

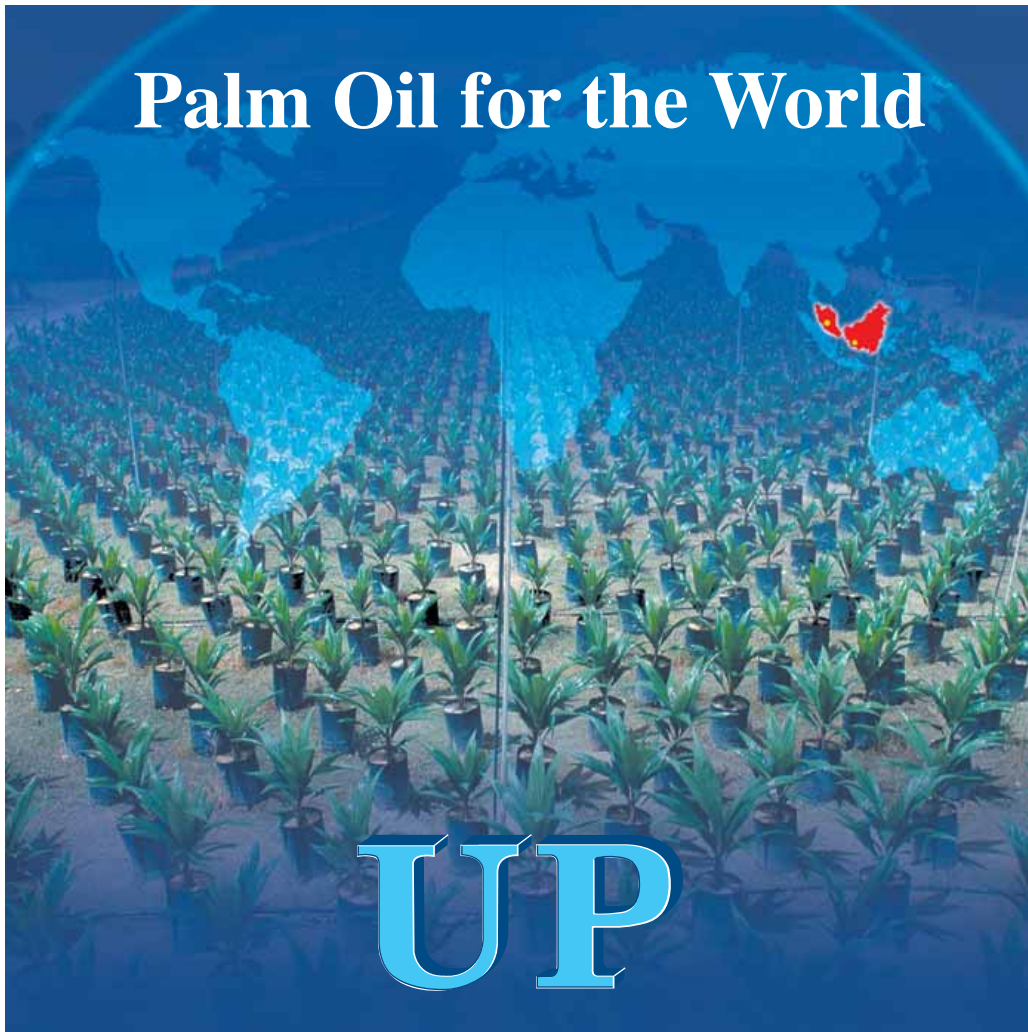
ANNUAL REPORT
2008



UP

UNITED PLANTATIONS BERHAD
(Company No. 240-A)

Vision



We strive towards being recognized as second to none within the plantation industry, producing high quality products, always focusing on the sustainability of our practices, our employees' welfare and profit to our shareholders.



UNITED PLANTATIONS BERHAD

(Company No. 240-A)

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Front Cover:

PT Surya Sawit Sejati's "State of the Art" Palm Oil Mill under construction in Lada, Central Kalimantan, Indonesia.

Corporate Information

Country of Incorporation	Malaysia
Board of Directors	Ybhg. Tan Sri Datuk Dr. Johari bin Mat (Chairman, Independent, Non-Executive) Mr. Ho Dua Tiam (Senior Executive Director (CEO)) Mr. G. Peter Selvarajah (Independent, Non-Executive) Ybhg. Dato' Carl Bek-Nielsen (Executive) Mr. Ahmad Riza Basir (Independent, Non-Executive) Mr. Jeremy Derek Campbell Diamond (Independent, Non-Executive) Mr. Martin Bek-Nielsen (Executive) Mr. Mohamad Nasir bin Ab. Latif (Non-Independent, Non-Executive) Mr. Brian Bech Nielsen (Non-Independent, Non-Executive)
Secretary	Mr. A. Ganapathy
Registered Office and Principal Share Register	Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia Phone : +605-6411411 Fax : +605-6411876 E-mail : up@unitedplantations.com Website : www.unitedplantations.com
Branch Register and Copenhagen Office	3rd Floor, 49, H.C. Andersens Boulevard, DK-1553, Copenhagen V, Denmark Phone : +45 33 93 33 30 Fax : +45 33 93 33 31 E-mail : ips@plantations.biz
Auditors	Ernst & Young
Principal Bankers	Malaysia HSBC Bank Malaysia Berhad Maybank Berhad Standard Chartered Bank Malaysia Berhad Denmark Danske Bank A/S
Stock Exchange Listings	Malaysia Bursa Malaysia Securities Berhad (Bursa Malaysia) Website : www.bursamalaysia.com Denmark Nasdaq OMX Copenhagen A/S Website : www.nasdaqomxnordic.com

Executive Committee And Senior Management

<p>Ho Dua Tiam Senior Executive Director (CEO) & Inspector General, Estates</p>		
<p>Dato' Carl Bek-Nielsen Vice Chairman & Executive Director (Corporate Affairs) Director In-Charge, Unitata Berhad</p>		<p>Martin Bek-Nielsen Executive Director (Finance & Marketing) Commercial Director, Unitata Berhad</p>

Senior Executive Staff

Finance

<p>R. Nadarajan Group Financial Advisor</p>		<p>A. Ganapathy Company Secretary / Senior Group Manager (Finance)</p>	
<p>Ng Eng Ho Group Financial Controller</p>	<p>Azero bin Mohamed Anuar Senior Accountant</p>	<p>S. Chandra Mohan Manager, Internal Audit</p>	<p>Shirley Selvasingam Manager, IT Systems</p>

Plantations

<p>Loh Hang Pai, A.M.P. Estates Director</p>	<p>Cherichangel Mathews Group Manager Human Resources & Environment, Safety & Health</p>	<p>Edward Rajkumar Daniels President Director Designate PT Surya Sawit Sejati</p>
<p>Abd. Rashid bin Sahibjan Sr Manager, Jendarata Estate</p>	<p>Geoffrey Cooper Sr Manager, Estate 2, UIE</p>	<p>Mohd. Ramli bin Yeop Abdul Aziz General Manager, PT Surya Sawit Sejati</p>
<p>N. Sundian Sr Manager, Sungei Bernam Estate</p>	<p>Naslah bin Jajuli Sr Manager, Lima Blas Estate</p>	<p>Kamarudin bin Umar General Manager, PT Surya Sawit Sejati</p>
<p>C. Mohan Das Sr Manager, Ulu Basir Estate</p>	<p>Nek Wahid bin Nek Harun Sr Manager, Sungei Erong Estate</p>	<p>Tan Lay Guan Manager, Sungei Chawang Estate</p>
<p>Muhammad Ratha bin Abdullah Manager, Estate 1, UIE</p>	<p>Ridzuan Bin Md. Isa Manager, Kuala Bernam Estate</p>	<p>Amrik Singh a/l Dewan Singh Manager, Seri Pelangi Estate</p>
<p>Azhar bin Yazid Acting Manager, Changkat Mentri Estate</p>	<p>Chantharavarnam Sathiam Acting Manager, Ulu Bernam</p>	

Research

<p>Dr. Gurmit Singh, J.S.M. Director of Research</p>		
<p>Dr. Xaviar Arulandoo Research Controller</p>	<p>Ho Shui Hing Deputy Research Controller</p>	<p>Musa bin Bilal Manager, Plant Breeding</p>

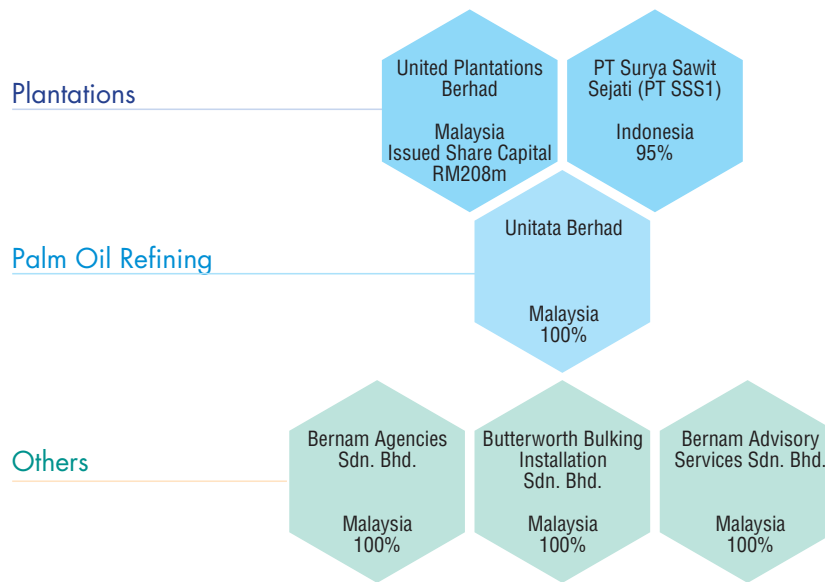
Engineering

<p>Ir S. Selvaratnam Chief Engineer, Ulu Bernam</p>	<p>Ir Telochan Singh Group Engineer, UIE</p>	<p>Vincent Williams Group Engineer, Jendarata / Unitata</p>
<p>P. Seker Sr General Manager, Engineering PT Surya Sawit Sejati</p>	<p>Lim Chin Yen Sr Resident Engineer, Lima Blas</p>	<p>Ir V. Renganathan Sr Resident Engineer, Ulu Basir</p>
<p>K.T. Somasegaran Sr Resident Engineer, Seri Pelangi</p>	<p>P. Rajasegaran Sr Resident Engineer, Jendarata</p>	

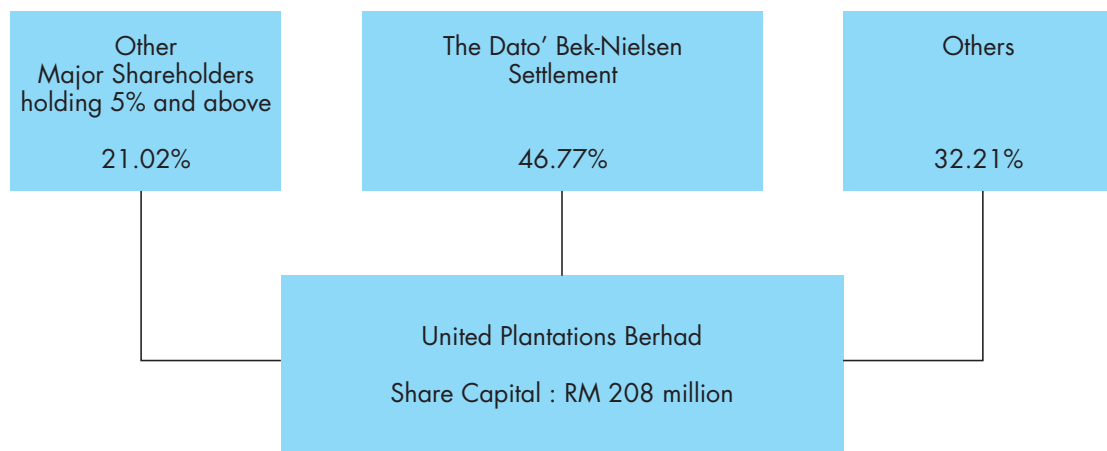
Palm Oil Refining and Others

<p>Dr. C. T. Prema Nair Chief Research & Quality Controller Unitata Berhad</p>	<p>Kerk Choon Keng Group Manager, Commerce Unitata Berhad</p>	<p>Jughdev Singh Dhillon Sr Plant Manager Unitata Berhad</p>
<p>Philip Arrais Plant Manager, Soap Plant Unitata Berhad</p>	<p>Erwin Khor Siew Yan Financial Controller Unitata Berhad</p>	<p>Soo Yook Kee Senior Manager / Engineer In-Charge Butterworth Bulking Installation Sdn. Bhd. Bernam Agencies Sdn. Bhd.</p>

Group as at 17 April 2009



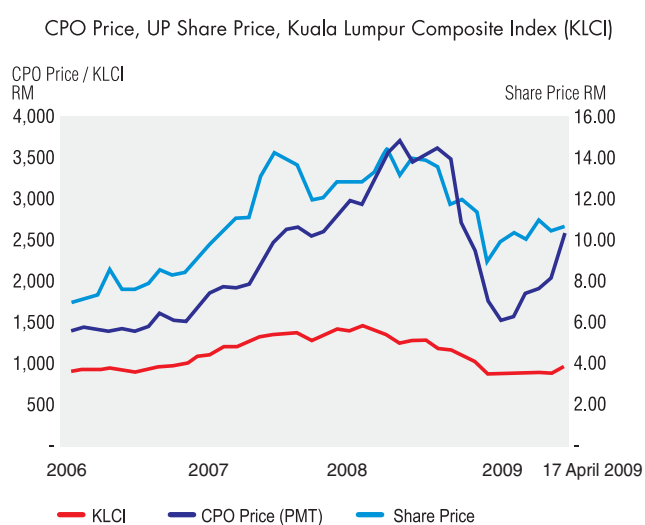
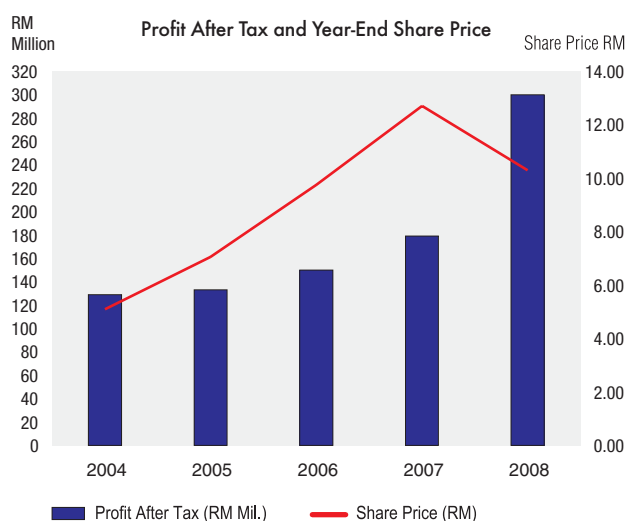
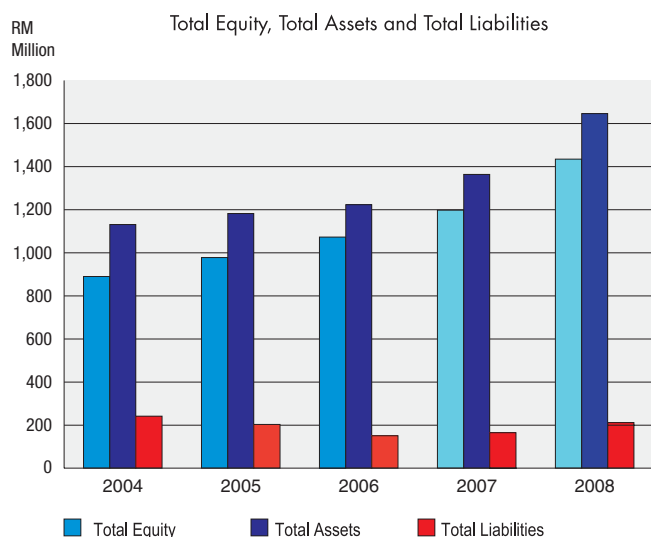
General Shareholding Structure as at 17 April 2009



Financial Highlights

	2008	2007	2006	2005	2004
Profit After Tax (RM' Million)	300	179	150	133	129
Earnings Per Share (Sen)	144	86	72	64	62
Gross Dividend Per Share (Sen) *	50	40	35	30	30
Total Equity (RM' Million)	1,434	1,197	1,072	978	890
Minority Interest (RM' Million)	0.62	0.67	0.30	-	-
Total Assets (RM' Million)	1,645	1,363	1,223	1,181	1,131
Total Liabilities (RM' Million)	211	165	151	203	241
Year-End Closing Share Price (RM)	10.30	12.70	9.75	7.05	5.10

* Including proposed Final Dividend



Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 88th Ordinary Annual General Meeting of the Company will be held at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia on 20 June 2009 at 10.30 a.m. for the purpose of considering the following business:-

	Ordinary Resolutions
1. To receive and consider the financial statements for the year ended 31 December 2008 together with the Reports of the Directors and the Auditors thereon.	1
2. To consider the recommendation of the Directors and authorise the payment of a final dividend of 20% gross per share less 25% Malaysian Income Tax and a special dividend of 10% gross per share less 25% Malaysian Income Tax for the year ended 31 December 2008.	2
3. To approve Directors' fees for 2008.	3
4. To re-elect as Director Mr. Ho Dua Tiam who retires by rotation pursuant to Article 92 of the Company's Articles of Association.	4
5. To re-elect as Director Mr. Ahmad Riza Basir who retires by rotation pursuant to Article 92 of the Company's Articles of Association.	5
6. To re-elect as Director Mr. Brian Bech Nielsen who retires by rotation pursuant to Article 92 of the Company's Articles of Association.	6
7. To re-appoint Messrs. Ernst & Young as auditors of the Company for the year 2009 and to authorize the Directors to fix their remuneration.	7

Notice Of Annual General Meeting (Contd.)

As Special Business

Ordinary
Resolution

To consider and, if thought fit, pass and adopt the following Resolutions as set out in parts A and B of the Circular to shareholders as at 19 May 2009:

8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature 8

"THAT approval be and is hereby given to the Company and its subsidiary companies to seek renewal of shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature to enter into and to give effect to the specified Recurrent Related Party Transactions with the specified Mandated Related Parties as stated in Section 2.4, Part A of the Circular to Shareholders dated 19 May 2009 which are necessary for the Group's day to day operations subject to the following:-

- (i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Mandated Related Parties than those generally available to the public and not detrimental to the minority shareholders; and
- (ii) disclosure is made in the Annual Report of the aggregate value of the transactions conducted pursuant to the above said Mandate during the financial year;

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company ("AGM") in 2010 at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the proposed mandate."

Notice Of Annual General Meeting (Contd.)

Ordinary
Resolution

9. Proposed Renewal of Authority for Purchase of Own Shares

9

“THAT, subject to the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time), the Company’s Articles of Association, the listing requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and approvals of all relevant governmental and/or regulatory authorities, where applicable, the Company be and is hereby authorized to purchase and/or hold such amount of ordinary shares of RM1.00 each in the Company (Proposed Share Buy-Back) as may be determined by the Directors of the Company from time to time and upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any given point in time and an amount of funds not exceeding the total retained profits of the Company of RM987,113,000 and/or share premium account of the Company of RM181,920,000 based on the audited financial statements for the financial year ended 31 December 2008 be utilized by the Company for the Proposed Share Buy-Back AND THAT at the discretion of the Directors of the Company, the ordinary shares of the Company to be purchased may be cancelled and/or retained as treasury shares and subsequently distributed as dividends or resold on Bursa Securities or be cancelled AND THAT the Directors of the Company be and are hereby empowered generally to do all acts and things to give effect to the Proposed Share Buy-Back AND THAT such authority shall commence immediately upon passing of this ordinary resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company (“AGM”) in 2010 at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier; but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid date and in any event, in accordance with the provisions in the guidelines issued by Bursa Securities and/or by any other relevant authorities.”

Notice Of Annual General Meeting (Contd.)

Notice Of Closure Of Books

The Share Transfer Books on the Copenhagen Branch Register and the Register of Members will be closed from 30 June 2009 to 2 July 2009, both days inclusive to determine shareholders' entitlement to the dividend payment. The final dividend and a special dividend, if approved will be paid on 21 July 2009 to the shareholders whose names appear in the Register of Members, Branch Register and Record of Depositors on 29 June 2009.

Duly completed Branch Register transfers (scrip-based) received by the Company's Registrar in Copenhagen up to 3.00 p.m. on 29 June 2009 will be registered before entitlement is determined.

Further, notice is hereby given that a depositor registered with Bursa Malaysia Depository Sdn. Bhd. shall qualify for entitlement only in respect of :-

- (a) Shares deposited into the depositor's securities account before 12.30 p.m. on 25 June 2009 in respect of shares which are exempted from mandatory deposit;
- (b) Shares transferred into the depositor's securities account before 4.00 p.m. on 29 June 2009 in respect of transfers; and
- (c) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

A. Ganapathy
Secretary

Jendarata Estate,
36009 Teluk Intan,
Perak Darul Ridzuan,
Malaysia
19 May 2009

Notice Of Annual General Meeting (Contd.)

Notes

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to vote in his stead. A proxy need not be a member of the Company. If you wish to appoint as your proxy someone other than the Chairman or Vice Chairman of the meeting, cross out the words The Chairman or Vice Chairman of the meeting and write on the lines the full name and address of your proxy.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time set for the meeting. The number of shares to be represented by the proxy should be stated in the proxy form.
3. Where this Form of Proxy is executed by a corporation, it must be either under seal or under the hand of any officer or attorney duly authorised.
4. A proxy may vote or abstain from voting as he thinks fit on a specified resolution, if no indication is given on the proxy form by the member appointing the proxy. A proxy may vote on a show of hands and on a poll.
5. In the case of joint shareholders the proxy form signed by the first named registered shareholder on the register shall be accepted to the exclusion of the other registered shareholder(s). If voting is in person(s) the vote of the first shareholder who tenders the vote shall be taken.

Notes On The Special Business

For Resolutions 8 & 9 – Please refer to explanatory information in the Circular to Shareholders dated 19 May 2009.

Statement Accompanying Notice Of Annual General Meeting

(Pursuant to paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)
(as amended)

Details of individuals standing for Election as Directors

- (a) (i) Name : Ho Dua Tiam
 (ii) Age : 66 years
 (iii) Nationality : Malaysian
 (iv) Qualification : Completed his education at the Serdang Agricultural College
 (v) Director's Status : Senior Executive Director(CEO), Inspector General, Estates, Non-Independent

- (b) Working Experience and Occupation:

He commenced his career with United Plantations Berhad in 1964 as a Cadet Planter. First appointed director of the Company on 1 January 1995 when he was promoted to the position of Executive Director (Planting). He was appointed Senior Executive Director on 21 June 2003. He is also a director of United International Enterprises (M) Sdn. Bhd. (UIEM) and Maximum Vista Sdn. Bhd. (MVSb). He is a Council member and Deputy President of the Malaysian Agricultural Producers Association (MAPA) and a member of the National Labour Advisory Council.

- (c) Directorship in public companies : Nil

- (d) Securities holdings in the company and its subsidiaries :

	Direct	%
Company	707,400	0.34
Subsidiaries	-	-

- (e) Family Relationship with any director and/or major shareholder :

He does not have any family relationship with any Director and/or major shareholder of United Plantations Berhad.

- (f) Any conflict of interest with the Company : Nil

- (g) List of offences within the past 10 years other than traffic offences, if any : Nil

Statement Accompanying Notice Of Annual General Meeting (Contd.)
(Pursuant to paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)
(as amended)

Details of individuals standing for Election as Directors

- (a) (i) Name : Ahmad Riza Basir
(ii) Age : 49 years
(iii) Nationality : Malaysian
(iv) Qualification : Bachelor of Arts in Law (Hons.) from the University of Hertfordshire, United Kingdom and Barrister-At-Law (Lincoln's Inn), London in 1984. Called to the Malaysian Bar in 1986.
(v) Director's Status : Independent, Non-Executive Director

- (b) Working Experience and Occupation:

First appointed director of the Company on 17 June 2000 and has been a member of the Company's Audit Committee since 2004. He served as the Managing Director of Kumpulan Fima Berhad from October 2002 to March 2009.

- (c) Directorship in public companies:

He is the Chairman of Fima Corporation Berhad and a Director of Kumpulan Fima Berhad. He has directorships in other public listed companies including KESM Industries Berhad, Jerneh Asia Berhad and Manulife Holdings Berhad (formerly known as Manulife Insurance (Malaysia) Berhad) all listed on Bursa Malaysia Securities Berhad.

- (d) Securities holdings in the company and its subsidiaries :

	Direct	%	Indirect	%
Company	70,500	0.03	2,641,440	1.27
Subsidiaries	-	-	-	-

- (e) Family Relationship with any director and/or major shareholder :

He does not have any family relationship with any Director and/or major shareholder of United Plantations Berhad.

- (f) Any conflict of interest with the company :

No conflict of interest other than as disclosed in the Circular to the Shareholders dated 19 May 2009 annexed to this Annual Report.

- (g) List of offences within the past 10 years other than traffic offences, if any : Nil

Statement Accompanying Notice Of Annual General Meeting

(Pursuant to paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)
(as amended)

Details of individuals standing for Election as Directors

- (a) (i) Name : Brian Bech Nielsen
 (ii) Age : 52 years
 (iii) Nationality : Danish
 (iv) Qualification : Obtained his Bachelors degree from the University of Aarhus and thereafter a Doctorate in Physics in 1987 from the same university. In November 1988 he obtained a permanent position as associate professor at the University of Aarhus, Denmark.
 (v) Director's Status : Non-Independent, Non-Executive Director

- (b) Working Experience and Occupation:

He is a Professor of Physics engaged in scientific research at the University of Aarhus, Denmark. His research interest is focused on nanotechnology and nanoscience together with the properties of semiconductor material with emphasis on optical studies and magnetic resonance techniques. He was first appointed as Alternate Director to the late Ybhg. Tan Sri Dato' Seri B. Bek-Nielsen on 29 August 2005. Was subsequently appointed as a full director on 19 November 2005.

- (c) Directorship in public companies:

He is a Director of United International Enterprises Limited (UIEL), a public listed company on Nasdaq OMX Copenhagen A/S

- (d) Securities holdings in the company and its subsidiaries :

	Indirect	%
Company	5,000	-
Subsidiaries	-	-

- (e) Family Relationship with any director and/or major shareholder :

He is a cousin of Dato' Carl Bek-Nielsen, Vice Chairman, Executive Director (Corporate Affairs) and Mr. Martin Bek-Nielsen, Executive Director (Finance & Marketing) and by virtue of the family relationship is deemed to have an interest in the shares of the Company's two major shareholders United International Enterprises Limited and Maximum Vista Sdn. Bhd.

- (f) Any conflict of interest with the company :

No conflict of interest other than as disclosed in the Circular to the Shareholders dated 19 May 2009 annexed to this Annual Report.

- (g) List of offences within the past 10 years other than traffic offences, if any : Nil

Profile Of Directors

**Tan Sri Datuk
Dr. Johari bin Mat**
*Chairman,
Independent,
Non-Executive Director*



Ybhg. Tan Sri Datuk Dr. Johari bin Mat, born in 1944, a Malaysian, is the Chairman of United Plantations Berhad.

He obtained his B.A. (Hons.) from the University of Malaya and PhD from the University of Southern California (USC), USA and completed the Advanced Management Program from Harvard University in 1997. He is a chartered member of the Malaysian Institute of Planners.

Has 33 years of work experience in the Malaysian Administrative and Diplomatic Services which included positions as Director of INTAN and the Klang Valley Secretariat in the Prime Minister's Department and as Secretary General in the Ministries of Social Development, Domestic Trade and Education.

Held various positions in several national and international organizations, such as UNESCO, UNCRD, APDC, SEAMEO, ASCOE and COL (Commonwealth of Learning) based in Vancouver, Canada.

Currently he is on the Board of a number of private companies, which include, In-Fusion Education Sdn. Bhd., Airebus Sdn. Bhd., Soho Suite Sdn. Bhd. and Spatial Consult Sdn. Bhd.

First appointed director of United Plantations Berhad on 9 October 2001. He is Chairman of the Company's Remuneration and Nomination Committees.

Tan Sri Datuk Dr. Johari bin Mat does not have any family relationship with any director and/or major shareholder of United Plantations Berhad, and has no conflict of interest which involves the Company and/or its subsidiary companies.

He attended all five (5) Board Meetings held during the year ended 31 December 2008.

Profile Of Directors (Contd.)

Ho Dua Tiam

*Senior Executive Director (CEO),
Inspector General, Estates,
Non-Independent*



Mr. Ho Dua Tiam, born in 1943, a Malaysian, is the Senior Executive Director (CEO)/Inspector General, Estates, of United Plantations Berhad.

After completing his study at the Serdang Agricultural College, he started his career with United Plantations Berhad in 1964 as a Cadet Planter. He served the Company in various positions before his appointment as Senior Executive Director on 21 June 2003.

First appointed director of the Company on 1 January 1995 when he was promoted to the position of Executive Director (Planting). He is also a director of United International Enterprises (M) Sdn. Bhd. and Maximum Vista Sdn. Bhd. He is not on the Board of any other public listed company.

He is a Council member and Deputy President of the Malaysian Agricultural Producers Association (MAPA) and a member of the National Labour Advisory Council.

Mr. Ho Dua Tiam does not have any family relationship with any director and/or major shareholder of United Plantations Berhad, and has no conflict of interest which involves the Company and/or its subsidiary companies.

He attended all five (5) Board Meetings held during the year ended 31 December 2008.

Profile Of Directors (Contd.)

G. Peter Selvarajah

*Independent,
Non-Executive Director*



Mr. G. Peter Selvarajah, born in 1942, a Malaysian, is a Fellow of the Australian Society of Certified Public Accountants, a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

He joined the Company in 1975 as Financial Controller, promoted to the position of Company Secretary/Group Financial Controller in 1980 and to Executive Director (Finance) in 1995, a position he held until his retirement in 2000. During the period 1971-1975 he worked in Malaysian Industrial Development Finance Berhad (MIDF) where he held the positions of Accountant and Manager, Securities Marketing Department. From 1968-1971, he served as Internal Auditor/Accountant of Eastern Mining & Metals Co. Sdn. Bhd.

First appointed director of the Company on 1 January 1995. He is a member of the Company's Audit, Remuneration and Nomination Committees. He is not a director of any other public listed company.

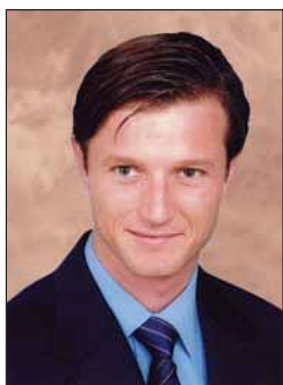
Mr. G. Peter Selvarajah does not have any family relationship with any director and/or major shareholder of United Plantations Berhad, and has no conflict of interest which involves the Company and/or its subsidiary companies.

He attended all five (5) Board Meetings held during the year ended 31 December 2008.

Profile Of Directors (Contd.)

Dato' Carl Bek-Nielsen

*Vice Chairman, Executive Director,
Non-Independent*



Dato' Carl Bek-Nielsen, Vice Chairman, born in 1973, is a Danish citizen with a Permanent Resident status in Malaysia. He is the Executive Director (Corporate Affairs) of United Plantations Berhad and Director In-Charge of Unitata Berhad.

Graduated with a B.Sc. degree in Agricultural Science from the Royal Veterinary and Agriculture University of Denmark in 1997. He also holds a Malaysian Private Pilot License.

Started his career with the Company in 1993 as a Cadet Planter which included a stint in United International Enterprises (M) Berhad. Left Malaysia in 1994 to pursue his tertiary education in Denmark and upon successful completion of his university education in 1998 he returned to resume his career as a Corporate Affairs Officer with the Company. Promoted to his present position of Executive Director (Corporate Affairs) on 1 March 2000, appointed Vice Chairman on 8 March 2002 and Director In-Charge of Unitata Berhad, a subsidiary of the Company on 9 November 2004.

He was first appointed director of the Company on 1 January 2000. Dato' Carl Bek-Nielsen is the Chairman of United International Enterprises Limited (UIEL), a public listed company on the Nasdaq OMX Copenhagen A/S and Vice Chairman of AarhusKarlshamn AB (AAK), a public listed company on the Nasdaq OMX Stockholm AB.

In 2008, he was conferred Darjah Dato' Paduka Mahkota Perak (DPMP) by Duli Yang Maha Mulia Paduka Seri, Sultan Perak Darul Ridzuan, Sultan Azlan Muhibbuddin Shah Ibni Almarhum Sultan Yussuf Izzuddin Shah Ghafarullahu-Lah.

He is a Council Member of MPOA and MPOC and Chairman of the Main R&D Committee of the MPOA. He is also the Chairman of the MPOC Regional Marketing Committee for Europe. Dato' Carl Bek-Nielsen is currently serving as a member of the Programme Advisory Committee to the Malaysian Palm Oil Board (MPOB).

Brother of Mr. Martin Bek-Nielsen, Executive Director (Finance and Marketing) and a Board representative of the Company's two largest shareholders, UIEL and Maximum Vista Sdn. Bhd. No conflict of interest other than the interest disclosed in the Circular to Shareholders dated 19 May 2009 annexed to this Annual Report.

He attended four (4) out of five (5) Board Meetings held during the year ended 31 December 2008.

Profile Of Directors (Contd.)

Ahmad Riza Basir

*Independent,
Non-Executive Director*



Mr. Ahmad Riza Basir, born in 1960, a Malaysian, is a lawyer by training.

He graduated with a Bachelor of Arts in Law (Hons.) from the University of Hertfordshire, United Kingdom and Barrister-At-Law (Lincoln's Inn), London in 1984 and was called to the Malaysian Bar in 1986.

Currently he is the Chairman of Fima Corporation Berhad and a Director of Kumpulan Fima Berhad. He has directorships in other public listed companies including KESM Industries Berhad, Jerneh Asia Berhad and Manulife Holdings Berhad (formerly known as Manulife Insurance (Malaysia) Berhad) all listed on Bursa Malaysia Securities Berhad. Mr. Ahmad Riza Basir is also a member of the Board of Directors of several other private limited companies in Malaysia.

First appointed director of the Company on 17 June 2000 and has been a member of the Company's Audit Committee since 2004.

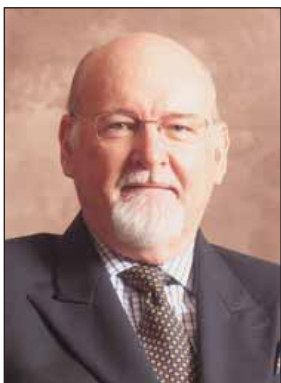
Does not have any family relationship with any director and/or major shareholder of the Company. No conflict of interest other than as disclosed in the Circular to Shareholders dated 19 May 2009 annexed to this Annual Report.

He attended four (4) out of five (5) Board Meetings held during the year ended 31 December 2008.

Profile Of Directors (Contd.)

Jeremy Derek Campbell Diamond

*Independent,
Non-Executive Director*



Mr. Jeremy Derek Campbell Diamond, born in 1940, a British citizen with Permanent Resident status in Malaysia, graduated from Durham University with a B.Sc.(Hons.) in Agricultural Economics and Management in 1963.

Commenced his career in Malaysia in 1963 as a Planter with Socfin Company Bhd., a long established plantation company and served in that company in various capacities until his appointment as General Manager/Chief Executive Officer (CEO) in 1977. He held that position for 24 years until his retirement in 2001. Currently he is on the Board of a number of private companies which include Jedecadi Sdn. Bhd. and Bubblegum Development Sdn. Bhd.

First appointed director of the Company on 31 July 2001. He is currently the Chairman of the Company's Audit Committee and a member of the Nomination and Remuneration Committees.

Mr. Jeremy Derek Campbell Diamond served as a Council member of the Malaysian Agricultural Producers' Association (MAPA), United Planting Association of Malaysia (UPAM), Malaysian Oil Palm Growers' Council (MOPGC) and Malaysian Rubber Producers' Council (MRPC) and as an Alternate Member of the Board of the Palm Oil Research Institute of Malaysia (PORIM). He was a member of the General Committee of the Malaysian International Chamber of Commerce and Industry (MICCI) for 15 years.

Does not have any family relationship with any director and/or major shareholder of United Plantations Berhad, and has no conflict of interest which involves the Company and/or its subsidiary companies.

He attended all five (5) Board Meetings held during the year ended 31 December 2008.

Profile Of Directors (Contd.)

Martin Bek-Nielsen

*Executive Director,
Non-Independent*



Mr. Martin Bek-Nielsen, born in 1975, is a Danish citizen with a Permanent Resident Status in Malaysia. He is the Executive Director (Finance and Marketing) of United Plantations Berhad and Commercial Director, Unitata Berhad.

Graduated from the Royal Danish Agricultural University of Copenhagen in 1999 with a B.Sc. degree in Agricultural Economics.

Received his initial training in 1994 as a Cadet Planter in United Plantations Berhad and thereafter in United International Enterprises (M) Berhad (UIEM). Left Malaysia in 1995 to pursue his tertiary education in Denmark and after his graduation in 1999 he returned to Malaysia to take up the position of Corporate Affairs Officer. In 2001 he was appointed to the position of Executive Director and on 20 February 2003 was promoted to his current position of Executive Director (Finance and Marketing). On 9 November 2004 he was appointed Commercial Director of Unitata Berhad, a subsidiary company of United Plantations Berhad.

During the period 1995 – 1996 he was in the National Service of Denmark under the highly respected, “Jutlandic Dragoon’s Panzer Regiment”.

He was first appointed to the Board on 29 August 2000. Mr. Martin Bek-Nielsen is Deputy Chairman of United International Enterprises Limited (UIEL), a public listed company on the Nasdaq OMX Copenhagen A/S and a Director of AarhusKarlshamn AB (AAK), a public listed company on the Nasdaq OMX Stockholm AB.

Currently he is the Chairman of the Malaysian Palm Oil Association (MPOA) Working Committee-Marketing and Promotion.

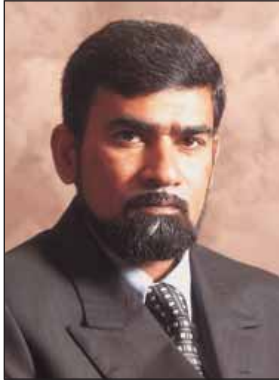
Brother of Dato’ Carl Bek-Nielsen, Vice Chairman and Executive Director (Corporate Affairs) and is a Board representative of the Company’s two largest shareholders, UIEL and Maximum Vista Sdn. Bhd. No conflict of interest other than as disclosed in the Circular to Shareholders dated 19 May 2009 annexed to this Annual Report.

He attended four (4) out of five (5) Board Meetings held during the year ended 31 December 2008.

Profile Of Directors (Contd.)

Mohamad Nasir bin Ab. Latif

*Non-Independent,
Non-Executive Director*



Mr. Mohamad Nasir bin Ab. Latif, born in 1958, a Malaysian, is the Head, Equity Investment Department of the Employees Provident Fund.

He graduated in 1989 with a Bachelors degree in Social Science (Major-Economics), Universiti Sains Malaysia and obtained a certified Diploma in Accounting & Finance from The Chartered Association of Certified Accountants in 1996 and Master of Science in Investment Analysis from University of Sterling, United Kingdom in 1999.

Started his career with the Employees Provident Fund (EPF) in 1982 and held several positions including State Enforcement Officer (1990 – 1995), Senior Research Officer, Investment & Economics Research Department (1995 – 1998) and Manager, Investment & Economics Research Department (1998 – 2003), promoted to Senior Manager in June 2003 and currently is the Head, Equity Investment Department.

First appointed director of the Company on 28 July 2004.

Mr. Mohamad Nasir bin Ab. Latif does not have any family relationship with any director and/or major shareholder of the Company, and has no conflict of interest which involves the Company and/or its subsidiaries.

He attended four (4) out of five (5) Board Meetings held during the year ended 31 December 2008.

Profile Of Directors (Contd.)

Brian Bech Nielsen

*Non-Independent,
Non-Executive Director*



Mr. Brian Bech Nielsen, born in 1957, is a Professor of Physics engaged in scientific research, at the University of Aarhus, Denmark. He obtained his Bachelors degree from the University of Aarhus and thereafter a doctorate in Physics in 1987 from the same University.

Mr. Brian Bech Nielsen was employed for one year (1983-1984) as a Research Assistant at The Interuniversity Reactor Institute in Delft, The Netherlands. In 1987, after receiving his doctorate he moved to Sweden for one year where he held a post doctoral position at the University of Lund. In November 1988, he obtained a permanent position as associate professor at the University of Aarhus. Mr. Brian Bech Nielsen's research interests are focused on nanotechnology and nanoscience together with the properties of semiconductor material with emphasis on optical studies and magnetic resonance techniques.

Mr. Brian Bech Nielsen was on the Board of Directors of Aarhus United A/S (1994-2005) and International Plantations and Finances Limited (1996-2000). In 2005, Mr. Brian Bech Nielsen was appointed a member of the Danish Research Council for Natural Sciences.

First appointed as Alternate Director to the late Ybhg. Tan Sri Dato' Seri B. Bek-Nielsen on 20 August 2005 and subsequently a full director on 19 November 2005.

Mr. Brian Bech Nielsen is a Director of United International Enterprises Limited (UIEL) a public listed company on the Nasdaq OMX Copenhagen A/S. He is a cousin of Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen and by virtue of the family relationship is deemed to have an interest in the shares held by the Company's two largest shareholders UIEL and Maximum Vista Sdn. Bhd. He has no conflict of interest other than as disclosed in the Circular to Shareholders dated 19 May 2009 annexed to this Annual Report.

He attended all five (5) Board Meetings held during the year ended 31 December 2008.

Note: None of the Directors of the Company have any conviction for offences within the past 10 years.

Awards



United Plantations Berhad being awarded the world's first certified producer of sustainable palm oil by the Roundtable on Sustainable Palm Oil (RSPO). Receiving the award was The Chairman, Ybhg. Tan Sri Datuk Dr. Johari bin Mat from YB. Datuk Peter Chin Fah Kui, the Hon. Minister of Plantation Industries and Commodities, Malaysia in the presence of Ybhg. Dato' Carl Bek-Nielsen, Vice Chairman and witnessed by Mr. David Ogg of Control Union Certification, The Netherlands.





Chairman’s Statement

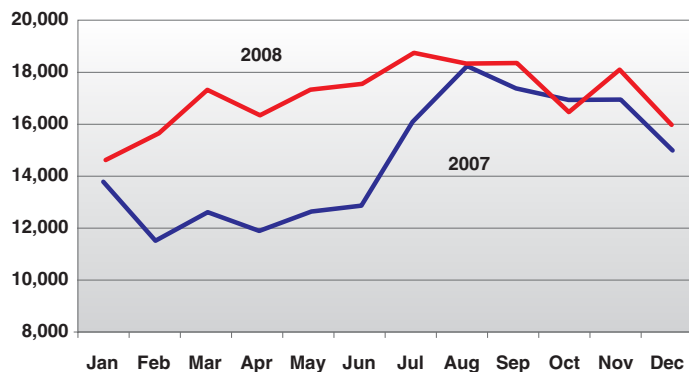
On behalf of the Board of Directors, it gives me much pleasure to present the results of our Group’s performance as reflected in the Audited Financial Statements for the year ended 31 December 2008.

Financial Review Of Operations

- The Group’s revenue during 2008 increased by 53% compared to 2007 reaching RM1,030,925,000 mainly due to materially higher commodity prices for Crude Palm Oil and Palm Kernels.
- The Group profit before tax rose from RM232,985,000 in 2007 to RM397,818,000 in 2008 up by 71%.
- A new record profit after tax of RM299,559,000 was achieved for the Group during 2008 corresponding to an increase of 67% compared to RM179,401,000 in 2007. This was primarily attributable to the significantly higher market prices for Crude Palm Oil (CPO) and Palm

Kernels (PK) coinciding with a gratifying boost in production as our oil palms recovered from the biologically induced resting phase experienced the year before.

MT COMPARATIVE CPO PRODUCTION VOLUME AT UPB FOR 2007 - 2008



- Crude Palm Oil output during 2008 increased by 15.7% that is by 27,591 tonnes to 203,864 tonnes compared with 176,272 tonnes in 2007, thus setting a new company record.



A 4 year old Elite DXP oil palm crop at Jendarata Estate, depicting the high yield precocity of the group's successful research and development.

Chairman's Statement (Contd.)

	United Plantations Berhad		
	2008	2007	± (%)
Crude Palm Oil in metric tonnes	203,864	176,272	15.7
Palm Kernel in metric tonnes	55,537	47,753	16.3
Weighted average mature hectareage under oil palms in hectares	31,976	32,339	(1.1)

- In this regard, I am especially pleased to report that our Group Average Yield improved to a new high of 6.38 tonnes of CPO/Ha up 17% compared to 2007. Our Fresh Fruit Bunches (FFB) average yield for the Group also increased by 16% thereby setting a new record at 29.60 tonnes FFB/Ha, an achievement which has few equals in our industry today.

- The average selling price for Crude Palm Oil achieved during the year rose from RM1,840/tonne achieved in 2007 to RM2,368/tonne, an improvement of 28.6%. The average selling price for Palm Kernels increased to RM1,691/tonne in 2008 compared to RM1,121/tonne in 2007, a 50.8% rise.

	2006	2007	2008
Malaysian National Yield of CPO/Ha	3.93	3.83	3.97
Group Average yield in tonnes CPO/Ha	5.90	5.45	6.38
Group Average yield in tonnes FFB/Ha	27.83	25.46	29.60
Group Average Oil Extraction Rates (OER) in %	21.21	21.41	21.54
Group Average Kernel Extraction Rates (KER) in %	5.91	5.80	5.87

Chairman's Statement (Contd.)

- Our Group's total Coconut production was 83,625,897 nuts, a decline of 3.9% compared to 2007. This was mainly because of the effects of the biological yield decline cycle following the record production achieved in 2007. Nevertheless, the average yield reached of 25,037 nuts/Ha in 2008 is still significantly above the Malaysian average of about 3,000 nuts/Ha.

In this respect, I wish to report that the Board of Directors have decided to remove 385 Ha of lower yielding coconut palms at UIE, which are to be replanted with oil palms, thereby centralizing all coconut production at our Downriver Estates, where the soils and climatic conditions are inherently more suitable for coconut production.

- Despite declining refining margins and more adverse market conditions, it is gratifying to note that our inland refinery, Unitata Berhad, managed to post a new record profit of RM12.5 million after tax, up 12.7% from 2007. New investments continue to be made at Unitata, which will help not only to grow this business segment but also enhance its ability to remain competitive in the years to come.



One of our Elite Coconut varieties heavily laden with nuts. In 2008 United Plantations Berhad produced above 80 million coconuts, thereby catering for approximately 20% of Malaysia's total production of around 400 million coconuts.

- The alarming surge in fertilizer prices, especially during 2008, inevitably impacted our Group's cost of production. However, in spite of the significant inflationary pressure, our Group's cost of production (excluding depreciation and amortization) increased only marginally by 3.6% to RM574 per tonne of CPO in 2008 from RM554 per tonne of CPO in 2007.



A beautiful panoramic view of a field with oil palms, above the age of 25 years. Although high yielding, the height of the palms will soon ensure the necessity to replant.

Our Director of Research, Dr. Gurmit Singh briefing the Ambassadors from the European Union Board, during their visit to United Plantations in January 2009.



Chairman's Statement (Contd.)

The rise in our cost of production was predominantly cushioned by this year's record production of Crude Palm Oil, indicating once again the vital importance of achieving and sustaining high yields.

Whilst every effort is being made by Management to maintain this favourable cost structure, we must nevertheless be prepared to face a higher cost base unless key components used within our operations, such as fertilizer prices, start to decline soon.

Replanting Policy

Greater emphasis is being placed by Management on enhancing the Company's Breeding-Agronomy and Tissue Culture activities as these are all of

critical importance in order to enhance our agronomic practices. This is absolutely necessary so that we can compete effectively with the progress being made by oilseed farmers in Europe, South America and the USA where new varieties of higher yielding soybeans and rapeseed are available.

In this respect, I am pleased to note that our Group's long term replanting policy remains a high priority, both in times of low as well as high commodity prices. Failure to implement this critical aspect of plantation management will inevitably lead to stagnating yields and declining production, which will not be permitted.

There is a chronic need for the Malaysian palm oil industry to be more resolute and embark



Chairman's Statement (Contd.)

on a large scale and much needed replanting scheme in order to improve the age profile of the nation's planted area under oil palms. Unless this is done, Malaysia will sadly start to lose out in terms of its competitive edge vis-à-vis the 16 other oils and fats in the market.

In this connection, I wish to report that during 2008 our Company replanted 906 hectares of aged and lower yielding oil palms with new superior planting material produced in-house at the United Plantations Research & Development Centre.

These high yielding palms continue to produce gratifying results constantly challenging previous yield records. As of 31 December 2008, a total of 4,259 hectares equal to 12% of the Group's total area (35,508 Ha) under oil palms in Malaysia were planted

with these higher yielding elite and clonal materials.

All replantings conducted during 2008 were done in accordance with the environmentally friendly "zero burn policy" hereby complying fully with the regulations laid down by the Department of Environment.

Indeed, this practice has remained an integral part of our Good Agricultural Practices since 1989 and has helped not only in ameliorating and conserving the organic carbon status in our topsoil but also in improving the overall fertility status of our soils.

Global Issues, Challenges and Managing Growth

The World's population continues to grow at a phenomenal rate of more than 220,000 people every day.



An aerial view of newly replanted oil palm fields with lush covercrop establishment which till today remains a company policy.



A well maintained harvesting path in between two rows of vigorously growing palms forming an avenue.

Chairman’s Statement (Contd.)

Annually, this adds up to a net increase of approximately 82 million human beings, more than three times the population of Malaysia today.

By the year 2050, the Food and Agricultural Organisation (FAO) expects that the world population will reach 9.3 billion, that is 2.6 billion more than today.

Food production is therefore bound to come under intense pressure, especially when considering the fact that there are more than 950 million people who currently fall under the United Nations category of being chronically malnourished, an increase of 80 million people from a year ago.

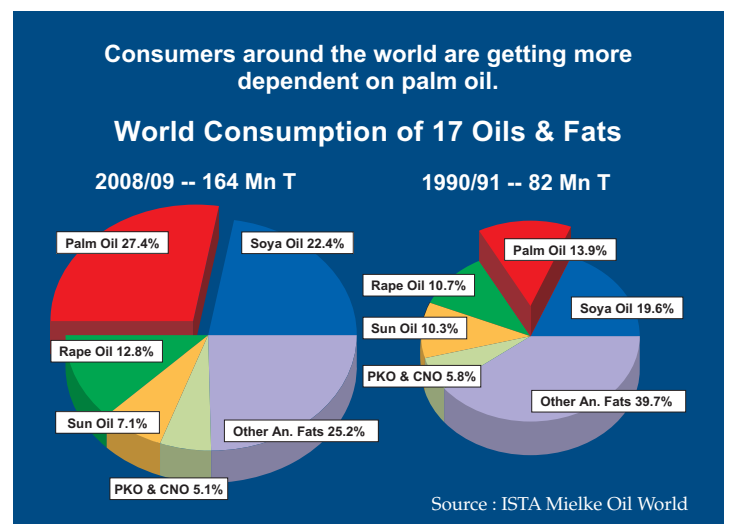
With the anticipated continued growth in world population and the prospect of a future rise in the number of chronically malnourished people, the FAO this January announced the following:

Quote

“The world will have to double global food production by 2050 in order to ensure adequate food supplies for a world population expected to reach 9.3 billion by 2050.”

Unquote

The challenges are therefore colossal. In this regard, it has become clear that by improving agricultural practices millions of people could escape from the chains of famine and hunger. The seven major oilseeds will therefore play a significant role in the coming years.



In conjunction with this, it is important to recognize that palm oil continues to play a dominant role as a means of providing the world’s poorest people with a cheap yet healthy source of nutrients and calories.



Chairman’s Statement (Contd.)

During 2008, world palm oil production reached 42.9 million tonnes and would theoretically have been able to satisfy the annual calorific requirement of more than 25% (1.6 billion) of the world population if only 30% of the daily intake of calories were in the form of oils and fats.

Whilst the Board of Directors remain committed to the expansion into Indonesia, it has nevertheless been decided, in view of the current world economic slowdown as well as our company’s desire not to compromise on our 100 year old culture of practicing high agricultural standards, to focus on completing and consolidating the first phase of our development there. Upon completion of this phase, about 11,000-12,000 hectares of palms will have been planted and about 4,000-5,000 hectares of permanent conservation areas established. These conservation areas consist primarily of riparian reserves, peat-swamps as well as heavily degraded secondary forests as a result of the intense logging activities carried out in the past. These sanctuaries are a testimony to our Company’s commitment towards maintaining an important balance between economy and ecology as well as accepting the fact that conservation means development as much as it does protection of the environment.

17 Oils & Fats : World Production in Million Tonnes

	2001	2002	2003	2004	2005	2006	2007	2008
Grand Total Production	117.60	120.75	125.68	132.16	140.91	149.83	153.90	159.62

Source : ISTA Mielke GmbH 28 Feb 2009

Good progress continues to be made with our company’s investment in Kalimantan where the Indonesian authorities have issued permits to proceed with the first phase of development.



An aerial view of heaps of young MATAG coconuts used as drinking nuts being collected by the buyers.

Chairman's Statement (Contd.)

As of today, 7,157 hectares have been planted with oil palms. Overall palm vigour and growth is developing very satisfactorily, with the investment providing employment for well over 1,200 people who were mostly unemployed before.

All infrastructural investments are also progressing as planned on both properties. The building of the new "state of the art" palm oil mill on Lada Estate is nearing completion, and commissioning is expected in early 2010.

The Environment and Corporate Social Responsibilities

We live in an age of sustainability based on the reconciliation and allocation of mutual necessities and priorities. These, amongst many others, include the natural environment, our social responsibilities, the need for development and conservation, the question of fuel, energy supplies, as well as the climate.



An aerial view of a newly planted MATAG coconut field in Sungei Bernam Estate. The average coconut yield per hectare in 2008 was 25,000 nuts.

Chairman's Statement (Contd.)

There is no absolute benchmark or standard to these, but there remains a requirement to establish a reasonable equilibrium between these competing factors since most of them are inter-related and inter-dependent.

Bearing this in mind, it has been interesting to note how the debate on Global Warming has intensified over the last 12 months with the majority of the scientific fraternity, headed by the Inter-governmental Panel for Climatic Change (IPCC), continuing to link the emission of Greenhouse Gases (GHG) as the root cause to Global Warming. Politicians around the world, recently joined by President Barack Obama of the USA, are now increasingly committed towards finding ways of reducing overall GHG emissions.

In this connection, it is crucial to recognize the fact that the effort put into identifying new fuel supplies to curb our appetite for fossil fuels must be matched by greater attention to conservation.

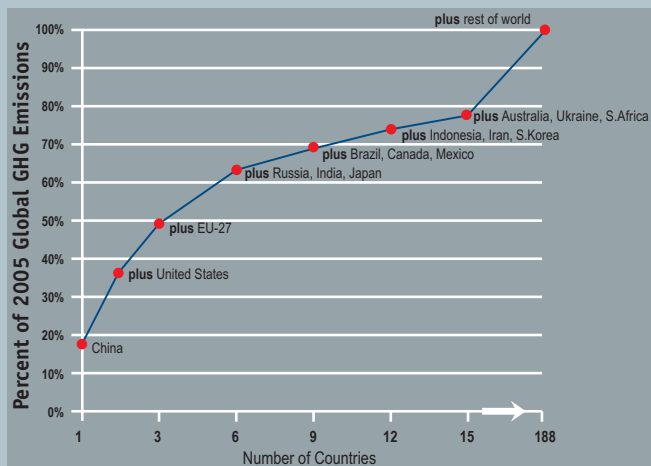
At this juncture, it is important to reiterate that our Group's commitment towards reducing its "carbon footprint" remains a high priority and many new initiatives have been undertaken over the last 12 months.

For example, the world's first comprehensive Life Cycle Assessment (LCA), in accordance with the ISO 14000 International Standards, has now been finalized, greatly facilitating management to scientifically identify areas in need of further improvement. In this respect, I am pleased to inform our shareholders that your company continues to remain at the forefront in terms of implementing Clean Development Mechanisms (CDM) within the Plantation Industry in accordance with the Kyoto Protocol, whose objective is to reduce GHG emissions in industrialized countries by at least 5% below the 1990 levels in the commitment period 2008-2012.



A Biogas Plant at Jendarata Estate treating the Palm Oil Mill Effluent. In the process of reducing the Biochemical Oxygen Demand by 99%, biogas is produced by methane bacteria and subsequently used as a source of green energy.

Aggregate Contributions of Major GHG Emitting Countries:2005



Sources & Notes: WRI, CAIT (<http://cait.wri.org>). Percent contributions are for year 2005 GHG emissions only. Moving from left to right, countries are added in order of their absolute emissions, with the largest being added first. Figures exclude emissions from land-use change and forestry, and bunker fuels. Adapted from Figure 2.3 in Baumert et al. (2005).

Chairman's Statement (Contd.)

Our Biomass Reciprocating Boiler and Biogas Plant have, since their start-up in 2006, contributed immensely towards mitigating CO₂ and CH₄ emissions by a minimum of 70% and 80% respectively.

Additional initiatives are now underway using the findings of the LCA Study to implement a third CDM to help curb emissions of the more potent GHG, namely CH₄, by 75-80% on our Northern Plantation's processing facility. Efforts are also being taken to significantly reduce the company's usage of Chlorofluorocarbons (CFCs), a very damaging gas to the ozone layer by implementing newer and greener technologies.

Worldwide, 1.5 billion hectares of land are currently cultivated under agriculture. The need to produce as much food as possible on every hectare of arable land is therefore going to be of increasing importance as land resources diminish in tune with a rising world population.

It is interesting to note that the palm oil industry occupies about 13 million hectares of land globally. This is equal to less than 1% of the world's entire area under agriculture. In spite of this, world palm oil produced during 2008 (Crude Palm Oil and Palm Kernel Oil) made up 30% of the world's total 17 Oils & Fats production of 159.6 million tonnes. Increasing yields and managing land resources better are therefore not only a requirement but also a necessity if we are to live up to the essentials of sustainable development.

At this juncture, I am particularly pleased to inform shareholders that your Company's tireless efforts over the past many decades has paid off in terms of its leadership within the segment of sustainable agricultural production by becoming the world's first certified producer of sustainable palm oil in accordance with the Principles and Criteria of the Roundtable for Sustainable Palm Oil (RSPO) on 26 August 2008. Today these criteria on sustainability are beyond doubt the world's strictest for any agricultural crop.

However, palm oil producers worldwide, continue to be exposed to much criticism by predominantly Western Non-Governmental Organizations (NGOs). Their accusations take the form of generalized views that disregard the positive impact of the industry and highlight mainly allegations of deforestation, environmental degradation, social conflicts and economic problems. Nevertheless, dialogue with NGOs in a constructive atmosphere of goodwill and fairness is essential in order to pursue the process of achieving a balance between the natural environment and habitat as well as the need for economic development. Those dedicated to this cause always need to be aware of the other side's case.

The palm oil industry must, however, acknowledge that there is always room for improvement and recognize that sadly there are a few within the industry who favour short term profits instead of



Vice Chairman and Executive Director (Corporate Affairs) Ybhg. Dato' Carl Bek-Nielsen, his wife Ybhg. Datin Maria Bek-Nielsen and our Executive Director (Finance and Marketing) Mr. Martin Bek-Nielsen presenting service certificates and checks as gratuity payments in recognition of the long and dedicated service of our workers at the Workers Benevolent Fund Retirement Scheme presentation ceremony.

Chairman's Statement (Contd.)

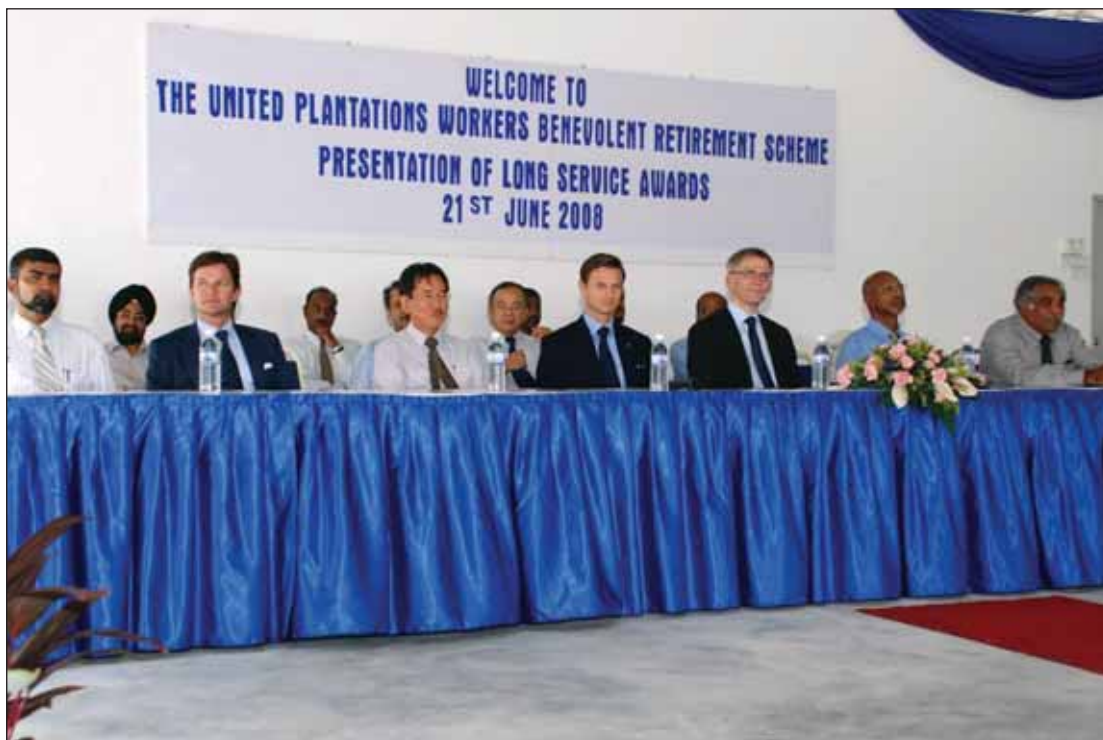
long term sustainable practices. Such producers should be taken to task by the authorities as their actions help to portray a very negative perception of the industry to the outside world. Nevertheless, it is important to stress that these "black sheep" are a small minority within the industry; it is therefore wrong to paint the entire palm oil industry with the same brush.

Environmental and social awareness is absolutely essential and United Plantations will continue to engage itself with the ongoing debate by not only supporting but also promoting the essentials of sustainable development through the Roundtable

for Sustainable Palm Oil. A detailed report of our environmental commitment is presented in a separate section of this Annual Report on pages 139 to 157.

Social Commitments

Our Company's commitment towards providing and improving social amenities remains very much a hallmark within our Group. Continuous improvements were made during 2008 to maintain the highest possible welfare standards for our workforce.



The Board of Directors as well as Senior Officers of United Plantations Berhad present during the United Plantations Berhad's Workers Benevolent Retirement Scheme presentation of long service awards on 21 June 2008.

Chairman's Statement (Contd.)

A new and modern Tamil School was built on Jendarata Estate thereby providing more modern and spacious facilities for its 130 children. The design, erection and finishing were all done under the direct supervision of our own Engineering

Department. Today, our Group has eight primary schools and six kindergartens on its properties which are maintained by the Company, providing education for more than 480 children ranging from the age of 5 to 12 years.

Social Commitments of United Plantations Berhad

	2008 RM	2007 RM	2006 RM	2005 RM	2004 RM	2003 RM	2002 RM	Grand Total RM
Hospital & Medicine For Workers & Staff	1,294,552	1,127,991	1,108,295	1,095,857	1,247,883	1,036,780	1,438,666	8,350,024
Retirement Benevolent Fund	247,000	271,000	224,000	240,000	216,000	246,000	220,000	1,664,000*
Scholarships & Other Educational Welfare	122,960	103,843	55,738	75,193	82,642	113,029	136,538	689,943*
Bus Subsidy for School Children	291,007	272,643	217,945	210,671	165,497	200,330	211,162	1,569,255*
External Donation	155,011	118,013	128,478	144,800	119,860	85,233	47,365	798,760
New Infrastructure	1,879,311	1,677,481	2,878,743	1,508,271	490,880	91,628	201,576	8,727,890
Building – Housing	1,319,728	2,531,894	1,537,313	352,389	470,605	437,478	34,968	6,684,375
Building – Others (Community Hall, Prayer Place)	476,655	99,698	901,889	454,502	208,007	180,422	165,540	2,486,713
TOTAL	5,786,224	6,202,563	7,052,401	4,081,683	3,001,374	2,390,900	2,455,815	30,970,960

* The above payments are in addition to the regulatory contributions by the Company to the Employees Provident Fund and Social Security Contributions and other benefits.

Children enjoying themselves at school, Division 3, Jendarata Estate. As part of our social commitment we make continuous improvement to maintain the highest possible welfare standards for our employees and their school going children.



Chairman's Statement (Contd.)

Secondly, a new canteen was constructed for the children at the Division 2 Jendarata Tamil School. Additional facilities were also provided for several other estates in the form of two new Drama Halls, new Staff Quarters, tarmacing of roads, construction of new places of worship etc.

Furthermore, work is now in progress on a new housing development for our local employees consisting of 24 modern and superior 3-bedroom workers' quarters which are fully tiled and furnished with modern kitchen facilities i.e. stainless steel kitchen cabinets cum sink area. Completion is scheduled for the third quarter of 2009.

21 scholarships were granted to children of our General Workers during 2008, thereby enabling these students to pursue their tertiary studies.

Annual benevolent payments as well as other compassionate and educational payments made by the Company to workers amounted to RM660,960 during 2008.

The company continues to provide and maintain crèches for personalized child care, places of worship for our employees, bus subsidies for school going children, a fully operational Danish Bakery and an Old Folks Home to care for the aged and the homeless.

Despite the contracting world economy creating several million new unemployed people, I am pleased to inform shareholders that your Company has not laid off a single worker since the commencement of the economic downturn that threatens to propel Malaysia into its biggest post-war recession. This more than anything else is a commitment by the company towards its social obligations to its employees.

Regular inspections of the employees housing are made by the Health Care Team to ensure that sanitation and drainage standards are upheld according to the Company's policies.

Chemical Health Risk Assessment (CHRA) and Medical Surveillance programmes are carried out for all employees engaged in handling pesticide and other chemicals. In this context, training programmes in the use of personal protective equipment for workers exposed to hazardous compounds are regularly conducted.

Audiometric tests and fire drills are conducted on a regular basis. These are kept up to the mark by the periodic workplace inspections carried out by the Company's Safety and Health Officer. This includes holding Safety Committee Meetings in accordance with the Department of Safety & Health (DOSH) regulations of Malaysia.

Group's Employees - Year 2005 to Current

	31 Dec 2005	31 Dec 2006	28 Feb 2007	29 Feb 2008	28 Feb 2009
UP Bhd	5,465	5,377	5,707	5,795	5,613
Unitata Bhd	486	461	472	482	467
Bernam Agencies Sdn Bhd	4	3	3	3	3
Butterworth Bulking Installation Sdn Bhd	16	16	15	16	15
PT SSS1, Indonesia	-	-	503	1,023	1,227
Total	5,971	5,857	6,700	7,319	7,325

Vacancies / Shortages in the Company's Plantations and Mills As Per Job Categories, as at 28 February 2009

Job Categories	Existing Workforce			Vacancies/ Shortage	Total No. of Workers Required
	Local	Foreign	Total		
Oil Palm Harvesters	59	1,997	2,056	-152	2,208
Coconut Huskers	8	161	169	-2	171
Field Workers	428	1,023	1,451	+3	1,448
General Workers	661	740	1,401	-13	1,414
Skilled Workers	102	53	155	-19	174
	1,258	3,974	5,232	-183	5,415



An aerial view of modern workers' houses situated in Jendarata Estate Division 3 in the midst of well growing oil palms.



Visit by the Hon. Deputy Minister of Plantation Industries and Commodities, YB. Senator A. Kohilan Pillay to our Tamil Schools at Division 1 & 3 on 9 June 2008.

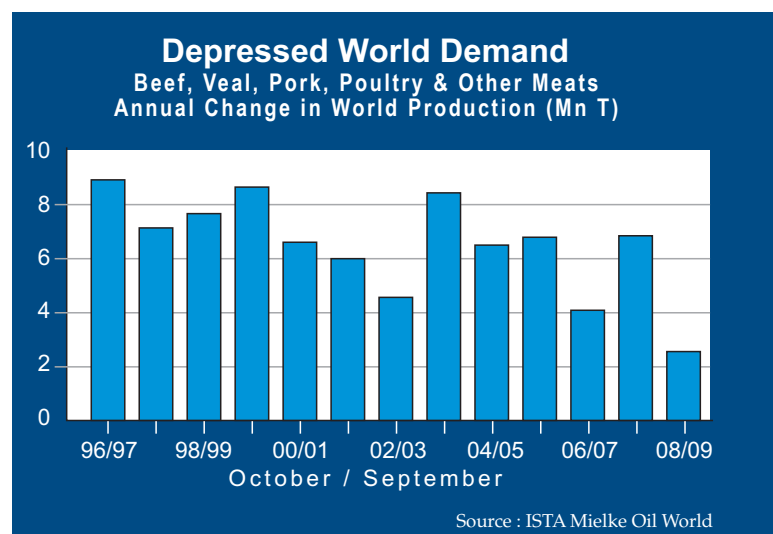
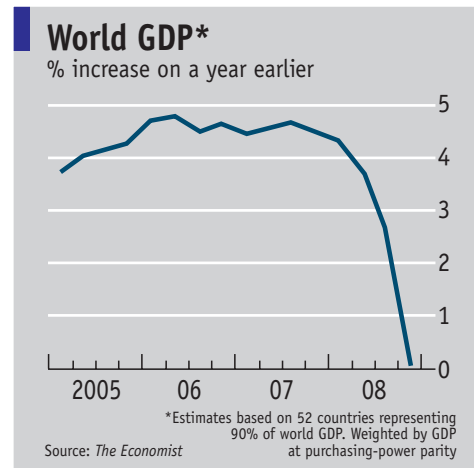
Chairman's Statement (Contd.)



Beautiful flowers found on our plantations for the preservation of our natural habitats.

Prospects & Outlook

The current deteriorating worldwide recession could turn out to be the worst global slowdown experienced since the great depression in the 1930s. Enormous wealth has been destroyed over the last 18 months. World economic activity as well as trade have contracted. These events are now taking their terrible toll in the form of rising joblessness, collapsing asset prices and imploding sales.



There has been a dramatic slowdown of world meat production to only 2.5 million tonne growth in 2008/2009 vis-à-vis an annual growth in demand of 7 million tonnes in 2007/2008 prior to the world economic slowdown.

Chairman’s Statement (Contd.)

Prospects & Outlook (Contd.)

Such a situation will invariably have an impact on the supply and especially the demand of the world’s 17 Oils & Fats during 2009. Already we have seen commodity prices for vegetable oils dropping significantly by approximately 50% from their highs seen during the first half of 2008.

It is difficult to predict just how bad the eventual outcome will be. We will have to closely monitor the development of the two demand “drivers” of prices over the past few years-namely, biofuels and livestock consumption-as these will not be immune to the world economic slowdown.

Should the demand for US bio-ethanol decline then we will see a reduction in the consumption of corn. However, it is too early to foresee the full effects of this scenario as the US bio-ethanol sector, according to the USDA’s Chief Economist, Mr Josep Glauber, is still expected to take a third of the US corn crop in 2009/2010.

Feeder’s herd sizes are, however, being cut as people, particularly in emerging countries eat less meat, denting demand for corn and soybeans.

World biofuel production during 2008 reached about 12 million tonnes and continues to influence the price complex of vegetable oils favourably. Nevertheless, it is necessary to mention that today there is a notable overcapacity of biodiesel plants (33-34 million tonnes worldwide) compared to the biodiesel production of 11 million tonnes during 2008. This has primarily been due to the incentives offered by European Politicians who continue to legislate biofuel targets.

I wish to reiterate that our company continues to stand firm on its earlier decision not to enter the business of first generation biofuels. Instead, we will dedicate our resources to produce palm oil and coconuts in the most sustainable manner for traditional uses.

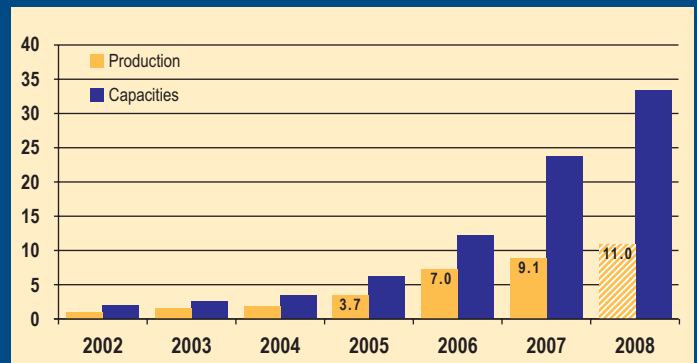
Amidst all this, it has been pleasing to observe how US palm oil usage has risen over the last 5-6 years as a means to overcome the Trans Fatty Acid issue.

Palm Oil Prices Have Stabilized Lately
MALAYSIA : Crude Palm Oil Futures Close
 First Position in Malaysia Ringgit/T



Source : ISTA Mielke Oil World

Mounting Overcapacity in 2008
Too ambitious Government Targets
 World Biodiesel Capacities and Production (Mn T)



Source : ISTA Mielke Oil World

Chairman’s Statement (Contd.)

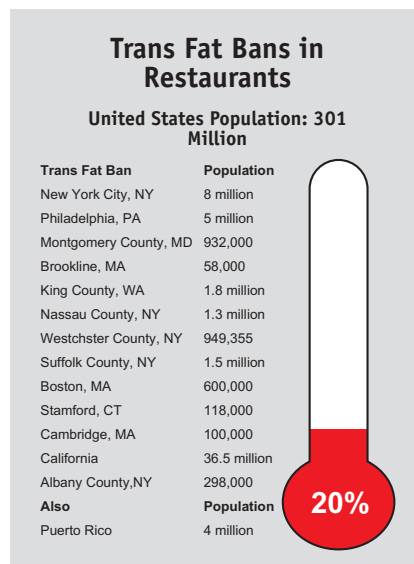
Prospects & Outlook (Contd.)

This trend is no longer just consumer driven but is more regulation driven in various parts of the US. Like Denmark and Canada, the US is slowly banning the use of the artery clogging Trans Fatty Acids. There has been an estimated fall in soybean oil for food usage of between 800,000 to 1 million tonnes from 2004/2005 to 2008/2009 which will be substituted with palm oil and other oils.

In view of the bearish sentiments plaguing the global economy; the prospect of lower CPO prices and lower palm oil production following last year’s record crop, the Board of Directors expect that the 2009 profit will be much lower than that achieved in 2008.

Acknowledgement

I would like to take this opportunity to place on record my appreciation of the commitment, understanding and wise counsel I have received from the Directors and the Executive Directors, at all times. On behalf of the Board of Directors, I should also like to place on record my sincere appreciation to all employees for their loyal and



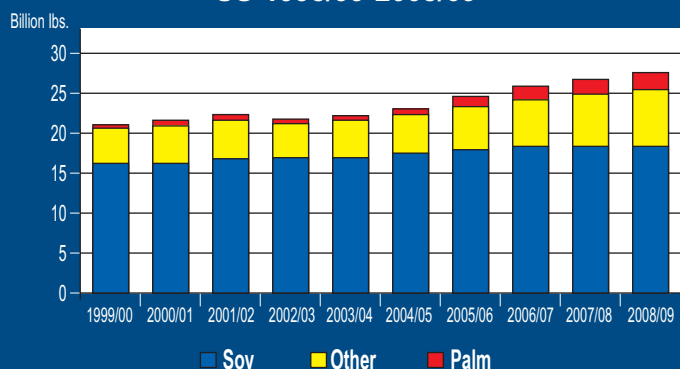
The increasing number of counties, cities and states banning the use of Trans Fatty Acids in and around the vicinity of the U.S.A.

dedicated service which is so essential for the future growth of our Group of Companies.

Tan Sri Datuk Dr. Johari bin Mat
CHAIRMAN

30 March 2009

Consumption of Vegetable Oils in the US-1998/99-2008/09



Awards



The Group Manager Human Resources and Environment, Safety and Health Mr. C Mathews receiving the Special Award in the Corporate Governance survey 2008 conducted by the Minority Shareholder Watchdog Group in collaboration with the Nottingham University Business School.



Mr. Vincent Williams, Group Engineer, Jendarata Palm Oil Mill, receiving the award for the highest Oil Extraction Rate (OER) in Peninsular Malaysia and the 2nd highest in Malaysia from The Hon. Deputy Minister of Plantation Industries and Commodities, YB. Senator A. Kohilan Pillay.



Statement on Corporate Social Responsibility

Consumers, investors, governments and stakeholders now consider how a Company's social and environmental policies affect its sustainability and that of society at large as a critical issue. Corporations have become more vigilant of their roles to society and to the environment in which they carry out their business. NGOs such as WWF, ILO and Greenpeace have put pressure on corporations to conduct their business in a more responsible manner today.

Such expectations from NGOs and investors have helped to shed more light on the importance of the Corporate Social Responsibility (CSR) and the objectives as well as the values of Society. We want to make the world a better place but given the constraints on our resources we have to look for the most cost effective ways of achieving it. Business and Society exist side by side and it is incumbent for corporations therefore to operate in a responsible manner. Constant dialogue is maintained with the NGOs to further improve the sustainability of our operations.

It is not only a responsibility to manage our resources resourcefully and engage in activities that optimize profits for our shareholders but also to show society that we care for the common good and think about the future generations.

At United Plantations, we have always taken our corporate responsibilities seriously as it is embodied in our Vision Statement. Companies that are responsible go beyond the requirements of the law to make a positive impact on society and the environment through their overall business practices. We have described our commitment and the actions we have taken in regard to our CSR in the Statement for your information, herebelow.

Environment

In 2006, we completed the commissioning of the Biomass Reciprocating Boiler and Biogas plants which reduce the load on the natural environment by producing biorenewable energies. These plants have helped the Company to not only significantly manage its wastes more effectively by reducing the release of carbon dioxide and methane gases into the atmosphere but also reducing our reliance on fossil fuels. Climate change and global warming have become a worldwide concern today due to the uncontrolled emissions of greenhouse gases. We obtained certification for carbon emission reductions (CERs) for the before mentioned projects from the Clean Development Mechanism Board (CDM) under the Kyoto Protocol. A more detailed explanation is given on page 149 under the Company's Environmental Policy.

For decades, we have focused on maintaining environmental awareness and striving to the best of our abilities to create a balance between economy and ecology within the frameworks of our plantations' ecosystem. Conservation of jungle reserves and wildlife sanctuaries as well as promoting green corridors are examples of this commitment to the environment.

The Company is the world's first certified producer of sustainable palm oil in accordance with the Principles and Criteria of the Roundtable for Sustainable Palm Oil (RSPO) which is a testimony to our commitment to the environment and society. A more detailed explanation on RSPO is given on page 153.



The Hon. Minister of Human Resource, YB. Datuk Dr. S. Subramaniam on his familiarization visit to UP Bhd on 25 April 2008.

Statement on Corporate Social Responsibility (Contd.)

Employee Health and Safety

The Company operates two (2) well equipped estate group hospitals with trained resident Hospital Assistants supervised by a Medical Doctor. Periodic inspection of the workers housing is made by a health care team to ensure that proper sanitation and drainage standards are maintained. Chemical Health Risks Assessment (CHRA) and medical surveillance programmes are carried out for our chemical sprayers on the estates and for factory workers exposed to chemicals. Training programmes in the use of personal protective equipment for workers exposed to hazardous compounds are regularly conducted. Audiometric tests and fire drills are conducted on a regular basis.

The Company's Safety and Health Officer makes periodic workplace inspections and Safety Committee meetings are held in accordance with Department of Safety & Health (DOSH) regulations.

Safety operating Procedures and System checks for all processes and equipment are in place and product quality standards are stringently maintained in a responsible manner. Our palm oil refinery received certification of the highly recognized Hazard Analysis Critical Control Points (HACCP) which is a recognition of the Company's commitment towards product quality and process controls.

Contributions to Society and the Local Community

We provide premium housing amenities and places of worship for our employees, kindergartens for our workers children, crèches for personalized care and an old folk's home for the Company's retirees.

We have made aggregate payments of RM12.3 million to date to our estate communities by way of employees' retirement gratuities, bus subsidies for school transport for the children of our workers, financial assistance to deserving students seeking college and university education and reimbursements for medical expenses to our employees seeking specialist treatment at private hospitals, through the UP Benevolent Fund, established in 1985. We also offer financial support to charitable organizations which care for the local communities and the society at large.

Sporting Activities

We encourage our employees to participate in sporting and social activities by providing facilities such as football fields, community halls, badminton courts, etc. Annual sports are held at selected estates for better understanding and relationship between employees and management. We also co-sponsor sporting events like the Annual Estates Sports Gala organized by the Malaysian Palm Oil Association which is held at the district level annually.



School children participating in the 100 meter run during the Merdeka Sports Carnival at UIE held on 31 August 2008.

Statement On Corporate Governance

The Malaysian Code of Corporate Governance (the Code) sets out the principle of Corporate Governance in Part 1 and the Best Practices in Part II. They essentially relate to the boards practices and procedures involving composition of the board, appointments, directors remuneration, accountability, shareholders, employees, etc.

The Board of Directors of the Company recognizes the importance of good corporate governance and continues to be committed to ensure that high standards of corporate governance are practiced throughout the Group. This Statement is produced by the Board pursuant to para 15.26 of the Bursa Malaysia's Listing Requirements. Its purpose is to show how the Board has applied the principle set out in Part 1 and the extent to which it has complied with the best practices set out in Part II and where it has not complied with them it has stated the reasons for the non-compliance.

Board Of Directors

The Company has an effective Board entrusted with leadership responsibilities by its shareholders. It is headed by a Chairman who is independent of management and whose key task is the running of the Board. The Senior Executive Director on the other hand is an executive director and the head of management whose key task is to run the business and implement the policies and strategies approved by the Board. Due to their contrasting roles at the head of the Company, the two roles are not combined.

Following this division of responsibilities at the head of the Company we have in the Board's composition included a balance of executive and independent non-executive directors so that no one group would dominate the decision making process.



Shareholders and the Board of Directors at the Company's 87th Annual General Meeting held on 21 June 2008 at the Registered Office, Jendarata Estate.



Shareholders voting during the proceedings at the 87th Annual General Meeting.

Statement On Corporate Governance (Contd.)

Your Board consists of nine (9) directors, three (3) of whom are executives who have an intimate knowledge of the business. Amongst the remaining six (6) non-executive directors four (4) of them are independent, thus fulfilling the requirement under Rule 15.02 of the Bursa Listing Requirements which states that one-third of the Board's size must be independent and non-executive. The Board is satisfied that the size has fulfilled its requirements adequately. A statutory declaration is made to Bursa Malaysia by all our independent directors in their individual capacity to the effect that they are independent in compliance with the Listing Requirements.

The composition of the Board reflects a mix of skills and experience and other qualities which non-executive directors should bring to the Board. Due to the diversified backgrounds and their independence the non-executive directors are ably engaged in healthy discussions and debates with the executive directors at the Board meetings which are conducive for an effective Board. The independent directors play a pivotal role in the Board's responsibilities. However, they are not accountable and responsible for the day to day running of the business, which is the role of the executive directors. The independent non-executive directors are actively involved in various Board

committees and contribute significantly to areas such as performance monitoring and enhancement of corporate governance by providing independent assessment and opinions on proposals put forward by the executive directors and act as a check and balance for the executive directors.

The Board has established a formal and transparent policy for the role of the executive and non-executive directors as stated herebelow.

Their biographies as given in the Annual Report, show the necessary depth to bring experience and judgment to bear on the collective decision making processes of the Board. The Board's composition fairly represents the ownership structure of the Company with appropriate representatives from the three largest shareholders. There are adequate number of representatives on the Board who fairly reflect the interests of the minority shareholders.

The Board has established position descriptions for the role of the Senior Executive Director/ Inspector General Estates, the Vice Chairman/ Executive Director (Corporate Affairs) and the Executive Director (Finance & Marketing) who have specific management responsibilities for the day to day running of the business.



The Hon. Minister of Plantation Industries & Commodities Malaysia, YB Datuk Peter Chin Fah Kui (second from right) and the Hon. Minister of Agriculture, Indonesia, Mr. Anton Apriyantono (fourth from right) in the European Parliament in Brussels prior to a World Sustainability Palm Oil Conference held on 15 September 2008.

Statement On Corporate Governance (Contd.)

The Company has issued a Vision Statement in the inside cover of the Annual Report and it has clearly described its objectives in the statement on Environment Quality Management to which the Board is deeply committed.

The Board has not identified an independent non-executive director to whom concerns may be conveyed as it is satisfied that they can be conveyed and discussed freely with the Chairman and the Senior Executive Director.

Board Responsibilities

The Board has assumed the following stewardship responsibilities in furtherance of its duties:-

- i) Reviewing and adopting a strategic plan for the Company;
- ii) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed with regards to economy, social and environment;
- iii) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- iv) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;

- v) Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- vi) Reviewing the adequacy and the integrity of the Company's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Supply of Information

All the directors are supplied with all information within the Company and the Group in a timely manner. The information is not only financial relating to performance but goes beyond. The Company Secretary upon the instruction of the Chairman will prepare the agenda and organize the information relating thereto in the Board files to be dealt with at the Board Meetings. The Board files are sent out to all directors not less than three (3) days before the Board Meetings.

The Company's monthly management accounts are sent to all Board members on a timely basis. The proceedings of all Board and Committee meetings are minuted by the Company Secretary for confirmation at the next Board/Committee Meetings. All minutes of the Board Committees are circulated to all members of the Board.

Statement On Corporate Governance (Contd.)

There are procedures in place for non-executive directors to obtain information from management. All directors have access to the services and the advice of the Company Secretary. The Board acknowledges the need for a competent Company Secretary to carry out the duties to which the post entails as well as to provide strong support to the Chairman to ensure its effective functioning.

The Board has access to professional advice from third parties in furtherance of their duties in accordance with the Company's established procedures.

All directors of the Company had completed the Mandatory Accreditation Programme (MAP). The Continuous Education Programme (CEP) was repealed by Bursa Securities with effect from 1 January 2005 and the directors who were required to fulfill this programme complied with the deadline before the due date. The directors are also mindful of their continuous training requirements.

The Company Secretary facilitates programme registration for interested directors and would maintain such records of the programmes and their attendance thereat. All directors are allowed to choose courses/seminars of relevance in discharging their duties.



Opening of the Multistock Deodoriser Plant at Unitata Bhd by Mr. Melker Schorling, Chairman AarhusKarlshamn AB (publ) and his wife Mrs. Christine Schorling on 23 January 2009.

Statement On Corporate Governance (Contd.)

Relevant training programmes, seminars and conferences attended by Directors during the financial year ended 31 December 2008 were:-

1. Bursa Malaysia's Annual Palm & Lauric Oils Conference & Exhibition:
Price Outlook 2008/2009 (POC 2008)
2. Seminar on the changes to the Listing Requirements
3. 6th Roundtable Meeting (RT6) on Sustainable Palm Oil
4. Seminar on Indonesia: Market Outlook and Entry Strategies

Board Meetings

The Board meets not less than four (4) times a year to review and approve the quarterly results for announcements. The Board meetings for the ensuing year are fixed in advance. Notice of meetings and the agenda are given in a timely manner.

Standard matters set out in the agenda for the Board meetings are as follows:-

1. Matters arising from the previous minutes of the Board and Committees of the Board
2. Monthly, Quarterly and Yearly Financial Statements
3. Matters relating to the business namely finance, land, staff & labour, budgets, production, marketing and others
4. New Investments
5. Subsidiary Companies
6. General

Specific responsibilities are delegated to Board Committees where appropriate. During the year under review five (5) Board meetings were held and the directors' attendances thereat are summarized herebelow:-

Directors	No. of Meetings	
	Attended	Held
Ybhg. Tan Sri Datuk Dr. Johari bin Mat -Chairman	5	5
Ybhg. Dato' Carl Bek-Nielsen	4	5
Mr. Ho Dua Tiam	5	5
Mr. G. Peter Selvarajah	5	5
Mr. Ahmad Riza Basir	4	5
Mr. Jeremy Derek Campbell Diamond	5	5
Mr. Martin Bek-Nielsen	4	5
Mr. Mohamad Nasir bin Ab. Latif	4	5
Mr. Brian Bech Nielsen	5	5

Nomination Committee

The Principal Board function of making recommendations for new appointments to the Board is delegated to the Nomination Committee. The Committee consists entirely of non-executive directors who are also independent. The Committee has access to the services of the Company's Secretary who would record and maintain minutes of meetings and obtain information for the purpose of meeting statutory obligations as well as obligations arising from the Listing Rules of Bursa Malaysia.

The members of the Nomination Committee are as follows:-

Ybhg. Tan Sri Datuk Dr. Johari bin Mat (Chairman)
(Independent, Non-Executive Director)

Mr. Jeremy Derek Campbell Diamond
(Independent, Non-Executive Director)

Mr. G. Peter Selvarajah
(Independent, Non-Executive Director)

Statement On Corporate Governance (Contd.)

The Committee held one meeting in respect of year ended 31 December 2008 for the purpose of making an assessment of the directors and for considering directors who are due to retire on rotation at the A.G.M. Under Article 92 of the Company's Memorandum and Articles of Association at the A.G.M, one-third of the directors shall retire from office and are eligible to seek re-election. The meeting also reviewed the required mix of skills and qualities that non-executive directors should bring to the Board. At this meeting an assessment on the effectiveness of the Board and the Committees, and the contributions of each individual director was deliberated. The Committee reached the conclusion that the Board Committees and the directors in their individual capacity supported the current needs of the Board.

Audit Committee

The Audit Committee consists of three (3) directors who are all independent non-executive. The Terms of Reference includes scope, functions and activities. The activities of the Audit Committee during the year have been described at length in a separate statement in the Annual Report.

Executive Committee

The Executive Committee consists of executive directors only. Its responsibilities include reviewing the results of the Company and Group, review annual budgets, implement policies and procedures approved by the Board, implement recommendations of the Audit Committee, recommend expansion and diversification plans, implement policies for replanting and replacement of plant and machinery, etc. The Committee has access to the services of the Company Secretary who records and maintains minutes of meetings.

The scope, functions and activities are given in the Terms of Reference approved by the Board.

The Executive Committee met four (4) times during the year, and the minutes thereof were included

in the Board files for information and deliberation by the Board.

Remuneration Committee And Directors Remuneration

The Remuneration Committee consists entirely of non-executive directors who are also independent, whose primary function is to review and recommend the remuneration for the Company's executive directors. The members of the Remuneration Committee are stated herebelow:-

Ybhg. Tan Sri Datuk Dr. Johari bin Mat (Chairman)
(Independent, Non-Executive Director)

Mr. Jeremy Derek Campbell Diamond
(Independent, Non-Executive Director)

Mr. G. Peter Selvarajah
(Independent, Non-Executive Director)

No meetings were held during the year as none of the service contracts of the company's executive directors were due for review. It is the Committee's usual practice to draw information on the company's remuneration policy from management to assist them with their duties. Executive directors do not participate in the deliberations of the Remuneration Committee.

Their salaries are linked to their position, seniority, experience and the Company's overall profitability which would vary from year to year. The salary components are determined in accordance with the Company's established remuneration policy for executive directors.

The directors fees are reviewed by the Board only when it deems necessary, subject however to approval by the shareholders at the A.G.M. The amount is related to their level of responsibilities. The meeting attendance allowance is related to the number of meetings attended.

Statement On Corporate Governance (Contd.)

The aggregate remuneration for the year under review consisted of the following components shown herebelow:-

	Fees (RM)	Basic Salary (RM)	Additional Remuneration (RM)	Other Benefits (RM)	Meeting Attendance Allowance (RM)	Total (RM)
Non-Executive Directors	335,000	-	-	-	72,000	407,000
Executive Directors	150,000	310,994	2,358,675	447,310	19,500	3,286,479
Total	485,000	310,994	2,358,675	447,310	91,500	3,693,479

It is not the Board’s policy to disclose the remuneration of each individual director due to the Company’s concerns for the sensitivity and confidentiality of such information. However it has resolved to disclose their salaries in the manner shown herebelow only for purposes of complying with the Code, differentiating the numbers between executive and non-executive directors.

Remuneration Range	Executive Directors	Non-Executive Directors
RM 50,001 - RM 100,000		6
RM 900,001 - RM 1,100,000	2	
RM 1,200,001 - RM 1,300,000	1	
Total	3	6

Shareholders

Communications and Investor Relations

The Board acknowledges the need for an effective communication policy with shareholders and investors as the same intimate relationship that exists with management was usually lacking with shareholders with the exception of the controlling shareholders who are represented on the Board. The Company’s website:www.unitedplantations.com and the stock exchange websites:www.bursamalaysia.com and www.nasdaqomxnordic.com are used as a forum to communicate with shareholders and investors where they can access corporate information, company’s announcements, corporate proposals, quarterly and annual reports, etc.



A picture of the Abdul Rahman Tower ensuring a central and panoramic view of Lada Estate, Indonesia.

The Company’s executive directors hold bi-annual briefings at its Headquarters with institutional investors, market analysts and fund managers. Questions relating to these announcements can be directed to Dato’ Carl Bek-Nielsen, Vice Chairman/Executive Director (Corporate Affairs) and Mr. Martin Bek-Nielsen, Executive Director (Finance & Marketing).

Besides the above, the Board believes that the Company’s Annual Report is a vital source of essential information for shareholders and investors and other stakeholders. The Company strives to provide a high level of reporting and transparency as an added value for users.

The Annual General Meeting (A.G.M.)

The Annual General Meeting is an excellent forum for dialogue with all shareholders for which due notice is given. The shareholders are given the opportunity to vote on the regular businesses of

Statement On Corporate Governance (Contd.)

The Annual General Meeting (A.G.M.)

the meeting, viz. consideration of the financial statements, consideration and approval of a final dividend, consideration and approval of directors and auditors fees, re-election of directors and special business, if any, by a show of hands. In specific cases where required the result would be determined by a poll.

The Notice of A.G.M. and the Statement accompanying the Notice are sent along with a Proxy Form to all shareholders. Items relating to special business in the agenda, if any, are supported with detailed explanatory notes in a Circular to Shareholders sent along with this Report. There are sufficient notes in the Proxy Forms to guide shareholders for the completion of the Proxy Forms.

The Chairman explains the voting procedure before the commencement of the A.G.M. The shareholders present are given the opportunity to present their views or to seek more information. The resolutions passed at the meeting are released to Bursa Malaysia in a timely manner.

All Board members, Senior Management from the Finance Department and the External Auditors are present to respond to questions from the shareholders during the A.G.M.

Accountability And Audit

Financial Reporting

The Board in compliance with 15.27a of Bursa Malaysia's Listing Rules issues a Statement explaining its responsibility for preparing the annual audited financial statements. The Board is required by law to prepare financial statements for each financial year which will give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year in a manner which is comprehensive and transparent. In the preparation of the financial statement, the directors will consider

compliance with all applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

Internal Control

The Board recognizes its responsibility for the Group's system of internal controls. In this connection the Audit Committee conducts an annual review of the adequacy and effectiveness of the system of internal controls and render a statement to the shareholders to this effect. In this connection, the Audit Committee is assisted by an in-house internal audit department and an external independent professional firm who conduct regular reviews of the internal controls and report to the Audit Committee directly. The external auditors are appointed by the Board to review the Statement of Internal Control and to report thereon.

Relationship with the Auditors

The Board maintains a formal procedure of carrying out an independent review of all quarterly reports and annual audited financial statements by the Audit Committee, at its quarterly meetings. The external auditors and representatives of the management are present to answer questions and provide explanations to the Audit Committee.

The activities of the Audit Committee have been described at length in a separate statement given in this Annual Report.

Statement of Compliance with the Best Practices of the Code

Save for the non-disclosure of the remuneration of each individual director and the non-appointment of a senior independent non-executive director the Group has complied with the principles given in Part 1 and best practices in Part 2 of the Malaysian Code of Corporate Governance.

Statement On Directors' Responsibility As At 31 December 2008

The Board of Directors is required under paragraph 15.27(a) of the Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the financial year end and of the results and cashflows of the group for the financial year then ended.

The Directors consider that, in preparing the financial statements of United Plantations Berhad for the financial year ended 31 December 2008 the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates. The Directors also consider that all applicable

Financial Reporting Standards in Malaysia have been complied with and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Auditors responsibilities are stated in their report to the shareholders.



Economic Outlook 2009

GDP Growth

The Malaysian economy registered a growth of 4.6% in 2008 amidst the international financial turmoil and rapid deterioration in global economic condition. Given the continued uncertainty in the external environment, the policy response has focused on supporting domestic demand by ensuring that there will be continued expansion in private consumption and public spending and preventing widespread unemployment. Taking into account the prospect for deepening global downturn and the support to the economy provided by the policy measures, real GDP performance in 2009 is projected to be between -1% to 1%.

Real GDP Growth – Regional Countries

Country	2009 Forecast (%)	2008 Estimate (%)
Malaysia	-1.0 ~ 1.0	4.6
Indonesia	4.0	6.1
Philippines	3.7 ~ 4.4	4.6
Thailand	-1.0 ~ 0.0	2.6
Singapore	-5.0 ~ -2.0	1.1
Chinese Taipei	-3.0	0.1
Hong Kong SAR	-3.0 ~ -2.0	2.5
Korea	-2.0	2.5
PR China	8.0	9.0

Source:
Bank Negara Malaysia
www.bnm.gov.my

UP Share Prices

Year	2008	2007	2006	2005	2004
Highest Price Per Share (RM)	14.60	14.80	9.75	7.05	5.15
Lowest Price Per Share (RM)	7.85	9.00	7.00	4.90	4.30

The price of United Plantations Berhad shares on Bursa Malaysia Securities Berhad reached a high of RM14.60 and recorded a low of RM7.85 per share for the year ended 31 December 2008. Compared with the corresponding prices achieved in 2004, this represented an increase of 183% and 83% respectively.

Statement On Internal Control

The Board of Directors (“the Board”) of United Plantations Berhad (“the Group”) recognises its responsibility for the Group’s system of internal control and for the review of its adequacy and effectiveness, whilst the role of management is to implement the Board’s policies on risks and controls. A sound system of internal control includes the establishment of an appropriate control environment and framework, encompassing financial, operational and compliance controls and management of risks throughout its operations in order to protect its shareholders’ value and Group’s assets as well as other stakeholders’ interests, at the same time.

Because of the limitations that are inherent in any system of internal control, such systems are designed to manage and mitigate risks that may impede the achievement of the Group’s business objectives rather than to eliminate these risks. Accordingly, the system of internal control can provide only reasonable and not absolute assurance against material misstatement, error or loss. The concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

Internal Control And Risk Management

The Board regards risk management as an integral part of business operations. There is in place a formal process to identify, evaluate and manage significant risks faced by the Group. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken and the time frame to mitigate and minimise these risks. The process is undertaken by management with the assistance of Internal Audit and a written report is submitted to the Board. Management proactively reviews the measures taken to manage those identified risks on a timely and consistent manner.

Other Key Elements Of Internal Control

Other key elements of the Group’s system of internal control are as follows: -

- Defined management structure of the Group and clear delegation of authority to committees of the Board and management where authority levels have been clearly established;
- Established operating policies and procedures with respect to key operational areas are continuously reviewed and updated by management to reflect changing risk profile;
- Comprehensive financial and operational reports, including key performance indicators are reviewed against prescribed budgets and parameters by management and executive directors on a monthly basis;
- Regular meetings are held between the executive directors and management to deliberate on Group strategies and policies, operational and financial performance and other key issues;
- An annual budgetary process whereby each operating entity submits a budget and business plan to Group management for consolidation, review and approval, which is then tabled to the Board for deliberation;
- An internal audit function that is outsourced to an independent professional firm which reports directly to the Audit Committee. In addition, the Group also has a group internal audit department to complement the reviews by the independent professional firm. Based on a risk-based audit plan, the internal audit function performs periodic reviews of critical business processes to identify any significant risks, assess the effectiveness and adequacy of the system of internal control and where necessary, recommend possible improvements; and

Statement On Internal Control (Contd.)

- The Audit Committee, on behalf of the Board, receives reports from both the internal and external auditors and regularly reviews and holds discussions with management on the action taken on identified internal control issues. The role of the Audit Committee is further elaborated in the Audit Committee Report on pages 55 to 57.

No major weaknesses in the system of internal controls were identified during the year, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. Those areas of non-compliance with the procedures and policies and those which require improvements as highlighted

by the internal and external auditors during the period have been, or are being addressed. The Board confirms that its system of internal control were operational throughout the financial year and up to the date of approval of the Annual Report.

The Board remains committed towards operating a sound system of internal control and therefore recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board, in striving for continuous improvement will put in place appropriate action plans, when necessary, to further enhance the Group's system of internal control.



Palm Oil Extraction Rates

The average oil extraction rate in Peninsular Malaysia for 2008 was 19.61% (2007: 19.32%) compared with that of United Plantations Berhad which was 21.54% (2007: 21.41%).

Source : MPOB
www.mpob.gov.my

CPO Production 2008

The production of CPO reached a record 17.73 million tonnes in 2008, an increase of 1.91 million tonnes or 12.1% from last year attributed mainly by the recovery in fresh fruit bunches (FFB) yields from the biological stress last year. The national average FFB yield increased by 6% to 20.18 tonnes/hectare as against 19.03 tonnes/hectare achieved in 2007 which is a record high since 1994.

Source : MPOB
www.mpob.gov.my

Audit Committee Report

Members of The Audit Committee :

Mr. Jeremy Derek Campbell Diamond
(Chairman – appointed on 31-7-2001)
(Independent, Non-executive Director)

Mr. G. Peter Selvarajah
(appointed on 23-6-2001)
(Independent, Non-executive Director)
(Member of MIA)

Mr. Ahmad Riza Basir
(appointed on 19-6-2004)
(Independent, Non-executive Director)

Secretary – Mr. A. Ganapathy

1) Objectives

The primary objectives of the Committee are :

- a) To assist in discharging the Board's responsibilities as they relate to the group's management including risk management, internal controls, accounting policies and financial reporting;
- b) To provide, by way of regular meetings, a line of communication between the Board and the external and internal auditors;
- c) To oversee and review the quality of the audits conducted by the external and internal auditors; and
- d) To enhance the perceptions held by interested parties, such as shareholders, regulators, creditors and employees, of the credibility and objectivity of the financial reports.

2) Terms of Reference

a) Composition

The Committee shall be appointed by the Board from among the Directors of the Company and shall consist of not less than three (3) members, of whom, the majority shall be independent non-executive directors. No alternate director shall be appointed a member of the Committee.

At least one member of the Committee must be a member of the Malaysian Institute of Accountants (MIA) or has the necessary experience and is recognized under the Accountants Act 1967.

The members of the Committee shall elect the Chairman who shall be an independent non-executive director.

b) Authority

The Committee is authorized by the Board to investigate and audit any activity within its terms of reference and shall have unrestricted access to both the external and internal auditors and to all employees of the Group.

The Committee is also authorized by the Board to obtain external legal or other independent professional advice as necessary.

c) Scope and Function

The scope and functions of the Committee shall be to :

- (a) Review the audit plan with the external auditors;

Audit Committee Report (Contd.)

- (b) Review with the external auditors, the Group's financial statements, and, reports issued by them in order to :
 - i) provide a channel for communication between the Board and audit function;
 - ii) evaluate the performance of the external auditors and consequently recommend their reappointment or otherwise; and
 - iii) recommend for approval of the Board the external audit fees.
- (c) Review and approve the draft Annual Report prior to presentation to the Board of Directors for approval;
- (d) Review and approve the internal audit plan;
- (e) Review with the external and internal auditors, their evaluation of the system of internal controls;
- (f) Report to the Board of Directors all pertinent issues raised by the external and internal auditors;
- (g) Review the quality and effectiveness of the internal audit function;
- (h) Review follow-up actions by management on any weaknesses in internal accounting procedures and controls as highlighted by the external and internal auditors;
- (i) Review any significant transactions which are not within the normal course of business and any related party transactions that may arise within the Company or Group;
- (j) Review interim financial information;
- (k) Review accounting policies to determine suitability; and
- (l) Perform any other work that is required or empowered to do by statutory legislation or guidelines as prepared by relevant government authorities which will include, but not limited to:
 - i. the Securities Commission;
 - ii. Bursa Malaysia Securities Berhad; and
 - iii. the Ministry of Finance.

d) Frequency of Meetings and Attendance

The Committee shall meet at least four times a year.

The quorum of two members is the minimum required to be present at any Committee meeting. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

Questions arising at any meeting shall be decided by a majority vote, each member having one vote and in the event of a tie, the Chairman shall have a second or casting vote. However, at meetings where two members form a quorum, or when only two members are competent to vote on an issue, the Chairman shall not have a casting vote.

The Secretary of the Committee shall be the Company Secretary. The Secretary shall maintain minutes of the proceedings of the meetings. The minutes of the meetings shall be tabled at the United Plantations Berhad Board of Directors meeting.

Audit Committee Report (Contd.)

Members of management of the Group and representatives of the external and internal auditors may attend the Committee meetings by invitation.

The external auditors may request a meeting if they consider it necessary to discuss matters which they believe should be brought to the attention of the Committee.

3) Meetings

The Committee held six (6) meetings in the year 2008 to conduct and discharge its functions in accordance with the Terms of Reference mentioned above. Details of Directors attendances at Audit Committee meetings are as follows:

Name of Director	No. of meetings	
	Attended	Held
Mr. Jeremy Derek Campbell Diamond	6	6
Mr. G. Peter Selvarajah	6	6
Mr. Ahmad Riza Basir	5	6

4) Activities

The following activities were carried out by the Committee since the last financial year:

a) Reviewed and discussed the Quarterly Financial Statements and the Annual Financial Statements of the Group with the external auditors prior to presentation to the Board for approval;

b) Reviewed all related party transactions;

c) Reviewed the recurrent related party transactions included in the circular to shareholders for their mandate;

d) Reviewed with the external and internal auditors their audit plans, scope of work and ascertained that they will meet the needs of the Board, the shareholders and regulatory authorities;

e) Reviewed and discussed with the external and internal auditors issues and their findings noted in the course of their audit of the Group, including their evaluation of the system of internal control and risk management policies and procedures;

f) Made recommendations to the management on pertinent points noted by the external and internal auditors;

The Committee also appraised the adequacy of actions and remedial measures taken by management in resolving issues reported by the external and internal auditors and by the Committee.

g) Considered the appointment of external auditors for the Group for the year 2009 and recommended to the Board for its approval.



The Lord Mayor of Holstebro, Denmark, His Excellency Mr. Arne Laegaard (second from right) with his wife (on his left) and the Municipal Council Executive Director of Holstebro, Denmark, Mr. Lars Moeller and his wife (on his right) together with Mr. Martin Bek-Nielsen during their visit to UP in December 2008.

Our Code Of Business Ethics

Standard of Conduct

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees. We shall similarly respect the legitimate interests of those with whom we have relationships.

Obeying the Law

United Plantations Group (UP) and our employees are required to comply with the laws and regulations of the countries in which we operate.

UP will promote and defend our legitimate business interests. UP will co-operate with governments and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect our legitimate business interests.

Employees

UP is committed to diversity in a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of our group.

We will recruit, employ and promote employees

on the sole basis of the qualifications and abilities needed for the work to be performed. We are committed to safe and healthy working conditions for all employees. We will not use any form of forced, compulsory or child labour. We are committed to working with employees to develop and enhance each individual's skills and capabilities. We respect the dignity of the individual and the right of employees to freedom of association. We will maintain good communications with employees through company-based information and consultation procedures.

Consumers

UP is committed to providing quality products and services which consistently offer value in terms of price and which are safe for their intended use. Products will be accurately and properly labelled, advertised and communicated.

Shareholders

UP will conduct its operations in accordance with internationally accepted ethics of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.



Economic Outlook 2008

Consumer Prices

The headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), averaged 5.4% in 2008 (2007:2.0%). This is significantly higher than the country's long-term inflation average of 3.0%. Global food and fuel prices rose steadily due to supply related factors. Most of the rise in inflation during the year occurred in the third quarter when inflation peaked at 8.5% in July 2008 following the 40.4% adjustment to retail fuel prices in June 2008. The contraction in global demand combined with the unwinding of positions taken in the commodity markets led to a rapid decline in commodity prices and allowed domestic fuel and food prices to decline, with domestic inflation moderating to 4.4% by December 2008. As a small and highly open economy, the decline in global commodity prices and recessionary influences will have material impact on price developments in Malaysia. The headline inflation is expected to slow significantly to average between 1.5% and 2.0% in 2009.

Source : Bank Negara Malaysia
www.bnm.gov.my

Our Code Of Business Ethics (Contd.)

Business Partners

UP is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings, we expect our business partners to adhere to business ethics consistent with our own.

Community Involvement

UP strives to be a trusted corporate citizen and as an integral part of society, to fulfil its responsibilities to the societies and communities in which we operate.

The Environment

UP is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

Competition

UP believes in vigorous yet fair competition and supports the development of appropriate competition laws. UP and its employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity

UP does not give or receive whether directly or indirectly bribes or other improper advantages for business or financial gain. Similarly such unhealthy practices by its employees are not tolerated.



A member of the Company's Auxillary Police Force at Lada Estate, Indonesia.

Our Code Of Business Ethics (Contd.)

Conflicts of Interests

All UP employees are expected to avoid personal activities and financial interests which would be in conflict with their responsibilities to the group. UP employees must not seek gain for themselves or others through misuse of their positions.

Additional Disclosures

Pursuant to the listing requirements of Bursa Malaysia Securities Berhad, additional disclosures by the Group for the year ended 31 December 2008 are as follows :-

1) Utilization of proceeds raised from Corporate Proposals

There were no issue of shares during the financial year.

2) Share Buy-Backs

There were no share buy-backs or cancellation or resale of treasury shares during the financial year.

3) Options, Warrants and Convertible Securities

There were no option, warrants or convertible securities in issue during the financial year.

4) American Depository Receipt (ADR) and Global Depository Receipt (GDR)

The Company did not sponsor any ADR and GDR in the financial year.

5) Sanctions and/or Penalties

During the financial year, there were no sanctions and/or penalties imposed on the Company or its subsidiary companies, Directors or Officers arising from any significant breach of rules/guidelines/legislation by the relevant regulatory authorities.

6) Non-audit fees paid to External Auditors

Non-audit fees paid and payable to Company and Subsidiaries' external auditors for the financial year were as follows :-

	RM
Tax services	88,600

7) Variation in Profit Estimates, Forecasts, Projections or Unaudited Results

The Group had not issued any profit estimate, forecast or projections during the financial year. There was no variation in the results from the unaudited results for the financial year previously announced.

8) Profit Guarantee

The Group has not provided any profit guarantee in the financial year.

9) Cost of Internal Audit

RM 324,151 was incurred by the Group in the financial year for its outsourced internal audit and in-house internal audit department.



Foundation pits for the new Palm Oil Mill's steriliser station being dug out manually in PT SSSI, Indonesia.



An aerial view of the Palm Oil Mill under construction in PT SSSI, Indonesia.



UNITED PLANTATIONS BERHAD
(Company No. 240-A)

Financial Statements
For the year ended 31 December 2008

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*The upcoming Boiler House site for
the new Palm Oil Mill in Indonesia.*

Report Of The Directors For The Year Ended 31 December 2008

The Directors have pleasure in submitting for your consideration their 88th annual report together with the audited financial statements of the Company and of the Group for the year ended 31 December 2008.

Principal Activities

The Company carries on the business of oil palm and coconut cultivation and processing on its plantations in Peninsular Malaysia.

The Company also has an active Research Centre providing improved planting material for the Company's estates as well as for the Malaysian agricultural sector in general.

The subsidiary companies are primarily engaged in the following activities:

- (a) Business of oil palm cultivation in Indonesia.
- (b) Refining of palm oil, manufacturing edible oils, fats, soap products, cocoa butter substitute and trading in crude palm oil and palm kernel products.
- (c) Shipping and forwarding of vegetable oil and molasses and provision of management services.
- (d) Handling and storage of vegetable oil and molasses.
- (e) Investment holding.

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

Financial Results

	Group RM'000	Company RM'000
Profit after taxation	299,559	297,506

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

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

Group's Plantation Properties

The Group's plantation properties at the end of the year were as follows:

Malaysia	Hectares
UIE estates	10,363
Jendarata	6,380
Kuala Bernam	830
Sungei Bernam	2,292
Ulu Bernam	3,194
Changkat Menti	2,549
Ulu Basir	3,987
Sungei Erong	3,663
Sungei Chawang	3,286
Seri Pelangi	1,422
Lima Blas	2,889
	40,855
Indonesia	
PT Surya Sawit Sejati (planted area)	7,157
	48,012

Report Of The Directors For The Year Ended 31 December 2008 (Contd.)

A statement, which is included in the annual report, contains an analysis of the area of the individual crops. The planting and replanting programmes completed during 2008 were as follows:

906 hectares of oil palm replanted with oil palm
 32 hectares of coconut replanted with coconut
 3,480 hectares newly planted with oil palm

Dividends

Dividends paid by the Company since the end of the previous financial year are as follows:

- a) An interim dividend of 20% less 26% tax amounting to RM30,803,871 in respect of the previous financial year was paid on 4 February 2008.
- b) A final dividend of 20% less 26% tax amounting to RM30,803,871 in respect of the previous financial year was paid on 23 July 2008.
- c) An interim dividend of 20% less 25% tax amounting to RM31,220,140 in respect of the current financial year was paid on 5 February 2009.

At the forthcoming Annual General Meeting, a final dividend of 20% less 25% tax amounting to RM31,220,140 and a special dividend of 10% less 25% tax amounting to RM15,610,070 in respect of the year ended 31 December 2008 on the ordinary shares in issue at book closure date will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2009.

Directors

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

Ybhg. Tan Sri Datuk Dr. Johari bin Mat
 Mr. Ho Dua Tiam
 Mr. G. Peter Selvarajah
 Ybhg. Dato' Carl Bek-Nielsen
 Mr. Ahmad Riza Basir
 Mr. Jeremy Derek Campbell Diamond
 Mr. Martin Bek-Nielsen
 Mr. Mohamad Nasir bin Ab. Latif
 Mr. Brian Bech Nielsen

Report Of The Directors For The Year Ended 31 December 2008 (Contd.)

Directors (Contd.)

The following Directors who held office at the end of the financial year had according to the register

required to be kept under Section 134 of the Companies Act, 1965, an interest in shares of the Company and its subsidiary companies, as stated below:

The Company:	Number of Shares of RM1.00 each				% of Issued Share Capital
	1 January 2008	Bought	Sold	31 December 2008	
Ybhg. Tan Sri Datuk Dr. Johari bin Mat - held directly	140,000	-	30,000	110,000	0.05
Mr. Ho Dua Tiam - held directly	707,400	-	-	707,400	0.34
Mr. G. Peter Selvarajah - held directly	60,120	24,000	-	84,120	0.04
Ybhg. Dato' Carl Bek-Nielsen - held directly	1,513,886	136,114	-	1,650,000	0.79
- deemed interested	93,902,447	1,158,665	125	95,060,987*	45.67
Mr. Ahmad Riza Basir - held directly	70,500	-	-	70,500	0.03
- deemed interested	2,646,440	-	5,000	2,641,440	1.27
Mr. Jeremy Derek Campbell Diamond - held directly	14,000	-	-	14,000	0.01
- deemed interested	210,000	-	-	210,000	0.10
Mr. Martin Bek-Nielsen - held directly	528,762	71,238	-	600,000	0.29
- deemed interested	93,902,447	1,158,665	125	95,060,987*	45.67
Mr. Brian Bech Nielsen - deemed interested	5,000	-	-	5,000	-

Report Of The Directors For The Year Ended 31 December 2008 (Contd.)

Directors (Contd.)

Note:

* Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen

8,154,472 shares	-	Deemed interested in the shares registered in the name of United International Enterprises Limited
86,891,100 shares	-	Deemed interested in the shares registered in the name of Maximum Vista Sdn. Bhd.
10,415 shares	-	Deemed interested in the shares registered in the name of International Plantations Services Limited Ref. 10
5,000 shares	-	Deemed interested in the shares registered in the name of Mas Holdings Limited

95,060,987 shares

By virtue of their interest in the shares of United International Enterprises Limited, Maximum Vista Sdn. Bhd., International Plantations Services Limited and Mas Holdings Limited, Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen are also deemed to have interest in the shares of all the subsidiary companies of the Company to the extent the Company has an interest in them.

The remaining Director in office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

Neither at the end of the financial year, nor at any time during the 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 any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest except as disclosed in Note 27 to the financial statements.

Report Of The Directors For The Year Ended 31 December 2008 (Contd.)

Other Statutory Information

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to 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 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 and 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 in respect of the Group and 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 and 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 and of the Company for the financial year in which this report is made.

Report Of The Directors For The Year Ended 31 December 2008 (Contd.)

Auditors

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 March 2009.

TAN SRI DATUK	}	
DR. JOHARI BIN MAT	}	
	}	
	}	
	}	Directors
	}	
	}	
HO DUA TIAM	}	

Jendarata Estate
36009 Teluk Intan,
Perak Darul Ridzuan,
Malaysia

Income Statements

For The Year Ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	4	1,030,925	674,193	628,510	408,598
Other income		21,735	7,856	12,589	7,720
		1,052,660	682,049	641,099	416,318
Changes in finished goods		4,571	26,242	(4,205)	11,577
Raw materials and consumables used		(402,908)	(270,158)	(24,742)	(25,358)
Amortisation of biological assets		(18,114)	(19,092)	(18,114)	(19,092)
Depreciation of property, plant and equipment		(19,004)	(17,428)	(14,152)	(12,821)
Amortisation of prepaid lease payments		(4,164)	(4,115)	(4,164)	(4,115)
Staff costs	5	(106,289)	(93,659)	(94,139)	(82,715)
Other expenses		(117,174)	(78,698)	(91,841)	(66,643)
Profit from operations	5	389,578	225,141	389,742	217,151
Finance costs	6	(30)	(14)	(26)	(9)
Reversal of impairment losses on unquoted shares		824	1,965	824	1,965
Investment and interest income	7	7,446	5,893	6,769	5,164
Profit before taxation		397,818	232,985	397,309	224,271
Taxation	8	(98,259)	(53,597)	(99,803)	(55,209)
Net profit for the year		299,559	179,388	297,506	169,062
Attributable to:					
Equity holders of the Company		299,559	179,401	297,506	169,062
Minority interests		-	(13)	-	-
		299,559	179,388	297,506	169,062
Earnings per share (sen)	9	144	86		

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

Balance Sheets

As At 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Assets					
Non-Current Assets					
Biological assets	10(a)	241,345	196,499	178,722	177,037
Property, plant and equipment	10(b)	388,414	364,946	328,940	322,388
Prepaid lease payments	10(c)	380,866	385,073	355,761	359,408
Subsidiary companies	11	-	-	177,451	97,451
Advances to a foreign company	12	19,182	18,651	-	-
Associated company	13	-	-	50	50
Amount due from associated company	13	48	17	48	17
Available for sale financial assets	14	9,071	8,247	9,071	8,247
		1,038,926	973,433	1,050,043	964,598
Current Assets					
Inventories	15	139,465	118,034	45,282	41,489
Trade receivables	16	60,433	46,296	4,496	2,445
Other receivables, deposits and prepayments	17	33,487	52,729	16,652	3,191
Amounts due from subsidiary companies	11	-	-	93,761	135,942
Tax recoverable		487	546	-	-
Financial assets at fair value	14	-	3,060	-	3,060
Deposits with licensed banks	18	361,084	159,615	327,079	126,800
Cash and bank balances		11,201	8,790	5,570	3,107
		606,157	389,070	492,840	316,034
Total Assets		1,645,083	1,362,503	1,542,883	1,280,632
Equity and Liabilities					
Equity attributable to equity holders of the Company					
Share capital	19	208,134	208,134	208,134	208,134
Reserves	20	1,224,853	988,347	1,169,033	933,551
		1,432,987	1,196,481	1,377,167	1,141,685
Minority interest		619	672	-	-
Total Equity		1,433,606	1,197,153	1,377,167	1,141,685
Non-Current Liabilities					
Deferred taxation	21	59,094	60,714	53,800	53,400
Retirement benefit obligations	22	7,129	2,958	5,787	1,765
		66,223	63,672	59,587	55,165
Current Liabilities					
Trade payables	23	19,193	19,071	1,302	2,331
Other payables and accruals	23	56,278	32,753	34,076	30,886
Amounts due to subsidiary companies	11	-	-	1,594	1,198
Taxation		37,120	18,183	36,735	18,177
Dividends payable		31,220	30,804	31,220	30,804
Bank borrowings	24	19	232	-	-
Retirement benefit obligations	22	1,424	635	1,202	386
		145,254	101,678	106,129	83,782
Total Liabilities		211,477	165,350	165,716	138,947
Total Equity and Liabilities		1,645,083	1,362,503	1,542,883	1,280,632

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

Consolidated Statement Of Changes In Equity
For The Year Ended 31 December 2008

Group	Note	Attributable to Equity Holders of the Company					Total	Minority Interest	Total Equity
		Share capital (Note 19)	Retained profits (Note 20)	Share premium (Note 20)	Capital reserve (Note 20)	Foreign currency translation reserve (Note 20)			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2007		208,134	660,783	181,920	21,798	(534)	1,072,101	304	1,072,405
Foreign currency translation Net expense recognised directly in equity		-	-	-	-	(1,426)	(1,426)	(75)	(1,501)
Increase in the paid-up share capital of a subsidiary company		-	-	-	-	-	-	456	456
Net profit for the year		-	179,401	-	-	-	179,401	(13)	179,388
Dividends	25	-	(53,595)	-	-	-	(53,595)	-	(53,595)
At 31 December 2007		208,134	786,589	181,920	21,798	(1,960)	1,196,481	672	1,197,153
At 1 January 2008		208,134	786,589	181,920	21,798	(1,960)	1,196,481	672	1,197,153
Foreign currency translation Net expense recognised directly in equity		-	-	-	-	(1,029)	(1,029)	(53)	(1,082)
Net profit for the year		-	299,559	-	-	-	299,559	-	299,559
Dividends	25	-	(62,024)	-	-	-	(62,024)	-	(62,024)
At 31 December 2008		208,134	1,024,124	181,920	21,798	(2,989)	1,432,987	619	1,433,606

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

Statement Of Changes In Equity
For The Year Ended 31 December 2008

Company

	Note	Share capital (Note 19) RM'000	Retained profits (Note 20) RM'000	Share premium (Note 20) RM'000	Total RM'000
At 1 January 2007		208,134	636,164	181,920	1,026,218
Net profit for the year		-	169,062	-	169,062
Dividends	25	-	(53,595)	-	(53,595)
At 31 December 2007		208,134	751,631	181,920	1,141,685
At 1 January 2008		208,134	751,631	181,920	1,141,685
Net profit for the year		-	297,506	-	297,506
Dividends	25	-	(62,024)	-	(62,024)
At 31 December 2008		208,134	987,113	181,920	1,377,167

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

Cash Flow Statements

For The Year Ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash Flows From Operating Activities					
Receipts from customers		1,016,788	673,740	626,459	412,985
Payments to suppliers		(385,926)	(264,781)	(25,771)	(25,313)
Payments of operating expenses		(206,759)	(218,161)	(198,931)	(141,689)
Payments of taxes		(80,883)	(52,200)	(80,845)	(51,733)
Other receipts		21,619	7,517	12,473	7,381
Net cash generated from operating activities		364,839	146,115	333,385	201,631
Cash Flows From Investing Activities					
Proceeds from sale of property, plant and equipment		116	339	116	339
Interest income		7,427	4,589	6,750	3,860
Dividend income		-	248	-	248
Pre-cropping expenditure incurred		(64,164)	(30,824)	(19,799)	(15,946)
Purchase of property, plant and equipment	(a)	(43,894)	(36,742)	(21,186)	(31,235)
Prepaid lease payments made		(1,110)	(9,038)	(517)	(4,553)
Proceeds from sale of financial assets at fair value		3,079	5,882	3,079	5,882
Purchase of investment in negotiable instrument of deposit		-	(5,000)	-	(5,000)
Advances to a foreign company		(531)	(18,651)	-	-
Subscription of RCCPS issued by a subsidiary company	11(a)	-	-	(80,000)	(30,000)
Net cash used in investing activities		(99,077)	(89,197)	(111,557)	(76,405)

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

Cash Flow Statements

For The Year Ended 31 December 2008 (Contd.)

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash Flows From Financing Activities					
Interest paid		(30)	(14)	(26)	(9)
Dividends paid		(61,608)	(45,582)	(61,608)	(45,582)
Inter-company balances		-	-	42,579	(71,742)
Associated company balances		(31)	(6)	(31)	(6)
Net cash used in financing activities		(61,669)	(45,602)	(19,086)	(117,339)
Net Increase In Cash And Cash Equivalents					
		204,093	11,316	202,742	7,887
Cash And Cash Equivalents At The Beginning Of Year					
		168,173	156,857	129,907	122,020
Cash And Cash Equivalents At The End Of Year					
	(b)	372,266	168,173	332,649	129,907

(a) Purchase of property, plant and equipment during the year was fully paid for in cash and excludes intragroup transfers.

(b) Analysis of cash and cash equivalents:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits with licensed banks	361,084	159,615	327,079	126,800
Cash and bank balances	11,201	8,790	5,570	3,107
Bank overdrafts	(19)	(232)	-	-
	372,266	168,173	332,649	129,907

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

Notes To The Financial Statements

1. Corporate Information

The Company carries on the business of oil palm and coconut cultivation and processing on its plantations in Peninsular Malaysia. The Company also has an active Research Centre providing improved planting material for the Company's estates as well as for the Malaysian agricultural sector in general. The principal activities of the subsidiary companies and associated company are as disclosed in Note 3.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad and the Nasdaq OMX Copenhagen A/S. The registered office and principal place of business is located at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan.

The number of employees at 31 December 2008 for the Group was 7,198 (2007: 6,749) and for the Company was 5,670 (2007: 5,553).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 30 March 2009.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in the notes to the financial statements. The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia. At the beginning of the current financial year, the Group and the Company have adopted the following new/revised FRSs mandatory for the financial period beginning on or after 1 July 2007:

FRS 107 : Cash Flow Statements
 FRS 111 : Construction Contracts
 FRS 112 : Income Taxes
 FRS 118 : Revenue
 FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance

Notes To The Financial Statements (Contd.)

2.1 Basis of Preparation (Contd.)

FRS 134 : Interim Financial Reporting

FRS 137 : Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121 : The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

IC Interpretation 1 : Changes in Existing Decommissioning, Restoration and Similar Liabilities

IC Interpretation 2 : Members' Shares in Co-operative Entities and Similar Instruments

IC Interpretation 5 : Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

IC Interpretation 6 : Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment

IC Interpretation 7 : Applying the Restatement Approach under FRS 129₂₀₀₄ - Financial Reporting in Hyperinflationary Economies

IC Interpretation 8 : Scope of FRS 2

The revised FRSs, amendment to FRS and Interpretations above do not have any significant impact on the financial statements of the Group and of the Company.

2.2 Summary of Significant Accounting Policies

(a) Subsidiary Companies And Basis Of Consolidation

Subsidiary companies are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

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

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(a) Subsidiary Companies and Basis of Consolidation (Contd.)

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

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

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

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

Minority interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group. It is measured at the minorities' share of the fair values of the subsidiary companies' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiary companies' equity since then.

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(b) Associated Companies

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

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associated company is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associated company.

The Group's share of the net profit or loss of the associated company is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associated company, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses in transactions between the Group and the associated company are eliminated to the extent of the Group's interest in the associated company. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associated company. The associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

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

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(b) Associated Companies (Contd.)

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

The most recent available audited financial statements of the associated companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associated companies are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

(c) (i) Biological Assets

Biological assets comprise pre-cropping expenditure incurred from land clearing to the point of maturity.

Such expenditure is capitalised and is amortised at maturity of the crop at the following rates which are deemed as the useful economic lives of the crop:

Pre-cropping expenditure - oil palm	over 20 years or 5%
Pre-cropping expenditure - coconut palm	over 30 years or approximately 3.33%

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(c) (ii) Property, Plant and Equipment and Depreciation

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

Subsequent to recognition, property, plant and equipment except for freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of freehold land initially acquired is allocated between the land, buildings and biological assets elements in proportion to the relative fair values for the interests in the land element, buildings element and biological assets element. Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Other property, plant and equipment are depreciated by equal annual installments over their estimated economic lives based upon the original cost or deemed cost on a straight line basis to write-off the cost of each asset to its residual value over the estimated useful life. The principal annual depreciation rates used are:

Buildings	2% - 5%
Bulking installations	5%
Railways	over 25 years or 4%
Rolling stock	over 14 years or approximately 7.14%
Plant and machinery	5% - 10%
Furniture and office equipment	10% - 20%
Motor vehicles, tractors and implements	12.5% - 25%

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

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(c) (ii) Property, Plant and Equipment and Depreciation (Contd.)

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

(iii) Prepaid Lease Payments

Leasehold land held for own use is classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land, buildings and biological assets elements in proportion to the relative fair values for leasehold interests in the land element, buildings element and biological assets element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

Leasehold land is amortised over the period of the respective leases ranging from 30 to 99 years. In this connection, long term leasehold land refers to land with unexpired lease tenure of 50 years and above.

(d) Inventories

Contracted produce stocks are stated at contracted price and uncommitted produce stocks are stated at market value at the balance sheet date.

All other inventories are valued at the lower of cost and estimated net realisable value. Cost includes the actual cost of materials, labour and appropriate production overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(e) Income Tax

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

Deferred tax is provided for using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(f) Foreign Currencies

(i) Functional and Presentation Currency

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

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(f) Foreign Currencies (Contd.)

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to the functional currency at exchange rates ruling on the transaction dates.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operation, at which time they are recognised in the profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in the profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in the profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(f) Foreign Currencies (Contd.)

(ii) Foreign Currency Transactions (Contd.)

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

The principal exchange rates used for foreign currency ruling at the balance sheet date are as follows:

	2008	2007
	RM	RM
1 United States Dollar	3.47	3.32
100 Danish Kroner	65.92	64.88
100 Indonesian Rupiah	0.032	0.034
1 Euro	5.12	*

* The Group was not exposed to any transaction in Euro in prior year

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(f) Foreign Currencies (Contd.)

(iii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

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

(g) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) *Sale of goods*

Revenue from sale of produce stocks and finished goods is recognised when the significant risk and rewards of ownership of the produce stocks and finished goods have passed to the buyer.

(ii) *Interest income*

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(iii) *Dividend income*

Dividend income from investment is recognised when the right to receive payment is established.

(iv) *Revenue from services*

Revenue from services is recognised when services are rendered and invoiced.

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(g) Revenue Recognition (Contd.)

(v) *Rental income*

Rental income is recognised on a time proportion basis.

(h) Employee Benefits

(i) *Short term benefits*

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

(ii) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). In addition, the Group also contributes to a defined contribution fund set up for certain eligible employees of the Group.

(iii) *Defined benefit plans*

The Company and certain subsidiary companies provide for retirement benefit for their eligible employees on unfunded, defined benefit plans in accordance with the terms of employment and practices. The Group's obligations under these plans are determined internally based on certain actuarial assumptions where the amount of benefits that employees have earned in return for their services rendered is estimated. Benefits are discounted using the Projected Unit Credit Method in order to determine their present values.

Full provision has been recognised for retirement benefit payable to all eligible employees. Should an employee leave before attaining the retirement age, the provision made for the employee is written back. Actuarial gains or losses are recognised as income or expense immediately. Past service costs are recognised immediately.

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, including land clearing and planting up to the time of maturity, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

(j) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than inventories, assets arising from employee benefits and financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs and prorated to the asset by reference to the cost of the asset to the cost of the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal 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 the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(k) Financial Instruments

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

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

(i) Trade and Other Receivables

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

(ii) Trade and Other Payables

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

(iii) Non-Current Investments - Available for Sale Financial Assets

Investments are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(j).

(iv) Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

(v) Equity Instruments

Ordinary shares are classified as equity. The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided. Costs of issuing equity securities in connection with a business combination are included in the cost of acquisition. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(k) Financial Instruments (Contd.)

(vi) Derivative Financial Instruments

The Group uses derivative financial instruments such as forward foreign exchange contracts and commodity futures contracts to hedge the Group's exposure to foreign currency and commodity price fluctuations.

Such derivative financial instruments are measured at fair value at each balance sheet date. The fair values of derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives are recognized in the income statement.

The fair values of the forward foreign exchange contracts have been calculated using the rates quoted by the Group's bankers to terminate the contracts at the balance sheet date and the fair value of the commodity futures contracts are estimated using future market prices quoted by the Group's broker as at balance sheet date.

(vii) Cash and Cash Equivalents

Cash and cash equivalents represent cash and bank balances, fixed deposits and other short term highly liquid investments that are readily convertible into cash with insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

(viii) Marketable securities - Financial Assets at Fair Value

Marketable securities are carried at market value, determined on an aggregate basis. Market value is determined based on quoted market price. Increases or decreases in the carrying amount of marketable securities are recognised in the income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in the income statement.

(l) Research and Development Costs

All general research and development costs are expensed as incurred.

(m) Operating Leases - the Group as Lessee

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease.

Notes To The Financial Statements (Contd.)

2.2 Summary of Significant Accounting Policies (Contd.)

(n) Government Grants

Grants that compensate the Group for replanting expenses incurred are credited against the pre-cropping expenditure and are amortised over the economic life of the crop.

Grants received as incentives by the Group are recognised as income in the periods the incentives are receivable where there is reasonable assurance that the grant will be received.

2.3 Significant Accounting Estimate

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

(i) Impairment of property, plant and equipment

In the previous years, the Group had recognised an impairment loss of RM1,700,000 in respect of a subsidiary company's fractionation plant included within property, plant and equipment. The Group carried out the impairment test based on the value-in-use of the plant. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the plant.

If the management's estimated gross contribution had been lower by 10%, the property, plant and equipment would be further impaired by RM800,000.

(ii) Biological assets

Biological assets comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop over the useful economic lives of the crop. Management estimates the useful economic lives of the Group's and the Company's oil palms and coconut palms to be 20 years and 30 years respectively.

Notes To The Financial Statements (Contd.)

2.3 Significant Accounting Estimate (Contd.)

(iii) Deferred tax assets

The unutilised reinvestment allowances are available indefinitely for offset against future taxable profits of a subsidiary company in which those items arose. Deferred tax assets have not been recognised in respect of these items by the management as they are not allowed to be used to offset taxable profits of other companies in the Group, and it is not foreseen that there would be taxable profits to utilise these allowances in the near future.

2.4 Standards and Interpretations Issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010

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

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

Notes To The Financial Statements (Contd.)

3. Group Structure

The subsidiary companies are as follows:

Company	Country of incorporation	Percentage of equity held by the Group		Activity (see below)
		2008 %	2007 %	
Unitata Berhad	Malaysia	100	100	(a)
Bernam Agencies Sdn. Bhd.	Malaysia	100	100	(b)
Butterworth Bulking Installation Sdn. Bhd.	Malaysia	100	100	(c)
Bernam Advisory Services Sdn. Bhd.	Malaysia	100	100	(d)
PT Surya Sawit Sejati ("PT SSS1")	Indonesia	95	95	(e)
United International Enterprises (M) Sdn. Bhd.	Malaysia	100	100	Dormant
Berta Services Sdn. Bhd.	Malaysia	100	100	Dormant
Kapal Bernam Sdn. Bhd.	Malaysia	100	100	Dormant
Scanlook Sdn. Bhd.	Malaysia	100	100	Dormant

The subsidiary companies are primarily engaged in the following activities:

- (a) Refining of palm oil, manufacturing edible oils, fats, soap products, cocoa butter substitute and trading in crude palm oil and palm kernel products.
- (b) Shipping and forwarding of vegetable oil and molasses and provision of management services.
- (c) Handling and storage of vegetable oil and molasses.
- (d) Investment holding.
- (e) Business of oil palm cultivation in Indonesia. As the 7,157 hectares of oil palms planted as at the balance sheet date are still immature, there is no revenue contribution from PT SSS1 during the year.

Notes To The Financial Statements (Contd.)

3. Group Structure (Contd.)

The associated company is as follows:

Company	Country of incorporation	Percentage of equity held by the Group	
		2008	2007
		%	%
Bernam Bakery Sdn. Bhd.	Malaysia	30	30

The associated company is dormant and the financial statements of the associated company are coterminous with those of the Group.

4. Revenue

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue consists of the following and excludes, in respect of the Group, intragroup transactions:				
Sales proceeds of produce stocks	567,673	354,626	628,510	408,598
Sales proceeds of finished goods	462,474	318,750	-	-
Services	778	817	-	-
	1,030,925	674,193	628,510	408,598

Notes To The Financial Statements (Contd.)

5. Profit from Operations

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit from operations is arrived at, after charging:				
Directors' remuneration				
- fees	596	594	485	485
- emoluments	3,117	3,049	3,117	3,049
- others	91	91	91	91
Auditors' remuneration				
- current year	252	241	172	155
Write-down of inventories	3,323	1,052	41	432
Rental of premises	397	87	22	-
Rental of equipment	1,297	1,267	45	36
Provision for doubtful debts	1,100	45	-	-
Property, plant and equipment written off	529	407	366	407
Net unrealised foreign exchange loss	15,458	961	-	-
Realised foreign exchange loss	114	-	-	-
and crediting:				
Rental income	85	90	85	90
Profit on disposal of property, plant and equipment	-	339	-	339
Coconut incentives from Government	831	-	831	-
Realised foreign exchange gain	54	190	54	42

Staff costs of the Group and of the Company incurred during the financial year consist of the following:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages and salaries	85,499	79,508	75,231	70,131
Social security cost	407	469	299	354
Pension costs				
- defined contribution plans	5,375	4,817	4,529	4,061
- defined benefit plans (Note 22)	5,528	373	5,189	331
Other staff related expenses	9,480	8,492	8,891	7,838
	106,289	93,659	94,139	82,715

Notes To The Financial Statements (Contd.)

5. Profit from Operations (Contd.)

Included in staff costs of the Group and of the Company are executive directors' emoluments amounting to RM3,117,000 (2007: RM3,049,000).

In addition to contribution to the Employees Provident Fund, the Group also contributes to a defined contribution fund set up for certain eligible employees of the Group.

6. Finance Costs

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Finance costs consist of interest expenses on:				
- bank overdraft / bankers acceptances	30	14	26	9

7. Investment and Interest Income

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Gross dividends received from shares in quoted corporations	-	248	-	248
Interest received from subsidiary companies	-	-	700	458
Other interest income	7,427	4,589	6,050	3,402
Gain on revaluation of financial assets at fair value (Note 14)	-	206	-	206
Gain on disposal of financial assets at fair value	19	850	19	850
	7,446	5,893	6,769	5,164

Notes To The Financial Statements (Contd.)

8. Taxation

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current income tax:				
Malaysian income tax	102,780	59,509	102,300	59,100
Overprovision in prior years	(2,901)	(2,000)	(2,897)	(2,000)
	99,879	57,509	99,403	57,100
Deferred tax (Note 21):				
Relating to origination and reversal of temporary difference	780	(1,612)	2,550	109
Relating to changes in tax rates	(2,400)	(2,300)	(2,150)	(2,000)
	(1,620)	(3,912)	400	(1,891)
Total income tax expense	98,259	53,597	99,803	55,209

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% effective year of assessment 2009 from the current year's rate of 26%. The computation of deferred tax as at 31 December 2008 has reflected these changes.

A subsidiary of the Group being Malaysian resident company with paid-up capital of RM2.5 million or less qualifies for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%
In excess of RM500,000 of chargeable income : Malaysian corporate statutory tax rate

Notes To The Financial Statements (Contd.)

8. Taxation (Contd.)

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before taxation	397,818	232,985	397,309	224,271
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	103,433	62,906	103,300	60,553
Effect of income subject to tax rate of 20% (2007: 20%)	(26)	(30)	-	-
Income not subject to tax	(320)	(916)	(320)	(916)
Expenses not deductible for tax purposes	7,719	5,674	4,319	4,314
Utilisation of current year reinvestment allowance and double deduction for research	(2,449)	(2,142)	(2,449)	(2,142)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(286)	(2,995)	-	-
Utilisation of previously unrecognised reinvestment allowances	(2,511)	-	-	-
Overprovision of income tax in prior years	(2,901)	(2,000)	(2,897)	(2,000)
Effect of taxation on temporary differences excluded on initial recognition	(2,000)	(2,000)	-	-
Effect of exemption of real property gains tax on deferred tax liability	-	(2,600)	-	(2,600)
Effect of change in deferred tax rate from 26% to 25% (2007: 27% to 26%)	(2,400)	(2,300)	(2,150)	(2,000)
Tax expense for the year	98,259	53,597	99,803	55,209

Notes To The Financial Statements (Contd.)

9. Earnings Per Share

The calculation of earnings per share is based on Group profit after taxation and minority interest of RM299,559,000 (2007: RM179,401,000) and on the weighted number of ordinary shares of 208,134,266 (2007: 208,134,266) in issue during the year.

10. (a) Biological Assets

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Pre-cropping expenditure				
Cost				
At 1 January	422,953	392,085	409,021	393,075
Additions	64,911	31,867	19,799	15,946
Exchange differences	(1,951)	(999)	-	-
At 31 December	485,913	422,953	428,820	409,021
Accumulated Amortisation				
At 1 January	226,454	207,362	231,984	212,892
Amortisation for the year	18,114	19,092	18,114	19,092
At 31 December	244,568	226,454	250,098	231,984
Net Book Value				
At 31 December	241,345	196,499	178,722	177,037

Included in the additions of the Group during the year are depreciation of property, plant and equipment and amortisation of prepaid lease payments of a subsidiary company, PT SSS1 totalling RM747,000 (2007: RM1,043,000).

Notes To The Financial Statements (Contd.)

10. (b) Property, Plant and Equipment

Group

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Capital work-in- progress RM'000	Total RM'000
Cost					
At 1 January 2008	203,483	153,762	353,913	12,990	724,148
Additions	-	8,016	18,519	17,359	43,894
Disposals	-	(31)	(1,414)	-	(1,445)
Written off	-	(351)	(657)	-	(1,008)
Reclassification	-	546	11,822	(12,368)	-
Exchange differences	-	(10)	(169)	(93)	(272)
At 31 December 2008	203,483	161,932	382,014	17,888	765,317
Accumulated Depreciation and Impairment Losses					
At 1 January 2008 :					
Accumulated depreciation	-	102,055	245,661	-	347,716
Accumulated impairment losses	-	-	11,486	-	11,486
	-	102,055	257,147	-	359,202
Depreciation for the year	-	5,329	13,675	-	19,004
Depreciation capitalised during the year	-	72	475	-	547
Disposals	-	(31)	(932)	-	(963)
Written off	-	(188)	(657)	-	(845)
Exchange differences	-	(1)	(41)	-	(42)
At 31 December 2008	-	107,236	269,667	-	376,903
Analysed as :					
Accumulated depreciation	-	107,236	258,181	-	365,417
Accumulated impairment losses	-	-	11,486	-	11,486
	-	107,236	269,667	-	376,903
Net Book Value					
At 31 December 2008	203,483	54,696	112,347	17,888	388,414

Notes To The Financial Statements (Contd.)

10. (b) Property, Plant and Equipment (Contd.)

Group

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Capital work-in- progress RM'000	Total RM'000
Cost					
At 1 January 2007	203,480	149,151	336,240	2,610	691,481
Additions	3	4,540	18,614	13,585	36,742
Disposals	-	-	(2,145)	-	(2,145)
Written off	-	-	(1,727)	-	(1,727)
Reclassification	-	84	3,121	(3,205)	-
Exchange differences	-	(13)	(190)	-	(203)
At 31 December 2007	203,483	153,762	353,913	12,990	724,148
Accumulated Depreciation and Impairment Losses					
At 1 January 2007 :					
Accumulated depreciation	-	96,995	236,233	-	333,228
Accumulated impairment losses	-	-	11,486	-	11,486
Depreciation for the year	-	96,995	247,719	-	344,714
Depreciation capitalised during the year	-	5,048	12,380	-	17,428
Disposals	-	13	542	-	555
Written off	-	-	(2,145)	-	(2,145)
Exchange differences	-	-	(1,320)	-	(1,320)
	-	(1)	(29)	-	(30)
At 31 December 2007	-	102,055	257,147	-	359,202
Analysed as :					
Accumulated depreciation	-	102,055	245,661	-	347,716
Accumulated impairment losses	-	-	11,486	-	11,486
	-	102,055	257,147	-	359,202
Net Book Value					
At 31 December 2007	203,483	51,707	96,766	12,990	364,946

Notes To The Financial Statements (Contd.)

10. (b) Property, Plant and Equipment (Contd.)

Company

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Capital work-in- progress RM'000	Total RM'000
Cost					
At 1 January 2008	202,918	131,577	237,621	11,840	583,956
Additions	-	6,957	14,229	-	21,186
Disposals	-	(31)	(1,414)	-	(1,445)
Written off	-	-	(657)	-	(657)
Reclassification	-	18	11,822	(11,840)	-
At 31 December 2008	202,918	138,521	261,601	-	603,040
Accumulated Depreciation					
At 1 January 2008	-	92,139	169,429	-	261,568
Depreciation for the year	-	4,860	9,292	-	14,152
Disposals	-	(31)	(932)	-	(963)
Written off	-	-	(657)	-	(657)
At 31 December 2008	-	96,968	177,132	-	274,100
Net Book Value					
At 31 December 2008	202,918	41,553	84,469	-	328,940
Cost					
At 1 January 2007	202,915	127,744	225,480	-	556,139
Additions	3	3,833	15,559	11,840	31,235
Disposals	-	-	(2,104)	-	(2,104)
Written off	-	-	(1,314)	-	(1,314)
At 31 December 2007	202,918	131,577	237,621	11,840	583,956
Accumulated Depreciation					
At 1 January 2007	-	87,551	164,207	-	251,758
Depreciation for the year	-	4,588	8,233	-	12,821
Disposals	-	-	(2,104)	-	(2,104)
Written off	-	-	(907)	-	(907)
At 31 December 2007	-	92,139	169,429	-	261,568
Net Book Value					
At 31 December 2007	202,918	39,438	68,192	11,840	322,388

Notes To The Financial Statements (Contd.)

10. (c) Prepaid lease payments

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January	385,073	381,434	359,408	358,970
Additions	1,110	9,038	517	4,553
Amortisation for the year	(4,164)	(4,115)	(4,164)	(4,115)
Amortisation capitalised during the year	(200)	(288)	-	-
Exchange differences	(953)	(996)	-	-
At 31 December	380,866	385,073	355,761	359,408
At net book value				
- Long term leasehold land	355,761	361,105	355,761	351,482
- Short term leasehold land	25,105	23,968	-	7,926
	380,866	385,073	355,761	359,408

11. Subsidiary Companies

	Company	
	2008 RM'000	2007 RM'000
(a) Investment in subsidiary companies		
Unquoted shares at cost	180,443	100,443
Less: Accumulated impairment losses	(2,992)	(2,992)
	177,451	97,451

During the year, the Company subscribed to 80,000,000 (2007: 30,000,000) Redeemable Cumulative Convertible Preference Shares ("RCCPS") issued by a subsidiary company, Bernam Advisory Services Sdn. Bhd.. These funds in turn were used to provide a loan to PT SSS1.

Notes To The Financial Statements (Contd.)

11. Subsidiary Companies (Contd.)

	Company	
	2008 RM'000	2007 RM'000
(b) Amounts due from subsidiary companies		
At 31 December	100,794	142,975
Less: Provision for doubtful debts	(7,033)	(7,033)
	93,761	135,942
Amount receivable within next 12 months	93,761	135,942
Amount receivable after next 12 months	-	-

The amounts due from subsidiary companies are unsecured and have no fixed term of repayment. Overdue trade debts from a subsidiary company and advances to a subsidiary company bear an average interest at approximately 3.73% (2007: 3.60% and Nil respectively) per annum. All other amounts are non-interest bearing.

(c) Amounts due to subsidiary companies

The amounts due to subsidiary companies are interest free, unsecured and have no fixed terms of repayment.

12. Advances to a foreign company

On 27 April 2007, the Company entered into a Master Agreement with the shareholders of PT. Sawit Seberang Seberang ("PT SSS2"), an unlisted company incorporated in Indonesia, whereby the Company will have a 93% interest in PT SSS2. The Company is in the process of acquiring the shares of PT SSS2 and obtaining the approvals of the relevant Indonesian and Malaysian authorities. The approvals by the Indonesian authorities are conditional upon the issuance of the land use and development rights by the relevant authorities which have been delayed due to uncertainties surrounding the spatial planning between the Central Government and Provincial Government in Central Kalimantan.

As at 31 December 2008, the Group had advanced amounts totalling RM19,182,000 (2007: RM18,651,000) to PT SSS2 for the purpose of securing land rights and plantation development in Kalimantan, Indonesia. These advances are unsecured, interest-free and are not expected to be recalled within the next 12 months.

Notes To The Financial Statements (Contd.)

13. Associated Company

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Investment in an associated company				
Unquoted shares, at cost	101	101	101	101
- Share of post acquisition losses and reserves (see Note (i) below)	(101)	(101)	-	-
- Accumulated impairment losses	-	-	(51)	(51)
	-	-	50	50
Represented by :				
Share of net assets	-	-		

	Group	
	2008 RM'000	2007 RM'000
Note (i):		
Share of post acquisition losses and reserves is arrived at as follows:		
Loss for the year	-	-
Share of accumulated losses	(101)	(101)
	(101)	(101)

The amount due from associated company is interest free, unsecured and has no fixed terms of repayment.

Notes To The Financial Statements (Contd.)

14. Other Investments

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Available for sale financial assets				
- Non-current				
Unquoted shares at cost	4,534	4,534	4,534	4,534
Negotiable instrument of deposit	5,000	5,000	5,000	5,000
Accumulated impairment losses on unquoted shares	(463)	(1,287)	(463)	(1,287)
	9,071	8,247	9,071	8,247
Financial Assets At Fair Value				
- Current				
Quoted shares in Malaysia at cost	-	2,854	-	2,854
Surplus on revaluation (Note 7)	-	206	-	206
	-	3,060	-	3,060
Market value of quoted shares	-	3,060	-	3,060

15. Inventories

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At net realisable value				
Produce stocks	17,049	21,255	17,049	21,255
At carrying amount				
Estate stores (Note (a))	43,134	22,058	28,233	20,234
Raw materials	5,793	6,765	-	-
Work-in-progress	670	758	-	-
Finished goods (Note (b))	68,905	63,411	-	-
Consumables (Note (c))	3,914	3,787	-	-
	139,465	118,034	45,282	41,489
Note (a):				
Estate stores	43,675	22,558	28,774	20,734
Write-down of inventories	(541)	(500)	(541)	(500)
	43,134	22,058	28,233	20,234

Notes To The Financial Statements (Contd.)

15. Inventories (Contd.)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Note (b):				
Finished goods	74,362	65,586	-	-
Write-down of inventories	(5,457)	(2,175)	-	-
	68,905	63,411	-	-
Note (c):				
Consumables	5,614	5,487	-	-
Write-down of inventories	(1,700)	(1,700)	-	-
	3,914	3,787	-	-

Included in produce stocks of the Group and of the Company are unrealised profit amounting to RM10,680,000 (2007: Group and Company RM14,623,000) arising from valuation of the inventories at net realisable value. As at 31 January 2009, all the produce stocks as at 31 December 2008 had been delivered to customers.

16. Trade Receivables

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Balance as at 31 December	61,670	46,433	4,496	2,445
Less: Provision for doubtful debts	(1,237)	(137)	-	-
	60,433	46,296	4,496	2,445

Included in trade receivables of the Group is an amount of RM48,965,000 (2007: RM20,678,000) being trade debts due from companies in which certain Directors have an interest. These trade debts are interest free, unsecured and repayable on demand.

The average credit terms granted to the Group's customers are 10 to 60 days (2007: 10 to 60 days).

Except for the amount due from companies in which certain Directors have an interest, the Group has no other significant concentration of risk that may arise from exposures to a single debtor or to a group of debtors.

Notes To The Financial Statements (Contd.)

17. Other Receivables, Deposits and Prepayments

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other receivables	27,882	52,233	16,465	2,873
Deposits	196	137	87	36
Prepayments	5,488	438	179	361
Less: Provision for doubtful debts	(79)	(79)	(79)	(79)
	33,487	52,729	16,652	3,191

Included in other receivables of the Group is an amount of RM57,000 (2007: RM39,057,000) being deposit paid for trading of derivatives with a company in which certain Directors have an interest.

18. Deposits with Licensed Banks

The weighted average interest rates during the financial year and the average maturity period of deposits as at 31 December 2008 are as follows:

	Weighted Average Interest Rates		Average Maturity Period	
	2008	2007	2008	2007
	%	%	Days	Days
Deposits with licensed banks	3.17	3.20	60	30

19. Share Capital

	Number of Ordinary Shares of RM1 each		Amount	
	2008 Unit'000	2007 Unit'000	2008 RM'000	2007 RM'000
Authorised	500,000	500,000	500,000	500,000
Issued and fully paid: At 1 January and 31 December	208,134	208,134	208,134	208,134

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes To The Financial Statements (Contd.)

20. Reserves

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Distributable				
Retained profits	1,024,124	786,589	987,113	751,631
Non-distributable				
Share premium	181,920	181,920	181,920	181,920
Capital reserve	21,798	21,798	-	-
Foreign currency translation reserve	(2,989)	(1,960)	-	-
	200,729	201,758	181,920	181,920
Total	1,224,853	988,347	1,169,033	933,551

The nature and purpose of each category of reserve are as follows:

(a) Retained Profits

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

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2008 and 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 December 2008 and 2007, the Company has sufficient credit in the 108 balance and tax exempt income account to pay franked dividends out of its entire retained earnings.

(b) Capital Reserve

The capital reserve is in respect of bonus shares issued by subsidiary companies out of their retained earnings.

Notes To The Financial Statements (Contd.)

20. Reserves (Contd.)

(c) Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

21. Deferred Taxation

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January	60,714	64,626	53,400	55,291
Recognised in the income statement (Note 8)	(1,620)	(3,912)	400	(1,891)
At 31 December	59,094	60,714	53,800	53,400
Presented after appropriate offsetting as follows:				
Deferred tax assets	(2,044)	(818)	(1,986)	(845)
Deferred tax liabilities	61,138	61,532	55,786	54,245
	59,094	60,714	53,800	53,400

Notes To The Financial Statements (Contd.)

21. Deferred Taxation (Contd.)

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

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000
At 1 January 2007	65,359
Recognised in the income statement	(3,827)
<hr/>	
At 31 December 2007	61,532
<hr/>	
At 1 January 2008	61,532
Recognised in the income statement	(394)
<hr/>	
At 31 December 2008	61,138

Deferred Tax Assets of the Group:

	Provision for Retirement		
	Benefits RM'000	Others RM'000	Total RM'000
At 1 January 2007	(571)	(162)	(733)
Recognised in the income statement	(1)	(84)	(85)
<hr/>			
At 31 December 2007	(572)	(246)	(818)
<hr/>			
At 1 January 2008	(572)	(246)	(818)
Recognised in the income statement	(1,135)	(91)	(1,226)
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At 31 December 2008	(1,707)	(337)	(2,044)

Notes To The Financial Statements (Contd.)

21. Deferred Taxation (Contd.)

Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM'000
At 1 January 2007	56,009
Recognised in the income statement	(1,764)
At 31 December 2007	54,245
At 1 January 2008	54,245
Recognised in the income statement	1,541
At 31 December 2008	55,786

Deferred Tax Assets of the Company:

	Provision for Retirement Benefits RM'000	Others RM'000	Total RM'000
At 1 January 2007	(556)	(162)	(718)
Recognised in the income statement	(3)	(124)	(127)
At 31 December 2007	(559)	(286)	(845)
At 1 January 2008	(559)	(286)	(845)
Recognised in the income statement	(1,158)	17	(1,141)
At 31 December 2008	(1,717)	(269)	(1,986)

Deferred tax assets (net) have not been recognised in respect of the following items:

	Group	
	2008 RM'000	2007 RM'000
Unused tax losses	-	286
Unutilised reinvestment allowances	2,960	5,471
	2,960	5,757

The unused tax losses and unutilised reinvestment allowances are available indefinitely for offsetting against future taxable profits of the subsidiary company in which those items arose, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Notes To The Financial Statements (Contd.)

22. Retirement Benefit Obligations

The Company and certain subsidiary companies pay retirement benefits to their eligible employees in accordance with the terms of employment and practices. These plans are generally of the defined benefit type under which benefits are based on employees' years of service and at predetermined rates and or average final remuneration, and are unfunded. No formal independent actuarial valuations have been undertaken to value the Group's obligations under these plans but are estimated by the Group based on the following actuarial assumptions:

	2008 %	2007 %
Discount rate in determining the actuarial present value of the obligations	6.0	6.0
The average rate of increase in future earnings	4.0	4.0
Turnover of employees under the age of 45 years	20.0	20.0

The amounts recognised in the balance sheet are determined as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Present value of unfunded defined benefit obligations	8,553	3,593	6,989	2,151
At 1 January	3,593	3,704	2,151	2,064
Provision during the year	5,528	373	5,189	331
Paid during the year	(568)	(484)	(351)	(244)
At 31 December	8,553	3,593	6,989	2,151
Analysed as:				
Current	1,424	635	1,202	386
Non-current:				
Later than 1 year but not later than 2 years	584	522	424	348
Later than 2 years but not later than 5 years	1,270	771	972	478
Later than 5 years	5,275	1,665	4,391	939
	7,129	2,958	5,787	1,765
	8,553	3,593	6,989	2,151

Notes To The Financial Statements (Contd.)

23. Trade Payables, Other Payables and Accruals

Trade Payables

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

Other Payables and Accruals

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other Payables	18,487	11,728	11,848	9,743
Accruals	35,806	20,014	20,340	20,132
Advances from customers	1,985	1,011	1,888	1,011
	56,278	32,753	34,076	30,886

Included in other payables of the Group and the Company is an amount of RM6,000 (2007: RM45,000) owing to a company in which certain Directors have an interest. This amount is interest free, unsecured and has no fixed terms of repayment.

24. Bank Borrowings

	Group	
	2008 RM'000	2007 RM'000
Bank overdraft - unsecured	19	232

The interest rate applicable to the bank borrowings for the year was 7.25% (2007 : 7.25%) per annum.

25. Dividends

	Amount		Group/Company Net Dividends per Share	
	2008 RM'000	2007 RM'000	2008 Sen	2007 Sen
Final dividend paid in respect of previous financial year: - 20% less 26% tax (2007: 15% less 27% tax)	30,804	22,791	14.80	10.95
Interim dividend in respect of the current financial year: - 20% less 25% tax (2007: 20% less 26% tax)	31,220	30,804	15.00	14.80
	62,024	53,595	29.80	25.75

Notes To The Financial Statements (Contd.)

25. Dividends (Contd.)

At the forthcoming Annual General Meeting, a final dividend of 20% less 25% tax amounting to RM31,220,140 and a special dividend of 10% less 25% tax amounting to RM15,610,070 in respect of the year ended 31 December 2008 on the ordinary shares in issue at book closure date will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2009.

26. Significant Inter-Company Transactions

	Company	
	2008 RM'000	2007 RM'000
Sale of raw materials to a subsidiary company	60,837	53,972
Sale of biomass and biogas steam to subsidiary company	2,179	2,347
Net interest charged to a subsidiary company	700	458

All transactions with the subsidiary companies are undertaken in the ordinary course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

27. Significant Related Party Transactions

(a) During the year, the Group entered into transactions with AarhusKarlshamn AB ("AAK"), a company incorporated in Sweden, and its subsidiary companies, and International Plantations Services Limited ("IPS"), a company incorporated in Bahamas. These companies are related to certain Directors of the Group, namely Ybhg. Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen by virtue of their mutual interests in AAK, IPS and the Group.

The Group also entered into transactions with Fontannaz Futures Sdn. Bhd. ("FFSB"), a wholly owned subsidiary of AAK. The Company is related to certain Directors of the Group, namely Ybhg. Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen by virtue of their interests in AAK.

The Group also entered into transactions with Fima Palmbulk Services Sdn. Bhd. ("FPS"). This company is related to a Director of the Group, namely Mr. Ahmad Riza Basir by virtue of his indirect interest in FPS.

In addition, the Group also entered into transactions with Jerneh Insurance Berhad ("JIB"), which is deemed related to the Group by virtue of common directorship held by Mr. Ahmad Riza Basir in both JIB and the Group.

Notes To The Financial Statements (Contd.)

27. Significant Related Party Transactions (Contd.)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the year:

Nature of transactions

	Amount Billed Group		Amount Billed Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Sale of cocoa butter substitute to AAK	324,874	231,702	-	-
Storage and handling charges paid to FPS	29	9	-	-
Insurance premium paid to JIB	565	485	560	479
Service fees paid to IPS	156	156	156	156
Commodity brokerage fees paid to FFBSB	2,179	2,385	-	39

The Directors are of the opinion that the above related party transactions are undertaken in the ordinary course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Amount outstanding at 31 December:				
Due from AAK	48,965	20,678	122	40
Due to JIB	-	(14)	-	(14)
Due to IPS	(6)	(45)	(6)	(45)
Due from FFBSB	57	39,057	-	-

The amount due from FFBSB includes deposit paid for trading of derivatives as required under the rules of Bursa Malaysia Derivatives Berhad ("MDEX").

Notes To The Financial Statements (Contd.)

27. Significant Related Party Transactions (Contd.)

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short-term employee benefits	3,100	3,169	3,100	3,169
Post employment benefits:				
Defined contribution plan	483	494	483	494
Defined benefit plan	16	-	16	-
	3,599	3,663	3,599	3,663

Notes To The Financial Statements (Contd.)

28. Segmental Information

The Group's principal activities are the cultivation and processing of oil palm and coconut on plantations in Peninsular Malaysia and Indonesia. The activities of the subsidiary companies are all incidental to the main activity and in terms of revenue, profit contribution and assets employed they are insignificant (except Unitata Berhad). Inter-segment sales at fair market values have been eliminated.

The analysis of Group operations is as follows:

(i) Business segments

	Plantations		Palm Oil Refining		Other Segments		Elimination		Consolidated	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue And Expenses										
Revenue										
External sales	567,673	354,626	462,474	318,750	778	817	-	-	1,030,925	674,193
Inter-segment sales	60,837	53,972	-	-	1,070	709	(61,907)	(54,681)	-	-
	628,510	408,598	462,474	318,750	1,848	1,526	(61,907)	(54,681)	1,030,925	674,193
Results										
Segment results/ operating profit/(loss)	389,742	217,151	12,983	11,474	(13,147)	(3,484)	-	-	389,578	225,141
Reversal of impairment losses on unquoted shares	-	-	-	-	824	1,965	-	-	824	1,965
Investment income	-	-	-	-	19	1,304	-	-	19	1,304
Interest income	6,049	3,402	224	82	1,154	1,105	-	-	7,427	4,589
Interest expense	(26)	(9)	(4)	(5)	-	-	-	-	(30)	(14)
Income taxes	(98,035)	(53,209)	-	-	(224)	(388)	-	-	(98,259)	(53,597)
Net profit for the year									299,559	179,388

Notes To The Financial Statements (Contd.)

28. Segmental Information (Contd.)

	Plantations		Palm Oil Refining		Other Segments		Elimination		Consolidated	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Assets And Liabilities										
Segment assets	1,432,728	1,136,104	197,769	209,527	5,467	5,548	-	-	1,635,964	1,351,179
Investment in an associated company	-	-	-	-	48	17	-	-	48	17
Other investments	-	-	-	-	9,071	11,307	-	-	9,071	11,307
Consolidated total assets									1,645,083	1,362,503
Segment liabilities	174,648	148,773	36,583	16,306	246	271	-	-	211,477	165,350
Consolidated total liabilities									211,477	165,350
Other Information										
Capital expenditure*	96,086	72,880	13,080	3,722	2	2	-	-	109,168	76,604
Depreciation	14,152	12,821	4,744	4,482	108	125	-	-	19,004	17,428
Amortisation	22,278	23,207	-	-	-	-	-	-	22,278	23,207
Other significant non-cash expenses:										
Write-down of inventories	41	432	3,282	620	-	-	-	-	3,323	1,052
Provision of doubtful debts	-	-	1,100	45	-	-	-	-	1,100	45
Net unrealised foreign exchange loss/(gain)	-	-	1,672	(2,648)	13,786	3,609	-	-	15,458	961

(ii) Geographical segments

In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total assets and capital expenditure are based on the geographical location of assets:

	Malaysia		Indonesia		Europe		United States		Others		Consolidated	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	598,787	437,126	-	-	185,763	78,976	111,377	78,067	134,998	80,024	1,030,925	674,193
Segment assets	1,483,912	1,284,041	113,483	57,871	36,342	5,960	8,564	65	2,782	14,566	1,645,083	1,362,503
Capital expenditure*	54,351	55,458	54,817	21,146	-	-	-	-	-	-	109,168	76,604

* Consists of biological assets, prepaid lease payments and property, plant and equipment and excludes depreciation/amortisation capitalised.

Notes To The Financial Statements (Contd.)

29. Capital Commitments

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Capital expenditure approved by the Directors but not contracted	111,601	64,537	51,153	42,619
Capital expenditure contracted but not provided for	62,153	50,442	4,420	2,038
	173,754	114,979	55,573	44,657

30. Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate, liquidity, foreign exchange, commodity price and credit risks. The Group operates within clearly defined guidelines that are approved by the Board.

During the year, the Group entered into commodity futures contracts. Control and monitoring procedures include, amongst others, setting of trading limits and the manner and timing of management reporting. Such derivative trading is also under the close supervision of an executive director. These control procedures will be periodically reviewed and enhanced where necessary in response to changes in market condition.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to short term fixed rate term deposits with licensed banks and negotiable papers issued by licensed banks. The Group does not hedge this exposure. The maturity periods are mixed such that the Group's cash flow requirements are met while yielding a reasonable return. The effective interest rates and the average maturity days are as disclosed in Note 18.

The Group's bank borrowings are insignificant to hedge. The effective interest rate is disclosed in Note 24.

(c) Foreign Exchange Risk

The Group is exposed mainly to Indonesian Rupiah ("IDR") for its operations in Indonesia and United States Dollar ("USD") in its trading operations. Transactions in other currencies are not significant. Foreign currency transactions denominated in IDR are not hedged while transactions in USD are hedged by forward foreign exchange contracts, whenever possible.

Notes To The Financial Statements (Contd.)

30. Financial Instruments (Contd.)

(c) Foreign Exchange Risk (Contd.)

The net unhedged financial assets of the Group that are not denominated in their functional currencies are as follows:

Functional currency of the Group	United States Dollar RM'000	Indonesian Rupiah RM'000	Total RM'000
At 31 December 2008			
Ringgit Malaysia	12,239	115,067	127,306
At 31 December 2007			
Ringgit Malaysia	-	46,307	46,307

The Group had entered into forward foreign exchange contracts with the following notional amounts and maturities:

Currency	Maturities		Total Notional Amount RM'000	
	Within 1 year RM'000	1 year up to 5 years RM'000		
As at 31 December 2008:				
Forwards used to hedge receivables	USD	35,769	-	35,769
Forwards used to hedge capital expenditure	EURO	4,143	-	4,143
		39,912	-	39,912
As at 31 December 2007:				
Forwards used to hedge anticipated sales	USD	130,021	-	130,021
Forwards used to hedge receivables	USD	22,109	-	22,109
		152,130	-	152,130

The net recognised loss as at 31 December 2008 on forward exchange contracts used to hedge receivables as at 31 December 2008 amounted to RM153,000 (31 December 2007: net recognised gain RM2,648,000).

Notes To The Financial Statements (Contd.)

30. Financial Instruments (Contd.)

(d) Credit Risk

Credit risk or the risk of counterparties defaulting is controlled by the application of credit approvals, limits and monthly monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Except for amount due from companies in which certain Directors have an interest, the Group does not have any significant exposure to any single customer or counter party related to any financial instrument (with the exception of fixed deposits). The average credit terms granted to the Group's customers are 10 to 60 days.

Credit risk of commodity futures contracts arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Company has a gain position. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market prices.

(e) Liquidity Risk

The Group actively manages its cash flows by monthly forecasts of funding requirements. As part of its prudent liquidity management, the Group maintains sufficient levels of cash or cash equivalents, banking facilities of a reasonable level to meet its working capital requirements. As far as possible, the Group funds significant long term investments with a mixture of internal funding and long term capital or borrowing to achieve overall cost effectiveness.

(f) Market Risk

Market risk is the potential change in value caused by movement in market prices. The contractual amounts as stated under note 30(g) provide only a measure of involvement in these types of transactions.

Notes To The Financial Statements (Contd.)

30. Financial Instruments (Contd.)

(g) Fair Values

The fair value of financial assets and financial liabilities (except for amounts due from/(to) related companies) of the Group and of the Company approximates their carrying value and the Group and the Company do not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

It is not practical to estimate the fair value of the amounts due from/(to) related companies principally due to lack of repayment terms. However, the Directors are of the opinion that the amount eventually to be settled will not differ significantly from the carrying amount.

The net fair value of derivative financial instruments included in the balance sheet as payables/receivables as at the end of the financial year are as follows:

	Contracted amount RM'000	Fair value RM'000
At 31 December 2008 :		
Commodity futures contracts		
Sales	453,979	102,356
Purchases	454,084	(105,870)
Net fair value		(3,514)
At 31 December 2007:		
Commodity futures contracts		
Sales	488,632	(246,658)
Purchases	527,885	239,292
Net fair value		(7,366)

The commodity futures contracts above are subject to market risk and credit risk.

The fair value of the commodity futures contracts is the amount that would be receivable or payable on termination of the outstanding position, and is determined by reference to the difference between the contracted rate and the forward rate as at the balance sheet date.

Notes To The Financial Statements (Contd.)

30. Financial Instruments (Contd.)

(g) Fair Values (Contd.)

The nominal/notional amounts of financial instruments not recognised in the balance sheet of the Group as at the end of the financial year and its net fair value are as follows:

	Nominal/ notional amount RM'000	Net fair value RM'000
At 31 December 2008:		
Forward foreign exchange contracts	39,912	(153)
<hr/>		
At 31 December 2007:		
Forward foreign exchange contracts	152,130	2,648
<hr/>		

The fair value of the forward foreign currency contracts is the amount that would be payable or receivable on completion/termination of the outstanding position, and is determined by reference to the difference between the contracted rate and the market rate as at the balance sheet date.

Notes To The Financial Statements (Contd.)

30. Financial Instruments (Contd.)

(g) Fair Values (Contd.)

Financial instruments recognised in the balance sheets

The net carrying value of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Group and of the Company as at the financial year end are represented as follows:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
At 31 December 2008				
Non-current unquoted shares	4,071	Note (a)	4,071	Note (a)
At 31 December 2007				
Non-current unquoted shares	3,247	Note (a)	3,247	Note (a)

(a) It is not practical to estimate the fair value of the unquoted shares of the Group and of the Company because of the lack of quoted market price and the inability to estimate fair value without incurring excessive cost. However, adequate provision for diminution has been provided for to reflect the Group's and the Company's share of net tangible assets of the investment.

In estimating the fair values of financial instruments, other than as disclosed above, the following assumptions and bases were applied:

- (i) the book values of cash, fixed deposits, negotiable papers issued by licensed banks, trade receivables, trade and other payables and amounts due to subsidiary companies approximate their fair values due to the short maturity;
- (ii) the fair values of quoted investments were calculated using market prices at the balance sheet date;
- (iii) the book value of short term bank borrowings with floating rates approximates fair value; and
- (iv) the book value of the negotiable instrument of deposit approximates its fair value due to the interest rate which approximates the market rate for similar instrument.

Notes To The Financial Statements (Contd.)

30. Financial Instruments (Contd.)

(g) Fair Values (Contd.)

As such, the Group does not anticipate the carrying amounts recorded at the balance sheet date for the above financial instruments to be significantly different from the values that would eventually be received or settled.

31. Comparatives

Certain comparatives have been changed to conform with current year's presentation.

Statement By Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, TAN SRI DATUK DR. JOHARI BIN MAT and HO DUA TIAM, being two of the Directors of UNITED PLANTATIONS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 70 to 126 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 March 2009.

TAN SRI DATUK
DR. JOHARI BIN MAT

HO DUA TIAM

Jendarata Estate
36009 Teluk Intan,
Perak Darul Ridzuan,
Malaysia

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, A. GANAPATHY the Officer primarily responsible for the financial management of UNITED PLANTATIONS BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 70 to 126 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 A. GANAPATHY at Teluk Intan
in the State of Perak Darul Ridzuan
on 30 March 2009

A. GANAPATHY

Before me,

Nook Naidu A/L Simmduary
Commissioner For Oaths
Teluk Intan
Perak Darul Ridzuan

Independent Auditors' Report To The Members Of United Plantations Berhad

Report on the financial statements

We have audited the financial statements of United Plantations Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 70 to 126.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of their financial performance and cash flows for the year then ended.

Report On Other Legal And Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditor's have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other Matters

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

WONG LAI WAH
No. 1956/04/09(J)
Chartered Accountant

Kuala Lumpur, Malaysia
30 March 2009

Shareholders Information As At 17 April 2009

Authorised Share Capital	:	RM500,000,000
Issued & Fully Paid-up Capital	:	RM208,134,266
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One Vote per ordinary share

Categories Of Shareholders As At 17 April 2009				
Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
Less than 100 shares	255	5.47	12,486	0.01
100 to 1,000 shares	1,874	40.17	1,599,219	0.77
1,001 to 10,000 shares	2,005	42.98	7,491,030	3.60
10,001 to 100,000 shares	418	8.96	11,839,518	5.69
100,001 to less than 5% of issued shares	110	2.36	60,826,257	29.22
5% and above of issued shares	3	0.06	126,365,756	60.71
Total	4,665	100.00	208,134,266	100.00

Substantial Shareholders As At 17 April 2009				
Name of Shareholder	Direct Interest No. of Shares	% of Issued Capital	Deemed Interest No. of Shares	% of Issued Capital
1. Maximum Vista Sdn. Bhd. (MVSB)	86,891,100	41.75	-	-
2. United International Enterprises Limited (UIEL)	8,242,412	3.96	86,906,515 ^{*(1)}	41.76
3. Employees Provident Fund Board	30,369,498	14.59	-	-
4. Perbadanan Pembangunan Pertanian Negeri Perak (Perbadanan)	13,065,158	6.28	330,000 ^{*(6)}	0.16
5. United International Holdings Limited (UIH)	-	-	95,148,927 ^{*(2)}	45.72
6. The Dato' Bek-Nielsen Settlement (BNS)	-	-	95,148,927 ^{*(3)}	45.72
7. Ybgh. Dato' Carl Bek-Nielsen	1,673,640	0.80	95,153,927 ^{*(4)}	45.72
8. Mr. Martin Bek-Nielsen	512,060	0.25	95,148,927 ^{*(5)}	45.72

*Notes:

- (1) Deemed interest by virtue of substantial shareholdings in MVSB, IPS Ltd and Mas Holdings Ltd.
- (2) Deemed interest by virtue of substantial shareholding in UIEL
- (3) Deemed interest by virtue of substantial shareholding in UIH
- (4) Deemed interest by virtue of substantial interest in BNS and shares registered in the name of his spouse
- (5) Deemed interest by virtue of substantial interest in BNS
- (6) Deemed interest by virtue of shares held by subsidiary company of Perbadanan

Directors' Shareholdings As At 17 April 2009				
Name of Director	Direct Interest No. of Shares	% of Issued Capital	Deemed Interest No. of Shares	% of Issued Capital
Ybgh. Tan Sri Datuk Dr. Johari Bin Mat	110,000	0.05	-	-
Mr. Ho Dua Tiam	707,400	0.34	-	-
Mr. G. Peter Selvarajah	88,120	0.04	-	-
Ybgh. Dato' Carl Bek-Nielsen	1,673,640	0.80	95,153,927	45.72
Mr. Ahmad Riza Basir	70,500	0.03	2,641,440	1.27
Mr. Jeremy Derek Campbell Diamond	14,000	0.01	210,000	0.10
Mr. Martin Bek-Nielsen	512,060	0.25	95,148,927	45.72
Mr. Mohamad Nasir bin Ab. Latif	-	-	-	-
Mr. Brian Bech Nielsen	-	-	5,000	0.00

Shareholders Information As At 17 April 2009 (Contd.)

Thirty (30) Largest Shareholders As At 17 April 2009		
Name of Shareholder	No. of Shares	% of Issued Capital
1. Maximum Vista Sdn Bhd	86,891,100	41.75
2. Employees Provident Fund Board	26,409,498	12.69
3. Perbadanan Pembangunan Pertanian Negeri Perak	13,065,158	6.28
4. United International Enterprises Ltd	7,788,557	3.74
5. Valuecap Sdn Bhd	6,468,900	3.11
6. HSBC Nominees (Asing) Sdn Bhd BNP Paribas SECS SVS Lux For Aberdeen Global	3,616,200	1.74
7. HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (Norges Bank)	3,337,000	1.60
8. BHR Enterprise Sdn Bhd	2,422,440	1.16
9. Cartaban Nominees (Asing) Sdn Bhd State Street London Fund XCB9 for Aberdeen Asian Smaller Companies Investment Trust PLC	1,502,600	0.72
10. Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	1,500,000	0.72
11. Kumpulan Wang Simpanan Pekerja	1,500,000	0.72
12. HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Aberdeen Malaysia Equity Fund	1,110,000	0.53
13. Mayban Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd For The Employees' Provident Fund Board (250416)	960,000	0.46
14. Ybhg. Dato' Carl Bek-Nielsen	952,216	0.46
15. HSBC Nominees (Asing) Sdn Bhd Exempt An for Danske Bank A/S (Client Holdings)	935,300	0.45
16. Sydbank obo Sydbank Schweiz	893,500	0.43
17. KAF Nominees (Tempatan) Sdn. Bhd. Bernam Nominees (Tempatan) Sdn Bhd for United Plantations Berhad Education And Welfare Fund	816,000	0.39
18. Amsec Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd for Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	767,000	0.37
19. Jyske Bank obo J.E. Jensen, Alfarvad A/S	754,450	0.36
20. Ho Dua Tiam	707,400	0.34
21. Mayban Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd for Kumpulan Wang Persaraan (Diperbadankan) (FD 1 - 280305)	700,000	0.34
22. Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Fund	678,200	0.32
23. Citigroup Nominees (Asing) Sdn Bhd RBS As Depository for First State Asia Pacific Sustainability Fund (CBLDN)	676,800	0.32
24. Scan Services Limited Ref. 39	666,424	0.32
25. Mr. E. Thrane	650,000	0.31
26. HSBC Nominees (Asing) Sdn Bhd HSBC SG For Selat Pte Ltd	557,568	0.27
27. Mrs. Susanne Husted-Andersen	536,000	0.26
28. Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Fund Small Cap Series	535,700	0.26
29. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund W61I for Emerging Companies Portfolio (Wellington TST)	531,500	0.26
30. HSBC Nominees (Asing) Sdn Bhd Exempt An for The Bank of New York (Charles Stanley)	515,708	0.25
	168,445,219	80.93

Comparative Statistics - 10 Years

Year ended 31 December	2008 RM '000's	2007 RM '000's	2006 RM '000's	2005 RM '000's	2004 RM '000's	2003 RM '000's	2002 RM '000's	2001 RM '000's	2000 RM '000's	1999 RM '000's
Balance Sheet Analysis										
Issued Capital	208,134	208,134	208,134	208,134	208,134	208,134	151,510	151,510	151,510	151,510
Reserve	1,224,853	988,347	863,967	770,169	682,098	598,148	384,329	395,793	403,222	402,762
Minority Interest	619	672	304	-	-	-	-	-	-	-
Funds Employed	1,433,606	1,197,153	1,072,405	978,303	890,232	806,282	535,839	547,303	554,732	554,272
Biological Assets										
Property, Plant and Equipment	388,414	364,946	346,767	318,465	314,586	196,423	181,731	189,516	193,817	193,472
Prepaid Lease Payments	380,866	385,073	381,434	367,085	371,599	375,529	27,645	27,785	27,104	27,767
Other Non-Current Assets	28,301	26,915	3,258	4,331	11,111	11,803	22,897	29,829	29,435	27,964
Current Assets	606,157	389,070	306,798	308,165	242,319	269,158	266,591	217,590	231,706	303,647
Total Assets	1,645,083	1,362,503	1,222,980	1,180,690	1,131,235	1,047,566	653,465	616,725	628,317	692,034
Less: Liabilities	211,477	165,350	150,575	202,387	241,003	241,284	117,626	69,422	73,585	137,762
Net Assets Employed	1,433,606	1,197,153	1,072,405	978,303	890,232	806,282	535,839	547,303	554,732	554,272
Other Data										
Profit Before Tax	397,818	232,985	199,569	181,637	160,661	131,974	71,566	32,039	49,392	117,139
Tax	98,259	53,597	49,561	48,609	31,754	37,563	21,063	8,383	9,306	2,044
Net Profit attributable to United Plantations Berhad Shareholders	299,559	179,388	150,008	133,028	128,907	94,411	50,503	23,656	40,086	115,095
Earnings Per Share (in sen)	143.93	86.19	72.07	63.91	61.93	49.10	33.33	15.61	26.46	75.97
Dividend Rate (Ordinary Share)										
- Interim and Final	50%	40%	5% T.E. & 30%	30%	30%	30%	7.5% T.E. & 17.5%	20% T.E.	20% T.E.	25% T.E.
Share Prices On The Bursa Malaysia Securities Berhad										
Highest	14.60	14.80	9.75	7.05	5.15	4.86	4.44	3.68	4.26	4.72
Lowest	7.85	9.00	7.00	4.90	4.30	4.00	3.58	2.89	3.12	3.40
Production*										
Palm Oil - own - Tonnes	203,864	176,272	192,204	188,171	177,670	150,962	102,551	98,673	109,060	110,066
Palm Kernel - own - Tonnes	55,537	47,753	53,567	49,935	48,140	43,580	29,322	28,611	33,293	32,150
Coconuts - Nuts ('000)	83,626	87,049	74,035	81,749	76,978	76,129	63,838	60,590	43,480	31,747
FFBYield per hectare - Tonnes	29.60	25.46	27.83	26.54	26.30	26.23	25.59	23.92	27.59	26.70
CPOYield per hectare - Tonnes	6.38	5.45	5.90	5.65	5.52	5.30	5.29	4.98	5.59	5.50
Palm Oil extraction rate - %	21.54	21.41	21.21	21.30	20.99	20.20	20.68	20.81	20.28	20.59
Palm Kernel extraction rate - %	5.87	5.80	5.91	5.65	5.69	5.83	5.91	6.03	6.19	6.02
Coconuts Yield per hectare - Nuts	25,037	25,962	22,070	24,028	22,632	22,652	22,698	20,932	16,655	14,237
Cost Of Production**										
Palm Oil - Per Tonne	574	554	506	536	534	520	522	537	526	502
Palm Kernel - Per Tonne	121	130	110	115	115	119	135	133	122	125
Coconuts (in sen) - Per Nut	10	8	9	9	8	7	7	7	8	9
Average Sales Price										
Palm Oil - Per Tonne	2,368	1,840	1,468	1,420	1,512	1,477	1,351	976	948	1,481
Palm Kernel - Per Tonne	1,691	1,121	906	1,020	893	722	666	456	681	1,052
Coconuts (in sen) - Per Nut	38	32	34	29	25	22	22	16	20	30

Note: * Production and cost of production inclusive of UIE since acquisition.

** Cost of production figures do not include depreciation.



UPB's unique light railway system showing a diesel locomotive pulling a train of fruit cages containing freshly harvested fruit bunches. UPB's railway system stretches over 500km and is one of the main contributing factors for its superior quality crude palm oil.



A helicopter view of Division 3, Jendarata Estate, showing its housing areas with its Palm Oil Mill and Unitata's Refinery Complex. The Bernam River is seen in the background.



Developments in Pangkalan Bun, Central Kalimantan, Indonesia



A picture taken during the inspection of the Palm Oil Mill construction site in PT SSSI, Indonesia by the EXCOM in one of its visits, together with the Company's Senior Officers.



One of our many conservation areas at PT SSSI, Indonesia.



Mr. Kaiser (Manager, Runtu), Mr. Ho Dua Tiam (Senior Executive Director), Mr. Loh Hang Pai (Estates Director) and Mr. Edward Daniels (President Director Designate, PT SSSI) jointly inspecting the 2008 Oil Palm Planting in Runtu Estate, Central Kalimantan, Indonesia and the network of 35km of well constructed laterite road stretching from flat terrain in the North to mildly rolling hills in the South of the Estate.



A picture of the Executive Mess Building at Lada Estate, PT SSSI Indonesia, completed in 2008.



A female employee at our nursery site in PT SSSI, Indonesia.



Well established oil palm field in Lada Estate PT SSSI, Indonesia.

Sports



Parents with their children having fun during the Merdeka Day Celebration at UIE on 31 August 2008.



Groundbreaking ceremony of a new Temple at Division 2, Jendarata Estate on 4 October 2008.

Rights Of Employees

United Plantations Berhad respects the rights of all personnel to join and to participate in registered trade unions and to bargain collectively.

We do not engage in nor support discrimination in any form.

We do not engage in nor support the use of child or forced labour in our operations. The minimum age of workers should not be less than 16 years.

We support universal human rights, particularly those of our employees, the communities and parties with whom we do business.

We will continue to place substantial value upon our suppliers and customers who comply with the above.



Indonesian Women at a meeting in Runtu at PT SSSI, Indonesia

Our Environment Policy

To conduct our agricultural business in the best principles of agriculture and in harmony with the natural environment.

Our Objectives:

- To produce quality palm oil, palm kernels, coconuts and their derived products to the total satisfaction of our worldwide valued customers.
- To produce elite oil palm, coconut and banana planting materials with proven yield potential.
- To value our human resources and to continuously strive to provide a conducive and safe environment at the work place.
- To adopt proven and sustainable agricultural practices that are environmentally compatible.
- To promote the conservation and development of biodiversity within our group of plantations.
- To continuously work towards a dynamic and innovative waste management and utilisation system aimed towards achieving zero waste.



Sycanus dichotomus predating on a caterpillar pest of *Pueraria Javanica*. *Sycanus* is a beneficial insect predator of several leaf eating caterpillars of oil palm, keeping them under control.

Occupational Safety And Health Policy

We at United Plantations Berhad are committed to secure the safety and health of all our employees at work. In the operation of our activities, we strive to maintain a safe and healthy working environment for our employees, customers and the public.

We value our work place Safety and Health as of paramount importance to the well being of all our employees and, our respective Managers/Heads of Departments are responsible in implementing this policy.

In striving to secure a safe and healthy work environment we shall:

- Devote our continuous efforts to accident prevention.
- Provide continuous training and supervision to all categories of employees to build and promote

a safe and healthy work environment in full compliance with legislative requirements.

- Equip and train employees to use appropriate protective equipment and to develop a health and safety conscious citizen.
- Develop a culture of individual responsibility and accountability for the employee's own well being as well as those of the personnel and facilities under their control.
- Require Contractors working on our behalf and Suppliers doing business with us to adhere to the Safety and Health regulations and standards.



Safe handling and spraying of pesticides.

Quality Policy

It is the Policy of United Plantations Berhad to produce Palm Oil and related products Second to None in Quality.

Our Quality Philosophy Includes:-

- **U**pholding the name and reputation of United Plantations as a top producer of top quality palm products.
- **N**urturing a diligent work force.
- **I**nitiating and innovating positive, progressive work ethics and methods.
- **T**raining of personnel is the key to upgrading our skills.
- **E**nsuring only the best quality palm products are produced, for customer's needs.
- **D**ecisive efforts in Research and Development continuously to improve our working methods, efficiency and quality.



An aerial view of Sungai Chawang Estate and its housing, seen fully intergrated with the office complex and social amenities such as a Community Hall, crèche, clinic, water treatment plant, shop houses, mosque and a temple.

Sexual Harassment Policy

We at United Plantations Berhad are committed to maintaining a workplace free from harassment of any kind, including harassment based on an employee's race, colour, religion, gender, national origin, ancestry, disability, marital status, sexual orientation or gender identity. All employees have the right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive, including sexual harassment. No employee, either male or female, should be subjected verbally or physically to unsolicited and unwelcomed sexual overtures or conduct. We will take immediate

action to address harassment of employees by managers, co-workers, or non-employees whether the harassment occurs in the workplace or in the course of an employee's work.

In addition we are committed to complying with all applicable laws regarding employment, environment, health and safety.



A lady worker at Lada Oil Palm nursery.

Gender Committee

In keeping with United Plantation's Sexual Harassment Policy, Gender Committees were instituted in the three Business Units during the course of 2007 for the welfare of our female employees.

These Gender Committees, comprising ladies from

all sections of each Business Unit, meet regularly to assist, counsel and advise female employees in matters relating to sexual harassment in the workplace. Guidelines on grievance redressal procedures have been communicated to all female employees through these committees.



Mrs. Christine Schorling together with employees at Unitata during the opening of the Multistock Deodoriser Plant at Unitata Bhd on 23 January 2009.

United Plantations Berhad's Operations & Environment Management System

United Plantations Berhad's Operations & Environment Management System is the system through which United Plantation's commitment to environment and sustainable development including social and occupational safety & health matters are formalized. It is based on four operating principles of leadership, strategic plans, business processes and business results.

Leadership of the Environment Management Committee is at the highest level of the company and is headed by the Vice Chairman-cum-Executive Director Corporate Affairs. This committee provides policy directions on environment and sustainable development, occupational safety and health, allocation of resources and communications.

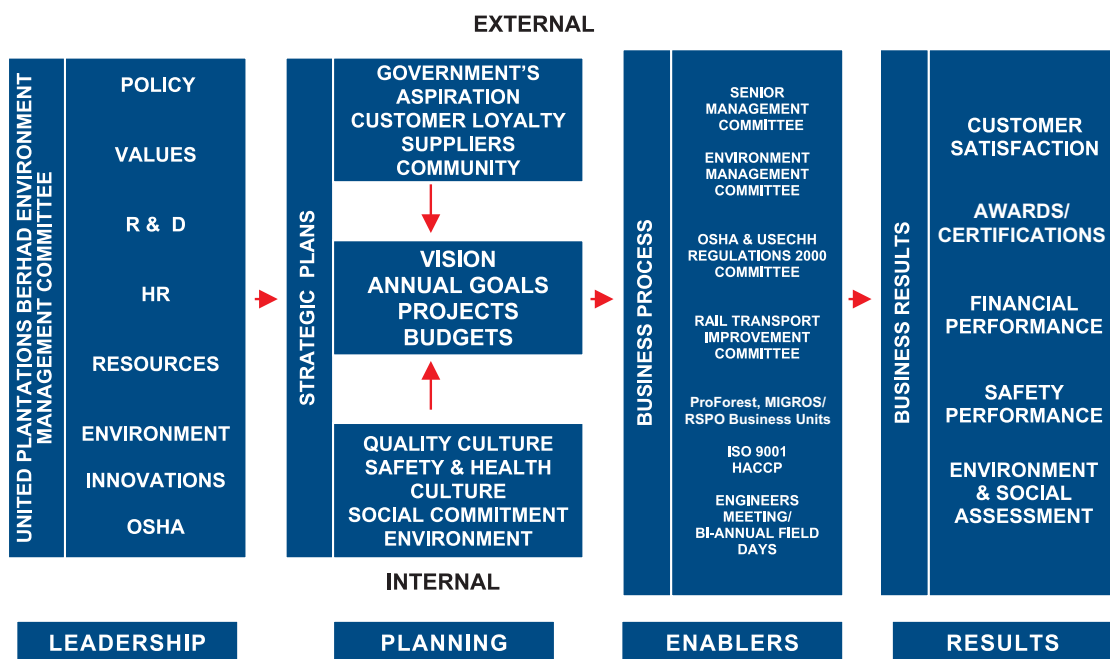
Strategic plans encompassing external and internal needs are formulated through the company's vision, policies, goals, projects and budgets.

Business processes ensure that adoption of environment and operational practices are in line with current best practices. The enablers are various sub-committees and teams. On July 2003 the Environment Management Committee was established. This was followed by the formation of the Roundtable on Sustainable Palm Oil (RSPO)

Business Units, headed by the Human Resource and Environment Safety and Health Department in 2007. The Environment Management Committee and the RSPO Business Units cascade and implement the various policies and needs of the Company to the ground and vice versa. They are guided by the following:-

1. Field Management Manual
2. Standard Operating Procedures – Oil Palm Field Practises
3. Standard Operating Procedures – Palm Oil Mill Operations
4. Occupational Safety & Health Manual
5. Environment & Social Impact Assessments and its Management & Monitoring Plans
6. High Conservation Value Reports and its Management & Monitoring Plans

Business results are measured through customer satisfaction, safety performance, financial performance and environment protection and management.





Water Management – Harvesting the Rain

Today's water management challenges and tomorrow's differ greatly from those of the last decades. A growing number of poor people and continued environmental degradation imply that the finite natural resources available to humans and ecosystems will not support business as usual for much longer. Thinking differently of water is a requirement if we want to reverse these trends and achieve our triple goal of food security, poverty reduction and conserving environmental integrity.

Farming feeds the world, but it depends on vital resources such as water. Just consider this - irrigation for agriculture consumes 2/3 of the world's fresh water but non-irrigated agriculture today produces about 60% of the world's food.

Experts have concluded that agricultural output will need to double by 2050 to feed a growing world. We will, in other words, not only need to produce more from each hectare of land but also get more from each drop of water.

United Plantations fully appreciates that much more can be done in terms of water productivity.

In order to maximize the use of available water resources, United Plantations has, since 1913, gone to great lengths to construct an extensive system of watergates, bunds, weirs, canals and drains hereby enabling us to harvest and optimize the usage of rain water.

In addition, young palms are mulched with shredded trunk chips and empty fruit bunches and leguminous cover crops are established in all our immature plantings to conserve moisture.

In this context, it is important to mention that none of United Plantations planted areas under oil palms or coconuts are irrigated. All our areas are under rain-fed agriculture and water from the surrounding rivers, thus making use of whatever water comes naturally from above (green water).



Rain Harvesting.



Irrigation activities within the estate.

Global Warming, Greenhouse Gases and Life Cycle Assessment

Climate Change has become one of the major challenges for mankind and the natural environment.

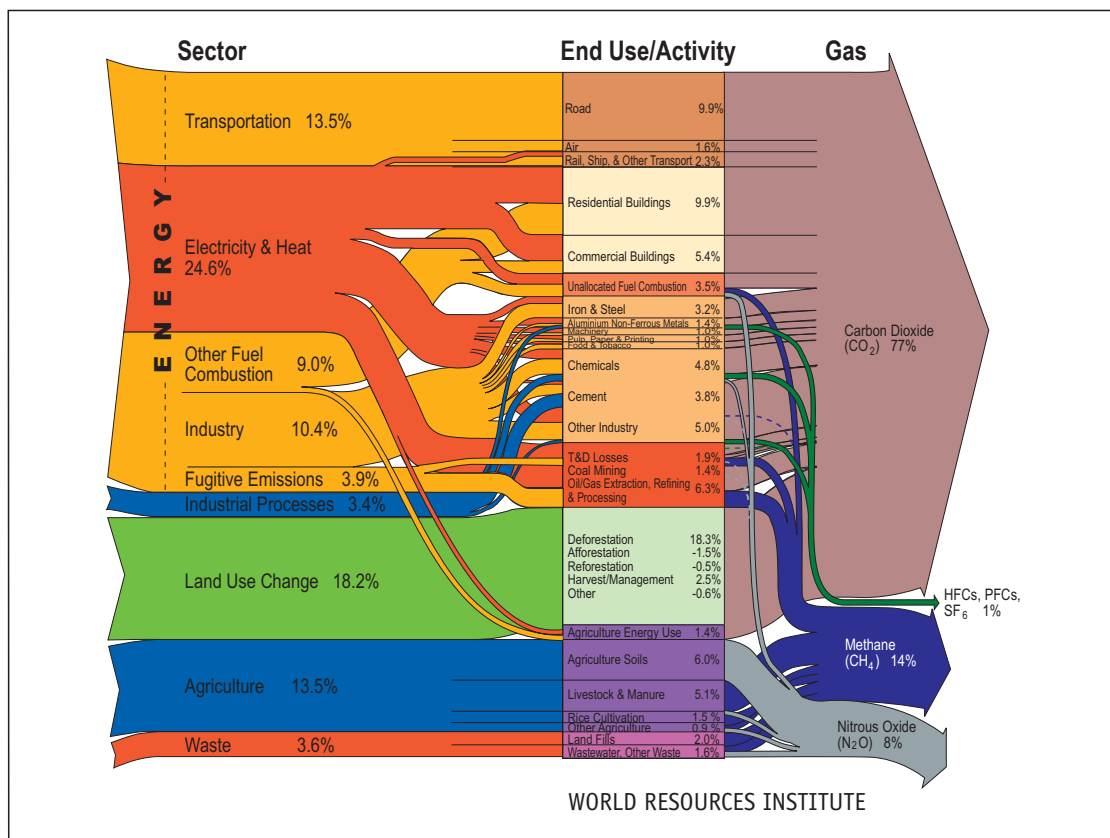
Greenhouse Gas (GHG) emissions released into the atmosphere in ever readily growing volumes are recognized by the majority of the scientific fraternity headed by the Inter Governmental Panel for Climate Change (IPCC) as being responsible for this development.

Carbon footprint quantification analysis and reduction are key towards indentifying ways of preventing this, for example, by enhancing energy efficiency and mitigating carbon emissions by means of green energy with a final goal to becoming carbon neutral.

A Life Cycle Assessment (LCA) is the investigation and valuation of the environmental impacts of a given product or service or necessitated by its existence. The term "life cycle" refers to the notion that a fair, holistic assessment requires the assessment of raw material production, manufacture, distribution, use and disposal including all intervening transportation steps necessary or caused by the product's existence. The sum of all these steps – or phases – is the life cycle of the product.



World GHG Emissions Flow Chart



An overview of the world's GHG emissions in flow chart form. Note that Direct Energy usage takes up 61.4% of global GHG emissions today. Agriculture and Land Use Change account for 32% of world GHG emissions. The biggest contributor by far of GHG emissions among sources of power is coal. Today, coal accounts for about 40% of the world's emissions of CO₂ the leading cause of global warming.



Another view of the Unitata Refinery Complex with the Division 3 Palm Oil Mill and housing area at Jendarata Estate.

Global Warming, Greenhouse Gases and Life Cycle Assessment (Contd.)

With this in mind, United Plantations commissioned Associate Professor Mr Jannick Schmidt of the Aalborg University, Denmark to carry out a full blown Life Cycle Assessment (LCA) in year 2007 of its entire palm oil production chain - right from "cradle to grave". This independent study completed in 2008 was subject to a critical review by three independent European Panelists. The following results in terms of our Group's "average" and "best practice" emissions of CO₂(eq) per tonne of vegetable oil produced can be concluded as follows:

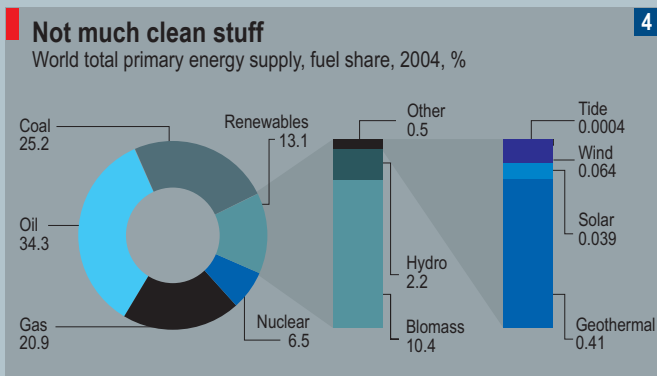
The contribution to global warming from one tonne of Neutralised, Bleached and Deodorised (NBD) palm oil produced in United Plantations is

2.45 tonnes CO₂(eq) vis-à-vis 1.71 tonnes CO₂(eq) on the best practice business units.

As can be seen in the diagram below, the LCA study helped management to identify that the major part of the contribution of GHG originated from the oil palm plantation stage. However, the palm oil mill stage contributed with a minimum of 35% of the total GHG emissions where the main culprit is CH₄ from the anaerobic ponds.

With this in mind, a decision was taken by the Board of Directors to build a second biogas plant which is now under construction on our Northern Estate, UIE. Upon commissioning, this will be our Company's third Clean Development Mechanism

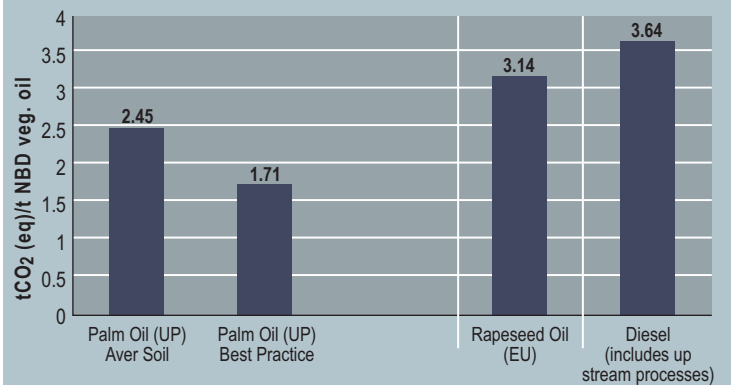
Global Warming-GHG



Source: EIA 2008; UN, 2007

More than 80% of the world's primary energy supply is produced via fossil fuels (coal, mineral oil and gas). Only 13% are made up of renewable.

Greenhouse Gas Emission (GHG)



Source: Aalborg University, 2008

Global Warming, Greenhouse Gases and Life Cycle Assessment (Contd.)

and largest biogas plant in the state of Perak Darul Ridzuan.

Most importantly, this plant will upon commissioning help to mitigate CH₄ emissions by 75-80%.



Fibre, Shells and Empty Fruit Bunches being converted into Green Electricity.



UP's "State of the Art" Biomass Reciprocating Boiler (BRB) at the Jendarata Palm Oil Mill Complex. The project is certified as a Clean Development Mechanism Project in accordance with the Kyoto Protocol with the objective to reduce Greenhouse Gas Emissions.

Introduction to CDM

The Kyoto Protocol

- In 1997 Parties to the United Nations Framework Convention on Climate Change (UNFCCC) adopted the Kyoto Protocol.
- The Kyoto Protocol contains commitments by Developed Countries to reduce their CO₂ emissions by an average of 5% below base year levels (from 1990) in the period 2008-2012, which is the first commitment period.

The Clean Development Mechanism

- The Clean Development Mechanism (CDM) is a new tool for energy and environmental projects that was created in article 12 of the Kyoto Protocol that produces Green House Gas emissions (GHG) such as CO₂ and Methane. With the opportunity to sell the emission reductions or carbon credits to an international buyer the project receives an extra incentive.



Terminalia calamansanai

Endangered Tree Species Reserves

Throughout United Plantations, areas have been planted out with a wide variety of jungle trees over the last few years, as a result of close collaboration with a major supplier of indigenous Malaysian trees, sourced from jungle ranges across the country, with the objective of establishing a seed bank for rare and endangered Malaysian forest trees, as well as creating a sanctuary for bird life such as Hornbills, Kingfishers, Bee Eaters and other wildlife. Some 7000 trees have been planted during the last few years covering a wide range of 100 different



A panoramic view of the well established Endangered Tree Plantings around the UIE palm oil mill lagoon.

species from 30 diverse families, one of which is the magnificent Dipterocarps, valued and made scarce for their timber, such as the locally named 'meranti' species.

The Endangered Tree Species Reserves, one being the 6ha. area surrounding the UIE Palm Oil Mill Lagoon are still in the early stages of development and will no doubt be a source of pride for the Group in years to come, possessing a rich diversity of trees to be admired.



Garcinia cowa



Our Commitment towards Sustainable Palm Oil Production

The Company is committed towards sustainability in all aspects of its plantation operations. Firstly, special emphasis is always being placed on achieving high yields hereby maximizing the productivity of its landbank resources e.g. United Plantations average yield of crude palm oil per hectare was 6.38 MT during 2008 compared with the national average of 3.97MT of CPO/ha.

Secondly, the Company has for decades focused much on maintaining an environmental awareness and responsibility, continuously striving to the best of its abilities to ensure that a rational balance between economy and ecology exists within the

framework of the plantation ecosystem. Preservation of jungle reserves and wild life sanctuaries as well as promoting green corridors are examples of this.

Finally, the Company also has a very strong commitment towards the social aspects of running a plantation, where compassionate and considerate measures e.g. Group Hospitals, clinic, housing facilities, crèches, schools, religious houses of worship, an old folks home amongst others are provided to the Company's more than 6,500 employees and their families.



The Petra Andrea Church situated amidst a sea of oil palms on Margrethe Hill at Changkat Mentri Estate.

R S P O

Roundtable for Sustainable Palm Oil



The Roundtable for Sustainable Palm Oil (RSPO) is a new global multi-stakeholder initiative which was formally established under Article 60 of the Swiss Civil Code on the 8 April 2004. The primary objective of the RSPO is the promotion of the production and use of sustainable palm oil through

co-operation within the supply chain and open dialogue with its stakeholders. To date the RSPO has a membership of 265 ordinary members and 95 affiliates. For further information please log on to www.sustainable-palmoil.org

United Plantations Berhad's role regarding the Roundtable for Sustainable Palm Oil (RSPO) remains one of being active and in this connection we are proud to state that our company was one of the initial oil palm plantation signatories to the RSPO. Since the establishment of the RSPO much emphasis has been given to developing the criteria to define sustainable palm oil.

the world's first certified producer and processor of sustainably produced Palm Oil in accordance to the Migros criteria which was audited by ProForest.

Our formal journey towards being recognized as a certified producer of sustainable palm oil commenced in September 2003 when we became

Following this, we are pleased to report that United Plantations Berhad's entire oil palm plantations in Malaysia were successfully certified in accordance with the RSPO Principles and Criteria thus becoming the world's first producer of certified sustainable palm oil on the 26 August 2008. The audit was conducted by Control Union Certifications The Netherlands in the fourth week of May 2008.



Mr. Allan Low Teik Boon, Assistant Manager Commerce, Unitata Berhad on Board Shamrock Venus which carried the world's first shipment of RSPO Certified Sustainable refined palm oil to Europe.

Our Commitment Towards Sustainable Palm Oil Production

At the presentation ceremony, which was officiated by the Malaysian Plantation Industries and Commodities Minister, Yang Berhormat Datuk Peter Chin Fah Kui said, *“United Plantations being a Malaysian Plantation Group is the first in the world to receive the RSPO Certification. I heartedly congratulate the United Plantations Group as this clearly demonstrates the industry’s commitment*

towards attaining the strictest standards of sustainability, unmatched by any other agricultural crop”.

The certification plans for our greenfield developments in Indonesia are envisaged within three years.



Biodiversity at Lima Blas Estate



Stakeholders Consultation

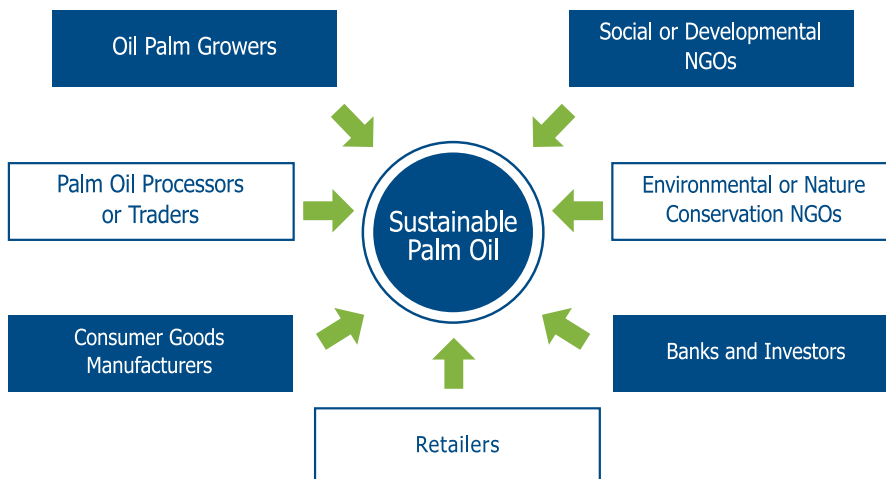


Visit to Kg. Asli Erong



Documentation Audit

Players in the Sustainable Palm Oil Supply Chain



Agrochemical and Energy Inputs in the Cultivation of Oil Palm and Other Oilseed Crops

Input	Per tonne oil basis					
	Oil Palm*			Soybean**	Sunflower**	Rapeseed**
	2006	2007	2008			
Fertiliser nutrients						
Nitrogen (N-kg)	21	21	19	315	96	99
Phosphate (P ₂ O ₅ -kg)	12	9	7	77	72	42
Potash (K ₂ O-kg)	45	46	38	NA	NA	NA
Magnesium (MgO-kg)	7	4	4	NA	NA	NA
Pesticides/Herbicides (kg)	0.40	0.54	0.44	29	28	11
Energy (GJ)	0.55	0.38	0.42	2.9	0.2	0.7

* includes palm oil + palm kernel oil (United Plantations Berhad, 2006-2008)

** Data from FAO, 1996

The quantity of agrochemicals (fertiliser nutrients and pesticide/herbicides) and energy used in oil palm cultivation in United Plantations over the

last three years is comparatively low when compared to other annual oilseed crops such as soybean, sunflower and rapeseed.

Production and Level of Utilisation of Oil Palm Biomass Residues in United Plantations Berhad in Year 2008 (Dry Matter Basis)

Biomass	Quantity Produced (tonnes)	Quantity Utilised (tonnes)	% Utilisation	Method of Utilisation
Pruned fronds	330,891	330,891	100	Mulch
Trunks and fronds at replanting	81,495	81,495	100	Mulch
Spent male flowers	31,816	31,816	100	Organic matter recycled on land
Fibre	83,396	83,396	100	Fuel & mulch in nursery
Shell	46,216	46,216	100	Fuel and mulch for polybag seedlings
POME	32,438	30,655	95	Nutrient source and organic fertiliser
EFB	76,462	72,639	95	Mulch and Fuel
Total	682,714	677,108	-	-
Level of utilisation = 99%				

In 2008, a total of 682,714 tonnes of biomass residues were generated through the field and mill operations of the company. Of these, 677,108 tonnes or 99% of the total, were effectively utilised

with most of the residues recycled as organic matter back to the land, thereby enhancing the organic matter content of our soils.

Fertiliser Equivalent and Monetary Value of Oil Palm Biomass Residues Recycled on Land in United Plantations Berhad in 2008

Biomass Residues	Method of Utilisation	Quantity Utilised on Dry Basis (tonnes)	Fertiliser Equivalent (tonnes)			
			Urea	Rock Phosphate	Muriate of Potash	Kieserite
Trunk & fronds at replanting	Mulch	81,495	1,019	342	1,311	625
Pruned fronds	Mulch	330,891	7,459	2,427	6,309	4,130
Spent male flowers	Organic matter	31,816	1,024	678	1,882	977
EFB	Mulch	60,708	1,056	445	2,934	675
Digested POME	Irrigation	30,655	1,066	674	1,676	1,226
Total (tonnes)		535,565	11,624	4,566	14,112	7,633
Monetary value (RM)			15,384,125	1,963,422	18,740,980	4,045,175
Total monetary value RM40,133,702						

Recycling of field and mill biomass residues back to the oil palm land remains a cornerstone of sustainable crop production for the maintenance of long term soil health. Besides enhancing the soil physical, chemical and biological properties, their application also has a favorable impact on oil palm yield. In 2008, the total organic matter recycled on land in United Plantations amounted to 535,565 tonnes, with a carbon content of 214,226 tonnes. This is equivalent to recycling 16 tonnes

of organic matter or 6.5 tonnes of carbon per hectare.

Upon mineralization, the organic residues return substantial quantities of previously locked plant nutrients to the soil. The fertiliser equivalent of the material recycled on land is of the order of 37,935 tonnes of NPKMg fertiliser worth a substantial RM40.13 million in view of the escalating fertiliser prices in 2008.



Encouraging barn owls as first line of defense against rat populations



Pheromone traps for biological control of rhinoceros beetle

Ring of Sustainable Practices



Zero burn replanting to avoid air pollution and to recycle trunk biomass



Mulching of young palms with trunk chips for nutrient recycling

Isokinetic Monitoring of Gaseous Emissions from the Palm Oil Mills

The concentration of dust particles in the flue gases emitted from the boiler stacks were monitored during 2008 by certified assessors, and the results are tabulated below. The average dust concentration

in the flue gases of all palm oil mills in United Plantations were within the Department of Environment's allowable limit of 0.4 g/Nm³ as per the Environment Quality Act, 1978.

Palm Oil Mill	Average Dust Concentration (g/Nm ³)
Jendarata Stack 5	0.2860
Ulu Bernam Stack 1 - (Boiler 1 & 4)	0.2613
Seri Pelangi Boiler 1 } Boiler 2 }	0.0441
UIE Stack 2 - (Boiler 1,2,3)	0.3809
Ulu Basir Boiler 1,2,3	0.3573
Lima Blas Boiler 1 } Boiler 2 }	0.2020



An aerial view of the Ulu Bernam Palm Oil Mill complex with Bernam River in the foreground.

All Properties Of The Group

Properties	Tenure	Area In Hectares	Description	Age In Years	Net Tangible Asset Value RM '000
Jendarata Estate 36009 Teluk Intan Perak Darul Ridzuan	Leasehold Expiring on: 15-01-2062	606.16	Registered Office - 1,369 sq.m. Research Station - 1,070 sq.m. Oil Palm & Coconut Estate	44 43	553 1,880 90,538
	07-06-2104	623.77	Palm Oil Mill Biomass Plant } 10,032 sq. m.	74 3	3,662 3,171
	07-06-2104	36.07			
	20-11-2067	997.06			
	22-08-2068	151.67			
	Yr to Yr	33.62			
	Freehold	3,931.65			
Kuala Bernam Estate Batu 18, Jalan Bagan Datoh 36300 Sungai Sumun Perak Darul Ridzuan	Freehold	830.11	Coconut Estate		11,895
Sungei Bernam Estate Sungai Ayer Tawar 45200 Sabak Bernam Selangor Darul Ehsan	Leasehold Expiring on: Yr to Yr 28-03-2056 Freehold	16.59 1.33 2,274.11	Coconut Estate Copra Kiln - 1,022 sq.m.	34	28,439 19
Ulu Bernam Estate 36500 Ulu Bernam Perak Darul Ridzuan	Leasehold Expiring on: Yr to Yr Freehold	95.31 3,098.57	Oil Palm Estate Palm Oil Mill - 8,193 sq.m.	76	40,044 2,185
Changkat Mentri Estate 36500 Ulu Bernam Perak Darul Ridzuan	Leasehold Expiring on: 26-11-2067 01-10-2081 Freehold	1,538.60 162.94 847.77	Oil Palm Estate		22,122
Ulu Basir Estate 36500 Ulu Bernam Perak Darul Ridzuan	Leasehold Expiring on: 26-11-2067 20-01-2087 Yr to Yr Freehold	11.40 2,468.00 288.98 1,218.62	Oil Palm Estate Palm Oil Mill - 6,352 sq. m.	19	33,585 506
Sungei Erong Estate 36500 Ulu Bernam Perak Darul Ridzuan	Leasehold Expiring on: 02-11-2064 31-03-2065 Yr to Yr Freehold	53.90 809.39 43.18 2,756.53	Oil Palm Estate		34,723
Sungei Chawang Estate 36500 Ulu Bernam Perak Darul Ridzuan	Freehold Yr to Yr	3,280.69 5.50	Oil Palm Estate		20,619
Seri Pelangi Estate Batu 11 3/4 Jalan Bidor 36000 Teluk Intan Perak Darul Ridzuan	Leasehold Expiring on: 15-06-2068 Freehold	1,419.02 2.82	Oil Palm Estate Palm Oil Mill - 2,248 sq. m.	31	16,282 160
Lima Blas Estate 35800 Slim River Selangor Darul Ehsan	Freehold	2,888.89	Oil Palm Estate Palm Oil Mill - 8,210 sq. m.		121,699 246
UIE Pantai Remis Perak Darul Ridzuan	Leasehold Expiring on: 23-12-2103 Freehold	10,359.26 3.25	Oil Palm and Coconut Estate Palm Oil Mill - 6,148 sq. m.	17	342,505 4,112
Unitata Berhad 36009 Teluk Intan Perak Darul Ridzuan	Freehold	18.45	Palm Oil Refinery Complex, Soap Plant, Cebes Plant } Buildings	34	15,075
Bernam Bakery 36009 Teluk Intan Perak Darul Ridzuan	Freehold	0.45	Bakery	24	13
Butterworth Bulking Installation 4536 Deep Water Wharf 12100 Butterworth	Leasehold Expiring on: 31-08-2019	0.84	Bulking & Storage & Rigging Facilities	36	514
PT SSS1 Pangkalan Bun, Central Kalimantan, Indonesia	Leasehold Expiring on: 24-09-2040 **	2,508.47 4,648.53	Oil Palm Estate		79,351

Notes:

* Estate Includes Land, Pre-cropping Cost and Buildings ** awaiting issue of lease

Group's Plantation Properties As At 31 December 2008

	Jendarata Hect.	Kuala Bernam Hect.	Sungei Bernam Hect.	Ulu Bernam Hect.	Changkat Mentri Hect.	Ulu Basir Hect.	Sungei Erong Hect.	Sungei Chawang Hect.	Seri Pelangi Hect.	Lima Blas Hect.	UIE Hect.	PT SSS1 Hect.	Total
OIL PALM:													
Mature	5,808			2,831	2,285	2,955	2,715	2,548	1,337	2,318	9,341		32,138
Immature-Planted 2005												539	539
Immature-Planted 2006				172		95	130	229		194		1,032	1,852
Immature-Planted 2007	218			150		394	248	411		223		2,106	3,750
Immature-Planted 2008					126	270	450	60				3,480	4,386
Sub-Total	6,026			3,153	2,411	3,714	3,543	3,248	1,337	2,735	9,341	7,157	42,665
COCONUT:													
Mature	25	692	2,221								384		3,322
Immature-Planted 2006		39	19										58
Immature-Planted 2007		40	15										55
Immature-Planted 2008		32											32
Sub-Total	25	803	2,255								384		3,467
OTHER AREAS:													
Other Crops	5												5
Areas felled for buildings, roads, drains, air-strip, nurseries, toddy tapping areas, railway, etc.	324	27	37	41	138	273	120	38	85	154	638		1,875
TOTAL	6,380	830	2,292	3,194	2,549	3,987	3,663	3,286	1,422	2,889	10,363	7,157	48,012

Oil Palm		
Age in years	Hectares	% Under crop
4 - 8	6,198	15
9 - 18	10,515	25
19 and above	15,425	35
Mature	32,138	75
Immature	10,527	25
Total	42,665	100

Locations of Estates, Factories and Holdings in Peninsular Malaysia



Key

- Subsidiary Companies
- Factories
- ▲ Oil Palm Estate
- ▲ Coconut Estate



Planted Area (Hectares) 31 December 2008

Estate	Oil Palm	Coconut	Other Crops	Total
UIE	9,341	384	-	9,725
Jendarata	6,026	25	5	6,056
Kuala Bernam	-	803	-	803
Sungei Bernam	-	2,255	-	2,255
Ulu Bernam	3,153	-	-	3,153
Changkat Mentri	2,411	-	-	2,411
Ulu Basir	3,714	-	-	3,714
Sungei Erong	3,543	-	-	3,543
Sungei Chawang	3,248	-	-	3,248
Seri Pelangi	1,337	-	-	1,337
Lima Blas	2,735	-	-	2,735
PT SSS1	7,157	-	-	7,157
TOTAL Hectares	42,665	3,467	5	46,137

★ Palm oil mill

63 km

PERAK

TELUK INTAN

Seri Pelangi

Kuala Bernam

Jendarata

Sungei Chawang

Sungei Erong

Lima Blas

Sungei Bernam

Ulu Bernam

Changkat Mentri

Ulu Basir

THAILAND

PENANG

MALAYSIA

KUALA LUMPUR

SINGAPORE

SABAH

BRUNEI

MALAYSIA

SARAWAK

INDONESIA
(Kalimantan)

PANGKALAN BUN

PT SSS1





An aerial view of the housing complex and the Registered Office amidst oil palms at Division 1, Jendarata Estate.