on UMB's website.

- **Whistleblowing Policy**

UMB's Whistleblowing Policy facilitates employees and other stakeholders to report instances of misconduct, wrongdoing, corruption, fraud, waste of UMB Group's resources, or abuse of UMB Group's rules and policies. It also details the channels and process for making a report. The Whistleblowing Policy is available on UMB's website.

- **Anti-Bribery Policy**

The Anti-Bribery Policy sets guidelines for mitigating bribery acts, reporting violations, investigating bribery, and establishing bribery risk mitigation procedures. UMB's Anti-Bribery Policy is available on UMB's 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.

Statement On Risk Management And Internal Controls (continued)

INTERNAL CONTROL FRAMEWORK (continued)

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

The Board Charter sets out the roles and responsibilities of the Board in performing their duties and guides Directors and the Management regarding their duties according to the laws or regulatory framework in Malaysia.

6. Board Committees and Executive Director

Dato' Sri Tee Lip Sin, UMB's Executive Director since 1 January 2023, assists the Board in overseeing UMB Group's strategic plans and policies (including tender awards) and works with the UMB Management team to implement business plans for UMB Group.

In addition to the ED, UMB has two Board Committees collectively involving five Directors:

- **Audit Committee**

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.

- **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.

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.

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. Management Tender Committee

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

Tender Approval Limit	Authorised by
Tender up to RM300,000	CEO
Tender above RM300,000	ED

Statement On Risk Management And Internal Controls (continued)

INTERNAL CONTROL FRAMEWORK (continued)

10. 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.

11. Estate and Palm Oil Mill Visits

The ED, CEO, Senior Management, the 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 Malaysian Sustainable Palm Oil (MSPO) or Indonesian Sustainable Palm Oil (ISPO) requirements are observed in all operating units.

12. 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.

13. Integrated Management System

Malaysian estates have implemented 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 Quarto Connect. Data collected can be viewed and assessed in real time by senior management to enhance decision-making.

14. 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.

- **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.

15. Financial Performance Review and Reporting

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 CPO and PK 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.

Statement On Risk Management And Internal Controls (continued)

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 ED, AC, and the Board.

Reporting to the AC 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 AC, are set out in the AC'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, Crowe Malaysia PLT, has reviewed this Statement for inclusion in the Annual Report for the financial year ended 30 April 2024.

Reviewing this Statement by the external auditors 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 auditors state nothing has caused them to believe this Statement, in all material aspects, 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 ED, CEO and 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 was presented and approved by the Board on 30 July 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the Audited Financial Statements

Paragraph 15.26(a) of Bursa Malaysia's Main Market Listing Requirements states the annual report shall include a statement by the Board of Directors explaining its responsibility for preparing the annual audited financial statements.

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements following the Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the Companies Act 2016's requirements in Malaysia.

The directors' responsibilities include:

- Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of these financial statements free from material misstatement.
- Selecting and applying appropriate accounting policies.
- Making accounting estimates that are reasonable in the circumstances.
- Maintaining adequate accounting records and an effective system of risk management.
- Safeguarding the assets of the Company and hence taking reasonable steps to prevent and detect fraud and other irregularities.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Ensured applicable accounting standards were followed.
- Assessed the Group's and Company's ability to continue as a going concern.

In the opinion of the Board of Directors, the audited financial statements set out on pages 115 to 199 were prepared in accordance with the applicable reporting standards, laws, and regulations to give a true and fair view of the financial performance, assets, liabilities, and cash flow of the Group and the Company for the year ended 30 April 2024.

This statement was presented and approved by the Board on 30 July 2024.



United Malacca Berhad

Registration No. 191001000010 (1319-V)

FINANCIAL STATEMENTS

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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 2024.

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	47,768	40,015
Attributable to:		
Owners of the Company	50,448	40,015
Non-controlling interests	(2,680)	–
	47,768	40,015

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

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

Dividends

The amounts of dividends paid by the Company since 30 April 2023 were as follows:

	RM'000
In respect of the financial year ended 30 April 2023 as reported in the directors' report of that financial year:	
Second interim single-tier dividend of 7 sen, on 209,769,201 ordinary shares, declared on 28 June 2023 and paid on 18 August 2023	14,684
In respect of the financial year ended 30 April 2024:	
First interim single-tier dividend of 5 sen, on 209,769,201 ordinary shares, declared on 18 December 2023 and paid on 31 January 2024	10,488
	25,172

Directors' report (continued)

Dividends (continued)

On 27 June 2024, the directors declared a second interim single-tier dividend of 7 sen per ordinary share in respect of the financial year ended 30 April 2024 on 209,769,201 ordinary shares, amounting to approximately RM14,684,000 which are payable on 9 August 2024. 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 2025.

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 * (Resigned on 27 September 2023)
 Teo Leng *
 Dato Dr. Nik Ramlah binti Nik Mahmood *
 Ong Keng Siew *
 Tee Cheng Hua
 Dato' Sri Tee Lip Sin
 Han Kee Juan
 Datin Noor Azimah binti Abd Rahim

* 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:

Young Lee Chern
 Er Hock Swee (Alternate director to Young Lee Chern)
 Dr Kartika Dianningsih Antono
 Ieneke Santoso
 Tee Tong Heng
 Pradana Kurnia Setiawan
 Agustino Hasril

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.

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 35 to the financial statements.

Directors' report (continued)

Directors' benefits (continued)

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Fees	903	639
Salaries and other emoluments	783	783
Contributions to defined contribution plan	76	76
Social security contributions	1	1
Estimated monetary value of benefits-in-kind	21	21
	<u>1,784</u>	<u>1,520</u>

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 RM27,000.

Directors' interests

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

Name of director	Number of ordinary shares			
	1.5.2023	Acquired	Sold	30.4.2024
<i>Direct Interest:</i>				
<i>Ordinary shares of the Company</i>				
Datin Paduka Tan Siok Choo	4,527,197	–	–	4,527,197
Teo Leng	70,000	–	–	70,000
Tee Cheng Hua	202,500	37,900	–	240,400
Dato' Sri Tee Lip Sin	1,868,400	–	–	1,868,400
Han Kee Juan	140,000	–	–	140,000
<i>Indirect Interest:</i>				
<i>Ordinary shares of the Company</i>				
Datin Paduka Tan Siok Choo	i 7,641,343	–	–	7,641,343
Teo Leng	ii 7,000	–	–	7,000
Tee Cheng Hua	iii 45,408,000	26,949,378	(13,318,700)	59,038,678
Dato' Sri Tee Lip Sin	iv 49,573,500	26,970,378	(13,018,700)	63,525,178
Han Kee Juan	v 243,400	–	–	243,400

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

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.

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 to provide for 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.

Event occurring after the reporting date

Details of event occurring after the reporting date are disclosed in Note 42 to the financial statements.

Directors' report (continued)

Auditors and auditors' remuneration

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

Auditors' remuneration during the current financial year are as follows:

	Group RM'000	Company RM'000
Crowe Malaysia PLT	290	126
Member firm of Crowe Global	67	–
Other auditors	62	–
	419	126

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 August 2024.

Dato' Sri Tee Lip Sin

Ong Keng Siew

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Sri Tee Lip Sin 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 115 to 199 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 2024 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 8 August 2024.

Dato' Sri Tee Lip Sin

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 115 to 199 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 8 August 2024.

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 2024 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 material accounting policy information, as set out on pages 115 to 199.

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 2024, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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.

Independent auditors' report
to the members of United Malacca Berhad
(Incorporated in Malaysia)
(continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of goodwill Refer to Note 6.1(b) and 18 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 30 April 2024, 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.</p>	<p>We have identified this as an important area of our audit given the significant amount of judgement and estimates involved in the assessment of the recoverable amount.</p> <p>In addressing the matter above, we have amongst others performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the relevant processes and internal controls involved to determine the recoverable amount of CGUs. • Evaluated the assumptions and methodologies used by the management in performing the impairment assessment. • Considered management's experience with previous projections by examining the outcome of previous estimates, focusing particularly on the assumptions regarding forecasted and projected crude palm oil ("CPO") and fresh fruit bunches ("FFB") price, 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 6.1(b) and 18 to the financial statements.

Independent auditors' report
to the members of United Malacca Berhad
(Incorporated in Malaysia)
(continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

We have determined the matters described below to be the key audit matters to be communicated in our report.
(continued)

Impairment assessment of property, plant and equipment ("PPE") and right-of-use assets ("ROU") of Millian-Labau Plantations ("MLP") and PT Wana Rindang Lestari ("WRL") Refer to Note 6.1(a), 16 and 17 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 30 April 2024, the carrying amounts of PPE and ROU for MLP stand at RM124.2 million and RM285.4 million respectively. Concurrently, the carrying amount of PPE for WRL is RM6.4 million.</p> <p>During the financial year ended 30 April 2020, the Group recognised an impairment loss amounting to RM56.8 million to write-down the value of bearer plants in PPE which was allocated to MLP due to the unsatisfactory performance of the said bearer plants. In the subsequent financial year ended 30 April 2023, the Group reversed a portion of the aforementioned impairment amounting to RM8.3 million. Given the incidence of impairment loss in the previous financial year, the Group has undertaken an assessment to ascertain any further impairment loss or potential reversal pertaining to the PPE and ROU of MLP. WRL reported a loss for the current financial year.</p> <p>In response to this, the Group has conducted an estimation of the recoverable amount pertaining to the relevant CGUs.</p>	<p>We have identified this as an important area of our audit given the significance of PPE and ROU to the Group and the significant amount of judgement and estimates involved in the assessment of the recoverable amount.</p> <p>In addressing the matter above, we have amongst others performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the relevant processes and internal controls involved to determine the recoverable amount of the CGUs. • Evaluated the assumptions and methodologies used by the management in performing the impairment assessment. • Considered management's experience with previous projections by examining the outcome of previous estimates, focusing particularly on the assumptions regarding forecasted and projected CPO and FFB prices, FFB yield of the oil palm estates, and price and yield 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 6.1(a), 16 and 17 to the financial statements.

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 annual 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.

Independent auditors' report
to the members of United Malacca Berhad
(Incorporated in Malaysia)
(continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

Independent auditors' report to the members of United Malacca 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: (continued)

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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

- The financial statements of the Group and of the Company for the financial year ended 30 April 2023 were audited by another firm of auditors whose report dated 11 August 2023, expressed an unqualified opinion on those statements.
- 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.

Crowe Malaysia PLT
201906000005 (LLP0018817 - LCA) & AF 1018
Chartered Accountants

Piong Yew Peng
03070/06/2025 J
Chartered Accountant

Melaka

8 August 2024

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 April 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	7	595,640	604,497	147,963	170,639
Cost of sales		(483,388)	(495,640)	(81,486)	(79,812)
Gross profit		112,252	108,857	66,477	90,827
Other income	8	10,979	15,093	2,157	9,678
Administrative expenses		(26,348)	(24,475)	(9,189)	(9,491)
Other expenses	10(a)	(13,703)	(9,734)	(6,014)	(96,152)
Operating profit/(loss)		83,180	89,741	53,431	(5,138)
Interest expense	9	(8,609)	(7,520)	(4,753)	(3,166)
Profit/(loss) before tax	10(b)	74,571	82,221	48,678	(8,304)
Taxation	13	(26,803)	(26,700)	(8,663)	(14,779)
Profit/(loss) for the financial year		47,768	55,521	40,015	(23,083)
Profit/(loss) for the financial year attributable to:					
Owners of the Company		50,448	61,326	40,015	(23,083)
Non-controlling interests		(2,680)	(5,805)	–	–
		47,768	55,521	40,015	(23,083)
Earnings per share attributable to owners of the Company (sen per share):					
Basic	14(a)	24.05	29.24		
Diluted	14(b)	24.05	29.24		

Statements of comprehensive income

For the financial year ended 30 April 2024
(continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(loss) for the financial year	47,768	55,521	40,015	(23,083)
Other comprehensive (loss)/income:				
Item that will be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	(8,900)	2,552	–	–
Items that will not be subsequently reclassified to profit or loss:				
Actuarial gain/(loss) on retirement benefit obligation	286	(44)	–	–
Deferred tax effect	(63)	10	–	–
	223	(34)	–	–
Total comprehensive income/(loss) for the financial year	39,091	58,039	40,015	(23,083)
Total comprehensive income/(loss) for the financial year attributable to:				
Owners of the Company	43,191	63,375	40,015	(23,083)
Non-controlling interests	(4,100)	(5,336)	–	–
	39,091	58,039	40,015	(23,083)

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

STATEMENTS OF FINANCIAL POSITION

As at 30 April 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Non-current assets					
Property, plant and equipment	16	667,246	681,180	225,564	228,106
Right-of-use assets	17	786,935	806,120	347,780	352,379
Goodwill on consolidation	18	82,474	82,474	–	–
Investment in subsidiaries	19	–	–	345,437	345,437
Intangible asset	20	220	233	–	–
		1,536,875	1,570,007	918,781	925,922
Current assets					
Inventories	22	53,190	36,288	1,943	1,969
Biological assets	23	14,213	10,840	4,615	3,345
Trade and other receivables	24	116,584	97,054	273,059	225,227
Income tax recoverable		1,809	3,951	–	151
Short term funds	25	52,979	50,133	7,742	22,722
Cash and bank balances	26	73,078	73,670	11,739	19,633
		311,853	271,936	299,098	273,047
Total assets		1,848,728	1,841,943	1,217,879	1,198,969

Statements of financial position

As at 30 April 2024

(continued)

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Equity and liabilities					
Equity					
Share capital	27	255,375	255,375	255,375	255,375
Foreign currency translation reserve	28	(11,391)	(3,949)	–	–
Retained earnings	29	1,207,846	1,182,385	797,147	782,304
Equity attributable to owners of the Company					
Non-controlling interests		1,451,830	1,433,811	1,052,522	1,037,679
		29,478	33,578	–	–
Total equity		1,481,308	1,467,389	1,052,522	1,037,679
Non-current liabilities					
Bank borrowings	30	20,724	–	–	–
Lease liabilities	31	3,210	2,404	2,508	1,377
Retirement benefit obligation	32	1,135	1,059	–	–
Deferred tax liabilities	33	194,995	194,640	77,269	79,598
		220,064	198,103	79,777	80,975
Current liabilities					
Bank borrowings	30	82,208	110,496	71,550	66,878
Lease liabilities	31	895	590	570	286
Trade and other payables	34	64,253	65,365	13,199	13,151
Income tax payable		–	–	261	–
		147,356	176,451	85,580	80,315
Total liabilities		367,420	374,554	165,357	161,290
Total equity and liabilities		1,848,728	1,841,943	1,217,879	1,198,969

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 2024

Attributable to owners of the Company						
	Share capital (Note 27) RM'000	Non- distributable Foreign currency translation reserve (Note 28) RM'000	Distributable Retained earnings (Note 29) RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 May 2023	255,375	(3,949)	1,182,385	1,433,811	33,578	1,467,389
Total comprehensive income:						
Profit/(loss) for the financial year	-	-	50,448	50,448	(2,680)	47,768
Actuarial gain on retirement benefit obligation, net of tax	-	-	185	185	38	223
Exchange differences on translation of foreign operations	-	(7,442)	-	(7,442)	(1,458)	(8,900)
	-	(7,442)	50,633	43,191	(4,100)	39,091
Transaction with owners:						
Dividends (Note 15)	-	-	(25,172)	(25,172)	-	(25,172)
At 30 April 2024	255,375	(11,391)	1,207,846	1,451,830	29,478	1,481,308
At 1 May 2022	255,375	(6,026)	1,152,552	1,401,901	38,914	1,440,815
Total comprehensive income:						
Profit/(loss) for the financial year	-	-	61,326	61,326	(5,805)	55,521
Actuarial loss on retirement benefit obligation, net of tax	-	-	(28)	(28)	(6)	(34)
Exchange differences on translation of foreign operations	-	2,077	-	2,077	475	2,552
	-	2,077	61,298	63,375	(5,336)	58,039
Transaction with owners:						
Dividends (Note 15)	-	-	(31,465)	(31,465)	-	(31,465)
At 30 April 2023	255,375	(3,949)	1,182,385	1,433,811	33,578	1,467,389

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 2024

	← Attributable to owners of the Company →		
	Share capital (Note 27) RM'000	Distributable Retained earnings (Note 29) RM'000	Total equity RM'000
At 1 May 2023	255,375	782,304	1,037,679
Total comprehensive income:			
Profit for the financial year	–	40,015	40,015
Transaction with owners:			
Dividends (Note 15)	–	(25,172)	(25,172)
At 30 April 2024	255,375	797,147	1,052,522
At 1 May 2022	255,375	836,852	1,092,227
Total comprehensive loss:			
Loss for the financial year	–	(23,083)	(23,083)
Transaction with owners:			
Dividends (Note 15)	–	(31,465)	(31,465)
At 30 April 2023	255,375	782,304	1,037,679

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

STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating activities					
Profit/(loss) before tax		74,571	82,221	48,678	(8,304)
Adjustments for:					
Depreciation of:					
- Property, plant and equipment	10(b)	55,031	48,954	15,246	13,491
- Right-of-use assets	10(b)	15,123	14,882	6,132	5,946
Fair value changes on biological assets (net)	8,10(a)	(3,480)	5,165	(1,270)	3,087
Gain on disposal of property, plant and equipment	8	(476)	(769)	(160)	(248)
Impairment of:					
- Investment in subsidiaries	10(a)	–	–	–	91,969
- Other asset	10(a)	–	3,569	–	–
Interest expense	9	8,609	7,520	4,753	3,166
Interest income	8	(1,730)	(2,368)	–	–
Inventories written down	10(b)	1,313	1,165	–	–
Loss on termination of lease liabilities	10(a)	–	611	–	–
Margin loss on termination of lease liabilities	10(a)	–	291	–	–
Net fair value (gains)/losses on short term funds:					
- Realised	7,8	(1,132)	(316)	(750)	(186)
- Unrealised	7,8	(239)	(689)	425	(290)
Net reversal of impairment of bearer plants	8	–	(3,816)	–	(8,288)
Net unrealised foreign exchange loss/(gain)	8,10(a)	13,319	(1,730)	5,985	1,074
Property, plant and equipment written off	10(a)	323	70	20	22
Retirement benefit obligation	11	415	12	–	–
Reversal of discounting value of Plasma receivables	8	–	(2,715)	–	–
Operating cash flows before changes in working capital		161,647	152,057	79,059	101,439
Changes in working capital:					
Inventories		(19,361)	15,044	26	978
Trade and other receivables		(23,012)	(4,365)	(16,085)	(8,214)
Trade and other payables		(537)	833	(53)	(568)
Cash flows from operations		118,737	163,569	62,947	93,635
Interest received		1,744	2,332	–	–
Interest paid		(8,506)	(7,455)	(4,652)	(3,096)
Income taxes paid		(23,263)	(40,911)	(10,582)	(20,221)
Retirement benefit obligation paid	32	(10)	(48)	–	–
Net cash flows from operating activities		88,702	117,487	47,713	70,318

Statements of cash flows

For the financial year ended 30 April 2024
(continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Investing activities					
Purchase of property, plant and equipment	16(c)	(50,407)	(50,575)	(12,774)	(8,562)
Proceeds from disposal of property, plant and equipment		801	1,137	509	258
Additions of right-of-use assets	17(b)	(421)	(37,443)	–	(37,443)
Proceeds from disposal of right-of-use assets		–	413	–	–
Additions of other asset	21	–	(21)	–	–
Net (placements)/withdrawals of short term funds		(1,475)	25,975	15,305	32,043
Withdrawals/(placements) of deposits with maturity period of more than 3 months		5,272	(5,272)	5,272	(5,272)
Loans to subsidiaries	35(a)	–	–	(33,058)	(23,821)
Net cash flows used in investing activities		(46,230)	(65,786)	(24,746)	(42,797)
Financing activities					
Dividends paid	15	(25,172)	(31,465)	(25,172)	(31,465)
Repayment of term loan		(11,010)	(8,956)	–	–
Payment of principal portion of lease liabilities	31	(721)	(1,053)	(417)	(224)
Net cash flows used in financing activities		(36,903)	(41,474)	(25,589)	(31,689)
Net increase/(decrease) in cash and cash equivalents		5,569	10,227	(2,622)	(4,168)
Effect of foreign exchange rate changes		(889)	10	–	–
Cash and cash equivalents at beginning of financial year		68,398	58,161	14,361	18,529
Cash and cash equivalents at end of financial year	26(a)	73,078	68,398	11,739	14,361

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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 are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.1 Consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

3. Changes in accounting policies

During the current financial year, the Group and the Company have adopted the following new accounting standards (including the consequential amendments, if any):

MFRSs (including the consequential amendments)

MFRS 17: *Insurance Contracts*

Amendments to MFRS 17: *Insurance Contracts*

Amendment to MFRS 17: *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*

Amendments to MFRS 101: *Disclosure of Accounting Policies*

Amendments to MFRS 108: *Definition of Accounting Estimates*

Amendments to MFRS 112: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Amendments to MFRS 112: *International Tax Reform – Pillar Two Model Rules*

The adoption of the above accounting standards (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:

The Amendments to MFRS 101: *Disclosure of Accounting Policies* did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 5 to the financial statements in line with the amendments.

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

4. Standards issued but not yet effective

The Group and the Company have not applied in advance the following applicable accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

MFRSs (including the consequential amendments)	Effective date
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The adoption of the above accounting standards (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

5. Material accounting policy information

5.1 Property, plant and equipment

All items of property, plant and equipment are initially stated at cost.

Subsequent to initial recognition, all property, plant and equipment, are stated at cost less accumulated depreciation and any accumulated impairment losses.

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 25%
Office equipment, furniture and fittings	5% to 25%
Motor vehicles, tractors, trailers and boats	10% to 25%

5.2 Right-of-use assets and lease liabilities

(a) Short-term leases and leases of low-value assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

5. Material accounting policy information (continued)

5.2 Right-of-use assets and lease liabilities (continued)

(b) Right-of-use assets

Right-of-use assets are initially stated at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term 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 to 6 years

(c) Lease liabilities

Lease liabilities are initially stated at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

5.3 Goodwill

Goodwill is initially stated 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.

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.

5.4 Investment in subsidiaries

Investment in subsidiaries, which is eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

5. Material accounting policy information (continued)

5.5 Intangible asset

Intangible asset acquired separately is stated 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 life of each intangible asset is assessed as either finite or indefinite.

Intangible asset is amortised over the estimated 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 life 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.

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

5.6 Other asset

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

5.7 Impairment

Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136: *Impairment of Assets* does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs of disposal ("FVLCD") and its value-in-use ("VIU"), which is measured by reference to discounted future cash flows using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in statements of comprehensive income immediately. Any impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in statements of comprehensive income immediately.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

5. Material accounting policy information (continued)

5.8 Inventories

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

Palm oil milling products 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.

5.9 Biological assets

Biological assets comprise the fresh fruit bunches ("FFB") 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 ("CPO") and palm kernel ("PK") adjusted for extraction rates less processing, harvesting and transportation costs.

5.10 Financial instruments

(a) Financial assets

Financial assets through profit or loss

The financial assets are initially stated at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in statements of comprehensive income. The fair value changes do not include interest and dividend income.

Financial assets at amortised cost

The financial assets are initially stated at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial liabilities

Financial liabilities at amortised cost

The financial liabilities are initially stated at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

5. Material accounting policy information (continued)

5.11 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 bank loan and the corresponding carrying value of the plasma receivable is regarded as payable or recoverable from the plasma farmers accordingly.

Impairment losses are made when the estimated recoverable amounts are less than the outstanding amounts as at the reporting date.

5.12 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.

(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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

5. Material accounting policy information (continued)

5.12 Revenue recognition (continued)

(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.

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.

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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

5. Material accounting policy information (continued)

5.13 Employee benefits

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.

6. Critical accounting estimates and judgements

6.1 Key sources of estimation uncertainty

Management believes that there are no key assumptions made 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 other than as disclosed below:

(a) Impairment of property, plant and equipment, right-of-use assets and other asset

The Group and the Company review the carrying amounts of the property, plant and equipment, right-of-use assets and other 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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

6. Critical accounting estimates and judgements (continued)

6.1 Key sources of estimation uncertainty (continued)

(a) Impairment of property, plant and equipment, right-of-use assets and other asset (continued)

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 21.

(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.

(c) Impairment of investment in subsidiaries

The Company reviews impairment of 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

Expenditure on bearer plants consists of cost of land clearing, upkeep of trees to maturity and attributable amortisation and depreciation charges capitalised. Such expenditure is depreciated 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 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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

6. Critical accounting estimates and judgements (continued)

6.2 Critical judgements made in applying accounting policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:

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 judgement 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.

7. Revenue

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers [^]:				
Sale of FFB	87,423	96,703	113,157	128,290
Sale of palm oil milling products	508,217	507,794	–	–
	595,640	604,497	113,157	128,290
Revenue from other sources:				
Interest income from:				
- Loans to subsidiaries *	–	–	14,034	11,489
- Short term deposits	–	–	348	954
Net fair value gains/(losses) on short term funds:				
- Realised	–	–	750	186
- Unrealised	–	–	(425)	290
Dividend income from subsidiaries	–	–	20,099	29,430
	–	–	34,806	42,349
	595,640	604,497	147,963	170,639

[^] The timing of revenue recognition is at a point in time.

* This represents the interest income from loans to subsidiaries, bearing interest at a rate of 6.7% (2023: 6.7%) per annum as disclosed in Note 24(c).

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

8. Other income

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fair value changes on biological assets (net) (Note 23)	3,480	–	1,270	–
Gain on disposal of property, plant and equipment	476	769	160	248
Insurance claim received	43	480	8	383
Insurance commission received	227	239	227	239
Interest income	1,730	2,368	–	–
Management fee received	1,850	1,071	–	–
Miscellaneous income	1,441	683	201	363
Net foreign exchange gain:				
- Realised	–	–	–	6
- Unrealised	–	1,730	–	–
Net fair value gains on short term funds:				
- Realised	1,132	316	–	–
- Unrealised	239	689	–	–
Net rental income	361	217	291	151
Net reversal of impairment of bearer plants (Note 16 (d))	–	3,816	–	8,288
Reversal of discounting value of Plasma receivables (Note 36(a))	–	2,715	–	–
	10,979	15,093	2,157	9,678

9. Interest expense

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- Lease liabilities (Note 31)	228	500	149	83
- Loan from a subsidiary *	–	–	19	18
- Revolving credit	4,585	3,065	4,585	3,065
- Term loan	3,796	3,955	–	–
	8,609	7,520	4,753	3,166

* 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 (2023: one percent (1%) above Malayan Banking Berhad's 12 months fixed deposit interest rate per annum) as per disclosed in Note 34(b).

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

10. Other expenses and profit/(loss) before tax

(a) Other expenses

The other expenses included in the statements of comprehensive income comprise of the following:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fair value changes on biological assets (net) (Note 23)	–	5,165	–	3,087
Impairment of:				
- Investment in subsidiaries (Note 19)	–	–	–	91,969
- Other asset (Note 21)	–	3,569	–	–
Loss on termination of lease liabilities	–	611	–	–
Margin loss on termination of lease liabilities	–	291	–	–
Net foreign exchange loss:				
- Realised	61	28	9	–
- Unrealised	13,319	–	5,985	1,074
Property, plant and equipment written off	323	70	20	22
	13,703	9,734	6,014	96,152

(b) Profit/(loss) before tax

In addition to the other items disclosed elsewhere in the financial statements, the following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Statutory audits				
- Crowe Malaysia PLT	282	–	118	–
- Member firm of Crowe Global	67	–	–	–
- Other auditors	62	59	–	–
- Ernst & Young PLT	–	315	–	139
- Member firm of Ernst & Young Global	–	136	–	–
- Other services				
- Crowe Malaysia PLT	8	–	8	–
- Ernst & Young PLT	–	35	–	35

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

10. Other expenses and profit/(loss) before tax (continued)

(b) Profit/(loss) before tax (continued)

In addition to the other items disclosed elsewhere in the financial statements, the following items have been included in arriving at profit/(loss) before tax (continued):

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- Property, plant and equipment (Note 16)	55,031	48,954	15,246	13,491
- Right-of-use assets (Note 17)	15,123	14,882	6,132	5,946
Employee benefits expense (Note 11)	98,189	94,505	33,063	32,262
Inventories written down	1,313	1,165	–	–
Non-executive directors' remuneration (Note 12)	1,105	1,129	841	901

11. Employee benefits expense

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	92,864	96,313	29,619	29,641
Contributions to defined contribution plan	4,948	5,393	1,431	1,533
Social security contributions	1,697	1,269	249	225
Retirement benefit obligation (Note 32)	415	12	–	–
Other staff related expenses	9,190	7,352	2,623	2,105
	109,114	110,339	33,922	33,504
Less: Amount capitalised in bearer plants	(8,083)	(7,819)	(859)	(1,242)
Less: Amount charged to Plasma receivables	(2,842)	(8,015)	–	–
	98,189	94,505	33,063	32,262

Included in the employee benefits expense of the Group and the Company is an executive director's remuneration amounting to RM658,000 (2023: RM286,000) as disclosed in Note 12.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

12. Directors' remuneration

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive				
Director of the Company:				
Fees	70	70	70	70
Salaries and other emoluments	511	192	511	192
Contributions to defined contribution plan	76	23	76	23
Social security contributions	1	1	1	1
Total excluding benefits-in-kind	658	286	658	286
Non-executive				
Directors of the Company:				
Fees	761	732	569	540
Other emoluments	272	361	272	361
Total excluding benefits-in-kind	1,033	1,093	841	901
Estimated monetary value of benefits-in-kind	21	31	21	31
Total including benefits-in-kind	1,054	1,124	862	932
Directors of subsidiaries:				
Fees, representing total excluding benefits-in-kind	72	36	–	–
Total directors' remuneration	1,784	1,446	1,520	1,218
Analysis of directors' remuneration:				
Total executive director's remuneration excluding benefits-in-kind (Note 11 and 35(c))	658	286	658	286
Total non-executive directors' remuneration excluding benefits-in-kind (Note 10(b) and 35(c))	1,105	1,129	841	901
Estimated monetary value of benefits-in-kind	21	31	21	31
	1,784	1,446	1,520	1,218

Notes to the financial statements

For the financial year ended 30 April 2024

(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 (continued):

	Fees RM'000	Salaries and other emoluments RM'000	Contributions to defined contribution plan RM'000	Social security contributions RM'000	Estimated monetary value of benefits- in-kind RM'000	Total RM'000
Group (continued)						
2023						
Executive director:						
Dato' Sri Tee Lip Sin *	70	192	23	1	-	286
Non-executive directors:						
Datin Paduka Tan Siok Choo	168	38	-	-	31	237
Tan Jiew Hoe	106	43	-	-	-	149
Teo Leng	106	39	-	-	-	145
Dato Dr. Nik Ramlah binti Nik Mahmood	106	70	-	-	-	176
Ong Keng Siew	106	72	-	-	-	178
Tee Cheng Hua	70	48	-	-	-	118
Han Kee Juan	70	51	-	-	-	121
	732	361	-	-	31	1,124
	802	553	23	1	31	1,410

* Dato' Sri Tee Lip Sin was appointed as executive director of the Company effective 1 January 2023.

Notes to the financial statements
For the financial year ended 30 April 2024
(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 (continued):

Company	Fees RM'000	Salaries and other emoluments RM'000	Contributions to defined contribution plan RM'000	Social security contributions RM'000	Estimated monetary value of benefits- in-kind RM'000	Total RM'000
2024						
Executive director:						
Dato' Sri Tee Lip Sin	70	511	76	1	–	658
Non-executive directors:						
Datin Paduka Tan Siok Choo	120	5	–	–	21	146
Tan Jiew Hoe ^	29	18	–	–	–	47
Teo Leng	70	5	–	–	–	75
Dato Dr. Nik Ramlah binti Nik Mahmood	70	71	–	–	–	141
Ong Keng Siew	70	71	–	–	–	141
Tee Cheng Hua	70	26	–	–	–	96
Han Kee Juan	70	40	–	–	–	110
Datin Noor Azimah Binti Abd. Rahim	70	36	–	–	–	106
	569	272	–	–	21	862
	639	783	76	1	21	1,520

^ Tan Jiew Hoe resigned as director of the Company on 27 September 2023 but remained as director of certain subsidiaries

Notes to the financial statements

For the financial year ended 30 April 2024

(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 (continued):

	Fees RM'000	Salaries and other emoluments RM'000	Contributions to defined contribution plan RM'000	Social security contributions RM'000	Estimated monetary value of benefits- in-kind RM'000	Total RM'000
Company (continued)						
2023						
Executive director:						
Dato' Sri Tee Lip Sin *	70	192	23	1	-	286
Non-executive directors:						
Datin Paduka Tan Siok Choo	120	38	-	-	31	189
Tan Jiew Hoe	70	43	-	-	-	113
Teo Leng	70	39	-	-	-	109
Dato Dr. Nik Ramlah binti Nik Mahmood	70	70	-	-	-	140
Ong Keng Siew	70	72	-	-	-	142
Tee Cheng Hua	70	48	-	-	-	118
Han Kee Juan	70	51	-	-	-	121
	540	361	-	-	31	932
	610	553	23	1	31	1,218

* Dato' Sri Tee Lip Sin was appointed as executive director of the Company effective 1 January 2023.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

12. Directors' remuneration (continued)

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	
	2024	2023
Executive director:		
RM250,001 - RM300,000	–	1
RM650,001 - RM700,000	1	–
Non-executive directors:		
RM50,001 - RM100,000	2	–
RM100,001 - RM150,000	3	4
RM150,001 - RM200,000	3	2
RM200,001 - RM250,000	–	1

13. Taxation

Major components of taxation

The major components of taxation for the financial years ended 30 April 2024 and 30 April 2023 are:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Statements of comprehensive income:				
<u>Current income tax:</u>				
Current financial year	24,021	27,500	9,517	12,917
(Over)/underprovision in prior financial year	(142)	(252)	72	(201)
Real property gain tax	–	12	–	–
Withholding tax	1,776	1,421	1,403	1,149
	25,655	28,681	10,992	13,865
<u>Deferred tax (Note 33):</u>				
Relating to origination/(reversal) of temporary differences	2,597	(2,980)	(967)	40
(Over)/underprovision in prior financial year	(1,449)	999	(1,362)	874
	1,148	(1,981)	(2,329)	914
	26,803	26,700	8,663	14,779

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 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% (2023: 17%) and 22% (2023: 22%) respectively.

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

13. Taxation (continued)

Reconciliation between taxation and accounting profit/(loss)

The reconciliation between taxation and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 30 April 2024 and 30 April 2023 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(loss) before tax	74,571	82,221	48,678	(8,304)
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	17,897	19,733	11,683	(1,993)
Effect of different tax rates in foreign jurisdiction	(196)	218	–	–
<u>Adjustments:</u>				
Effect of income not subject to tax	(2,040)	(3,124)	(5,989)	(9,455)
Effect of expenses not deductible for tax purposes	7,714	7,693	2,856	24,405
Effect of lapse of unutilised tax losses	3,243	–	–	–
(Over)/underprovision of current income tax in prior financial year	(142)	(252)	72	(201)
(Over)/underprovision of deferred tax in prior financial year	(1,449)	999	(1,362)	874
Real property gain tax	–	12	–	–
Withholding tax	1,776	1,421	1,403	1,149
	26,803	26,700	8,663	14,779

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	
	2024	2023
Profit net of tax for the financial year attributable to owners of the Company (RM'000)	50,448	61,326
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,769
Basic earnings per share (sen)	24.05	29.24

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

14. Earnings per share (continued)

(b) Diluted earnings per share

The diluted earnings per ordinary share of the Group for the financial years ended 30 April 2024 and 30 April 2023 are the same as the basic earnings per ordinary share of the Group.

15. Dividends

	Group and Company	
	2024	2023
	RM'000	RM'000
Recognised during the financial year:		
<u>Second interim dividend for financial year ended 30 April 2023:</u>		
- single-tier dividend of 7 sen on 209,769,201 ordinary shares	14,684	–
<u>First interim dividend for financial year ended 30 April 2024:</u>		
- single-tier dividend of 5 sen on 209,769,201 ordinary shares	10,488	–
<u>Second interim dividend for financial year ended 30 April 2022:</u>		
- single-tier dividend of 5 sen on 209,769,201 ordinary shares	–	10,488
<u>Special dividend for financial year ended 30 April 2022:</u>		
- single-tier dividend of 5 sen on 209,769,201 ordinary shares	–	10,489
<u>First interim dividend for financial year ended 30 April 2023:</u>		
- single-tier dividend of 5 sen on 209,769,201 ordinary shares	–	10,488
	25,172	31,465

On 27 June 2024, the directors declared a second interim single-tier dividend of 7 sen per ordinary share in respect of the financial year ended 30 April 2024 on 209,769,201 ordinary shares, amounting to approximately RM14,684,000 which are payable on 9 August 2024. 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 2025.

Notes to the financial statements
For the financial year ended 30 April 2024
(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								
2024								
At cost:								
At 1 May 2023	108,875	607,573	258,949	114,838	15,126	61,593	20,036	1,186,990
Additions	-	17,895	12,683	2,987	934	2,726	16,296	53,521
Disposals	-	-	-	(221)	-	(2,088)	-	(2,309)
Written off	-	(6,554)	(654)	(267)	(269)	(2,584)	-	(10,328)
Reclassifications	-	-	24,847	2,330	14	195	(27,386)	-
Exchange differences	-	(6,996)	(5,600)	(1,045)	(172)	(669)	(54)	(14,536)
At 30 April 2024	108,875	611,918	290,225	118,622	15,633	59,173	8,892	1,213,338

Notes to the financial statements
For the financial year ended 30 April 2024
(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)								
2024 (continued)								
Accumulated depreciation and impairment losses:								
At 1 May 2023	-	305,465	77,066	66,774	11,720	44,785	-	505,810
Depreciation charge for the financial year:	-	23,062	18,060	9,335	1,331	4,958	-	56,746
- Recognised in statements of comprehensive income (Note 10(b))	-	23,062	17,058	8,941	1,264	4,706	-	55,031
- Capitalised in bearer plants (Note 16(b) and (c))	-	-	1,002	394	67	252	-	1,715
Disposals	-	-	-	(33)	-	(1,951)	-	(1,984)
Written off	-	(6,554)	(654)	(252)	(267)	(2,278)	-	(10,005)
Exchange differences	-	(1,795)	(1,524)	(584)	(138)	(434)	-	(4,475)
At 30 April 2024	-	320,178	92,948	75,240	12,646	45,080	-	546,092
Analysed as:								
Accumulated depreciation	-	267,181	92,948	75,240	12,646	45,080	-	493,095
Accumulated impairment losses	-	52,997	-	-	-	-	-	52,997
	-	320,178	92,948	75,240	12,646	45,080	-	546,092
Net carrying amount:								
At 30 April 2024	108,875	291,740	197,277	43,382	2,987	14,093	8,892	667,246

Notes to the financial statements
For the financial year ended 30 April 2024
(continued)

16. Property, plant and equipment (continued)

<u>Group (continued)</u>												
2023												
At cost:												
		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			
At 1 May 2022		108,875	592,041	238,190	106,623	14,162	65,199	14,539	1,139,629			
Additions		-	17,680	6,445	5,210	985	2,012	21,777	54,109			
Disposals		-	-	(350)	(1)	-	(3,616)	-	(3,967)			
Written off		-	(4,656)	(497)	(732)	(160)	(1,971)	-	(8,016)			
Reclassifications		-	-	13,250	3,357	77	(242)	(16,442)	-			
Exchange differences		-	2,508	1,911	381	62	211	162	5,235			
At 30 April 2023		108,875	607,573	258,949	114,838	15,126	61,593	20,036	1,186,990			

Notes to the financial statements
For the financial year ended 30 April 2024
(continued)

16. Property, plant and equipment (continued)

Company	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
2024								
At cost:								
At 1 May 2023	68,225	276,290	56,174	11,495	5,929	20,983	2,403	441,499
Additions	-	1,486	821	149	358	1,700	8,677	13,191
Disposals	-	-	-	(287)	-	(904)	-	(1,191)
Written off	-	(843)	(423)	(19)	(141)	(649)	-	(2,075)
Reclassifications	-	-	7,577	181	-	-	(7,758)	-
At 30 April 2024	68,225	276,933	64,149	11,519	6,146	21,130	3,322	451,424

Notes to the financial statements
For the financial year ended 30 April 2024
(continued)

16. Property, plant and equipment (continued)

Company (continued)

2023

At cost:

	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
At 1 May 2022	68,225	274,332	49,597	10,722	5,513	21,754	4,159	434,302
Additions	–	1,958	585	815	513	614	4,620	9,105
Disposals	–	–	–	(1)	–	(1,165)	–	(1,166)
Written off	–	–	(384)	(111)	(97)	(150)	–	(742)
Reclassifications	–	–	6,376	70	–	(70)	(6,376)	–
At 30 April 2023	68,225	276,290	56,174	11,495	5,929	20,983	2,403	441,499

Notes to the financial statements

For the financial year ended 30 April 2024

(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 United State Dollar ("USD") revolving credit which is used by the Company 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 RM55,201,000 (2023: RM61,674,000) were pledged to secure the Indonesian Rupiah ("IDR") term loan as disclosed in Note 30(b)(ii).

(b) Capitalisation of depreciation and amortisation

Included in additions of bearer plants during the financial year are:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Depreciation of property, plant and equipment capitalised (Note 16)	1,715	1,787	118	148
Depreciation of right-of-use assets capitalised (Note 17)	1,395	1,742	299	395
Amortisation of intangible asset capitalised (Note 20)	4	5	–	–
	3,114	3,534	417	543

(c) 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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total additions of property, plant and equipment	53,521	54,109	13,191	9,105
<u>Less:</u>				
Depreciation of property, plant and equipment capitalised (Note 16)	(1,715)	(1,787)	(118)	(148)
Depreciation of right-of-use assets capitalised (Note 17)	(1,395)	(1,742)	(299)	(395)
Amortisation of intangible asset capitalised (Note 20)	(4)	(5)	–	–
Total cash outflows on additions of property, plant and equipment	50,407	50,575	12,774	8,562

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

16. Property, plant and equipment (continued)

(d) Net reversal of impairment of bearer plants

Summary of net reversal of impairment of bearer plants

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Reversal of impairment of bearer plants in Millian-Labau Plantations, Sabah		–	8,288	–	8,288
Impairment of bearer plants in Sulawesi		–	(4,472)	–	–
	8	–	3,816	–	8,288

(i) Reversal of impairment of bearer plants in Millian-Labau Plantations, Sabah

During the financial year ended 30 April 2020, an impairment of RM56,813,000 represented the write-down of the value of bearer plants which are located in Millian-Labau Plantations, Sabah, was recognised in statements of comprehensive income, due to the unsatisfactory performance of the said bearer plants.

Bearer plants were tested for reversal of impairment or further impairment by comparing the carrying amount with their recoverable amount. The recoverable amount of bearer plants was determined based on VIU calculations using cash flow projections for a master plan covering 25 years.

The key assumptions used by management in undertaking the impairment testing such as estimated revenue and raw materials price inflation are based on internal and external sources of data, where available whilst the post-tax discount rate applied on post-tax cash flow projections used was 6.4% (2023: 10.5%) which reflect the specific risks of the oil palm industry in Malaysia.

In view of the recovery of the performance of the said bearer plants, a reversal of impairment of RM8,288,000 represented the partial write-back of the value of the said bearer plants was recognised in statements of comprehensive income in the previous financial year ended 30 April 2023.

No further reversal of impairment or further impairment of the said bearer plants was provided during the current financial year. The accumulated impairment losses of the said bearer plants remained RM48,525,000 at the reporting date.

(ii) Impairment of bearer plants in Sulawesi

The Indonesian subsidiary of the Company, PT Wana Rindang Lestari ("WRL") 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 financial year ended 30 April 2021, work in Sulawesi was temporarily halted due to environmental concerns raised by Non-Governmental Organisations ("NGOs"). As a result, the planting programme in Sulawesi has been deferred.

The said bearer plants were tested for impairment by comparing the carrying amount with their recoverable amount. The recoverable amount of bearer plants was determined based on VIU calculations using cash flow projections for a master plan covering 30 years.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

16. Property, plant and equipment (continued)

(d) Net reversal of impairment of bearer plants (continued)

(ii) Impairment of bearer plants in Sulawesi (continued)

The key assumptions which management used to undertake impairment testing such as estimated revenue and raw materials price inflation are based on internal and external sources of data, where available whilst the post-tax discount rate applied on the post-tax cash flow projections used was 17.0% (2023: 17.0%) which reflect the specific risks of the coconut industry in Indonesia.

Accordingly, the impairment assessment of the said bearer plants gave rise to an impairment loss of RM4,472,000 for the previous financial year ended 30 April 2023.

No further impairment of the said bearer plants was provided during the current financial year. The accumulated impairment losses of the said bearer plants remained RM4,472,000 at the reporting date.

17. Right-of-use assets

	Long term leasehold land RM'000	Prepaid land lease payments RM'000	Tractors RM'000	Total RM'000
Group				
2024				
At cost:				
At 1 May 2023	747,325	158,402	3,665	909,392
Additions	188	233	1,832	2,253
Reversal	(6,680) #	–	–	(6,680)
Exchange differences	–	(6,068)	–	(6,068)
At 30 April 2024	740,833	152,567	5,497	898,897
Accumulated depreciation:				
At 1 May 2023	66,634	35,881	757	103,272
Depreciation charge for the financial year:	10,973	4,743	802	16,518
- Recognised in statements of comprehensive income (Note 10(b))	10,256	4,065	802	15,123
- Capitalised in bearer plants (Note 16(b) and (c))	717	678	–	1,395
Reversal	(6,680) #	–	–	(6,680)
Exchange differences	–	(1,148)	–	(1,148)
At 30 April 2024	70,927	39,476	1,559	111,962
Net carrying amount:				
At 30 April 2024	669,906	113,091	3,938	786,935

Reversal due to surrender of 63 hectares of leasehold land of Melaka Estate to Melaka State Government upon expiry of the lease.

Notes to the financial statements
For the financial year ended 30 April 2024
(continued)

17. Right-of-use assets (continued)

	Long term leasehold land RM'000	Prepaid land lease payments RM'000	Buildings RM'000	Tractors RM'000	Total RM'000
Group (continued)					
2023					
At cost:					
At 1 May 2022	710,332	156,185	7,734	1,978	876,229
Additions	37,443 *	–	–	1,687	39,130
Disposal	(450)	–	–	–	(450)
Reversal	–	–	(7,734) ^	–	(7,734)
Exchange differences	–	2,217	–	–	2,217
At 30 April 2023	747,325	158,402	–	3,665	909,392
Accumulated depreciation:					
At 1 May 2022	55,564	30,812	1,165	246	87,787
Depreciation charge for the financial year:	11,107	4,639	367	511	16,624
- Recognised in statements of comprehensive income (Note 10(b))	10,316	3,688	367	511	14,882
- Capitalised in bearer plants (Note 16(b) and (c))	791	951	–	–	1,742
Disposal	(37)	–	–	–	(37)
Reversal	–	–	(1,532) ^	–	(1,532)
Exchange differences	–	430	–	–	430
At 30 April 2023	66,634	35,881	–	757	103,272
Net carrying amount:					
At 30 April 2023	680,691	122,521	–	2,908	806,120

* Premium for the extension of lease tenure of 315 hectares leasehold land of Melaka Estate.

^ Reversal upon termination of lease liabilities.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

17. Right-of-use assets (continued)

	Long term leasehold land RM'000	Tractors RM'000	Total RM'000
Company			
2024			
At cost:			
At 1 May 2023	387,245	1,901	389,146
Additions	–	1,832	1,832
Reversal	(6,680) #	–	(6,680)
At 30 April 2024	380,565	3,733	384,298
Accumulated depreciation:			
At 1 May 2023	36,491	276	36,767
Depreciation charge for the financial year:	5,949	482	6,431
- Recognised in statements of comprehensive income (Note 10(b))	5,650	482	6,132
- Capitalised in bearer plants (Note 16(b) and (c))	299	–	299
Reversal	(6,680) #	–	(6,680)
At 30 April 2024	35,760	758	36,518
Net carrying amount:			
At 30 April 2024	344,805	2,975	347,780

Reversal due to surrender of 63 hectares of leasehold land of Melaka Estate to Melaka State Government upon expiry of the lease.

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

17. Right-of-use assets (continued)

	Long term leasehold land RM'000	Tractors RM'000	Total RM'000
Company (continued)			
2023			
At cost:			
At 1 May 2022	349,802	1,211	351,013
Additions	37,443 *	690	38,133
At 30 April 2023	387,245	1,901	389,146
Accumulated depreciation:			
At 1 May 2022	30,409	17	30,426
Depreciation charge for the financial year:	6,082	259	6,341
- Recognised in statements of comprehensive income (Note 10(b))	5,687	259	5,946
- Capitalised in bearer plants (Note 16(b) and (c))	395	-	395
At 30 April 2023	36,491	276	36,767
Net carrying amount:			
At 30 April 2023	350,754	1,625	352,379

* Premium for the extension of lease tenure of 315 hectares leasehold land of Melaka Estate.

(a) Assets pledged as security

Certain long term leasehold land of the Company in Sabah with net carrying amount of RM285,364,000 (2023: RM289,169,000) were mortgaged to secure the Company's loan from a subsidiary as disclosed in Note 34(b).

(b) 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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total additions of right-of-use assets	2,253	39,130	1,832	38,133
Less:				
Additions by way of lease liabilities (Note 31)	(1,832)	(1,687)	(1,832)	(690)
Total cash outflows on additions of right-of-use assets	421	37,443	-	37,443

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

18. Goodwill on consolidation

	Group	
	2024 RM'000	2023 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 ("LAK"), 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 VIU calculations

The recoverable amount is determined based on VIU calculations using cash flow projections based on a master plan covering a period up to 25 years, being the useful life of the bearer plants. The following describes each key assumptions used in VIU calculations on which management has based on the cash flow projections to undertake the impairment testing of goodwill:

(a) Budgeted revenue

The basis used to determine the value assigned to the budgeted revenue includes the average historical prices of CPO and FFB, as well as the FFB yield of the oil palm estates from the current year. This also takes into account the estimated remaining useful lives of the bearer plants.

(b) Discount rate

The post-tax discount rates applied on the post-tax cash flow projections ranged from 6.4% to 13.0% (2023: 10.5% to 15.0%) which reflect the specific risks of the oil palm industry.

(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 VIU 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 assumptions 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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

19. Investment in subsidiaries

	Company	
	2024	2023
	RM'000	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
- Less: Accumulated impairment losses	(114,894)	(114,894)
	204,483	204,483
	345,437	345,437

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 VIU of these subsidiaries.

(a) Impairment of investment in Clifton

The Company held 100% shares of Clifton, which held the 60% shares of WRL through PT Bintang Gemilang Permai ("BGP").

WRL engaged in agroforestry plantations and owns an intangible asset which represents the cost of investment of business licence, 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 financial year ended 30 April 2021, work in Sulawesi was temporarily halted due to environmental concerns raised by NGOs. As a result, the planting programme in Sulawesi has been deferred.

Investment in this subsidiary was tested for impairment by comparing the carrying amount with its recoverable amount. The recoverable amount of investment in this subsidiary was determined based on VIU calculations using cash flow projections for a master plan covering 30 years.

The key assumptions used by management in undertaking the impairment testing of investment in this subsidiary such as estimated revenue and raw materials price inflation are based on internal and external sources of data, where available whilst the post-tax discount rate applied on post-tax cash flow projections used was 17.0% (2023: 17.0%) which reflect the specific risks of the investment in this subsidiary.

Accordingly, the impairment assessment of investment in this subsidiary gave rise to an impairment loss of RM5,069,000 for the previous financial year ended 30 April 2023.

No further impairment of investment in this subsidiary was provided during the current financial year. The accumulated impairment losses of investment in this subsidiary remained RM27,994,000 at the reporting date.

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

19. Investment in subsidiaries (continued)

(b) Impairment of investment in INR

The Company held 88.2% shares of INR, which held the 94.1% shares of LAK. As a result, the Company held 83% shares of LAK through INR.

The principal activities of LAK are cultivation of oil palm and palm oil milling. LAK has obtained the plantation licence ("Izin Usaha Perkebunan") over approximately 24,255 hectares of oil palm plantation located in Mantangai district, Kapuas Barat district, Dadahup district and Kapuas Murung district, Kapuas Regency, Kalimantan Tengah, Republic of Indonesia out of which 5,075 hectares have been registered in the name of LAK under the Hak Guna Usaha ("HGU") and Hak Guna Bangunan ("HGB"). In addition, LAK also owned an palm oil mill with a FFB processing capacity of 45 tonnes per hour which commenced operations in June 2019.

The increase of investment risks in Indonesia has resulted in the timing and extent of the future economics benefits that can be derived from LAK becoming uncertain.

Investment in this subsidiary was tested for impairment by comparing the carrying amount with its recoverable amount. The recoverable amount of investment in this subsidiary was determined based on VIU calculations using cash flow projections for a master plan covering 25 years.

The key assumptions used by management in undertaking the impairment testing of investment in this subsidiary such as estimated revenue and raw materials price inflation are based on internal and external sources of data, where available whilst the post-tax discount rate applied on post-tax cash flow projections used was 13.0% (2023: 15.0%) which reflect the specific risks of the investment in this subsidiary.

Accordingly, the impairment assessment of investment in this subsidiary gave rise to an impairment loss of RM86,900,000 for the previous financial year ended 30 April 2023.

No further impairment of investment in this subsidiary was provided during the current financial year. The accumulated impairment losses of investment in this subsidiary remained RM86,900,000 at the reporting date.

Summary of impairment of investment in subsidiaries

	Note	Company	
		2024 RM'000	2023 RM'000
Impairment of investment in:			
- Clifton		—	5,069
- INR		—	86,900
	10(a)	—	91,969

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

19. Investment in subsidiaries (continued)

Details of the subsidiaries

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
		2024	2023	2024	2023	
<u>Held by the Company</u>						
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
<u>Held through INR</u>						
PT Lifere Agro Kapuas (“LAK”) ⁱⁱⁱ	Indonesia	83	83	17	17	Cultivation of oil palm and palm oil milling
<u>Held through Clifton</u>						
PT Bintang Gemilang Permai (“BGP”) ⁱⁱ	Indonesia	65	65	35	35	Investment holding
<u>Held through BGP</u>						
PT Wana Rindang Lestari (“WRL”) ⁱⁱ	Indonesia	60	60	40	40	Agroforestry plantations

i Audited by Crowe Malaysia PLT.

ii Audited by firms other than Crowe Malaysia PLT.

iii Audited by member firm of Crowe Global.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

19. Investment in subsidiaries (continued)

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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statements of comprehensive income										
Revenue	-	-	195,526	119,099	-	-	-	-	195,526	119,099
Profit/(loss) for the financial year	1,488	900	(16,275)	(17,001)	(10)	22	(211)	(8,329)	(15,008)	(24,408)
Profit/(loss) for the financial year attributable to:										
- The Company	1,313	794	(13,508)	(14,110)	(6)	14	(127)	(5,301)	(12,328)	(18,603)
- Non-controlling interests	175	106	(2,767)	(2,891)	(4)	8	(84)	(3,028)	(2,680)	(5,805)
	1,488	900	(16,275)	(17,001)	(10)	22	(211)	(8,329)	(15,008)	(24,408)

Notes to the financial statements
For the financial year ended 30 April 2024
(continued)

19. Investment in subsidiaries (continued)

Summarised financial information of subsidiaries which have non-controlling interests (continued)

	INR		LAK		BGP		WRL		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Summarised statements of comprehensive income (continued)</u>										
Other comprehensive (loss)/income for the financial year	(1,849)	425	(6,129)	2,122	6	(2)	(406)	146	(8,378)	2,691
Other comprehensive (loss)/income for the financial year attributable to:										
- The Company	(1,631)	375	(5,087)	1,761	4	(1)	(244)	87	(6,958)	2,222
- Non-controlling interests	(218)	50	(1,042)	361	2	(1)	(162)	59	(1,420)	469
	(1,849)	425	(6,129)	2,122	6	(2)	(406)	146	(8,378)	2,691
Total comprehensive (loss)/income for the financial year attributable to:										
- The Company	(318)	1,169	(18,595)	(12,349)	(2)	13	(371)	(5,214)	(19,286)	(16,381)
- Non-controlling interests	(43)	156	(3,809)	(2,530)	(2)	7	(246)	(2,969)	(4,100)	(5,336)
	(361)	1,325	(22,404)	(14,879)	(4)	20	(617)	(8,183)	(23,386)	(21,717)

Notes to the financial statements

For the financial year ended 30 April 2024
(continued)

19. Investment in subsidiaries (continued)

Summarised financial information of subsidiaries which have non-controlling interests (continued)

	INR		LAK		BGP		WRL		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statements of financial position										
Non-current assets	139,187	139,187	210,304	232,039	-	-	6,396	5,493	355,887	376,719
Current assets	51,942	47,171	153,754	116,310	3,398	1,617	626	313	209,720	165,411
Total assets	191,129	186,358	364,058	348,349	3,398	1,617	7,022	5,806	565,607	542,130
Non-current liabilities	-	-	38,371	47,201	-	-	-	-	38,371	47,201
Current liabilities	957	938	286,607	237,511	3,554	1,770	3,521	1,697	294,639	241,916
Total liabilities	957	938	324,978	284,712	3,554	1,770	3,521	1,697	333,010	289,117
Net assets/(liabilities)	190,172	185,420	39,080	63,637	(156)	(153)	3,501	4,109	232,597	253,013
Equity attributable to:										
- The Company	168,898	164,103	32,218	52,966	(100)	(99)	2,103	2,465	203,119	219,435
- Non-controlling interests	21,274	21,317	6,862	10,671	(56)	(54)	1,398	1,644	29,478	33,578
	190,172	185,420	39,080	63,637	(156)	(153)	3,501	4,109	232,597	253,013

Notes to the financial statements
For the financial year ended 30 April 2024
(continued)

19. Investment in subsidiaries (continued)

Summarised financial information of subsidiaries which have non-controlling interests (continued)

	INR		LAK		BGP		WRL		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statements of cash flows										
Net cash flows (used in)/from operating activities	(44)	51	40,354	26,496	(57)	57	1,849	1,824	42,102	28,428
Net cash flows used in investing activities	-	-	(17,670)	(14,265)	-	-	(1,529)	(1,836)	(19,199)	(16,101)
Net cash flows used in financing activities	-	-	(11,010)	(8,956)	-	-	-	-	(11,010)	(8,956)
Net (decrease)/increase in cash and cash equivalents	(44)	51	11,674	3,275	(57)	57	320	(12)	11,893	3,371
Effect of foreign exchange rate changes	7	(1)	(722)	392	(1)	2	(22)	4	(738)	397
Cash and cash equivalents at beginning of financial year	111	61	10,219	6,552	68	9	310	318	10,708	6,940
Cash and cash equivalents at end of financial year	74	111	21,171	10,219	10	68	608	310	21,863	10,708

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

20. Intangible asset

	Group	
	2024 RM'000	2023 RM'000
At cost:		
At beginning of financial year	30,061	30,057
Exchange differences	(9)	4
At end of financial year	30,052	30,061
Accumulated amortisation and impairment losses:		
At beginning of financial year	29,828	29,823
Amortisation for the financial year capitalised in bearer plants (Note 16(b) and (c))	4	5
At end of financial year	29,832	29,828
Analysed as:		
Accumulated amortisation	1,462	1,458
Accumulated impairment losses	28,370	28,370
	29,832	29,828
Net carrying amount	220	233

Intangible asset represents the cost of investment of HTI Licence owned by an Indonesian subsidiary, WRL, 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 financial year ended 30 April 2021, work in Sulawesi was temporarily halted due to environmental concerns raised by NGOs. As a result, the planting programme in Sulawesi has been deferred. The accumulated impairment losses of the intangible asset remained RM28,370,000 at the reporting date.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

21. Other asset

	2024 RM'000	Group 2023 RM'000
At cost:		
At beginning of financial year	–	3,501
Additions	–	21
Impairment recognised in statements of comprehensive income (Note 10(a))	–	(3,569)
Exchange differences	–	47
At end of financial year	–	–

Other asset represents the expenses incurred in connection with the development of agroforestry plantations 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.

Impairment of other asset

During the financial year ended 30 April 2021, work in Sulawesi was temporarily halted due to environmental concerns raised by NGOs. As a result, the planting programme in Sulawesi has been deferred.

Currently, the Group has no development plan of agroforestry plantations on an area measuring approximately 59,920 hectares in the Regencies of Tojo Una-Una and Morowali, Province of Central Sulawesi. Accordingly, impairment loss of RM3,569,000 for the other asset has been provided for in the previous financial year ended 30 April 2023 as disclosed in Note 10(a) to the financial statements. The accumulated impairment losses of the other asset remained RM3,569,000 at the reporting date.

22. Inventories

	2024 RM'000	Group 2023 RM'000	2024 RM'000	Company 2023 RM'000
At cost:				
Palm oil milling products	6,415	169	–	–
Nursery stocks	3,409	3,334	39	–
Estate and palm oil mill stores	14,426	15,101	1,904	1,969
	24,250	18,604	1,943	1,969
At net realisable value:				
Palm oil milling products	28,940	17,684	–	–
	53,190	36,288	1,943	1,969

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group and the Company was RM76,494,000 (2023: RM84,963,000) and RM19,133,000 (2023: RM16,677,000) respectively.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

23. Biological assets

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At carrying amount:				
At beginning of financial year	10,840	15,939	3,345	6,432
Fair value changes (net) (Note 8 and 10(a))	3,480	(5,165)	1,270	(3,087)
Exchange differences	(107)	66	–	–
At end of financial year	14,213	10,840	4,615	3,345

The biological assets of the Group and of the Company comprise 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.

The key assumptions to determine the fair value are as follows:

	Group		Company	
	2024	2023	2024	2023
FFB production (tonne)	38,887	34,748	14,355	10,770
Average FFB selling price (RM/tonne)	767	685	751	731

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

24. Trade and other receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables:	(a)				
Amount due from subsidiaries		–	–	2,846	1,640
Third parties		18,598	11,178	5,759	3,832
		18,598	11,178	8,605	5,472
Other receivables:					
Amounts due from subsidiaries	(b)	–	–	11,096	10,258
Loans to subsidiaries	(c)	–	–	250,972	207,750
Deposits		636	445	530	340
Prepayments		4,234	5,938	758	530
Interest receivable		60	72	17	34
Plasma receivables	36(a)	78,990	76,759	–	–
Value added tax ("VAT") receivable		12,630	1,449	–	–
Sundry receivables		1,436	1,213	1,081	843
		97,986	85,876	264,454	219,755
		116,584	97,054	273,059	225,227

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 15 to 30 days (2023: 15 to 30 days) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade receivables received in advance have been classified as other payables at the reporting date (Note 34).

Ageing analysis of trade receivables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Neither past due nor impaired	18,598	11,178	8,605	5,472

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% (2023: 6.7%) and repayable upon demand.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

25. Short term funds

Short term funds consist of investment in income trust funds placed with licensed investment banks in Malaysia which are highly liquid and readily convertible to cash as follows:

	Group			
	Carrying amount		Fair value	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
In Malaysia				
- income trust funds	52,979	50,133	52,979	50,133
	Company			
	Carrying amount		Fair value	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
In Malaysia				
- income trust funds	7,742	22,722	7,742	22,722

26. Cash and bank balances

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash at banks and on hand	22,437	9,467	426	290
Deposits with:				
- licensed commercial banks	2,043	5,736	690	714
- licensed investment banks	48,598	58,467	10,623	18,629
	73,078	73,670	11,739	19,633

(a) Cash and cash equivalents

For the purpose of statements of cash flows, the cash and cash equivalents as at the reporting date are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	73,078	73,670	11,739	19,633
Less: Deposits with a licensed bank with maturity period of more than 3 months	–	(5,272)	–	(5,272)
Cash and cash equivalents	73,078	68,398	11,739	14,361

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

26. Cash and bank balances (continued)

(b) 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	
	2024 %	2023 %	2024 %	2023 %
Deposits with:				
- licensed commercial banks				
- maturity period less than 3 months	2.79	2.35	2.81	2.53
- licensed investment banks				
- maturity period less than 3 months	3.28	2.96	3.26	2.84
- maturity period more than 3 months	–	3.60	–	3.60

(c) Varying periods of deposits

The varying periods of deposits at the reporting date are as follows:

	Group		Company	
	2024 days	2023 days	2024 days	2023 days
Deposits with:				
- licensed commercial banks				
- maturity period less than 3 months	2 - 12	4 - 8	7 - 12	6 - 7
- licensed investment banks				
- maturity period less than 3 months	7 - 32	6 - 38	7 - 32	6 - 28
- maturity period more than 3 months	–	122 - 124	–	122 - 124

27. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
At beginning/end of financial year	209,769	209,769	255,375	255,375

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.

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

28. Foreign currency translation reserve

	Group	
	2024 RM'000	2023 RM'000
At beginning of financial year	(3,949)	(6,026)
Other comprehensive (loss)/income:		
Exchange differences on translation of foreign operations	(8,900)	2,552
Less: non-controlling interests	1,458	(475)
	(7,442)	2,077
At end of financial year	(11,391)	(3,949)

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 operations.

29. Retained earnings

The Company may distribute dividends out of its entire retained earnings as of 30 April 2024 and 30 April 2023 under the single-tier system.

30. Bank borrowings

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Secured:				
Term loan (in IDR) *	20,724	–	–	–
Current				
Secured:				
Term loan (in IDR) *	10,658	43,618	–	–
Revolving credit (in USD)	71,550	66,878	71,550	66,878
	82,208	110,496	71,550	66,878
Total bank borrowings	102,932	110,496	71,550	66,878

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

30. Bank borrowings (continued)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Analysis by type of bank borrowings:				
Secured:				
Term loan (in IDR) *	31,382	43,618	–	–
Revolving credit (in USD)	71,550	66,878	71,550	66,878
	102,932	110,496	71,550	66,878
Analysis by maturity:				
- Less than one year	82,208	110,496	71,550	66,878
- More than one year and less than two years	10,658	–	–	–
- More than two years and less than five years	10,066	–	–	–
	102,932	110,496	71,550	66,878

* In the previous financial year ended 30 April 2023, the term loan in IDR amounting to RM43,618,000 for an Indonesian subsidiary has been classified under current liabilities at the reporting date as the Indonesian subsidiary did not comply with certain financial covenants set by the lending bank during the previous financial year. During the current financial year, the principal balance of this term loan which is due after 30 April 2025 has been reclassified to non current liabilities as the Indonesia subsidiary has complied the financial covenants set by the lending bank.

(a) Interest rates of bank borrowings

- (i) The IDR term loan carries an interest rate based on the 1-month Jakarta Interbank Offered Rate ("JIBOR") + 3.45% per annum.
- (ii) The USD revolving credit carries an interest rate based on the bank's cost of funds + 0.75% per annum.

(b) Assets pledged as security

- (i) The USD revolving credit is 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 40(a). In addition, certain buildings and plant and machinery of a subsidiary with net carrying amount of RM55,201,000 (2023: RM61,674,000) were pledged to secure this IDR term loan as disclosed in Note 16(a)(ii).

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

30. Bank borrowings (continued)

(c) Changes in liabilities arising from financing activities

	At 1 May 2023 RM'000	Repayment RM'000	Exchange differences RM'000	At 30 April 2024 RM'000
2024				
Group				
Term loan	43,618	(11,010)	(1,226)	31,382
Revolving credit	66,878	–	4,672	71,550
	110,496	(11,010)	3,446	102,932
Company				
Revolving credit	66,878	–	4,672	71,550
	At 1 May 2022 RM'000	Repayment RM'000	Exchange differences RM'000	At 30 April 2023 RM'000
2023				
Group				
Term loan	52,138	(8,956)	436	43,618
Revolving credit	65,250	–	1,628	66,878
	117,388	(8,956)	2,064	110,496
Company				
Revolving credit	65,250	–	1,628	66,878

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

31. Lease liabilities

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of financial year	2,994	7,951	1,663	1,197
Additions (Note 17(b))	1,832	1,687	1,832	690
Accretion of interest recognised in statements of comprehensive income (Note 9)	228	500	149	83
Termination of lease liabilities	–	(5,591)	–	–
Payment of principal portion	(721)	(1,053)	(417)	(224)
Payment of interest	(228)	(500)	(149)	(83)
At end of financial year	4,105	2,994	3,078	1,663
Breakdown:				
Current	895	590	570	286
Non-current	3,210	2,404	2,508	1,377
	4,105	2,994	3,078	1,663
Analysis by maturity:				
- Less than one year	895	590	570	286
- More than one year and less than two years	861	628	606	303
- More than two years and less than five years	2,173	1,625	1,725	1,005
- More than five years	176	151	177	69
	4,105	2,994	3,078	1,663

32. Retirement benefit obligation

	Group	
	2024 RM'000	2023 RM'000
At beginning of financial year	1,059	1,037
Expenses recognised in statements of comprehensive income (Note 11)	415	12
- Current service cost	344	468
- Interest cost	71	74
- Settlement cost	–	(530)
Actuarial (gain)/loss recognised in other comprehensive income	(286)	44
Payment during the financial year	(10)	(48)
Exchange differences	(43)	14
At end of financial year	1,135	1,059

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

32. Retirement benefit obligation (continued)

	Group	
	2024	2023
	RM'000	RM'000
Present value of obligation/recognised liability for retirement benefit obligation	1,135	1,059

- (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.
- (b) The Group's obligation under the defined benefit plan for the financial years ended 30 April 2024 and 30 April 2023 are determined based on the actuarial valuations performed by an independent actuary on 19 July 2024 and 26 June 2023 respectively.
- (c) Principal actuarial assumptions used at the reporting date in respect of the Group's defined benefit plan are as follows:

	2024	2023
Discount rate (% p.a.)	6.68 - 7.13	5.94 - 7.10
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	
	2024	2023
	RM'000	RM'000
Discount rate + 1%	(299)	(433)
- 1%	373	538
Future salary + 1%	373	542
- 1%	(298)	(428)

Notes to the financial statements
For the financial year ended 30 April 2024
(continued)

33. Deferred tax liabilities

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	194,640	196,272	79,598	78,684
Recognised in statements of comprehensive income (Note 13)	1,148	(1,981)	(2,329)	914
Recognised in other comprehensive income	63	(10)	–	–
Exchange differences	(856)	359	–	–
At end of financial year	194,995	194,640	77,269	79,598

Presented after appropriate offsetting as follows:

Deferred tax assets	–	–	–	–
Deferred tax liabilities	194,995	194,640	77,269	79,598
	194,995	194,640	77,269	79,598

Deferred tax as at 30 April relates to the following:

	At 1 May 2023 RM'000	Recognised in statements of comprehensive income (Note 13) RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	At 30 April 2024 RM'000
Group					
2024					
Deferred tax assets:					
Provisions	(1,516)	(3,344)	63	18	(4,779)
Lease liabilities	(718)	(268)	–	–	(986)
Unutilised tax losses	(9,822)	5,379	–	184	(4,259)
	(12,056)	1,767	63	202	(10,024)
Deferred tax liabilities:					
Foreign source interest income	2,331	1,965	–	–	4,296
Property, plant and equipment	58,410	(776)	–	(178)	57,456
Right-of-use assets	143,409	(2,634)	–	(854)	139,921
Biological assets	2,546	826	–	(26)	3,346
	206,696	(619)	–	(1,058)	205,019
	194,640	1,148	63	(856)	194,995

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

33. Deferred tax liabilities (continued)

Deferred tax as at 30 April relates to the following (continued):

	At 1 May 2022 RM'000	Recognised in statements of comprehensive income (Note 13) RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	At 30 April 2023 RM'000
Group (continued)					
2023					
Deferred tax assets:					
Provisions	(2,584)	1,075	(10)	3	(1,516)
Lease liabilities	(1,907)	1,189	–	–	(718)
Unutilised tax losses	(7,132)	(2,523)	–	(167)	(9,822)
	(11,623)	(259)	(10)	(164)	(12,056)
Deferred tax liabilities:					
Foreign source interest income	–	2,331	–	–	2,331
Property, plant and equipment	58,023	186	–	201	58,410
Right-of-use assets	146,075	(2,976)	–	310	143,409
Biological assets	3,797	(1,263)	–	12	2,546
	207,895	(1,722)	–	523	206,696
	196,272	(1,981)	(10)	359	194,640

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

33. Deferred tax liabilities (continued)

Deferred tax as at 30 April relates to the following (continued):

	At 1 May 2023 RM'000	Recognised in statements of comprehensive income (Note 13) RM'000	At 30 April 2024 RM'000
Company			
2024			
Deferred tax assets:			
Provisions	(802)	(2,459)	(3,261)
Lease liabilities	(399)	(340)	(739)
	(1,201)	(2,799)	(4,000)
Deferred tax liabilities:			
Foreign source interest income	2,331	1,965	4,296
Property, plant and equipment	29,354	(1,078)	28,276
Right-of-use assets	48,312	(723)	47,589
Biological assets	802	306	1,108
	80,799	470	81,269
	79,598	(2,329)	77,269

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

33. Deferred tax liabilities (continued)

Deferred tax as at 30 April relates to the following (continued):

	At 1 May 2022 RM'000	Recognised in statements of comprehensive income (Note 13) RM'000	At 30 April 2023 RM'000
Company (continued)			
2023			
Deferred tax assets:			
Provisions	(977)	175	(802)
Lease liabilities	(287)	(112)	(399)
	(1,264)	63	(1,201)
Deferred tax liabilities:			
Foreign source interest income	–	2,331	2,331
Property, plant and equipment	29,118	236	29,354
Right-of-use assets	49,287	(975)	48,312
Biological assets	1,543	(741)	802
	79,948	851	80,799
	78,684	914	79,598

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For the financial year ended 30 April 2024
(continued)

34. Trade and other payables

	Notes	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables:	(a)				
Third parties		14,129	15,649	1,638	1,972
Other payables:	(a)				
Advance from customers		609	545	–	–
Directors' fees and other emoluments		1,180	1,295	916	1,012
Loan from a subsidiary	(b)	–	–	500	500
Balance outstanding on acquisition of land		716	596	–	–
Interest payable		437	368	246	145
Accruals and sundry payables		47,182	46,912	9,899	9,522
		50,124	49,716	11,561	11,179
		64,253	65,365	13,199	13,151

(a) Trade and other payables

These amounts are non-interest bearing and are normally settled on 30 to 60 days (2023: 30 to 60 days) terms.

(b) 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 (2023: one percent (1%) above Malayan Banking Berhad's 12 months fixed deposit interest rate per annum) and secured by a first mortgage over certain long term leasehold land of the Company in Sabah with net carrying amount of RM285,364,000 (2023: RM289,169,000) as disclosed in Note 17(a). The loan is repayable on demand.

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For the financial year ended 30 April 2024

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35. 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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Subsidiaries				
- Sale of FFB	–	–	26,859	32,519
- Administrative expenses charged	–	–	5,843	5,879
- Loans to subsidiaries	–	–	33,058	23,821
- Purchase of oil palm seedlings	–	–	91	–
- Purchase of property, plant and equipment	–	–	340	–
- Sale of property, plant and equipment	–	–	90	–
Companies in which certain directors of the Company have deemed interests				
- Sale of FFB	–	575	–	160
- Purchase of FFB	1,513	–	–	–
- Purchase of fertiliser	1,557	4,805	174	2,164
Company in which certain director of the Company is director of its Holding Company				
- Purchase of property, plant and equipment and related maintenance service	–	1,132	–	–

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For the financial year ended 30 April 2024 (continued)

35. Related party disclosures (continued)

(b) Balances with related parties

In addition to the balances with related party transactions as disclosed in Notes 24 and 34, the Group and the Company had the following balances with related parties as at 30 April 2024 and 30 April 2023:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Companies in which certain directors of the Company have deemed interests				
- Trade payables	329	1,411	–	723
Company in which certain director of the Company is director of its Holding Company				
- Other payable	–	57	–	–

(c) Compensation of key management personnel

The remuneration of directors and other members of key management, being the Chief Executive Officer, Chief Financial Officer, Head of Group Administration & Corporate Affairs and Human Resource, Head of Group Audit and Acting Head of Engineering/Mill Controller, during the financial year were as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term employee benefits	3,764	3,610	3,501	3,382
Contributions to defined contribution plan	388	356	388	356
Social security contributions	7	5	6	5
	4,159	3,971	3,895	3,743

Included in the total compensation of key management personnel of the Group and of the Company was executive director's remuneration amounting to RM658,000 (2023: RM286,000) respectively and non-executive directors' remuneration amounting to RM1,105,000 (2023: RM1,129,000) and RM841,000 (2023: RM901,000) respectively as disclosed in Note 12.

Notes to the financial statements

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36. 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, LAK is committed to developing plantations under the Plasma Scheme through two cooperatives. The funding for the development of the plantations under the Plasma Scheme was advanced by the subsidiary. This advance was repaid 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 the resulting proceeds will be used to repay the loans from the bank and the advance from the subsidiary for the plasma plantations maintenance costs.

The accumulated infrastructure and maintenance costs, net of proceeds from FFB 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	
	2024	2023
	RM'000	RM'000
At beginning of financial year	76,759	63,506
Additional maintenance/infrastructure costs, net of proceeds from FFB	5,174	8,874
Depreciation of property, plant and equipment charged (Note 16)	–	502
Reversal of discounting value of Plasma receivables (Note 8)	–	2,715
Exchange differences (IDR to RM)	(2,943)	1,162
At end of financial year	78,990	76,759

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(continued)

36. Commitments (continued)

(b) Capital commitments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capital expenditure approved and contracted for:				
Bearer plants	1,117	831	–	–
Purchase of other property, plant and equipment	7,654	18,279	4,188	10,349
	8,771	19,110	4,188	10,349
Capital expenditure approved but not contracted for:				
Bearer plants	15,998	18,695	3,743	1,566
Construction of new palm oil mill - Malaysia	56,154	56,279	–	–
Purchase of other property, plant and equipment	31,082	45,984	8,278	16,501
	103,234	120,958	12,021	18,067
	112,005	140,068	16,209	28,416

37. 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 net reversal of impairment of bearer plants, impairment of other asset, reversal of discounting value/discounting value of Plasma receivables and loss on termination of lease liabilities 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 held for more than one financial period.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

37. Segment information (continued)

(a) Business segments (continued)

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.

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
2024			
Revenue:			
Total sale of oil palm products	659,754	–	659,754
Inter-company sales	(64,114)	–	(64,114)
Total revenue	595,640	–	595,640
Results:			
Segment results/profit before tax	89,435	(14,864)	74,571
Taxation			(26,803)
Profit for the financial year			47,768
Assets:			
Segment assets	1,722,611	126,117	1,848,728
Other segment information:			
<u>Material income</u>			
Fair value changes on biological assets (net)	3,480	–	3,480
Interest income	–	1,730	1,730
Management fee received	1,850	–	1,850
Net fair value gains on short term funds:			
- realised	–	1,132	1,132
- unrealised	–	239	239
<u>Material expenses</u>			
Depreciation of property, plant and equipment	55,031	–	55,031
Depreciation of right-of-use assets	15,123	–	15,123
Interest expense	4,024	4,585	8,609
Net unrealised foreign exchange loss	–	13,319	13,319
<u>Additions to non-current assets</u>			
Purchase of property, plant and equipment	53,521	–	53,521
Additions of right-of-use assets	2,253	–	2,253

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

37. 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
2023			
Revenue:			
Total sale of oil palm products	689,046	–	689,046
Inter-company sales	(84,549)	–	(84,549)
Total revenue	604,497	–	604,497
Results:			
Segment results	78,151	2,010	80,161
Net reversal of impairment of bearer plants			3,816
Reversal of discounting value of Plasma receivables			2,715
Impairment of other asset			(3,569)
Loss on termination of lease liabilities			(611)
Margin loss on termination of lease liabilities			(291)
Profit before tax			82,221
Taxation			(26,700)
Profit for the financial year			55,521
Assets:			
Segment assets	1,718,068	123,875	1,841,943
Other segment information:			
<u>Material income</u>			
Interest income	–	2,368	2,368
Management fee received	1,071	–	1,071
Net unrealised foreign exchange gain	–	1,730	1,730
Net fair value gains on short term funds:			
- realised	–	316	316
- unrealised	–	689	689
<u>Material expenses</u>			
Depreciation of property, plant and equipment	48,954	–	48,954
Depreciation of right-of-use assets	14,882	–	14,882
Fair value changes on biological assets (net)	5,165	–	5,165
Interest expense	4,455	3,065	7,520
<u>Additions to non-current assets</u>			
Purchase of property, plant and equipment	54,109	–	54,109
Additions of right-of-use assets	39,130	–	39,130

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

37. 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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	400,114	485,398	1,113,987	1,126,312
Indonesia	195,526	119,099	422,888	443,695
	595,640	604,497	1,536,875	1,570,007

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2024 RM'000	2023 RM'000
Property, plant and equipment	667,246	681,180
Right-of-use assets	786,935	806,120
Goodwill on consolidation	82,474	82,474
Intangible asset	220	233
	1,536,875	1,570,007

38. 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:

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade and other receivables *	24	99,720	89,667	272,301	224,697
Cash and bank balances	26	73,078	73,670	11,739	19,633
		172,798	163,337	284,040	244,330

* Excluding prepayments and VAT receivable of the Group and of the Company amounting to RM16,864,000 (2023: RM7,387,000) and RM758,000 (2023: RM530,000).

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

38. 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:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term funds	25	52,979	50,133	7,742	22,722

(b) Financial liabilities

Financial liabilities measured at amortised cost

Total financial liabilities carried at amortised cost of the Group and of the Company at the reporting date consist of the following:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bank borrowings	30	102,932	110,496	71,550	66,878
Lease liabilities	31	4,105	2,994	3,078	1,663
Trade and other payables	34	64,253	65,365	13,199	13,151
		171,290	178,855	87,827	81,692

39. 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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

39. 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		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Fair value Level 1</i>					
Short term funds	25	52,979	50,133	7,742	22,722

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		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2024				
Financial liabilities:				
Lease liabilities	4,105	4,602	3,078	3,473
2023				
Financial liabilities:				
Lease liabilities	2,994	3,263	1,663	1,817

(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 *	38(a)
Bank borrowings	38(b)
Trade and other payables	38(b)

* Excluding prepayments and VAT receivable.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

39. Fair value measurement (continued)

(c) Financial instruments that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value (continued)

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.

(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:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Fair value Level 3</i>					
Biological assets	23	14,213	10,840	4,615	3,345

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.

40. 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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

40. Financial risk management objective and policies (continued)

(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.

Exposure to credit risk

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Corporate guarantees for bank borrowing facilities granted by financial institution to a subsidiary (Note 30(b)(ii))	–	–	31,382	43,618
Corporate guarantees for bank borrowing facilities granted by financial institution to cooperatives under Plasma Scheme in Indonesia	40,229	53,362	–	–
	40,229	53,362	31,382	43,618

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.

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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

40. Financial risk management objective and policies (continued)

(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
<u>At 30 April 2024</u>				
Group				
Bank borrowings	89,602	23,036	–	112,638
Lease liabilities	1,129	3,436	180	4,745
Trade and other payables	64,253	–	–	64,253
Total undiscounted financial liabilities	154,984	26,472	180	181,636
Company				
Bank borrowings	76,201	–	–	76,201
Lease liabilities	746	2,659	180	3,585
Trade and other payables	13,199	–	–	13,199
Total undiscounted financial liabilities	90,146	2,659	180	92,985

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

40. Financial risk management objective and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

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 (continued):

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<u>At 30 April 2023</u>				
Group				
Bank borrowings	116,949	–	–	116,949
Lease liabilities	759	2,564	154	3,477
Trade and other payables	65,365	–	–	65,365
Total undiscounted financial liabilities	183,073	2,564	154	185,791
Company				
Bank borrowings	71,004	–	–	71,004
Lease liabilities	377	1,487	70	1,934
Trade and other payables	13,151	–	–	13,151
Total undiscounted financial liabilities	84,532	1,487	70	86,089

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 loan and revolving credit. 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 2024. 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 are 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 RM143,000 (2023: RM105,000) and RM312,000 (2023: RM276,000) lower/higher respectively, arising mainly as a result of higher/lower interest expense on term loan and revolving credit and higher/lower interest income from placements of fund in short term deposits and fixed deposits.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

40. 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 borrowing that is denominated in 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 amounting to RM71,550,000 (2023: RM66,878,000). 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 2024: USD1 = RM4.7700; 2023: USD1 = RM4.4585), assuming all other variables remain unchanged, is RM716,000 (2023: RM669,000).

(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 CPO and 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Increase/(decrease) on profit net of tax				
<u>Malaysian operations</u>				
Base CPO price:				
2024: RM3,830				
2023: RM4,387				
- CPO price 10% higher	18,478	21,581	8,389	9,362
- CPO price 10% lower	(18,173)	(21,363)	(8,196)	(9,254)
Base PK price:				
2024: RM2,076				
2023: RM2,309				
- PK price 10% higher	2,490	2,740	1,098	1,180
- PK price 10% lower	(2,490)	(2,740)	(1,098)	(1,180)

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

40. Financial risk management objective and policies (continued)

(e) Market price risk (continued)

(i) Commodity price risk (continued)

Sensitivity analysis for commodity price risk (continued)

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 (continued):

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Increase/(decrease) on profit net of tax (continued)				
<u>Indonesian operations</u>				
Base CPO price:				
2024: RM3,398				
2023: RM3,386				
- CPO price 10% higher	5,162	3,063	—	—
- CPO price 10% lower	(5,162)	(3,063)	—	—
Base PK price:				
2024: RM1,615				
2023: RM1,952				
- PK price 10% higher	417	269	—	—
- PK price 10% lower	(417)	(269)	—	—

(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.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

40. Financial risk management objective and policies (continued)

(e) Market price risk (continued)

(ii) Equity price risk (continued)

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:

	2024		2023	
	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
<u>Group</u>				
Short term funds				
Investment in income trust funds				
- Market value + 10%	5,298	5,298	5,013	5,013
- Market value - 10%	(5,298)	(5,298)	(5,013)	(5,013)
<u>Company</u>				
Short term funds				
Investment in income trust funds				
- Market value + 10%	774	774	2,272	2,272
- Market value - 10%	(774)	(774)	(2,272)	(2,272)

41. 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 2024 and 30 April 2023.

Notes to the financial statements

For the financial year ended 30 April 2024

(continued)

41. Capital management (continued)

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.

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bank borrowings	30	102,932	110,496	71,550	66,878
Lease liabilities	31	4,105	2,994	3,078	1,663
Trade and other payables	34	64,253	65,365	13,199	13,151
Less: - Cash and bank balances	26	(73,078)	(73,670)	(11,739)	(19,633)
- Short term funds	25	(52,979)	(50,133)	(7,742)	(22,722)
Net debt		45,233	55,052	68,346	39,337
Equity attributable to owners of the Company		1,451,830	1,433,811	1,052,522	1,037,679
Capital and net debt		1,497,063	1,488,863	1,120,868	1,077,016
Gearing ratio		3%	4%	6%	4%

42. Event occurring after reporting date

Joint Venture with Far East Holdings Berhad and Prosper Capital Holdings Berhad to operate a shared service centre

On 23 July 2024, the Company, United Malacca Berhad ("UMB") announced its intention to jointly operate a shared service centre with Far East Holdings Berhad ("FEHB") and Prosper Capital Holdings Sdn. Bhd. ("PCHSB") through a joint venture company under the name of PARAS (Progress Agricultural Research and Services) Sdn. Bhd. ("PARAS").

PARAS aims to carry on the business of providing consultancy and advisory services and researching, developing, and improving the information on and methodology for agricultural, agricultural forestry, plantation, and horticultural use.

PARAS shall serve as an agricultural consultancy and advisory company for UMB, FEHB and PCHSB.

UMB, FEHB, and PCHSB had, on 23 July 2024, entered into a Shareholders Agreement to agree on the structure of PARAS and regulate their relationship as Shareholders and in its management.

Given the interests of common directors and major shareholders, the Joint Venture is deemed as a related party transaction.

Notes to the financial statements

For the financial year ended 30 April 2024 (continued)

42. Event occurring after reporting date (continued)

Joint Venture with Far East Holdings Berhad and Prosper Capital Holdings Berhad to operate a shared service centre (continued)

The paid-up share capital of PARAS would be RM2 million. UMB, FEHB and PCHSB agreed to take up the shares in PARAS in the shareholding proportions set out below:

Shareholders	No. of shares	Percentage of shareholding
FEHB	700,000	35%
PCHSB	700,000	35%
UMB	600,000	30%
Total	2,000,000	100%

Barring any unforeseen circumstances, the joint venture is expected to be completed by the second half of year 2024.

43. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 April 2024 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 August 2024.

LIST OF PROPERTIES HELD

As at 30 April 2024

Location	Tenure	Titled Hectarage	Description	Year of Acquisition/ Revaluation *	Carrying Amount of Properties # as at 30 April 2024 RM'000
MALAYSIA					
Machap Estate	Freehold	311.8	Oil palm estate	2017 *	92,863
Alor Gajah P.O. 78000 Alor Gajah Melaka	Leasehold (expiring on: 21-03-2038 22-03-2048 25-10-2053 27-02-2123 03-03-2123)	348.4 20.3 126.2 184.9 130.3			
Batu Anam Estate Batu Anam P.O. 85100 Batu Anam Segamat, Johor	Freehold	866.9	Oil palm estate	2017 *	54,299
Leong Hin San Estate 71200 Rantau Negeri Sembilan	Freehold	844.7	Oil palm estate	2017 *	45,823
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 *	76,656
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 *	66,265
Marmahat Estate Labuk Sugut Beluran District 90000 Sabah	Lease land (expiring between: 2031 and 2032 2096 and 2099)	30.1 1,396.5	Oil palm estate	2017 *	76,741
Paitan and Tanjung Nipis Estates Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring between: 2069 and 2075 2098 and 2100) Lease land (expiring between: 2031 and 2036 2038 and 2046 2098 and 2100)	654.0 264.1 780.6 144.8 1,277.1	Oil palm estate and palm oil mill	2017 *	124,194

List of Properties Held
As at 30 April 2024
(continued)

Location	Tenure	Titled Hectarage	Description	Year of Acquisition/ Revaluation *	Carrying Amount of Properties # as at 30 April 2024 RM'000
MALAYSIA (continued)					
Tengkarasan Estate Labuk Sugut Beluran District 90000 Sabah	Leasehold (expiring between: 2100 and 2103) Lease land (expiring between: 2031 and 2036 2038 and 2049 2098 and 2100)	68.2 876.5 569.8 1,291.9	Oil palm estate	2017 *	91,762
Millian-Labau Estates 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 *	399,726
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: 18 years)	2017 *	9,540
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: 14 years)	2017 *	1,157
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: 23 years)	2017 *	722
Awana Condominium Unit 5542 Awana Condominium 8th Mile Genting Highlands 89000 Genting Highlands Pahang	Freehold	1,258 sq. ft.	Holiday condominium (Age of building: 37 years)	2017 *	459

List of Properties Held

As at 30 April 2024
(continued)

Location	Tenure	Titled Hectarage	Description	Year of Acquisition/ Revaluation *	Carrying Amount of Properties # as at 30 April 2024 RM'000
<u>MALAYSIA (continued)</u>					
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: 24 years)	2017 *	619
<u>INDONESIA</u>					
Belida, Haruan, Biawan and Arwana Estates Kecamatan Dadahup Mentangai Kapuas Murung Kapuas Barat Kabupaten Kapuas Propinsi Kalimantan Tengah	Leasehold (expiring between: 2049 and 2050)	24,607.0	Oil palm estate and palm oil mill	2017 *	330,800
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: 5 years)	2020	3,759
TOTAL					1,375,385

Include freehold land, bearer plants, buildings, long term leasehold land and prepaid land lease payments.

ANALYSIS OF SHAREHOLDINGS

As at 31 July 2024

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	224	10,445	0.005
100 to 1,000	811	629,381	0.300
1,001 to 10,000	3,529	14,131,855	6.737
10,001 to 100,000	1,028	27,552,606	13.135
100,001 to less than 5% of shares	131	90,709,727	43.243
5% and above of shares	5	76,735,187	36.580
	5,728	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
Mr. Teo Leng	70,000	0.03	7,000	0.003
Dato Dr. Nik Ramlah Binti Nik Mahmood	—	—	—	—
Mr. Ong Keng Siew	—	—	—	—
Mr. Tee Cheng Hua	500,900	0.24	59,038,678	28.14
Dato' Sri Tee Lip Sin	1,868,400	0.89	63,525,178	30.28
Mr. Han Kee Juan	140,000	0.07	347,000	0.17
Datin Noor Azimah Binti Abd. Rahim	—	—	—	—

Name of Chief Executive Officer	Direct shareholdings	% of issued shares	Indirect shareholdings	% of issued shares
Mr. Young Lee Chern	32,900	0.02	—	—

Analysis of Shareholdings

As at 31 July 2024

(continued)

SUBSTANTIAL SHAREHOLDERS

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
Prosper Capital Holdings Sdn. Bhd.	28,087,600	12,207,178 *1	40,294,778	19.21
Oversea-Chinese Banking Corporation Limited	–	28,185,701 *2	28,185,701	13.44
Great Eastern Life Assurance (Malaysia) Berhad	28,185,701	–	28,185,701	13.44
The Hongkong And Shanghai Corporation Limited ("HBAP")	–	17,738,485	17,738,485	8.46
PRL Global Ltd (formerly known as CI Resources Limited)	13,018,700	–	13,018,700	6.21
Prosper Trading Sdn. Bhd.	12,207,178	–	12,207,178	5.82
Datin Paduka Tan Siok Choo	4,527,197	7,641,343 *3	12,168,540	5.80

1. Prosper Capital Holdings Sdn. Bhd. is deemed interested by indirect interest through Prosper Trading Sdn. Bhd..
2. Oversea-Chinese Banking Corporation Ltd is deemed interested by indirect interest through Malaysia Nominees (Tempatan) Sdn. Bhd. - for Great Eastern Life Assurance (Malaysia) Berhad.
3. Datin Paduka Tan Siok Choo is deemed interested by virtue of interests of her siblings and her sibling's spouse.

Analysis of Shareholdings

As at 31 July 2024
(continued)

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)	19,155,323	9.13
2) Prosper Capital Holdings Sdn. Bhd.	17,959,800	8.56
3) HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for The HongKong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	15,944,686	7.60
4) PRL Global Ltd (formerly known as CI Resources Limited)	13,018,700	6.21
5) Prosper Trading Sdn. Bhd .	10,656,678	5.08
6) Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Prosper Capital Holdings Sdn. Bhd.	10,127,800	4.83
7) Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for Bank of Singapore Limited (Foreign)	7,514,000	3.58
8) Azimat Pelangi Sdn. Bhd.	4,790,600	2.28
9) Tan Siok Lee	3,979,738	1.90
10) Datin Paduka Tan Siok Choo	3,900,197	1.86
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 (Par 1 ACB Fund)	2,895,200	1.38
14) Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for OCBC Securities Private Limited (Client A/C-NR)	2,601,993	1.24
15) Citigroup Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad (SHF)	2,535,040	1.21

Analysis of Shareholdings

As at 31 July 2024

(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
16)	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tee Kim Tee @ Tee Ching Tee (M09)	2,307,900	1.10
17)	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tee Lip Jen (E-KLG)	1,890,000	0.90
18)	Dato' Sri Tee Lip Sin	1,868,400	0.89
19)	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)	1,843,799	0.88
20)	CIMB Group Nominees (Asing) Sdn. Bhd. - Exempt An for DBS Bank LTD (SFS-PB)	1,791,000	0.85
21)	Tan Kee Lock Sdn. Bhd.	1,620,000	0.77
22)	Prosper Trading Sdn. Bhd.	1,550,500	0.74
23)	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tee Lip Hian (E-KLG)	1,480,000	0.71
24)	Merageboom (M) Sdn. Bhd.	1,099,500	0.52
25)	Tee Chain Yee	1,074,500	0.51
26)	Chee Bay Hoon & Co. Sdn. Bhd.	1,060,000	0.51
27)	Tee Cheng Hua Holdings Sdn. Bhd.	1,000,000	0.48
28)	Amanahraya Trustees Berhad - Public Smallcap Fund	913,800	0.44
29)	Citigroup Nominees (Asing) Sdn. Bhd. - CBNY for Dimensional Emerging Markets Value Fund	902,000	0.43
30)	Tee Lip Chuan	880,400	0.42
		143,464,172	68.40



United Malacca Berhad

Registration No. 191001000010 (1319-V)

FORM OF PROXY

I/We
(FULL NAME IN CAPITAL)

NRIC/Company No. Tel No.

of
(FULL ADDRESS)

being a member of UNITED MALACCA BERHAD hereby appoint

..... 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 110th Annual General Meeting of the Company to be held at Level 13, DoubleTree Hotel by Hilton Melaka, Jalan Melaka Raya 23, Hatten City, 75000 Melaka on Friday, 27 September 2024 at 11.30 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 2024.		
No. 2	Approval for payment of Directors' remuneration (excluding Directors' fees) for the financial year ended 30 April 2024.		
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 Dato' Sri Tee Lip Sin, a Director retiring by rotation in accordance with Clause 130 of the Company's Constitution.		
No. 5	Re-election of Mr. Han Kee Juan, a Director retiring by rotation in accordance with Clause 130 of the Company's Constitution.		
No. 6	Re-appointment of Auditors and fixing of their remuneration.		

Dated this day of 2024

No. of Shares Held	
CDS Account No.	

.....
(Signature(s)/Common Seal of Shareholder)

Notes:

1. Only members whose name registered in the General Meeting Record of Depositors on or before 5.00 p.m. on 19 September 2024 shall be eligible to attend and vote at the 110th AGM or appoint proxy(ies) to attend and vote on his /her behalf.
2. 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 the member specifies the number of shares to be represented by each proxy.
3. For the proxy to be valid, the duly executed instrument appointing a proxy must be deposited at the registered office of the Company on the 6th Floor, No. 61, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka not less than twenty-four (24) hours before the time appointed for holding the AGM or any adjournment thereof.
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.



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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.

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6th Floor, No. 61,
Jalan Melaka Raya 8
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Tel: 06-2823700

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E-Mail: umb@unitedmalacca.com.my

www.unitedmalacca.com.my

Cover photos:

The upper segment of the cover photo shows freshly harvested oil palm fruits, while the bottom segment (left to right) shows stevia, pepper, coffee, and pineapple plants.

*Photos by Mr. Low Fook Sin,
Plantation Controller (Peninsular),
Pn. Mardiana Jaafar, Agricultural Executive and
Ms. Bridget Donald, Human Resource Manager.*

