



Southern Acids (M) Berhad

Company No 64577-K
(Incorporated in Malaysia)

Southern Acids (M) Berhad (64577-K) (Incorporated in Malaysia.)

2008

ANNUAL REPORT



Southern Acids (M) Berhad

Company No 64577-K
(Incorporated in Malaysia)

Wisma Southern, 6th Floor, No. 26-34,
Jalan Dato' Hamzah, 41000 Klang,
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ANNUAL REPORT 2008



Contents

- 2** notice of the 27th annual general meeting
- 5** statement accompanying
notice of annual general meeting
- 6** corporate structure
- 8** corporate information
- 10** board of directors
- 12** profile of directors
- 18** chairman's statement
- 24** five-year group financial summary
- 26** audit committee report
- 29** statement on corporate governance
- 33** corporate social responsibility
- 34** statement on internal control
- 35** other bursa securities compliance information
- 106** properties of the group
- 108** analysis of shareholdings
 - proxy form



notice of the 27th annual general meeting

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT CROWN HALL, LEVEL 1, CRYSTAL CROWN HOTEL, 217 PERSIARAN RAJA MUDA MUSA, 42000 PELABUHAN KLANG, SELANGOR DARUL EHSAN ON TUESDAY, 28 OCTOBER 2008 AT 11.00 A.M. FOR THE FOLLOWING PURPOSES:-

1. To receive the Audited Financial Statements for the financial year ended 30 April 2008 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To declare a Final Dividend (tax exempt) of 8.00% per ordinary share for the financial year ended 30 April 2008. **Resolution 2**
3. To approve the payment of Directors' Fees of RM240,000.00 for the financial year ended 30 April 2008. **Resolution 3**
4. To re-elect the following Directors who are retiring under Articles 95 & 96 of the Company's Articles of Association, and being eligible, have offered themselves for re-election:
 - a) Dato Low Boon Eng DPMS JP **Resolution 4**
 - b) Mr. Yap Soon Nam **Resolution 5**
5. To re-elect Mr Low Mun Chong who is retiring under Article 101 of the Company's Articles of Association, and being eligible, have offered himself for re-election. **Resolution 6**
6. To re-appoint Dato' Panglima Kubu Mohd Yusoff bin Haji Amin, SMS, PJK, JP to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. **Resolution 7**
7. To re-appoint Messrs Deloitte KassimChan as Auditors to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors. **Resolution 8**

SPECIAL BUSINESS

8. To consider and if thought fit, adopt the following resolutions, with or without Modification, as Ordinary Resolutions:
 - a) **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965** **Resolution 9**

"That subject always to the Companies Act, 1965, and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

notice of the 27th
annual general meeting

b) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

Resolution 10

"That subject always to the Listing Requirement of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into the categories of recurrent transactions of a revenue or trading nature and with those Related Parties as specified in Section 2.2.2 of the Circular to Shareholders dated 6 October 2008 subject further to the following:-

- i. That the transaction are in the ordinary course of business and are on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- ii. That the transactions are made on an arm's length basis and on normal commercial terms; and
- iii. That disclosure shall be made in the Annual Report of a breakdown of the aggregate value of all transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, based on the following information:-
 - the type of the Recurrent Related Party Transactions made; and
 - the names of the Related Parties involved in each type of the Recurrent Related Party Transactions entered into and their relationships with the Company.
- iv. That such approvals shall only continue to be in force until:-
 - the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;
 - the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of CA); or
 - revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a Final Dividend (tax exempt) of 8.00% per ordinary share will be payable on 28 November 2008 to depositors who are registered in the Record of Depositors at the close of business on 7 November 2008 if approved by members at the Twenty-Seventh Annual General Meeting on 28 October 2008.

A depositor shall qualify for the entitlement only in respect of:-

- a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 5 November 2008 (in respect of shares which are exempted from Mandatory Deposit).



notice of the 27th
annual general meeting

- b) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 7 November 2008 in respect of ordinary transfers; and
- c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

PAUL IGNATIUS STANISLAUS (MACS 01330)

LIM KUI SUANG (F) (MAICSA 0783327)

Secretaries

Klang, Selangor Darul Ehsan
6 October 2008

NOTES:

1. *A member entitled to attend and vote at the Meeting of the Company is entitled to appoint a proxy to attend and vote on his behalf. A proxy shall be a member of the Company, and if the proxy is not a member of the Company, the proxy shall be an Advocate or an approved Company Auditor or a person approved by the Registrar of Companies.*
2. *A member shall be entitled to appoint one (1) proxy to attend and vote at the meeting.*
3. *Where a member appoints more than one (1) proxy the appointment shall be invalid.*
4. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 26, Jalan Istana, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
5. *Authority to issue Shares pursuant to Section 132D of the Companies Act, 1965.*

The proposed Resolution 9, if passed will empower the Directors of the Company to issue and allot shares in the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting of the Company.

6. *Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions.*

The proposed Resolution 10, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting of Company. Please refer to Section _____ of the Circular to Shareholders dated 6 October 2008 for more information.

statement accompanying notice of annual general meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of the Bursa Malaysia Securities Berhad

1. Twenty-Seventh Annual General Meeting of Southern Acids (M) Berhad

Place: Crown Hall, Level 1, Crystal Crown Hotel
 217, Persiaran Raja Muda Musa,
 42000 Pelabuhan Klang, Selangor Darul Ehsan
 Date: 28 October 2008
 Time: 11.00 a.m.

2. Directors who are seeking re-election or re-appointment are as follows:-

- (i) Dato' Low Boon Eng , pursuant to Article 95 and 96 of the Company's Articles of Association.
- (ii) Mr. Yap Soon Nam, pursuant to Article 95 and 96 of the Company's Articles of Association.
- (iii) Mr. Low Mun Chong, pursuant to Article 101 of the Company's Articles of Association.
- (iv) Dato' Mohd Yusoff bin Haji Amin, SMS, PJK, JP, pursuant to Section 129(6) of the Companies Act, 1965.

The details of the four (4) Directors seeking re-election and re-appointment are set out in the Directors' Profile from pages 12 to 16 and the Directors' Shareholdings in the Company on page 40 of the Annual Report.

3. Board Meetings held during the financial year ended 30 April 2008.

A total of nine (9) Board meetings were held at 6th Floor, Wisma Southern, 26-34, Jalan Dato' Hamzah, 41000 Klang, Selangor Darul Ehsan during the financial year ended 30 April 2008 on the following dates and times:-

- | | |
|-------------------------------|-------------------------------|
| • 26 June 2007 (4.30 pm) | • 23 February 2008 (10.00 am) |
| • 28 August 2007 (4.30 pm) | • 10 March 2008 (10.00 am) |
| • 26 September 2007 (4.30 pm) | • 19 March 2008 (12.00 noon) |
| • 2 November 2007 (5.00 pm) | • 29 March 2008 (10:30 am) |
| • 21 December 2007 (4.00 pm) | |

4. Details of attendance of Directors in office during the financial year for Board Meetings which were held during the financial year are as follows:

Name of Director	Number of Meetings held in financial year during Director's tenure in office	Number of Meetings Attended
Dato' Mong Hua @Low Mong Hua, DPMS (deceased 13 April 2008)	9	9
Dato' Mohd Yusoff bin Haji Amin SMS, PJK,JP	9	8
Mr. Sukhinderjit Singh Muker	9	8
Mr. Low Mong Chai @ Low Ah Kow	9	9
Dato' Low Boon Eng, DPMS, JP	9	7
Mr. Lim Kim Long	9	8
Mr. Yap Soon Nam	9	9
Tuan Haji Mohd Hisham bin Harun	9	8



6

SOUTHERN ACIDS (M) BERHAD

corporate structure



Southern Acids (M) Berhad

Company No 64577-K
(Incorporated in Malaysia)



commitment
to quality





corporate information

BOARD OF DIRECTORS

Dato' Mong Hua @ Low Mong Hua

Non-Independent Executive Chairman/Managing Director
(Deceased 13 April 2008)

Yap Soon Nam

Independent Non-Executive Director
Appointed Independent Non-Executive Chairman on
8 May 2008

Low Mong Chai @ Low Ah Kow

Non-Independent Executive Director

Lim Kim Long

Non-Independent Executive Director

Sukhinderjit Singh Muker

Independent Non-Executive Director

Dato' Mohd Yusoff bin Haji Amin

Independent Non-Executive Director

Tuan Haji Mohd Hisham bin Harun

Independent Non-Executive Director

Dato' Low Boon Eng

Non-Independent Non-Executive Director

Low Mun Chong

Non-Independent Non-Executive Director
Appointed 27 June 2008

David Low Kok Leong

Alternate Director to Low Mong Chai @ Low Ah Kow

AUDIT COMMITTEE

Tuan Haji Mohd Hisham bin Harun - Chairman

Independent Non-Executive Director

Dato' Mohd Yusoff bin Haji Amin

Independent Non-Executive Director

Dato' Mong Hua @ Low Mong Hua

Non-Independent Executive Chairman/Managing Director
Managing Director
Resigned 2 November 2007
Deceased 13 April 2008

Sukhinderjit Singh Muker

Independent Non-Executive Director
Appointed 2 November 2007

Yap Soon Nam

Independent Non-Executive Director
Appointed 2 November 2007

NOMINATION COMMITTEE

Dato' Mohd Yusoff bin Haji Amin

Independent Non-Executive Director

Sukhinderjit Singh Muker

Independent Non-Executive Director

Tuan Haji Mohd Hisham bin Harun

Independent Non-Executive Director

REMUNERATION COMMITTEE

Sukhinderjit Singh Muker - Chairman
Independent Non-Executive Director

Dato' Mong Hua @ Low Mong Hua
Non-Independent Executive Chairman/Managing Director
(Deceased 13 April 2008)

Yap Soon Nam
Independent Non-Executive Director

Dato' Mohd Yusoff bin Haji Amin
Independent Non-Executive Director

COMPANY SECRETARIES

Paul Ignatius Stanislaus (MACS 01330)
Lim Kui Suang (MAICSA 0783327)

REGISTERED OFFICE

26, Jalan Istana, 41000 Klang
Selangor Darul Ehsan, Malaysia
Telephone : 03-3371 0611
Facsimile : 03-3371 2886

SHARE REGISTRAR

Symphony Share Registration Sdn Bhd
Level 26, Menara Multi-Purpose,
Capital Square, No 8,
Jalan Munshi Abdullah,
50100 Kuala Lumpur, Malaysia.
Telephone : 03-2721 2222
Facsimile : 03-2721 2530

**HEAD OFFICE /
PRINCIPAL PLACE OF BUSINESS**

Wisma Southern, 6th Floor
No. 26-34, Jalan Dato Hamzah
41000 Klang, Selangor Darul Ehsan
Malaysia
Telephone : 03-3375 6789
Facsimile: 03-3371 3898/3371 2080
E-mail : southern@tm.net.my

AUDITORS

Deloitte KassimChan
Level 19, Uptown 1,
1, Jalan SS21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

PRINCIPAL BANKERS

CIMB Bank Berhad
Standard Chartered Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

LEGAL STATUS

Public listed company limited by shares

COUNTRY OF DOMICILE & INCORPORATION

Malaysia



board of directors



1. **Yap Soon Nam**
2. **Low Mong Chai @ Low Ah Kow**
3. **Lim Kim Long**
4. **Sukhinderjit Singh Muker**

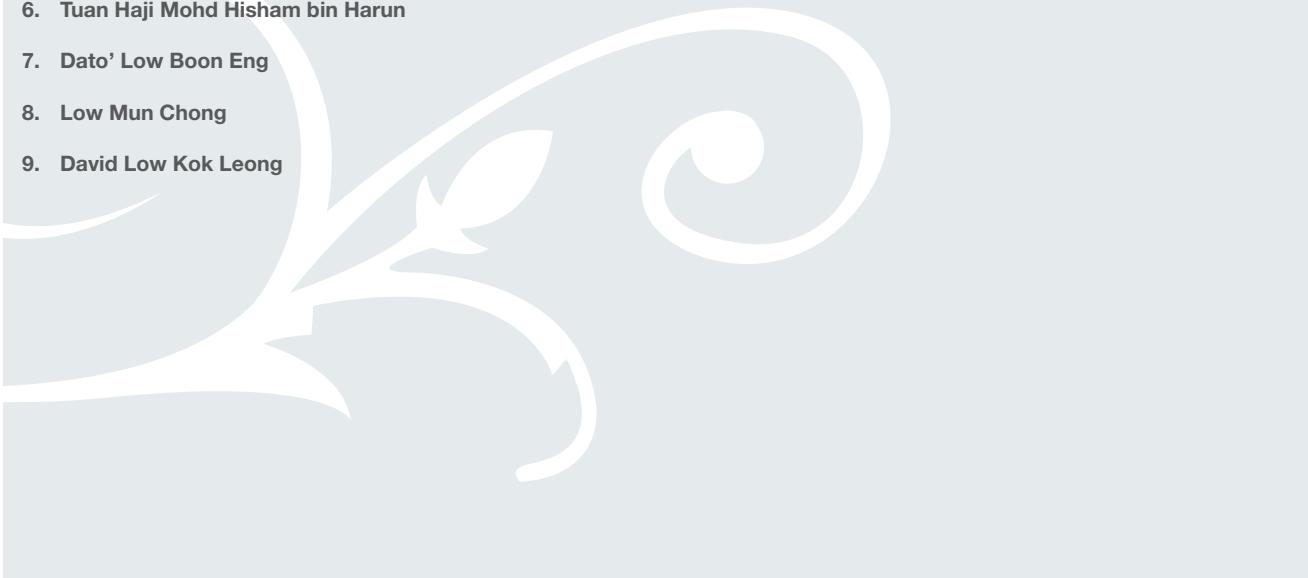




board of directors



5. Dato' Mohd Yusoff bin Haji Amin
6. Tuan Haji Mohd Hisham bin Harun
7. Dato' Low Boon Eng
8. Low Mun Chong
9. David Low Kok Leong



profile of directors

**YAP SOON NAM**

Independent Non-Executive Director

**LOW MONG CHAI @ LOW AH KOW**

Non-Independent Executive Director

YAP SOON NAM, a Malaysian, aged 57, is an Independent Non-Executive Director of the Company and was appointed to the Board on 10 August 2005. Mr. Yap was appointed as the Independent Non-Executive Chairman of the Company on 8 May 2008.

Mr. Yap is a practising lawyer and holds a B.A. Law (Hons) London, Barrister at Law (Middle Temple). He was admitted to the Middle Temple Bar in 1977 and called to the Utter Bar in 1978. He was later admitted to the Malaysian Bar in 1979 and was called to the Victorian Bar in Australia in 1985. Mr. Yap was also called upon by the Malaysian Cabinet and Treasury to advise on the takeover and restructuring of Metramac Sdn Bhd.

Mr. Yap was appointed as a member of the Remuneration Committee of the Company on 10 August 2005. On 2 November 2007, Mr. Yap was appointed a member of the Audit Committee. During the financial year ended 30 April 2008, Mr. Yap attended all nine (9) of the Board of Directors' Meetings held during the financial year.

Mr. Yap has no family relationship with any other directors or major shareholders of the Company. He has never been convicted for any offence within the past the (10) years.

LOW MONG CHAI @ LOW AH KOW, a Malaysian, aged 62, is a Non-Independent Executive Director of the Company and was appointed to the Board on 28 July 1984. Mr. Low is a graduate of Queensland Agriculture College, Australia with a Major in Horticulture in 1970. He is responsible for the planning and development of the plantation business of the Company. Mr. Low also holds directorship in several private companies.

Mr. Low attended all the nine (9) Board of Directors' Meetings held during the financial year ended 30 April 2008. Mr. Low is the father to David Low Kok Leong and brother to the late Dato' Mong Hua @ Low Mong Hua and Mr. Low Mun Chong. Mr. Low is also the first cousin to Dato' Low Boon Eng. He has never been convicted for any offence within the past ten (10) years.



profile of directors

**LIM KIM LONG**

Non-Independent Executive Director

**SUKHINDERJIT SINGH MUKER**

Independent Non-Executive Director

LIM KIM LONG, a Malaysian, aged 48, is a Non-Independent Executive Director of the Company and was appointed to the Board on 10 August 2005. Mr. Lim did his pre-university education at Kolej Tunku Abdul Rahman, Kuala Lumpur. He is employed by Southern Realty (Malaya) Sdn. Berhad, a company which is principally involved in oil palm plantations, palm oil milling and investment holdings since 1982. Mr. Lim also holds directorship in several private companies including subsidiaries of the Company.

During the financial year ended 30 April 2008, Mr. Lim attended eight (8) of the nine (9) Board of Directors' Meetings held during the financial year. He has never been convicted for any offence within the past ten (10) years.

SUKHINDERJIT SINGH MUKER, a Malaysian, aged 61, is an Independent Non-Executive Director of the Company and was appointed to the Board on 28 July 1994. Mr. Muker is a practising lawyer and obtained his L.L.B (Honours) in 1972 from the University of London. He was conferred the Degree of an Utter Barrister by the Honourable Society of Grays Inn in 1973 and was called to the Malaysian Bar in 1974.

Mr. Muker also sits on the Board of Harvest Court Industries Berhad and Pahanco Corporation Berhad. These two (2) companies are listed on the Second Board of Bursa Malaysia Securities Berhad.

Mr. Muker is a member of the Remuneration Committee and Nomination Committee of the Company. On 2 November 2007, Mr. Muker was appointed a member of the Audit Committee. He attended eight (8) of the nine (9) Board of Directors' Meetings held during the financial year ended 30 April 2008. Mr. Muker has no family relationship with any other directors or major shareholders of the Company. He has never been convicted for any offence within the past ten (10) years.

profile of directors

**DATO' MOHD YUSOFF BIN HAJI AMIN**

Independent Non-Executive Director

**TUAN HAJI MOHD HISHAM BIN HARUN**

Independent Non-Executive Director

DATO' MOHD YUSOFF BIN HAJI AMIN, SMS, PJK, JP, a Malaysian, aged 78, is an Independent Non-Executive Director of the Company and was appointed to the Board on 18 September 1990. Dato' completed his secondary education in Victoria Institute Kuala Lumpur. Dato' Yusoff is the Honorary Advisor to Society of the Royal Datos and Council of the Justice of the Peace Selangor Darul Ehsan. He also sits on the Board of Khee San Berhad and The Store Corporation Berhad. These two (2) companies are listed on the Main Board of Bursa Malaysia Securities Berhad.

Dato' Yusoff is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Dato' Yusoff attended eight (8) of the nine (9) Board of Directors' Meetings held during the financial year ended 30 April 2008. Dato' Yusoff has no family relationship with any other directors or major shareholders of the Company. He has never been convicted for any offence within the past ten (10) years.

TUAN HAJI MOHD HISHAM BIN HARUN, a Malaysian, aged 40, is an Independent Non-Executive Director of the Company and was appointed to the Board on 10 August 2005. Tuan Haji Hisham is a member of the Chartered Institute of Management Accountants and is a General Manager (CEO Office) at Lembaga Tabung Haji. Tuan Haji Hisham started his career at Coopers & Lybrand/PricewaterhouseCoopers, where he was attached to the Audit Division and the Consultancy Division.

Tuan Haji Hisham was appointed as a member of the Audit Committee on 10 August 2005 and the Chairman of the Audit Committee on 25 August 2005. He is also a member of the Nomination Committee of the Company. During the financial year ended 30 April 2006, Encik Hisham attended eight (8) of the nine (9) Board of Directors' Meetings which were held during the financial year.

Tuan Haji Hisham has no family relationship with any other directors or major shareholders of the Company. He has never been convicted for any offence within the past the (10) years.



profile of directors

**DATO' LOW BOON ENG**

Non-Independent Non-Executive Director

**LOW MUN CHONG**

Non-Independent Executive Director

DATO' LOW BOON ENG, DPMS, JP, a Malaysian, aged 58, is a Non-Independent Non-Executive Director of the Company and was appointed to the Board on 10 August 2005. Dato' Low holds a Bachelor of Science in Mechanical Engineering from Imperial College, University of London (1st Class Honours) and a 1st Grade Steam Engineer Certificate.

Dato' Low started his career as an Engineer with Southern Realty (Malaya) Sdn. Berhad, a company which is principally involved in oil palm plantations, palm oil milling and investment holdings. Dato' Low is also a director of the Malaysia Palm Oil Board (MPOB) and a member of its Training Committee. He also holds directorship in several private companies.

During the financial year ended 30 April 2008, Dato' Low attended seven (7) of the nine (9) Board of Directors' Meetings held during the financial year. Dato' Low is the first cousin to the late Dato' Mong Hua @ Low Mong Hua, Mr. Low Mun Chong and Mr. Low Mong Chai @ Low Ah Kow. Dato' Low has never been convicted for any offence within the past ten (10) years.

LOW MUN CHONG, a Malaysian, aged 64, was first appointed to the Board on 28 May 1990 as a Non-Independent Executive Director. He vacated his office as a director of the Company on 30 April 2007 but was re-admitted to the Board as a Non-Independent Non-Executive Director on 27 June 2008. Mr. Low holds a General Certificate of Education from Klang High School and was actively involved in the day-to-day running of the Company for more than 25 years before vacating his office at the end of the financial year of 2007. Mr. Low also holds directorship in several private companies.

Mr. Low Mun Chong is the brother to the late Dato' Mong Hua @ Low Mong Hua and Mr. Low Mong Chai @ Low Ah Kow and is also the first cousin to Dato' Low Boon Eng. He has never been convicted for any offence within the past ten (10) years.



profile of directors



DAVID LOW KOK LEONG

Alternate Director to Low Mong Chai @ Low Ah Kow

DAVID LOW KOK LEONG, a Malaysia, aged 36, was appointed as an Alternate Director to his father, Mr. Low Mong Chai @ Low Ah Kow on 22 December 2006. Mr. Low holds a Master of Science in Management for Agricultural Development and Bachelor of Horticultural Science (with distinction). Mr. Low started his career as an Assistant Manager overseeing the estate operations of some of the estates in the Southern Group and was later promoted as the Plantation Management Advisor of the Southern Group. He is now the Regional General Manager of the Southern Group Indonesian Plantation Operations.

Mr. Low also holds directorship in several private companies and has never been convicted for any offence within the past ten (10) years.

ensuring
operational
efficiency





chairman's statement

On behalf of the Board of Directors, I have the pleasure in presenting the annual report and financial statements of Southern Acids (M) Berhad ("the Company") and its group of companies ("the Group") for the financial year ended 30 April 2008.



OVERVIEW

The year under review is a significant year for the Southern Acids Group albeit a sad one given the untimely passing of one of the Group's founder, Dato' Low Mong Hua DPMS on 13 April 2008. Dato' Low was instrumental in building the Group to what it is today, having first started with an oleochemical plant in the early 80s to what is a fairly diversified Group of Companies today. Dato' Low's legacy will live on and the Board will strive to bring the Group to a higher level yet befitting his legacy.

On a more positive note, I am pleased to report that the Group has delivered a much improved set of results for the financial year 2008. Group profit before tax for 2008 was RM43.86 million, a 72% increase from the RM25.46 million recorded in 2007. The improved results were driven mainly by higher earnings registered by the oleochemical and the plantation divisions. The oleochemical division posted a RM23.60 million in profit before tax in the current year, a 201% increase against the RM7.84 million recorded in 2007 while the plantation division contribution was RM22.18 million, a RM11.71 million increase against its 2007 results.

The Group's full year earnings per share increased 64.37% to 16.93 sen per share from the 10.30 sen in 2007. Net tangible assets per share as at 30 April 2008 also improved to RM2.85, compared to RM2.66 in 2007.

OLEOCHEMICAL DIVISION

The division recorded a 41% increase in revenue during the current financial year, pushing its revenue to RM339.29 million against the RM240.36 million recorded in the last financial year. Profit before tax, as mentioned earlier has also increased from the RM7.84 million recorded in 2007 to RM23.60 million in the current financial year.

The division's results were achieved against a backdrop of what were very difficult operating conditions in the financial year under review. Raw materials prices were unusually high, especially towards the end of the financial year but by and large the division was able to transfer this increase cost to its customers in the form of higher selling prices. With the compressed gas natural supply(CNG) system now fully in place, the division now enjoys a far more competitive footing in the oleochemical industry and coupled with the much improved glycerine price in 2008, the division went on to record an impressive 201% increase in its operating profit against 2007 results.





chairman's statement



PLANTATION DIVISION

The plantation division recorded a significant improvement in operating profit in 2008, turning in a profit before tax of RM22.18 million against the RM10.47 million recorded in 2007.

The much improved results here were buoyed largely by higher crude palm oil price and a higher percentage of fresh fruit bunches processed from the Group's own estates.

While earnings have improved substantially in 2008, the Board recognises that there are still much to do for the Group to realise the full potential of the Company's investment in Indonesia.

WAREHOUSING & CONVEYING DIVISION

The warehousing and conveying division recorded an operating profit of RM1.70 million in the current financial year against RM1.16 million in 2007 contributed mainly by higher rental income earned from its warehousing facility in Northport, Pelabuhan Klang and higher palm kernel expeller transported through the division's overhead conveying system.

The division's warehouse and high speed overhead conveyor facilities which is situated on a piece of land adjacent to Wharf 15 at Northport Pelabuhan Klang provide an important infrastructure for palm kernel expellers (a by-product at the tail end of the oil palm industry) to be safely housed (given that palm kernel expeller is self-combustible) and eventually loaded onto awaiting vessels for export to buyers around the world.

The Lease with Lembaga Pelabuhan Klang (LPK) is expiring in March 2010 and we are already in negotiation with LPK to seek an extension to the Lease.



HEALTH CARE DIVISION

2008 was a difficult year for the health care division. The division turned in an operating loss of RM3.62 million in 2008 against a profit of RM3.35 million in the last financial year.

Revenue for 2008 was lower at RM49.60 million against the RM52.30 million recorded in 2007. This has weighed down the division performance. The division's results were also adversely affected by a doubtful debt provision of RM0.39 million made on the Hospital long outstanding receivables.

The Group remains committed to its objective to bring about an acceptable sustainable rate of returns from its investment in the division. On-going efforts are being made to position the Group's hospital as the private medical centre of choice in the vicinity of Klang and the Klang valley.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of 8.00% (tax exempt) for the current financial year. We seek your favourable consideration and approval on the proposed dividend in the forthcoming Annual General Meeting.

PROSPECTS

With the CNG system in place, the oleochemical division is now able to compete more effectively in an industry that has seen quite a huge expansion in capacity coming on stream the last few years. The division should continue to benefit from the long standing relationship that it has built with its customers over the years as a reliable producer of quality goods.

Although crude palm oil prices have weakened in recent weeks, the plantation division should continue to remain profitable in the coming financial year. The division would endeavour to increase its earning capacities by further improving on the division's operating efficiencies as well.

As touched upon earlier, PKE (Malaysia) Sdn Berhad's existing Lease with LPK is expiring in March 2010. Negotiations are already underway to seek an extension to the Lease.

The healthcare division will continue to take steps to turn the division around without compromising on the quality of healthcare. As society becomes more health conscious, the division should benefit from this.





chairman's statement

BOARD CHANGES

As touched upon earlier, the late Dato' Low Mong Hua DPMS passed away on 13 April 2008. I was appointed the Chairman of the Company on 8 May 2008. Mr. Low Mun Chong who had earlier vacated his office on 30 April 2007 was re-admitted to the Board as a Non-Independent Non-Executive Director on 27 June 2008 while Mr. Lim Kim Long was re-designated as an Executive Director on 28 August 2008.

APPRECIATION

On behalf of the Board, I would like to extend our thanks to our valued customers, business partners, financiers and the relevant government authorities for their continued support. I would also like to express our appreciation to the management and staff of the Group for their dedication and hard work in seeing us through this challenging year.

In closing, my personal thanks and gratitude to my fellow directors for their valuable support and contribution, and to our shareholders for their continued support and confidence in Southern Acids (M) Berhad.

Thank you.

Yap Soon Nam
Chairman



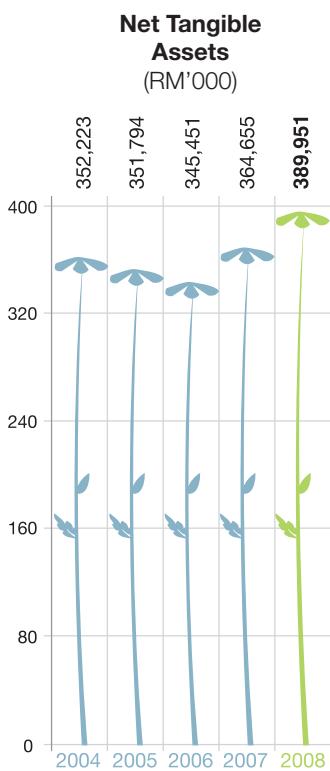
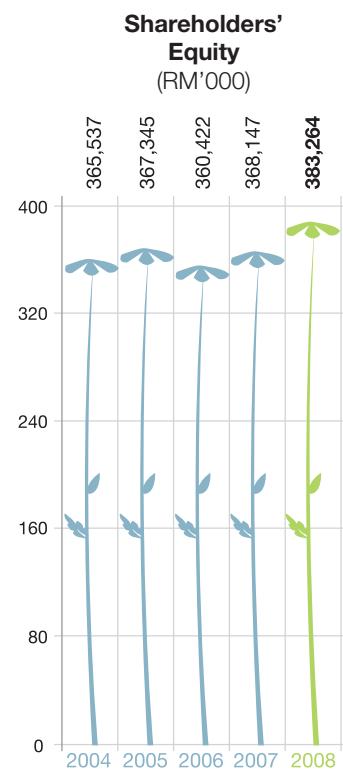
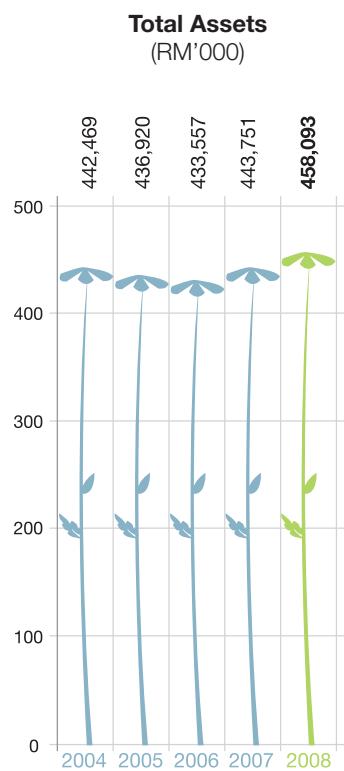
delivering
better
standards

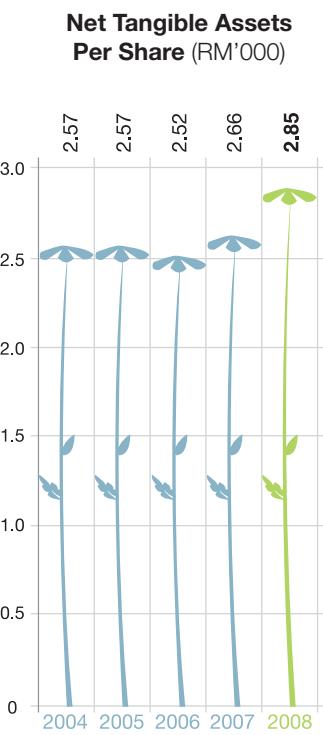
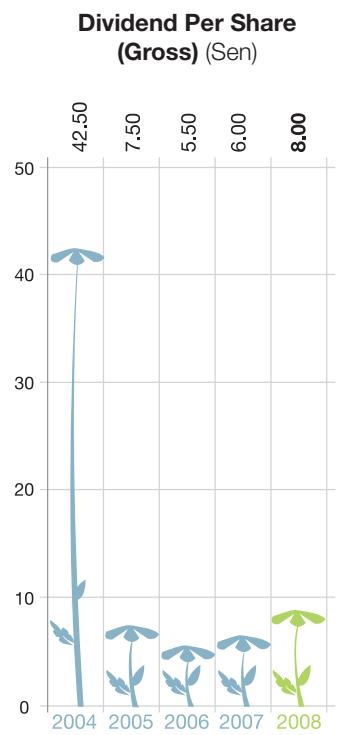
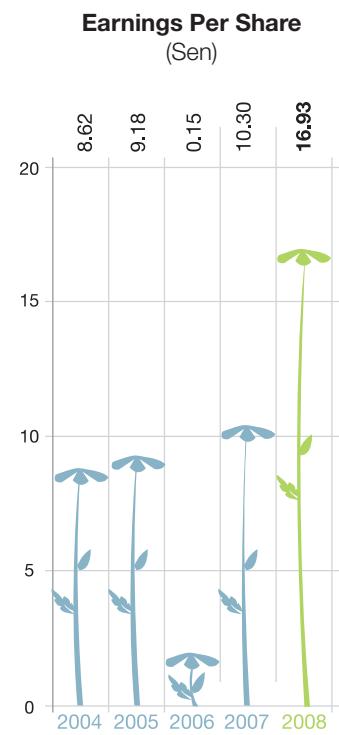
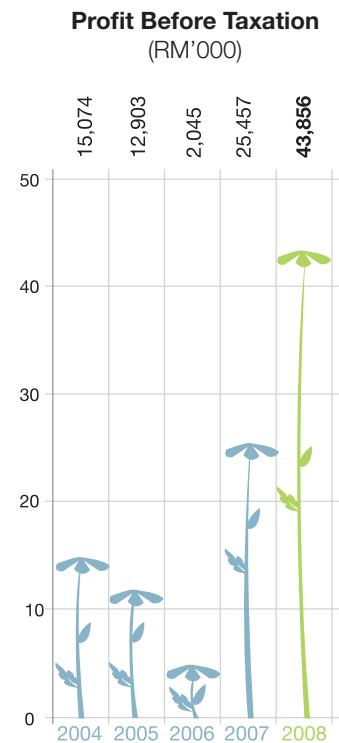
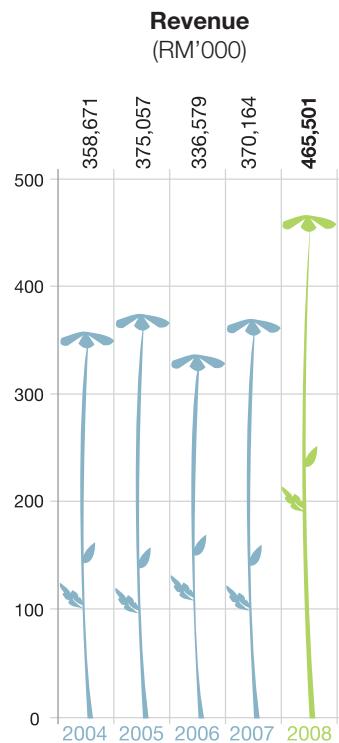




5-year group financial summary

		2004	2005	2006	2007	2008
FINANCIAL PERFORMANCE						
Revenue	RM'000	358,671	375,057	336,519	370,164	465,501
Profit before taxation	RM'000	15,074	12,903	2,045	25,457	43,856
Net profit for the year	RM'000	10,118	12,573	196	17,798	28,989
FINANCIAL POSITION						
Total Assets	RM'000	442,469	436,920	433,557	443,751	458,093
Total Liabilities	RM'000	76,932	64,724	68,296	67,205	62,433
Net Current Assets	RM'000	76,427	71,802	68,106	89,909	121,572
Shareholders' Equity	RM'000	365,537	367,345	360,422	368,147	383,264
Issued Share Capital	RM'000	136,934	136,934	136,934	136,934	136,934
Net Tangible Assets	RM'000	352,223	351,794	345,451	364,655	389,951
KEY FIGURES						
Earnings Per Share	Sen	8.62	9.18	0.15	10.30	16.93
Dividend Per Share (Fully Diluted)	Sen	7.72	8.35	N/A	N/A	N/A
Dividend Per Share (Gross)	Sen	42.50	7.50	5.50	6.00	8.00
Net Tangible Assets Per Share	RM	2.57	2.57	2.52	2.66	2.85







audit committee report

THE BOARD IS PLEASED TO PRESENT THE REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 APRIL, 2008.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee was established on 29 July 1994. The Audit Committee members and the details of attendance of each member at Committee meetings during the financial year are as follows:-

Committee Member	Number of meetings attended Committee Member during the financial year
1. Tuan Haji Mohd Hisham bin Harun - Chairman Independent Non-Executive Director	7 of 7
2. Dato' Mohd Yusoff bin Haji Amin Independent Non-Executive Director	7 of 7
3. Dato' Mong Hua @ Low Mong Hua Non-Independent Executive Chairman/Managing Director Resigned 2 November 2007	3 of 3
4. Mr. Yap Soon Nam Independent Non-Executive Chairman/Director Appointed 2 November 2007	4 of 4
5. Mr. Sukhinderjit Singh Muker Independent Non-Executive Director Appointed 2 November 2007	4 of 4

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

- The Committee shall be appointed by the Board of Directors from amongst Directors of the Company. At the start of the financial year, the Committee consists of three (3) members, majority of whom were Independent Non-Executive Directors. In complying with the Best Practices advocated by the Malaysian Code on Corporate Governance (Revised 2007) which came into effect on 1 October 2007, the late Dato' Low Mong Hua had resigned from the Committee on 2 November 2007 and the Board had in his place admitted Mr. Yap Soon Nam and Mr. Sukhinderjit Singh Muker, both of whom are Independent Non-Executive Director as members of the Committee on 2 November 2007. The Committee now consists wholly of Independent Non-Executive Director, in full compliance with the Best Practices advocated by the Revised Malaysian Code on Corporate Governance.
- At least one (1) member shall be a member of the Malaysian Institute of Accountants or similar qualification as prescribed in Part 1 or Part 11 of the First Schedule of the Accountants Act 1967 with at least three (3) years working experience.
- The Audit Committee shall not consist of any Alternate Director of the Company.
- The members of the Audit Committee shall elect a Chairman from among their members who shall be an Independent Non-Executive Director.
- In the event a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTD.)

Meetings

- Meetings shall be held not less than four (4) times a year.
- A quorum shall be two (2) members, majority of whom must be Independent Non-Executive Directors.
- Other Directors and employees may also attend the Audit Committee meeting upon the invitation of the Committee.
- The Company Secretary shall act as the Secretary of the Committee.

Authority

The Committee is authorised by the Board and shall:-

- have authority to investigate any matter within its terms of reference.
- have the resources which are required to perform its duties.
- have full and unrestricted access to any information pertaining to the Group.
- have direct communication channels with the external auditors and the internal auditors.
- be able to obtain independent professional or other advice as necessary.
- be able to convene meetings with the external auditors, excluding the attendance of the executive member of the Committee, whenever deemed necessary.

Duties of the Committee

The duties of the Audit Committee shall be amongst others:-

- To review with the external auditor the audit plan, their evaluation of the system of internal controls and their audit report.
- To review the assistance given by the employees of the Company to the external auditors.
- To review the adequacy of the scope, functions and resources of the internal audit department and that it has the necessary authority to carry out its work.
- To review the internal audit programme and processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- To review the quarterly results and year end financial statements, prior to the approval by the Board of Directors.
- To monitor any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or code of conduct that raised questions of management integrity.
- To consider and recommend the nomination and appointment of external auditors, the audit fees and any questions of resignation, dismissal or re-appointment.
- To report promptly to the Bursa Malaysia Securities Berhad where the Committee is of the view that a matter reported by it to the Board or Directors has not been satisfactorily resolved resulting in a breach of Bursa Malaysia Listing Requirements.



audit committee report

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 April 2008, the Audit Committee held seven (7) meetings.

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the year:-

- Review the quarterly and annual financial statements prior to the submission to the Board for consideration and approval.
- Review the audit reports for the Group prepared by both the external auditors and internal audit department, their findings and management responses thereto.
- Review the audit plans for the Group prepared by both the external auditors and internal audit department.
- Review and approve their minutes of the Committee's meetings.

INTERNAL AUDIT FUNCTION

The Committee is aware of the need to have an independent internal audit function to assist in obtaining the assurance it requires regarding the effectiveness of Group's system of internal control. As such, the Company has established an internal audit function to independently conduct reviews of the Group's system of internal control so as to provide assurance that such systems continue to operate satisfactory and effectively.

The principal role of the internal audit function are as follows:-

- Ascertaining the adequacy of the Group's system of internal controls and procedures that are specifically designed to detect and /or prevent violations.
- Ascertaining the efficiency and effectiveness of operating policies and procedures.
- Ascertaining and reviewing the reliability and integrity of financial and operational information generated and means used to identify, measure, classify and report such information.
- Ascertaining that the financial and accounting records and reports contain accurate, reliable, timely, complete and relevant information and are prepared in compliance with applicable approved accounting standards.
- Coordinating with the external auditors in planning of audit activities.
- Performing special reviews and/or investigations as requested by management or the Audit Committee.
- Identifying opportunities to improve the operations of and processes within the Group.

statement on corporate governance

THE BOARD OF DIRECTORS RECOGNISES THE IMPORTANCE OF CORPORATE GOVERNANCE IN DISCHARGING THE BOARD'S STEWARDSHIP RESPONSIBILITIES AND TO PROTECT AND ENHANCE SHAREHOLDERS' VALUE. IN THIS PREMISE, THE BOARD IS COMMITTED TO ENSURING HIGH STANDARDS OF CORPORATE GOVERNANCE ARE PRACTICED THROUGHOUT THE GROUP AND WILL TAKE ALL STEPS TO MEET THE PRINCIPLES AND BEST PRACTICES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE.

1. THE BOARD OF DIRECTORS

An effective Board leads and controls the Group. Board meetings are held at least four (4) time a year and additional meetings are held when required. During the year ended 30 April 2008, nine (9) Board meetings were held. Details of the attendance of the Directors at the Board Meetings are disclosed in their respective personal profiles set out on pages 12 to 16.

1.1 Board Balance & Composition

At the start of the financial year, the Board consists of eight (8) members, which comprised the late Executive Chairman/Managing Director, one (1) Executive Director and six (6) Non-Executive Directors. Four (4) of the six (6) Non-Executive Directors are Independent Directors. The Executive Chairman/Managing Director, Dato' Low Mong Hua passed away on 13 April 2008. On 8 May 2008, Mr. Yap Soon Nam was appointed as the Company's Independent Non-Executive Chairman in place of the late Dato' Low Mong Hua and on 27 June 2008, Mr. Low Mun Chong was admitted as a Non-Independent Non-Executive Director. On 28 August 2008, Mr. Lim Kim Long, who was initially a Non-Independent Non-Executive Director of the Company was re-designated as a Non-Independent Executive Director instead. Currently the Board comprised eight (8) members, which comprised two (2) Executive Directors and six (6) Non-Executive Directors. Four (4) of the six (6) Non-Executive Directors are Independent Directors.

Together, the Directors have a mix of skills and experience ranging from business, financial, legal and technical experience. The mix of skills and experience is vital for the successful direction of the Group. A brief profile of each Director is presented on pages 12 to 16.

The Board reviews the financial performance and the business operations of the Group, the adequacy of the management and internal controls. The role of the executive directors is to implement the policies and decisions of the Board, and oversee the operations and development of the Group.

1.2 Supply of Information

All Directors are provided with agenda, minutes of the previous meeting and a set of Board papers prior to Board meetings. This is issued in sufficient time to enable the Directors to obtain further explanations where necessary, in order to be properly briefed before the meeting.

All Board members have access to all information within the Company and the advice and services of the Company Secretaries in carrying out their duties.

Management meetings are held during which the Executive Directors are briefed by the Management on operational aspects of the Group. During these meetings, Executive Directors are furnished with information on the operation units i.e. performance and problems. This enables the Executive Directors to participate in the problem solving and decision making processes.



statement on corporate governance

1. THE BOARD OF DIRECTORS (CONTD.)

1.3 Appointments to the Board

The Nomination Committee is responsible for evaluating and assessing the suitability of candidates for Board membership. In considering the nomination, the Committee will review the qualification and working experience of the candidate and how well the candidate fits into the existing skills mix of the Board to ensure a well-balanced Board composition before recommending to the Board for approval.

1.4 Re-election

In accordance with the Company's Articles of Association (the Articles), all Directors who are appointed by the Board are subjects to re-election by shareholders at the first Annual General Meeting after their appointment. The Articles also provide that one third of the Directors for the time being, shall be subject to re-election by rotation at each Annual General Meeting.

1.5 Directors' Training

With the recent amendment to Practice Note No. 15/2003, the Board of Directors will now assume the responsibility of determining and overseeing the training needs of its members.

To help the Directors better understand the Group's business and operations, the Management had conducted presentation and briefings to the Board giving them insight into the activities of all operating and active subsidiaries.

All Board members also receives updates from time to time, particularly on regulatory and statutory developments.

1.6 Directors' Remuneration

The Board has established a Remuneration Committee for recommending the policy and framework of Executive Directors' remuneration.

The details of the Directors remuneration are set out in the financial statements in this Annual Report. The aggregate remuneration of Directors received/receivable from the Company and subsidiary companies who were in office during the financial year for the financial year ended 30 April 2008 are as follows:-

In RM	Executive Directors	Non-Executive Directors
Fees	48,000	144,000
Salaries	169,786	73,068
Bonuses & Incentives	244,823	28,503
Allowances	8,800	43,600
Total	471,409	289,171

The number of Directors whose total remuneration falls within the following bands is as follows:-

Range of remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	1	5
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	1
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	1	-

2. COMMITTEES OF THE BOARD

The following committees have been established to assist the Board in carrying out its duties and responsibilities. The terms of reference of each committee have been approved by the Board and where applicable, comply with the requirements of the Code.

2.1 Audit Committee

The Audit Committee assists the Board to meet its responsibilities regarding financial reporting and strengthens the independence of external auditors through the ability to communicate with the Independent Non-Executive Directors. It also monitors the work of the internal audit function.

The Audit Committee meets the external auditors annually to review the financial statements and their audit findings, including where necessary, the audit plan and any other matters arising on the annual reporting.

The report of the Audit Committee is set out on pages 26 to 28.

2.2 Remuneration Committee

The Remuneration Committee was formed on 17 November 2001. The Committee members are:

- Mr. Sukhinderjit Singh Muker (Chairman)
- Dato' Mong Hua @ Low Mong Hua (deceased 13 April 2008)
- Dato' Mohd Yusoff bin Haji Amin
- Mr. Yap Soon Nam

The Committee shall recommend to the Board the remuneration packages of the Managing Director, Executive Directors, in all its forms, drawing outside advice as necessary. The determination of remuneration packages of Non-Executive Director should be a matter for the Board a whole.

During the financial year ended 30 April 2008, one (1) meeting was held, which was attended by all the members of the committee.

2.3 Nomination Committee

The Committee members are:-

- Dato' Mohd Yusoff bin Haji Amin
- Mr. Sukhinderjit Singh Muker
- Tuan Haji Mohd Hisham bin Harun

The Committee shall assess the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director. The Committee will also review the required mix of skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.

During the financial year ended 30 April 2008, one (1) meeting was held, which was attended by all the members of the committee.



statement on corporate governance

3. SHAREHOLDER COMMUNICATION AND INVESTOR RELATIONS

The Board acknowledges the need for the shareholders to be informed of all material business matters affecting the Company. In addition to various announcements, the timely release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and operations. Copies of full announcement will be supplied to shareholders and members of the public upon request.

The Annual General Meeting (AGM) is the principal forum for dialogue with public shareholders. There is an open question and answer session in which shareholders may ask question both about resolutions being proposed at the meeting and also about the financial performance and business operations in general. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting.

Shareholders are also welcome to raise queries by contacting the Company and not just at AGM. Shareholders and investors may address their queries or seek information pertaining to Southern Acids (M) Berhad Group by writing to:-

Tuan Haji Mohd Hisham bin Harun
6th Floor, Wisma Southern,
No. 26-34, Jalan Dato' Hamzah,
41000 Klang, Selangor Darul Ehsan,
Malaysia.

4. ACCOUNTABILITY AND AUDIT

a. Financial Reporting

In presenting the annual audited financial statements to shareholders and the announcement of quarterly financial results, the Board takes appropriate steps to present a true and fair view of the financial statements of the Company and its subsidiaries.

b. Internal Control

The Board has the overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and Group's assets by identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; and reviewing the adequacy and integrity of the internal control system.

The Statement on Internal Control provides an overview of the state of internal controls within the Group and is set out on pages 34 of this Annual Report.

c. Relationship with the Auditors

Through the Audit Committee, the Company has established a transparent and appropriate relationship with the Group's external and internal auditors. From time to time, the auditors highlight to the Audit Committee and the Board on matters that require Board's attention.

The role of the Audit Committee in relation to the external auditors is stated under the terms of reference of the Audit Committee on pages 26 to 28..

corporate social responsibility

THE GROUP RECOGNIZES THE IMPORTANCE OF CONDUCTING ITS BUSINESSES IN A SOCIALLY AND RESPONSIBLE MANNER. ALTHOUGH THE GROUP IS INVOLVED IN A NUMBER OF DIFFERENT INDUSTRIES, IT IS NEVERTHELESS HELD TOGETHER BY A COMMON BELIEF THAT THE UNDERTAKINGS OF THE GROUP WILL BENEFIT ITS CUSTOMERS, EMPLOYEES, SHAREHOLDERS, BUSINESS ASSOCIATES AND THE SOCIETY ALIKE. TO THIS END, THE GROUP IS COMMITTED IN FULFILLING ITS CORPORATE RESPONSIBILITY IN THE FOLLOWING AREAS:

a. The Marketplace

The Group believes in providing its customers and clients with good quality products and services and be always ready to walk the extra mile for them.

b. The Workplace

Employees are provided with a safe and healthy working environment where amongst others, safety gears are provided and equipment and facilities put in place to ensure that all working areas are hazard free. Employees also enjoy limited free outpatient treatment at designated clinics. The Group also recognizes the value of training for its employees and employees are periodically sent for training and seminars at the Group's expense.

c. The Environment

The Group encourages the use of renewable energy; using where available bio-mass to fire its boilers. All palm oil mills employ effluent treatment system which is carefully monitored to comply with environmental laws.

d. The Community

The Group periodically supports charitable and social causes such as school building projects and orphanage homes.



statement on internal control

INTRODUCTION

THE MALAYSIAN CODE ON CORPORATE GOVERNANCE REQUIRES PUBLIC LISTED COMPANIES TO MAINTAIN A SOUND SYSTEM OF INTERNAL CONTROL TO SAFEGUARD SHAREHOLDERS' INVESTMENTS AND THE GROUP'S ASSETS. IN ADDITION, THE DIRECTORS OF A PUBLIC LISTED COMPANY ARE ALSO REQUIRED BY PARAGRAPH 15.27(B) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD TO INCLUDE IN ITS ANNUAL REPORT A "STATEMENT ABOUT THE STATE OF INTERNAL CONTROL OF THE LISTED ISSUER AS A GROUP."

DIRECTORS' RESPONSIBILITY

As Southern Acids (M) Berhad's Board of Directors, our primary role is to set out the strategic direction of the Group and to oversee its operations by providing a framework where the Group's affairs could be directed and managed in a manner that would enhance business prosperity and corporate accountability with the ultimate objective of realizing long term shareholder value, whilst taking into account the interests of our other stakeholders,

The Board affirms its commitment to maintain a sound system of internal control and to seek regular assurance on the adequacy and the integrity of the internal control system to safeguard shareholders' investment and the Group's assets. To achieve this, the Board strives to ensure that the internal control system that has been put in place by the Management is adequate and operating at satisfactory levels to manage the risks that the Group is exposed to. The adequacy and integrity of the internal control system is monitored through independent examinations and appraisals that are done by both the internal and external auditors.

The Board also recognises that in view of the limitations inherent in any system of internal control, the systems put in place are designed to mitigate rather than to eliminate risks.

During the financial year under review and up to the date of the 2008 Annual Report and Financial Statements are approved, the Board confirms that there is an ongoing process for identifying and managing the significant risks faced by the Group. The process is reviewed by the Board through the Audit Committee which is assisted by the internal audit function.

The key processes that the Board has established to review the adequacy and integrity of the system of internal control are as follows:

- 1) A formal organisation structure for the individual companies in the Group.
- 2) Regular management reports to the Board.
- 3) Independent review of the system of internal control by the internal audit department.
- 4) Review of internal audit findings and the adoption of the recommendations put forth by the internal audit department where appropriate.
- 5) Regular review and update of internal policies and procedures to adapt to changing risks or resolve operational deficiencies.

CONCLUSION

The Board is of the view that the system of internal control that has been put in place throughout the Group is sound and sufficient. Notwithstanding this, control procedures are continuously being carried out to ensure that the system of internal control remains adequate and effective.

This statement is made in accordance with a resolution of the Board dated 29 September 2008.

other bursa securities compliance information

1. SHARE BUY-BACK

The Company has not purchased any of its own shares during the financial year ended 30 April 2008 and the preceding financial year.

2. MATERIAL CONTRACTS

Other than those disclosed in Note (26) to the financial statements of the Group and of the Company for the financial year ended 30 April 2008, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving the interests of Directors and Major Shareholders either still subsisting as at 30 April 2008 or entered into since the end of the previous financial year ended 30 April 2007.

3. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Company has not sponsored any ADR or GDR programme for the financial year ended 30 April 2008.

4. SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company, directors or management by the relevant regulatory bodies during the financial year.

5. PROFIT GUARANTEES

During the financial year, there were no profit guarantees given by the Company.

6. NON-AUDIT FEES

There was no amount paid or is payable to the external auditors, Messrs. Deloitte KassimChan, for non-audit related works during the financial year.

7. REVALUATION POLICY

The Company has not revalued its landed properties and therefore has not adopted any revaluation policy.

8. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the financial year ended 30 April 2008, there were no proceeds raised from any corporate proposals which required Securities Commission's approval.



other bursa securities compliance information

9. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities exercised in respect of the financial year ended 30 April 2008.

10. VARIATION IN RESULTS

The Company did not release any profit estimates, forecast or projection for the financial year 30 April 2008. The audited results of the Company and Group did not differ by 10% or more from the unaudited results announced earlier.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Twenty-Sixth Annual General Meeting held on 30 October 2007, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

The said mandate takes effect on 30 October 2007 until the forthcoming Annual General Meeting of the Company.

At the forthcoming Annual General Meeting to be held on 28 October 2008, the Company intends to seek its shareholders' approval to renew the existing mandate for recurrent related party transactions of a revenue or trading nature. The details of the shareholders' mandate to be sought will be furnished in the Circular to Shareholders dated 6 October 2008 accompanying this Annual Report.

Financial Statements

- 38** Directors' report
- 43** Independent auditors' report
- 45** Income statements
- 46** Balance sheets
- 48** Statements of changes in equity
- 50** Cash flow statements
- 52** Notes to the financial statements
- 105** Statement by directors
- 105** Declaration by the officer primarily responsible for the financial management of the Company



directors' report

DIRECTORS' REPORT

The directors of **SOUTHERN ACIDS (M) BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended April 30, 2008.

PRINCIPAL ACTIVITIES

The Company is principally involved in the marketing of oleochemical products for commercial use and investment holding.

The principal activities of the subsidiary companies are shown in Note 17 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	43,856,340	5,742,058
Income tax expense	(14,867,823)	(427,956)
Profit for the year	<hr/> 28,988,517	<hr/> 5,314,102
Attributable to:		
Equity holders of the Company	23,187,259	5,314,102
Minority interests	5,801,258	-
	<hr/> 28,988,517	<hr/> 5,314,102

In the opinion of the directors, the results of 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.

DIVIDENDS

A final dividend of 6%, tax exempt, amounting to RM8,216,048 proposed in previous financial year and dealt with in the previous directors' report was paid by the Company on November 29, 2007.

The Directors propose a final dividend (tax exempt) of 8% per ordinary share of RM1.00 each amounting to RM10,954,731 in respect of the current financial year on the issued and paid-up ordinary shares of the Company. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

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

directors' report (cont'd)

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER FINANCIAL INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) 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 liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, 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 operations of the Group and of the Company for the succeeding financial year.



directors' report (cont'd)

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Mohd. Yusoff bin Haji Amin, SMS, PJK, JP
Low Mong Chai @ Low Ah Kow
Sukhinderjit Singh Muker
Dato' Low Boon Eng, DPMS, JP
Mohd Hisham Bin Harun
Yap Soon Nam
Lim Kim Long
David Low Kok Leong (alternate director to Low Mong Chai @ Low Ah Kow)
Low Mun Chong (appointed on 27.6.2008)
Dato' Mong Hua @ Low Mong Hua, DPMS (deceased on 13.4.2008)

In accordance with Articles 95 and 96 of the Company's Articles of Association, Dato' Low Boon Eng, DPMS, JP and Mr. Yap Soon Nam retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 101 of the Company's Articles of Association, Mr. Low Mun Chong, who was appointed since the last Annual General Meeting, retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Dato' Mohd. Yusoff bin Haji Amin, SMS, PJK, JP retires pursuant to Section 129 of the Companies Act, 1965 and a resolution will be proposed for his reappointment as director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	No. of ordinary shares of RM1.00 each		
	Balance as of 1.5.2007	Bought	Sold
	Balance as of 30.4.2008		

Shares in the Company

Registered in name of directors

Direct interest

Low Mong Chai @ Low Ah Kow	236,495	-	(60,000)	176,495
Lim Kim Long	49,276	-	-	49,276
Dato' Low Boon Eng, DPMS, JP	2,487	-	-	2,487
David Low Kok Leong	1,223	-	-	1,223

Deemed interest

Low Mong Chai @ Low Ah Kow *	76,783,820	-	-	76,783,820
Lim Kim Long **	69,053,759	-	-	69,053,759
Dato' Low Boon Eng, DPMS, JP ***	65,626,507	-	-	65,626,507
David Low Kok Leong ****	236,495	-	(60,000)	176,495



directors' report (cont'd)

Notes:

- * By virtue of his interest in Southern Cocoa Products (M) Sdn. Bhd., Banting Hock Hin Estate Co. Sdn. Bhd., Southern Realty (Malaya) Sdn. Berhad, Southern Hock Joo Plantation Sdn. Berhad, Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Southern Edible Oil Industries (M) Sdn. Berhad and Southern Palm Industries Sdn. Berhad.
- ** By virtue of his interest in Southern Cocoa Products (M) Sdn. Bhd., Banting Hock Hin Estate Co. Sdn. Bhd., Southern Realty (Malaya) Sdn. Berhad, Southern Hock Joo Plantation Sdn. Berhad, Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Southern Edible Oil Industries (M) Sdn. Berhad, Southern Palm Industries Sdn. Berhad and Lim Thye Peng Realty Sdn. Bhd.
- *** By virtue of his interest in Southern Cocoa Products (M) Sdn. Bhd., Banting Hock Hin Estate Co. Sdn. Bhd., Southern Realty (Malaya) Sdn. Berhad, Southern Hock Joo Plantation Sdn. Berhad, Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Southern Edible Oil Industries (M) Sdn. Berhad, Southern Palm Industries Sdn. Berhad and Eng Leong Holdings Sdn. Bhd.
- **** Deemed interest via Low Mong Chai @ Low Ah Kow, father of David Low Kok Leong.

By virtue of their shareholdings in the Company, the above directors are deemed to have beneficial interests in the shares of all the subsidiary companies to the extent that the Company has an interest.

Other than as disclosed above, none of the other directors holding office at the end of the financial year had any interest or beneficial interest in the shares of the Company or its related companies during and at the end of the financial year.

The deemed interest of directors disclosed above have been made in accordance with the requirements of the Companies Act, 1965 and does not in any way reflect the beneficial interest of the directors in the above companies.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the balances and transactions with companies in which certain directors of the Company are also directors and/or have substantial financial interests as disclosed in Note 26 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.



directors' report (cont'd)

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the directors,

LIM KIM LONG

LOW MONG CHAI @ LOW AH KOW

Klang,
August 28, 2008

independent auditors' report

to the members of Southern Acids (M) Berhad

Report on the Financial Statements

We have audited the financial statements of Southern Acids (M) Berhad, which comprise the balance sheets as of April 30, 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 45 to 105.

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 the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia 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 and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

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 the 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of 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 that 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 the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia 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 of April 30, 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 the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors, which are indicated in Note 17 to the financial statements, being financial statements that have been included in the consolidated financial statements.



independent auditors' report (cont'd)

to the members of Southern Acids (M) Berhad

- c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

YEE YOON CHONG
1829/07/09 (J)
Partner

August 28, 2008



income statements

for the year ended April 30, 2008

	Note	The Group		The Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Revenue	5	465,501,219	370,164,117	343,527,194	244,471,224
Investment revenue	6	1,778,718	1,235,505	1,108,019	912,612
Other operating income	7	5,160,095	3,632,642	37,904	2,862,161
Changes in inventories of finished goods and work-in-progress		15,694,841	10,656,923	-	-
Raw materials and consumables used		(325,688,413)	(248,561,642)	-	-
Purchase of trading merchandise		37,395	(299,449)	(335,628,314)	(238,281,147)
Share in loss of associated company		(3,312)	(726,845)	-	-
Depreciation of property, plant and equipment	13	(11,522,336)	(11,572,095)	(10,879)	-
Amortisation of biological assets	15	(735,338)	(807,907)	-	-
Amortisation of prepaid lease payments	16	(750,561)	(69,410)	-	-
Directors' remuneration	8	(1,464,964)	(1,252,861)	(297,520)	(252,639)
Staff costs	7	(29,104,112)	(27,663,066)	(417,998)	(347,725)
Other operating expenses	7	(74,030,942)	(67,895,345)	(2,576,348)	(383,623)
Finance costs	9	(1,015,950)	(1,383,292)	-	-
Profit before tax		43,856,340	25,457,275	5,742,058	8,980,863
Income tax expense	10	(14,867,823)	(7,659,021)	(427,956)	(1,812,129)
Profit for the year		28,988,517	17,798,254	5,314,102	7,168,734
Attributable to:					
Equity holders of the Company		23,187,259	14,110,093	5,314,102	7,168,734
Minority interests		5,801,258	3,688,161	-	-
		28,988,517	17,798,254	5,314,102	7,168,734
Earnings per share (sen) attributable to equity holders of the Company					
Basic	11	16.93	10.30		

The accompanying Notes form an integral part of the Financial Statements.



balance sheets

as at April 30, 2008

	Note	The Group		The Company		
		2008 RM	2007 RM (restated)	2008 RM	2007 RM	
ASSETS						
Non-Current Assets						
Land held for property development	12	139,642,412	136,987,236	-	-	
Property, plant and equipment	13	84,591,107	91,576,003	57,832	-	
Investment property	14	3,318,127	3,318,127	-	-	
Biological assets	15	12,713,481	14,439,135	-	-	
Prepaid lease payments	16	6,011,825	6,972,037	-	-	
Investment in subsidiary companies	17	-	-	44,573,566	44,573,566	
Investment in associated company	18	7,361	10,673	7,361	10,673	
Other investments	19	24,670,686	26,064,689	24,670,686	26,064,689	
Advances for Plasma PIR-TRANS projects	20	2,123,507	2,939,166	-	-	
Advances for KKPA projects	21	1,188,617	1,212,189	-	-	
Deferred tax assets	23	5,850,348	11,891,343	34,419	73,615	
		280,117,471	295,410,598	69,343,864	70,722,543	
Current Assets						
Inventories	24	75,113,369	51,813,978	-	-	
Trade receivables	25&26	51,369,557	32,473,949	43,135,507	24,838,879	
Other receivables, deposits and prepaid expenses	25&26	3,469,296	6,633,069	157,631	157,853	
Tax recoverable		735,222	1,092,724	472,073	456,518	
Amount owing by subsidiary companies	26	-	-	215,296,648	223,433,943	
Fixed deposits, short-term placements, cash and bank balances	27	47,288,347	56,327,448	18,820,002	36,328,530	
		177,975,791	148,341,168	277,881,861	285,215,723	
TOTAL ASSETS		458,093,262	443,751,766	347,225,725	355,938,266	



balance sheets (cont'd)
as at April 30, 2008

	Note	The Group 2008 RM	The Group 2007 RM (restated)	The Company 2008 RM	The Company 2007 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	28	136,934,132	136,934,132	136,934,132	136,934,132
Reserves	29	246,329,386	231,213,328	92,092,993	94,994,939
Equity attributable to equity holders of the Company		383,263,518	368,147,460	229,027,125	231,929,071
Minority interests		12,396,475	8,399,079	-	-
Total Equity		395,659,993	376,546,539	229,027,125	231,929,071
Non-Current Liabilities					
Term loans	30	2,437,998	5,990,442	-	-
Hire-purchase payable - non-current portion	31	28,215	-	-	-
Provision for retirement benefits	32	3,422,281	2,779,232	125,225	175,232
Deferred tax liabilities	23	141,040	3,153	-	-
		6,029,534	8,772,827	125,225	175,232
Current Liabilities					
Trade payables	26&33	22,234,252	24,272,958	-	-
Other payables and accrued expenses	26&33	21,222,063	22,031,441	2,546,914	2,189,055
Amount owing to subsidiary companies	26	-	-	115,404,961	121,523,408
Bank borrowings	34	7,335,405	8,958,971	-	-
Hire-purchase payable - current portion	31	22,572	-	-	-
Tax liabilities		5,467,943	3,047,530	-	-
Dividend payable		121,500	121,500	121,500	121,500
		56,403,735	58,432,400	118,073,375	123,833,963
Total Liabilities		62,433,269	67,205,227	118,198,600	124,009,195
TOTAL EQUITY AND LIABILITIES		458,093,262	443,751,766	347,225,725	355,938,266

The accompanying Notes form an integral part of the Financial Statements.



statements of changes in equity

for the year ended April 30, 2008

The Group	Note	Non-distributable Reserves				Distributable Reserve -		Attributable to Equity Holders of the Company		Total RM
		Issued Capital RM	Share Premium RM	Foreign Exchange Reserve RM	Capital Reserve RM	Retained Earnings RM	Minority Interests RM			
Balance as of May 1, 2006		136,934,132	34,321,050	522,812	7,220,556	181,423,859	360,422,409	4,838,560	365,260,969	
Derecognition of capital reserve		-	-	-	(7,220,556)	7,220,556	-	-	-	
Foreign exchange differences arising on translation of overseas subsidiary companies		-	-	(1,592,347)	-	-	(1,592,347)	(127,574)	(1,719,921)	
Income and expense recognised directly in equity		-	-	(1,592,347)	(7,220,556)	7,220,556	(1,592,347)	(127,574)	(1,719,921)	
Total recognised income and expense for the year - profit for the year		-	-	-	-	14,110,093	14,110,093	3,688,161	17,798,254	
Dividend	36	-	-	-	-	(4,792,695)	(4,792,695)	-	(4,792,695)	
Additional investment in a subsidiary company		-	-	-	-	-	-	(68)	(68)	
Balance as of April 30, 2007		136,934,132	34,321,050	(1,069,535)	-	197,961,813	368,147,460	8,399,079	376,546,539	
Balance as of May 1, 2007		136,934,132	34,321,050	(1,069,535)	-	197,961,813	368,147,460	8,399,079	376,546,539	
Foreign exchange differences arising on translation of overseas subsidiary companies		-	-	144,847	-	-	144,847	(1,803,862)	(1,659,015)	
Income and expense recognised directly in equity		-	-	144,847	-	-	144,847	(1,803,862)	(1,659,015)	
Total recognised income and expense for the year - profit for the year		-	-	-	-	23,187,259	23,187,259	5,801,258	28,988,517	
Dividend	36	-	-	-	-	(8,216,048)	(8,216,048)	-	(8,216,048)	
Balance as of April 30, 2008		136,934,132	34,321,050	(924,688)	-	212,933,024	383,263,518	12,396,475	395,659,993	

statements of changes in equity (cont'd)
for the year ended April 30, 2008

The Company	Note	Issued Capital	Non-distributable Reserve - Share Premium	Distributable Reserve - Retained Earnings	Total
		RM	RM	RM	RM
Balance as of May 1, 2006		136,934,132	34,321,050	58,297,850	229,553,032
Total recognised income and expense for the year - profit for the year		-	-	7,168,734	7,168,734
Dividend	36	-	-	(4,792,695)	(4,792,695)
Balance as of April 30, 2007		136,934,132	34,321,050	60,673,889	231,929,071
Balance as of May 1, 2007		136,934,132	34,321,050	60,673,889	231,929,071
Total recognised income and expense for the year - profit for the year		-	-	5,314,102	5,314,102
Dividend	36	-	-	(8,216,048)	(8,216,048)
Balance as of April 30, 2008		136,934,132	34,321,050	57,771,943	229,027,125

The accompanying Notes form an integral part of the Financial Statements



cash flow statements

for the year ended April 30, 2008

	Note	The Group 2008 RM	The Group 2007 RM	The Company 2008 RM	The Company 2007 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit for the year		28,988,517	17,798,254	5,314,102	7,168,734
Adjustments for:					
Income tax expense		14,867,823	7,659,021	427,956	1,812,129
Depreciation of property, plant and equipment		11,522,336	11,572,095	10,879	-
Allowance for diminution in value of quoted shares		1,394,003	-	1,394,003	-
Amortisation of biological assets		735,338	807,907	-	-
Finance costs		1,015,950	1,383,292	-	-
Provision for retirement benefits		799,430	252,549	15,570	16,987
Amortisation of prepaid lease payments		750,561	69,410	-	-
Unrealised loss/(gain) on foreign exchange - net		616,461	(92,050)	29,055	(372,427)
Allowance for doubtful debts		397,296	-	-	-
Property, plant and equipment written off		381,401	400	-	-
Allowance for loss on conversion of Plasma PIR- TRANS projects		272,512	668,746	-	-
Loss on disposal of property, plant and equipment		8,661	11,734	-	-
Share of loss in associated company		3,312	726,845	-	-
Bad debts written off		3,488	19,922	-	-
Dividend income		(1,898,881)	(1,750,076)	(7,898,881)	(6,190,077)
Interest income		(1,778,718)	(1,235,505)	(1,108,019)	(912,612)
Inventories written off		-	175,142	-	-
Write back of allowance for diminution in value of quoted shares		-	(2,489,734)	-	(2,489,734)
Waiver of amount owing to former director of subsidiary companies		-	(228,350)	-	-
Allowance for diminution in value of investment in associated company		-	-	3,312	19,327
Operating Profit/(Loss) Before Working Capital Changes		58,079,490	35,349,602	(1,812,023)	(947,673)
(Increase)/Decrease in:					
Inventories		(23,817,899)	(13,189,478)	-	-
Trade receivables		(19,325,521)	(1,275,926)	(18,325,682)	(2,207,440)
Other receivables, deposits and prepaid expenses		2,895,852	1,337,359	222	4,250
Increase/(Decrease) in:					
Trade payables		(1,667,879)	7,148,997	-	-
Other payables and accrued expenses		45,740	(1,125,408)	357,859	(544,731)
Amount owing to subsidiary companies		-	-	(6,118,447)	4,157,040
Development costs		(2,655,176)	147,166	-	-

cash flow statements (cont'd)

for the year ended April 30, 2008

	Note	The Group		The Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Cash Generated From/(Used In) Operations		13,554,607	28,392,312	(25,898,071)	461,446
Interest received		1,778,718	1,235,505	1,108,019	912,612
Income tax refund		176,101	249,296	-	-
Income tax paid		(6,067,522)	(2,486,386)	(404,316)	(233,764)
Finance costs paid		(1,015,950)	(1,383,292)	-	-
Retirement benefits paid		(135,322)	(553,958)	(65,577)	-
Net Cash From/(Used In) Operating Activities		8,290,632	25,453,477	(25,259,945)	1,140,294
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES					
Dividends received		1,898,881	6,190,076	7,898,881	6,190,077
Advances for Plasma PIR-TRANS projects		200,314	1,828,999	-	-
Proceeds from disposal of property, plant and equipment		111,000	34,000	-	-
Additions to property, plant and equipment		(6,751,192)	(7,945,317)	(68,711)	-
Biological assets		(293,477)	66,409	-	-
Advances for KKPA projects		(93,518)	(1,270,065)	-	-
Repayment of advances from associated company		-	462,000	-	462,000
Additional investment in subsidiary company		-	-	-	(68)
Net Cash (Used In)/From Investing Activities		(4,927,992)	(633,898)	7,830,170	6,652,009
CASH FLOWS USED IN FINANCING ACTIVITIES					
Drawdown of hire-purchase payable		53,386	-	-	-
Repayment of term loans		(4,904,369)	(5,866,942)	-	-
Dividend paid		(8,216,048)	(4,792,695)	(8,216,048)	(4,792,695)
Repayment of revolving credit		(266,262)	(303,919)	-	-
Advances from subsidiary companies		-	-	8,137,295	1,755,801
Net Cash Used In Financing Activities		(13,333,293)	(10,963,556)	(78,753)	(3,036,894)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS					
		(9,970,653)	13,856,023	(17,508,528)	4,755,409
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR					
		55,455,295	41,186,250	36,328,530	31,557,076
EFFECT OF EXCHANGE RATES DIFFERENCES					
		1,122,265	413,022	-	16,045
CASH AND CASH EQUIVALENTS AT END OF YEAR					
	35	46,606,907	55,455,295	18,820,002	36,328,530

The accompanying Notes form an integral part of the Financial Statements.



notes to the financial statements

1. GENERAL INFORMATION

The Company is principally involved in the marketing of oleochemical products for commercial use and investment holding.

The principal activities of the subsidiary companies are shown in Note 17.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at No. 26, Jalan Istana, 41000 Klang, Selangor Darul Ehsan.

The principal place of business of the Company is located at Wisma Southern, 6th Floor, No. 26 - 34, Jalan Dato Hamzah, 41000 Klang, Selangor Darul Ehsan.

The financial statements of the Group and of the Company have been approved by the Board of Directors and were authorised for issuance on August 28, 2008.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia.

Adoption of New And Revised Financial Reporting Standards And Interpretations

During the current financial year, the Group and the Company have adopted all of the new and revised Financial Reporting Standards ("FRSs") issued by Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after October 1, 2006 as follows:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the above FRSs does not have financial impact on the Group other than the FRS listed below. The principal effects of the changes in accounting policies resulting from the adoption of these FRSs are as follows:

FRS 117: Leases

Prior to May 1, 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated amortisation and impairment losses (if any).

The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land. Leasehold land for own use is now classified as operating lease and the upfront payments representing prepaid lease payments are amortised on a straight line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At May 1, 2007, the unamortised amount of leasehold land is retained as the surrogate cost of prepaid lease payments as allowed by the transitional provisions.

The reclassification of leasehold land as prepaid lease payments have been accounted for retrospectively and certain comparatives have been restated as disclosed in Note 41. There were no effects on the income statements of the Group and of the Company for the year ended April 30, 2008.

notes to the financial statements (cont'd)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

At the date of authorisation of issue of the financial statements of the Group and the Company, the following new and revised FRSs and IC Interpretations were issued but not yet effective:

Applicable to operations of the Group and the Company

FRS 107	Cash Flow Statements *
FRS 112	Income Taxes *
FRS 118	Revenue *
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment In a Foreign Operation *
FRS 137	Provisions, Contingent Liabilities and Contingent Assets *
FRS 139	Financial Instruments: Recognition and Measurement **

The directors anticipate that the adoption of FRS 107, FRS 112, FRS 118, Amendment to FRS 121 and FRS 137 will have no significant impact on the financial statements of the Group and of the Company in the initial year of adoption.

By virtue of the exemption in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements of the Group and of the Company upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

Not applicable to operations of the Group and the Company

FRS 111	Construction Contracts *
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance *
FRS 134	Interim Financial Reporting *

IC Interpretation 1	Changes in Existing Decommissioning, Restoration & Similar Liabilities *
IC Interpretation 2	Members' Shares in Co-operative Entities & Similar Instruments *
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration & Environmental Rehabilitation Funds *
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical & Electronic Equipment *
IC Interpretation 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies *
IC Interpretation 8	Scope of FRS 2 *

* Effective for annual periods beginning on or after July 1, 2007

** Effective for annual periods beginning on or after January 1, 2010

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group as shown in Note 17 made up to the end of the financial year. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Group owns, directly or indirectly through subsidiary companies, more than half of the voting power of the entity.



notes to the financial statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Consolidation (cont'd)

The consolidated financial statements incorporate the financial statements of the Company and of its subsidiary companies acquired or disposed of during the year from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those used by other members of the Group.

All significant intercompany balances and transactions are eliminated on consolidation.

Minority interest in the net assets of consolidated subsidiary company is identified separately from the Group's equity therein. Minority interest consists of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary company's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business Combinations

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for the recognition under FRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Revenue

Revenue of the Company consists of gross invoiced value of sales less returns and discounts and dividend income.

Revenue of the Group consists mainly of gross invoiced value of sales less returns and discounts, medical and consultation charges for services rendered in connection with hospital operations, income from administrative services, provision of handling, hiring and port services, dividend income and rental income.

Revenue is recognised on the following basis:

Gross invoiced value of goods sold - upon delivery of products and customer acceptance, net of discounts and returns and when the risks and rewards of ownership have passed to the buyer.

Services rendered in connection with hospital operations, administrative services and provision of handling, hiring and port services - when services are rendered.

Dividend income - when the shareholder's right to receive payment is established.

Rental income - over the tenure of the rental period of properties.



notes to the financial statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currencies

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences (if any) arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Ringgit Malaysia using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and transferred to the Group's translation reserve account. Such translation differences are recognised in income statements in the year in which the foreign operation is disposed of.

Employee Benefits

i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group and the Company.

ii) Post employment benefits

(a) Defined contribution plans

The Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. The contributions are charged to the income statements in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. The contributions to the Employees Provident Fund are included under staff costs as mentioned in Note 7.

(b) Defined benefit plans

Malaysia

The Company and a subsidiary company have an unfunded defined retirement plan for eligible employees. Provision for retirement benefits is computed at half a month's salary for each year of service based on the last drawn salary of the employees.

During the financial year, the subsidiary company has replaced its unfunded defined retirement plan for eligible employees with a four percent (4%) increase in its EPF contribution to all eligible employees with effect from April 1, 2007.



notes to the financial statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee Benefits (cont'd)

- ii) Post employment benefits (cont'd)
 - (b) Defined benefit plans (cont'd)

Indonesia

Effective May 1, 2007, the Group's subsidiary companies in Indonesia provide for employee benefit liabilities in accordance with the Labour Law No. 13 Year 2003 ("Law No. 13/2003") which was enacted on March 25, 2003. The net employee benefit liabilities prior to May 1, 2007 is not significant to the financial statements of the Group.

Income Tax

Income tax 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 "balance sheet liability" method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle this current tax assets and liabilities on a net basis.

Land Held for Property Development

Land held for property development is stated at cost less impairment losses (if any). Land held for property development consists of land where no development activities have been undertaken or where development activities are not expected to be completed within the normal operating cycle.

Costs include cost of land, professional fees and other direct development expenditure and related overheads. Land held for property development is reclassified as property development costs at the point when development works have been undertaken and where it can be demonstrated that the development activities are expected to be completed within the normal operating cycle.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

notes to the financial statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (contd')

Depreciation of property, plant and equipment, other than freehold land and construction-in-progress which are not depreciated, is computed on the straight-line method at rates based on their estimated useful lives. The principal annual rates used are as follows:

Factory buildings	2%
Palm oil mills	3.33%
Hospital building	2% - 10%
Medical equipment	10%
Plant, machinery, equipment and electrical installation	7.5% - 25%
Motor vehicles	20% - 25%
Office equipment, furniture and fittings	10% - 25%
Leasehold warehouse cum office block	10%
Staff quarter cum office block	5% - 10%
Freehold warehouse	2%
Land improvements	5%

At each balance sheet date, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements.

Property, Plant and Equipment Under Hire-purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Property, plant and equipment under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets.

Investment Property

Prior to May 1, 2007, investment property was included within property development costs. During the current financial year, investment property are classified as a separate category on the balance sheet.

The reclassification of freehold land as investment property has been accounted for retrospectively and certain comparatives have been restated as disclosed in Note 41. There were no effects on the income statements of the Group and of the Company for the year ended April 30, 2008.

Investment property is a property which is held either to earn rental income or for capital appreciation or for both. Investment property, which consists of freehold land, is stated at cost less impairment losses (if any).



notes to the financial statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Biological Assets

Prior to May 1, 2007, biological assets was included as part of property, plant and equipment. During the current financial year, biological assets are presented in the consolidated balance sheet separately from property, plant and equipment.

The reclassification of biological assets has been applied retrospectively and comparatives have been restated as disclosed in Note 41. There were no effects on the income statements of the Group and of the Company for the year ended April 30, 2008.

Biological assets, consisting of land clearing and upkeep of trees to maturity, are initially recorded at cost. Upon maturity of crops, the biological assets are amortised over 20 years, representing the economic useful lives of the crops.

Prepaid Lease Payments

The upfront payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over lease term of 91 years.

In respect of the subsidiary companies in Indonesia, prepaid lease payments include deferred land rights which represent the costs associated with the legal transfer or renewal of land titles, including legal fees, area survey and land remeasurement fees, notarial fees, taxes and other expenses. These costs are deferred and amortised using the straight line method over the legal terms of the related land rights of 30 to 35 years.

Investment in Subsidiary Companies

Investment in unquoted shares of the subsidiary companies, which is eliminated on consolidation, is stated at cost less any impairment losses in the Company's financial statements.

Investment in Associated Company

An associated company is a non-subsidiary company in which the Group holds as long-term investment of between 20% to 50% of the equity voting rights and in which the Group is in a position to exercise significant influence in its management.

Investment in associated company is stated at cost less any impairment losses in the Company's financial statements. The Group's investment in associated company is accounted for under the equity method of accounting based on the management financial statements of the associated company made up to the end of the financial year. Under this method of accounting, the Group's interest in the post-acquisition profit and reserves of the associated company is included in the consolidated results while dividend received is reflected as a reduction of the investment in the consolidated balance sheet. Losses of an associated company in excess of the Group's interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company) are not recognised unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company. The carrying amount of such investment is reduced to recognise any impairment in the value of the investment.

Unrealised profits and losses arising on transactions between the Group and its associated company are eliminated to the extent of the Group's equity interest in the associated company.

Other Investments

Investments in quoted and unquoted shares are stated at cost less impairment losses.

notes to the financial statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to its recoverable amount. An impairment loss is recognised immediately in the income statements.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements.

Advances for Plasma PIR-TRANS Projects and KKPA Projects

Advances for Plasma PIR-TRANS projects, in respect of a subsidiary company in Indonesia, represent the accumulated costs (including borrowing costs and indirect overhead costs) to develop plasma plantations. When a plasma plantation project is substantially completed and ready to be transferred or handed-over to the plasma farmers, the corresponding investment credit from the bank is also transferred to the Plasma Farmers. Any gain or loss resulting from the difference between the carrying value of the Plasma PIR-TRANS projects and the corresponding investment credit transferred to the plasma farmers is reflected in the income statements.

Advances for KKPA ("Kredit Koperasi Primer untuk Anggotanya") projects, in respect of another subsidiary company in Indonesia, represent the accumulated costs to develop plasma plantations totalling 389 hectares of land which are currently being financed by creditor banks and self-financed by the said subsidiary company in Indonesia. Upon the cooperative obtaining KKPA financing from the creditor bank, the said advances will be recovered from the cooperative.

An estimate is made at each balance sheet date for losses on recovery of Plasma PIR-TRANS projects and KKPA projects based on a review of the recoverable development costs, and anticipated losses are provided for in full.

Inventories

Inventories are stated at the lower of cost (determined on the weighted average method) and net realisable value.

The costs of raw materials, medical and surgical supplies, spare parts and other supplies comprise the original purchase price plus the costs of bringing these inventories to their present location and condition. The costs of produce stocks, finished goods and work-in-progress include the cost of raw materials, direct labour and an appropriate allocation of direct manufacturing overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.



notes to the financial statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Payables

Payables are stated at nominal value of the consideration to be paid in the future for goods and services received.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Financial Assets

The Group's principal financial assets are fixed deposits, short-term placements, cash and bank balances, trade and other receivables, advances for Plasma PIR-TRANS projects, advances for KKPA projects and inter-companies receivables.

Financial Liabilities and Equity Instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement. Financial liabilities include trade and other payables, bank borrowings, hire-purchase payable, dividend payable and inter-companies indebtedness.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as discussed below:

notes to the financial statements (cont'd)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(ii) Key sources of estimation uncertainty (cont'd)

Allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade receivables. Allowance is applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade receivables and doubtful debts expenses in the period in which such estimate has been changed. As at April 30, 2008, allowance for doubtful debts for trade receivables has been disclosed in Note 25.

5. REVENUE

An analysis of revenue is as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Manufacturing and marketing	339,537,073	240,750,114	335,628,313	238,281,148
Plantation	66,277,286	68,599,105	-	-
Development, managing and operating of private hospital	49,596,314	52,302,939	-	-
Warehousing and bulk conveyor operations	5,817,479	4,784,676	-	-
Administrative services	2,278,186	1,889,207	-	-
Dividend income				
- quoted shares	1,898,881	1,750,076	1,898,881	1,750,076
- associated company	-	-	-	4,440,000
- subsidiary company	-	-	6,000,000	-
Rental income	1,898,881	1,750,076	7,898,881	6,190,076
	96,000	88,000	-	-
	465,501,219	370,164,117	343,527,194	244,471,224

6. INVESTMENT REVENUE

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest income on fixed deposits and short-term placements with licensed banks	1,778,718	1,235,505	1,108,019	912,612



notes to the financial statements (cont'd)

7. OTHER OPERATING INCOME/(EXPENSES)

Included in other operating income/(expenses) are the following:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Rental income	1,712,022	213,667	-	-
Allowance for diminution in value of quoted shares	(1,394,003)	-	(1,394,003)	-
Realised loss on foreign exchange	(700,946)	(1,837,617)	(522,587)	-
Unrealised (loss)/gain on foreign exchange - net	(616,461)	92,050	(29,055)	372,427
Provision for retirement benefits	(799,430)	(252,549)	(15,570)	(16,987)
Allowance for doubtful debts	(397,296)	-	-	-
Property, plant and equipment written off	(381,401)	(400)	-	-
Lease rental of land	(376,359)	(376,359)	-	-
Rental of:				
Storage tanks	(306,035)	(200,377)	-	-
Premises paid/payable to related party (Note 26)	(283,016)	(260,987)	-	-
Warehouse	(258,218)	(205,507)	-	-
Plant and machinery	(21,023)	(46,783)	-	-
Premises paid/payable to third parties	(4,320)	(4,400)	-	-
Office equipment	(1,760)	(2,112)	-	-
Audit fee	(290,645)	(143,441)	(178,000)	(30,000)
Allowance for loss on conversion of Plasma PIR-TRANS projects	(272,512)	(668,746)	-	-
Realised loss on conversion of Plasma PIR-TRANS projects	(231,450)	(267,811)	-	-
Loss on disposal of property, plant and equipment	(8,661)	(11,734)	-	-
Bad debts written off	(3,488)	(19,922)	-	-
Write back of allowance for diminution in value of quoted shares	-	2,489,734	-	2,489,734
Waiver of amount owing to former director of subsidiary companies	-	228,350	-	-
Inventories written off	-	(175,142)	--	-
Allowance for diminution in value of investment in associated company	-	-	(3,312)	(19,327)

Staff costs include salaries, bonus, contributions to Employees Provident Fund ("EPF") and all other related expenses. Post employment benefits for the staff during the current financial year for the Group and Company amounted to RM3,161,348 and RM60,048 (2007 : RM2,444,542 and RM52,102) respectively.



notes to the financial statements (cont'd)

8. DIRECTORS' REMUNERATION

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive directors:				
Fees	60,000	72,000	60,000	72,000
Other emoluments	1,192,722	529,770	25,278	10,000
	1,252,722	601,770	85,278	82,000
Non-executive directors:				
Fees	180,000	146,000	180,000	146,000
Other emoluments	32,242	505,091	32,242	24,639
	212,242	651,091	212,242	170,639
	1,464,964	1,252,861	297,520	252,639

Contributions to EPF for the directors during the current financial year for the Group amounted to RM71,922 (2007 : RM63,178).

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM5,700 (2007 : RM5,700).

9. FINANCE COSTS

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest on:				
Term loans	1,012,857	1,382,272	-	-
Bank overdrafts	3,093	1,020	-	-
	1,015,950	1,383,292	-	-



notes to the financial statements (cont'd)

10. INCOME TAX EXPENSE

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Estimated tax payable:				
- Current	7,628,506	4,568,071	322,900	401,301
- Underprovision in prior years	1,060,435	8,132	65,860	8,132
	8,688,941	4,576,203	388,760	409,433
Deferred tax (Note 23):				
- Current	5,695,781	2,166,812	(85,304)	153,563
- Overprovision in prior year	483,101	916,006	124,500	1,249,133
	6,178,882	3,082,818	39,196	1,402,696
	14,867,823	7,659,021	427,956	1,812,129

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

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before tax	43,856,340	25,457,275	5,742,058	8,980,863
Tax at the applicable tax rate of 26% (2007: 27%)	11,402,648	6,873,464	1,492,935	2,424,833
Difference in tax rate for chargeable income up to .RM500,000 for small and medium scale companies (20%)	-	(70,000)	-	-
Different tax rate in other jurisdiction	827,522	317,206	-	-
Tax effects of:				
Expenses that are not deductible in determining taxable profit	807,732	1,079,344	395,622	-
Utilisation of deferred tax assets previously not recognised	-	(1,474,199)	-	-
Deferred tax assets not recognised	165,464	-	-	-
Income not subject to tax	(257,391)	(23,646)	(1,652,338)	(1,869,969)
Underprovision of income tax in prior years	1,060,435	8,132	65,860	8,132
Overprovision of deferred tax in prior year	483,101	916,006	124,500	1,249,133
Effect of changes in tax rate	378,312	-	1,377	-
Others	-	32,714	-	-
Tax expense	14,867,823	7,659,021	427,956	1,812,129



notes to the financial statements (cont'd)

10. INCOME TAX EXPENSE (CONT'D)

The Company has tax-exempt income for distribution amounting to RM47,282,961 (2007: RM42,394,603) subject to agreement of the Inland Revenue Board.

A subsidiary company has tax-exempt profits amounting to approximately RM173,893,000 (2007: RM179,893,000) arising from tax-exempt profits earned during the pioneer period under the Promotion of Investments Act, 1986. The exempt profits account is available for distribution as tax-exempt dividends to the shareholder of the said subsidiary company and is subject to approval by the tax authorities.

A subsidiary company has tax-exempt income under the Income Tax (Amendment) Act, 1999 amounting to approximately RM750,000 (2007: RM750,000). This amount which arose from tax waiver on the chargeable income earned in 1999 is available for distribution as tax-exempt dividends.

11. EARNINGS PER SHARE - BASIC

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

	The Group	
	2008 RM	2007 RM
Profit for the year attributable to ordinary equity holders of the Company	23,187,259	14,110,093
Number of ordinary shares in issue	136,934,132	136,934,132
Basic earnings per share (sen)	16.93	10.30

12. LAND HELD FOR PROPERTY DEVELOPMENT

The Group	Freehold land - at cost RM	Development costs RM	Total RM
Balance as at May 1, 2006	136,353,899	-	136,353,899
Reclassified from property development costs (Note 22)	-	780,503	780,503
Additions	-	33,675	33,675
Reversal of development costs	-	(180,841)	(180,841)
Balance as at April 30, 2007	136,353,899	633,337	136,987,236
Balance as at May 1, 2007	136,353,899	633,337	136,987,236
Additions	-	2,655,176	2,655,176
Balance as at April 30, 2008	136,353,899	3,288,513	139,642,412

Land held for property development comprises land banks which are being held for future development. The land banks are not expected to be developed within the normal operating cycle.



notes to the financial statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT

The Group	Cost												Effects of foreign exchange translation	Balance as at April 30, 2007
	Balance as at May 1, 2006 As previously reported	Reclassified as biological assets	Reclassified as prepaid lease payments	Reclassified as advances for Plasma PIR-TRANS projects	Balance as at May 1, 2006 As restated	Reclassifi-	Adjustments	Additions	Disposals	Written off				
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM			RM	RM
Freehold land	4,950,000	-	-	-	4,950,000	-	-	-	-	-	-	-	4,950,000	
Leasehold land	4,393,850	-	(4,393,850)	-	-	-	-	-	-	-	-	-	-	
Factory buildings	7,278,561	-	-	-	7,278,561	-	-	35,450	-	-	-	-	7,314,011	
Plantation land right	441,773	-	(441,773)	-	-	-	-	-	-	-	-	-	-	
Plantation	32,833,521	(19,152,448)	(2,568,034)	(5,026,564)	6,086,475	(6,123,911)	37,436	-	-	-	-	-	-	
Palm oil mills	20,396,927	-	-	-	20,396,927	-	-	-	-	-	(1,739,318)	18,657,609		
Hospital building	27,158,850	-	-	-	27,158,850	-	-	226,652	-	-	-	-	27,385,502	
Medical equipment	41,268,699	-	-	-	41,268,699	-	(1,862,695)	769,560	-	-	-	-	40,175,564	
Plant, machinery, equipment and electrical installation	99,551,975	-	-	-	99,551,975	3,033,029	(10,478)	2,652,282	-	-	(292,736)	104,934,072		
Motor vehicles	4,058,359	-	-	-	4,058,359	-	-	284,257	(64,000)	-	(106,382)	4,172,234		
Office equipment, furniture and fittings	16,621,079	-	-	-	16,621,079	-	-	459,404	-	(800)	(33,519)	17,046,164		
Leasehold warehouse cum office block	5,924,986	-	-	-	5,924,986	-	-	-	-	-	-	-	5,924,986	
Staff quarter cum office block	-	-	-	-	-	971,048	-	266,022	-	-	(96,764)	1,140,306		
Freehold warehouse	2,310,056	-	-	-	2,310,056	-	-	-	-	-	-	-	2,310,056	
Land improvements	-	-	-	-	-	5,152,863	-	700,047	-	-	(517,529)	5,335,381		
Construction-in-progress:														
Plant and machinery	4,724,547	-	-	-	4,724,547	(3,033,029)	-	1,751,355	-	-	-	-	3,442,873	
Building	377,751	-	-	-	377,751	-	-	800,288	-	-	(69,396)	1,108,643		
Total	272,290,934	(19,152,448)	(7,403,657)	(5,026,564)	240,708,265	-	(1,835,737)	7,945,317	(64,000)	(800)	(2,855,644)	243,897,401		

notes to the financial statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Cost					Effects of foreign exchange translation	Balance as at April 30, 2008
	Balance as at May 1, 2007 RM	Additions RM	Disposals RM	Reclassification RM	Written off RM		
Freehold land	4,950,000	-	-	-	-	-	4,950,000
Leasehold land	-	-	-	-	-	-	-
Factory buildings	7,314,011	128,668	-	-	-	-	7,442,679
Plantation land right	-	-	-	-	-	-	-
Plantation	-	-	-	-	-	-	-
Palm oil mills	18,657,609	58,532	-	-	-	(1,731,403)	16,984,738
Hospital building	27,385,502	110,545	-	-	-	-	27,496,047
Medical equipment	40,175,564	492,161	(349,682)	-	(1,387,252)	-	38,930,791
Plant, machinery, equipment and electrical installation	104,934,072	2,241,955	-	2,005,035	-	(298,233)	108,882,829
Motor vehicles	4,172,234	520,554	(119,868)	(211,660)	-	(101,276)	4,259,984
Office equipment, furniture and fittings	17,046,164	289,177	-	(15,941)	-	(36,022)	17,283,378
Leasehold warehouse cum office block	5,924,986	4,570	-	-	-	-	5,929,556
Staff quarter cum office block	1,140,306	56,855	-	167,167	-	(116,770)	1,247,558
Freehold warehouse	2,310,056	-	-	-	-	-	2,310,056
Land improvements	5,335,381	521,558	-	803,181	-	(595,015)	6,065,105
Construction-in-progress:							
Plant and machinery	3,442,873	2,326,617	-	(1,777,434)	-	-	3,992,056
Building	1,108,643	-	-	(970,348)	-	(55,689)	82,606
Total	243,897,401	6,751,192	(469,550)	-	(1,387,252)	(2,934,408)	245,857,383



notes to the financial statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Accumulated Depreciation										Effects of foreign exchange translation	Balance as at April 30, 2007
	Balance as at May 1, 2006 As previously reported	Reclassified as biological assets	Reclassified as prepaid lease payments	Balance as at May 1, 2006 As restated	Reclassifi- cation	Adjustment	Charge for the year	Disposals	Written off			
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Freehold land	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold land	-	-	-	-	-	-	-	-	-	-	-	-
Factory buildings	2,558,934	-	-	2,558,934	-	-	158,472	-	-	-	-	2,717,406
Plantation land												
right	110,443	-	(110,443)	-	-	-	-	-	-	-	-	-
Plantation	2,991,687	(2,470,474)	-	521,213	(558,646)	37,433	-	-	-	-	-	-
Palm oil mills	7,468,140	-	-	7,468,140	-	-	1,898,867	-	-	(698,884)	-	8,668,123
Hospital building	1,888,058	-	-	1,888,058	-	-	545,394	-	-	-	-	2,433,452
Medical equipment	25,904,480	-	-	25,904,480	-	-	2,399,696	-	-	-	-	28,304,176
Plant, machinery, equipment and electrical												
installation	84,105,577	-	-	84,105,577	-	-	4,315,086	-	-	(127,967)	-	88,292,696
Motor vehicles	2,945,658	-	-	2,945,658	-	-	255,977	(18,266)	-	(46,325)	-	3,137,044
Office equipment, furniture and fittings	10,088,233	-	-	10,088,233	-	-	1,597,031	-	(400)	(20,521)	-	11,664,343
Leasehold warehouse cum office block	5,853,527	-	-	5,853,527	-	-	15,854	-	-	-	-	5,869,381
Staff quarter cum office block	-	-	-	-	91,734	-	70,224	-	-	(11,196)	-	150,762
Freehold warehouse	354,577	-	-	354,577	-	-	46,269	-	-	-	-	400,846
Land improvements	-	-	-	-	466,912	-	269,225	-	-	(52,968)	-	683,169
Construction-in-progress:												
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-
Total	144,269,314	(2,470,474)	(110,443)	141,688,397	-	37,433	11,572,095	(18,266)	(400)	(957,861)	152,321,398	

notes to the financial statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Accumulated Depreciation					Balance as at April 30, 2008 RM	Net Book Value	
	Balance as at May 1, 2007 RM	Charge for the year RM	Disposals RM	Written off RM	Effects of foreign exchange translation RM		2008 RM	2007 RM
Freehold land	-	-	-	-	-	-	4,950,000	4,950,000
Leasehold land	-	-	-	-	-	-	-	-
Factory buildings	2,717,406	161,045	-	-	-	2,878,451	4,564,228	4,596,605
Plantation land right	-	-	-	-	-	-	-	-
Plantation	-	-	-	-	-	-	-	-
Palm oil mills	8,668,123	1,730,892	-	-	(885,406)	9,513,609	7,471,129	9,989,486
Hospital building	2,433,452	548,787	-	-	-	2,982,239	24,513,808	24,952,050
Medical equipment	28,304,176	4,034,023	(245,676)	(1,005,851)	-	31,086,672	7,844,119	11,871,388
Plant, machinery, equipment and electrical installation	88,292,696	2,712,112	-	-	(160,512)	90,844,296	18,038,533	16,641,376
Motor vehicles	3,137,044	263,994	(104,213)	-	(54,559)	3,242,266	1,017,718	1,035,190
Office equipment, furniture and fittings	11,664,343	1,604,692	-	-	(24,231)	13,244,804	4,038,574	5,381,821
Leasehold warehouse cum office block	5,869,381	18,106	-	-	-	5,887,487	42,069	55,605
Staff quarter cum office block	150,762	96,175	-	-	(18,678)	228,259	1,019,299	989,544
Freehold warehouse	400,846	46,269	-	-	-	447,115	1,862,941	1,909,210
Land improvements	683,169	306,241	-	-	(78,332)	911,078	5,154,027	4,652,212
Construction-in-progress:								
Plant and machinery	-	-	-	-	-	-	3,992,056	3,442,873
Building	-	-	-	-	-	-	82,606	1,108,643
Total	152,321,398	11,522,336	(349,889)	(1,005,851)	(1,221,718)	161,266,276	84,591,107	91,576,003



notes to the financial statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Motor Vehicle RM	Total RM
Cost		
Balance as at May 1, 2007	-	-
Additions	68,711	68,711
Balance as at April 30, 2008	68,711	68,711
Accumulated depreciation		
Balance as at May 1, 2007	-	-
Charge for the year	10,879	10,879
Balance as at April 30, 2008	10,879	10,879
Net Book Value		
Balance as at April 30, 2007	-	-
Balance as at April 30, 2008	57,832	57,832

The following are the net book values of the property, plant and equipment of the Group acquired under hire-purchase arrangement:

	The Group	
	2008 RM	2007 RM
Motor vehicle	96,780	-

A factory building of the Group is situated on a parcel of land belonging to a company in which certain directors of the Company are also directors.

The leasehold warehouse cum office block and certain plant, machinery, equipment and electrical installation of the Group belonging to two subsidiary companies are situated on a parcel of leasehold land leased from Lembaga Pelabuhan Kelang. The primary lease expired on March 15, 2003 and was renewed for a period of another seven years up to March 15, 2010. On the expiry of the lease period, all buildings and fixtures erected on the said land shall without payment be transferred to the land-owner.

As of April 30, 2008, the title to a parcel of freehold land and building of a subsidiary company with carrying value of RM28,479,852 (2007: RM28,918,094) has not been registered in the name of the subsidiary company.

Certain property, plant and equipment of two subsidiary companies with net book values totalling RM6,868,107 (2007: RM7,168,698) are pledged as security to certain local banks for bank overdrafts and other credit facilities as mentioned in Note 34.

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use, with cost amounting to RM88,754,394 (2007: RM88,161,142).

notes to the financial statements (cont'd)

14. INVESTMENT PROPERTY

	The Group RM
Cost	
Balance as at May 1, 2006	
As previously reported	-
Reclassified from property development costs (Note 22)	3,318,127
As restated	3,318,127
Balance as at April 30, 2007	3,318,127
Balance as at May 1, 2007/April 30, 2008	3,318,127
	The Group 2008 2007 RM RM
Fair value of investment property	4,051,080 4,051,080

Investment property consists of a piece of freehold land in Kampung Jawa, Klang, which has been let out to a third party to earn rental income.

15. BIOLOGICAL ASSETS

	The Group RM
Cost	
Balance as at May 1, 2006	
As previously reported	-
Reclassified from property, plant and equipment (Note 13)	19,152,448
As restated	19,152,448
Reversal	
As previously reported	-
Reclassified from property, plant and equipment	(66,409)
As restated	(66,409)



notes to the financial statements (cont'd)

15. BIOLOGICAL ASSETS (CONT'D)

	The Group RM
Effects of foreign exchange translation	
As previously reported	-
Reclassified from property, plant and equipment	(1,620,682)
As restated	(1,620,682)
Balance as at April 30, 2007/May 1, 2007	17,465,357
Additions	293,477
Effects of foreign exchange translation	(1,600,538)
Balance as at April 30, 2008	<u>16,158,296</u>
Accumulated Amortisation	
Balance as at May 1, 2006	-
As previously reported	-
Reclassified from property, plant and equipment (Note 13)	2,470,474
As restated	2,470,474
Charge for the year	
As previously reported	-
Reclassified from property, plant and equipment	807,907
As restated	<u>807,907</u>
Effects of foreign exchange translation	
As previously reported	-
Reclassified from property, plant and equipment	(252,159)
As restated	(252,159)
Balance as at April 30, 2007/May 1, 2007	3,026,222
Charge for the year	735,338
Effects of foreign exchange translation	(316,745)
Balance as at April 30, 2008	<u>3,444,815</u>
Net Book Value	
Balance as at April 30, 2007	14,439,135
Balance as at April 30, 2008	<u>12,713,481</u>



notes to the financial statements (cont'd)

16. PREPAID LEASE PAYMENTS

	The Group RM
Cost	
Balance as at May 1, 2006	
As previously reported	-
Reclassified from property, plant and equipment (Note 2 and 13)	7,403,657
As restated	7,403,657
Effects of foreign exchange translation	
As previously reported	-
Reclassified from property, plant and equipment	(262,357)
As restated	(262,357)
Balance as at April 30, 2007/May 1, 2007	7,141,300
Effects of foreign exchange translation	(255,068)
Balance as at April 30, 2008	<u>6,886,232</u>
Accumulated Amortisation	
Balance as at May 1, 2006	
As previously reported	-
Reclassified from property, plant and equipment (Note 2 and 13)	110,443
As restated	110,443
Charge for the year	
As previously reported	-
Reclassified from property, plant and equipment	69,410
As restated	69,410
Effects of foreign exchange translation	
As previously reported	-
Reclassified from property, plant and equipment	(10,590)
As restated	(10,590)
Balance as at April 30, 2007/May 1, 2007	169,263
Charge for the year	750,561
Effects of foreign exchange translation	(45,417)
Balance as at April 30, 2008	<u>874,407</u>



notes to the financial statements (cont'd)

16. PREPAID LEASE PAYMENTS (CONT'D)

	The Group RM
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Net Book Value

Balance as at April 30, 2007	6,972,037
Balance as at April 30, 2008	<u>6,011,825</u>

	The Group 2008 RM	2007 RM
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Analysed as:

Long-term leasehold land	4,297,282	4,345,566
Short-term leasehold land	1,714,543	2,626,471
	<u>6,011,825</u>	<u>6,972,037</u>

As of April 30, 2008, the title to a parcel of long-term leasehold land of a subsidiary company in Malaysia with carrying value of RM4,297,282 (2007: RM4,345,566) has not been registered in the name of the said subsidiary company.

17. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2008 RM	2007 RM
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Unquoted shares - at cost		
At beginning of year	44,573,566	44,573,498
Additional investment in a subsidiary company	-	68
At end of year	<u>44,573,566</u>	<u>44,573,566</u>

The subsidiary companies, all incorporated in Malaysia except as otherwise indicated, are as follows:

Direct Subsidiary Companies	Country of Incorporation	Effective Equity Interest 2008	2007	Principal Activities
Southern Management (M) Sdn. Bhd.*	Malaysia	100%	100%	Provision of administrative services
Pofachem (M) Sdn. Berhad	Malaysia	100%	100%	Manufacturing and marketing of oleochemical products for commercial use



notes to the financial statements (cont'd)

17. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Direct Subsidiary Companies	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008	2007	
PKE (Malaysia) Sdn. Bhd.*	Malaysia	69.7%	69.7%	Provider of warehousing service and related transporting facility via overhead conveyor system
PKE Transport (Malaysia) Sdn.Bhd.*	Malaysia	91.9%	91.9%	Provider of transporting service for bulk cargo via overhead conveyor system
SAB Properties Development Co. Sdn. Berhad *	Malaysia	100%	100%	Investment holding and letting of property
SAB (East Asia) Holdings Ltd.*	Hong Kong	100%	100%	Dormant
Noble Interest Sdn. Bhd.	Malaysia	100%	100%	Owner and lessor of a hospital building
Southern Medicare Sdn. Bhd.	Malaysia	100%	100%	Operator of a private hospital
Wilstar Sdn. Bhd. *	Malaysia	100%	100%	Distributor of fertilizers
SAB Plantation Sdn. Bhd. *	Malaysia	100%	100%	Pre-operating
Firstview Development Sdn. Bhd. *	Malaysia	80%	80%	Investment holding
Centre For Sight Sdn. Bhd.	Malaysia	100%	100%	Operator of eye specialist centre
SAB Bio-Fuel Sdn. Bhd. *	Malaysia	100%	100%	Pre-operating

Indirect Subsidiary Companies	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008	2007	
Pembinaan Gejati Sdn. Bhd.* (Held through SAB Properties Development Co. Sdn. Berhad)	Malaysia	100%	100%	Oil palm plantation operations and property development
PT Mustika Agro Sari * (Held through Firstview Development Sdn. Bhd.)	Indonesia	56%	56%	Oil palm plantation operations
PT Wanasari Nusantara * (Held through PT Mustika Agro Sari)	Indonesia	56%	56%	Oil palm plantation operations

* The financial statements of these subsidiary companies are examined by auditors other than the auditors of the Company.



notes to the financial statements (cont'd)

18. INVESTMENT IN ASSOCIATED COMPANY

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unquoted shares - at cost	30,000	30,000	30,000	30,000
Add: Share of post-acquisition reserves	(22,639)	(19,327)	-	-
Less: Allowance for diminution in value	-	-	(22,639)	(19,327)
	7,361	10,673	7,361	10,673

The summarised financial statements of the associated company is as follows:

	The Group	
	2008 RM	2007 RM
Assets and Liabilities		
Total assets	37,137	50,164
Total liabilities	(12,600)	(14,587)
Net assets	24,537	35,577
Group's share of net assets of associated company	7,361	10,673
Income Statement		
Total revenue	-	-
Total loss for the year	(11,040)	(2,422,817)
Group's share of loss for the year	(3,312)	(726,845)

The associated company, which is incorporated in Malaysia, is as follows:

Associated Company	Country of Incorporation	Effective Equity Interest			Principal Activities
		2008	2007		
JWS Projects Sdn. Bhd.	Malaysia	30%	30%		Investment holding



notes to the financial statements (cont'd)

19. OTHER INVESTMENTS

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Shares in Malaysia:				
Quoted shares - at cost	27,201,932	27,201,932	27,201,932	27,201,932
Less: Allowance for diminution in value	(2,987,246)	(1,593,243)	(2,987,246)	(1,593,243)
	24,214,686	25,608,689	24,214,686	25,608,689
Unquoted shares - at cost	456,000	456,000	456,000	456,000
	24,670,686	26,064,689	24,670,686	26,064,689
Market value:				
Quoted shares	33,882,079	30,981,251	33,882,079	30,981,251

20. ADVANCES FOR PLASMA PIR-TRANS PROJECTS

	The Group
	RM
Cost	
Balance as at May 1, 2006	-
As previously reported	-
Reclassified from property, plant and equipment (Note 13)	5,026,564
As restated	5,026,564
Conversion	
As previously reported	-
Reclassified from property, plant and equipment	(1,015,704)
As restated	(1,015,704)
Effects of foreign exchange translation	
As previously reported	-
Reclassified from property, plant and equipment	(402,948)
As restated	(402,948)
Balance as at April 30, 2007/May 1, 2007	3,607,912
Additions	1,167,886
Conversion	(1,368,200)
Effects of foreign exchange translation	(342,833)
Balance as at April 30, 2008	3,064,765



notes to the financial statements (cont'd)

20. ADVANCES FOR PLASMA PIR-TRANS PROJECTS (CONT'D)

	The Group RM
Accumulated Allowances for Losses on Conversion of Plasma PIR-TRANS Projects	
Balance as at May 1, 2006	
As previously reported	-
Reclassified from other payable and accrued expenses	668,746
As restated	668,746
Balance as at April 30, 2007/May 1, 2007	668,746
Charge for the year	272,512
Balance as at April 30, 2008	<u>941,258</u>
Net Book Value	
Balance as at April 30, 2007	2,939,166
Balance as at April 30, 2008	<u>2,123,507</u>

In accordance with the Indonesian government policy, oil palm plantations owners/operators are required to develop plantations for small holders (herein referred to as "Plasma Farmers"). This form of assistance to the Plasma Farmers is known as the "Perusahaan Inti Rakyat Transmigrasi (PIR-TRANS)" program. Under the PIR-TRANS program, the oil palm plantations owners/operators are also required to train and develop the skills of the Plasma Farmers, and purchase the fresh fruit bunches harvested by Plasma Farmers at prices determined by the government.

The PIR-TRANS program is funded by state-owned banks. The investment credit is rendered to the oil palm plantations owners/operators, which receive the funds through several drawdowns during the plantation development period (land preparation up to the end of the immature stage). When the plasma plantation projects are completed and ready for conversion, the investment credit is transferred to the Plasma Farmers who then operate the Plasma PIR-TRANS projects under the supervision of the oil palm plantations owners/operators. The allowance for losses on recovery of Plasma PIR-TRANS projects was provided for to cover the possible non-recoverable investments under the PIR-TRANS program.

A subsidiary company in Indonesia has commitment to develop oil palm plantations for the Plasma Farmers under this program covering a total area of 9,166 hectares of which 8,256 have been converted.

Included in advances for plasma PIR-TRANS projects is interest on borrowings capitalised amounting to RM1,498,193 (2007: RM2,050,785).



notes to the financial statements (cont'd)

21. ADVANCES FOR KKPA ("KREDIT KOPERASI PRIMER UNTUK ANGGOTANYA") PROJECTS

	The Group
	RM
Cost	
Balance as at May 1, 2006	-
Additions	
As previously reported	-
Reclassified from property, plant and equipment	1,270,065
As restated	1,270,065
Effects of foreign exchange translation	
As previously reported	-
Reclassified from property, plant and equipment	(57,876)
As restated	(57,876)
Balance as at April 30, 2007/May 1, 2007	1,212,189
Additions	93,518
Effects of foreign exchange translation	(117,090)
Balance as at April 30, 2008	1,188,617
Accumulated Allowances for Losses on Conversion of KKPA Projects	
Balance as at May 1, 2006/April 30, 2007/May 1, 2007/April 30, 2008	-
Net Book Value	
Balance as at April 30, 2007	1,212,189
Balance as at April 30, 2008	1,188,617

Under an existing government policy in Indonesia, oil palm plantation owners/operators are required to assist in the development of plantations for small holders (herein referred to as the "Plasma Farmers") through a program called "Kredit Koperasi Primer untuk Anggotanya" or "KKPA". Under the KKPA programs, all participating Plasma Farmers are under the coordination of a cooperative, and any investment credit availed during the development of the plantations (land preparation up to the end of the immature stage) shall also be rendered to the cooperative. The oil palm plantation owners/operators, on the other hand, serve as the contractors for developing the plantations.

Advances for KKPA projects represent the accumulated costs to develop plasma plantations, totalling 389 hectares, which are currently being financed by creditor banks and self-financed by a subsidiary company. Upon the cooperative obtaining KKPA financing from the creditor bank, the said advances will be recovered from the cooperative.

The allowance for losses on recovery of KKPA projects is based on a periodic review of the recoverability of the development costs.



notes to the financial statements (cont'd)

22. PROPERTY DEVELOPMENT COSTS

	The Group RM
Balance as at May 1, 2006	
As previously reported:	
Freehold land - at cost	2,661,516
Development costs	1,437,114
	4,098,630
Reclassified as land held for property development (Note 12)	(780,503)
Reclassified as investment property (Note 14)	(3,318,127)
	4,098,630
As restated	-
Balance as at April 30, 2007	-
Balance as at May 1, 2007/April 30, 2008	-

23. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets pertaining to the Company and certain subsidiary companies are as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At beginning of year	11,891,343	14,973,472	73,615	1,476,311
Transfer to income statements	(6,040,995)	(3,082,129)	(39,196)	(1,402,696)
At end of year	5,850,348	11,891,343	34,419	73,615

Deferred tax liabilities pertaining to certain subsidiary companies are as follows:

	The Group	
	2008 RM	2007 RM
At beginning of year	(3,153)	(2,464)
Transfer from income statement	(137,887)	(689)
At end of year	(141,040)	(3,153)



notes to the financial statements (cont'd)

23. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Transfer to income statements - Net (Note 10)	6,178,882	3,082,818	39,196	1,402,696

The deferred tax assets of the Group and of the Company calculated at current tax rate have been recognised in the financial statements as the directors are reasonably certain that these assets are realisable based on estimated future profitability.

The net deferred tax assets recognised for the Company and certain subsidiaries companies are in respect of:

	Deferred Tax Assets/(Liabilities)			
	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Tax effects of:				
Temporary differences in respect of property, plant and equipment				
Unabsorbed capital allowances	(2,173,549)	(2,566,023)	(4,151)	-
Provision for retirement benefits	7,136,735	13,676,621	-	-
Provision for unutilised leave	876,148	750,393	31,306	47,313
Unrealised loss/(gain) on foreign exchange	3,750	4,050	-	-
Unused tax losses	7,264	(28,797)	7,264	(28,797)
	-	55,099	-	55,099
	5,850,348	11,891,343	34,419	73,615

The net deferred tax liabilities recognised for certain subsidiaries companies are in respect of:

	Deferred Tax Liabilities	
	The Group	
	2008 RM	2007 RM
Tax effects of temporary differences in respect of property plant and equipment		
Tax effects of temporary differences in respect of property plant and equipment		
	(141,040)	(3,153)

The unused tax losses and unabsorbed capital allowances are subject to the approval of the Inland Revenue Board.

As mentioned in Note 3, the tax effect of deductible temporary differences, unused tax losses and unused tax credits, which could give rise to net deferred tax assets are recognised generally to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of April 30, 2008, the estimated amount of net deferred tax asset, calculated at the prevailing tax rate which has not been recognised in the financial statements of the Group due to uncertainty of its realisation, is as follows:



notes to the financial statements (cont'd)

23. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	Deferred Tax Assets (Liabilities) The Group	
	2008 RM	2007 RM
Tax effect of:		
Unabsorbed capital allowances	6,766,019	7,064,765
Unused tax losses	1,886,853	1,935,208
Temporary differences arising from:		
Property, plant and equipment	(3,385,659)	(3,976,224)
Trade receivables	-	78,000
	<hr/>	<hr/>
	5,267,213	5,101,749

24. INVENTORIES

	The Group	
	2008 RM	2007 RM
At cost:		
Raw materials	12,642,235	8,186,182
Work-in-progress	28,945,554	18,691,502
Finished goods	17,014,536	11,583,957
Medical and surgical supplies	2,104,927	2,123,514
Consumables	8,164,790	6,938,752
Produce stocks	6,241,327	4,290,071
	<hr/>	<hr/>
	75,113,369	51,813,978

25. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

(a) Trade Receivables

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade receivables	52,066,853	32,773,949	43,135,507	24,838,879
Less: Allowance for doubtful debts	(697,296)	(300,000)	-	-
Net	<hr/>	<hr/>	<hr/>	<hr/>
	51,369,557	32,473,949	43,135,507	24,838,879

Trade receivables comprise amounts receivable for the sale of goods and services rendered.

notes to the financial statements (cont'd)

25. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONT'D)

(a) Trade Receivables (cont'd)

The credit period granted on sale of goods and services rendered ranges from 30 to 60 (2007 : 30 to 60) days.

An allowance of RM697,296 (2007 : RM300,000) has been made for estimated irrecoverable amounts from the sale of goods and services rendered. This allowance has been determined based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

The foreign currency exposure profile of trade receivables is as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
United States Dollar	20,437,754	17,195,249	20,437,754	17,195,249
Ringgit Malaysia	31,629,099	15,370,654	22,697,753	7,435,583
Pound Sterling	-	208,046	-	208,047
	52,066,853	32,773,949	43,135,507	24,838,879

(b) Other Receivables, Deposits and Prepaid Expenses

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Other receivables				
- Sale of property, plant and equipment	-	2,321,797	-	-
- Others	2,054,122	2,261,991	23,589	23,589
	2,054,122	4,583,788	23,589	23,589
Refundable deposits	257,916	235,915	103,979	102,979
Prepaid expenses	1,157,258	1,813,366	30,063	31,285
	3,469,296	6,633,069	157,631	157,853

In 2007, other receivables of the Group comprise insurance claim receivable amounting to RM808,500 in respect of a subsidiary company.

The foreign currency exposure profile of other receivables is as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Ringgit Malaysia	2,054,122	2,200,266	23,589	23,589
Indonesia Rupiah	-	2,383,522	-	-
	2,054,122	4,583,788	23,589	23,589



notes to the financial statements (cont'd)

26. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS

Amount owing by subsidiary companies represent mainly unsecured advances and payments made on behalf, net of administrative charges. This amount outstanding is interest-free and is repayable on demand.

Amount owing to subsidiary companies represent mainly trade transactions, unsecured advances and payments made on behalf, net of dividend receivable. The amount outstanding is interest-free and is repayable on demand.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its related companies are as follows:

Name of related parties	Relationship
Southern Edible Oil Industries (M) Sdn. Berhad, Southern Realty (Malaya) Sdn. Berhad, Southern Keratong Plantations Sdn. Bhd., Southern Palm Industries Sdn. Berhad, Torita Rubber Works Sdn. Bhd., Torita Trading (M) Sdn. Bhd., Sunny Futures Sdn. Bhd. and Bukit Rotan Palm Oil Sdn. Bhd.	Companies in which Mr. Low Mun Chong, Mr. Low Mong Chai @ Mr. Low Ah Kow, Dato' Low Boon Eng, DPMS, JP., Mr. Lim Kim Long and Mr. David Low Kok Leong, directors of the Company, have financial interests
Low Mong Hing Enterprise Sdn. Bhd.	Company in which Mr. Low Mong Hing, director of a subsidiary company, has financial interest
Danny Soh Agency	Company in which Mr. Soh Ah Bah, the brother-in-law of Mr. Low Mun Chong and Mr. Low Mong Chai @ Low Ah Kow, has financial interest

(a) Related Party Transactions

Other than mentioned elsewhere in the financial statements, the significant related party transactions, which were determined based on negotiations agreed between the parties, are as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Subsidiary companies				
Pofachem (M) Sdn. Berhad	-	-	335,628,313	238,281,148
Purchases of goods	-	-	6,000,000	-
Dividend income received	-	-		
 Southern Management (M) Sdn. Bhd.				
Administrative charges	-	-	258,394	176,495



notes to the financial statements (cont'd)

26. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS (CONT'D)

(a) Related Party Transactions (cont'd)

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Related parties				
Southern Realty (Malaya) Sdn. Berhad				
Purchases of goods	52,127,157	26,803,828	-	-
Sales of goods	2,185,534	1,326,470	-	-
Administrative charges	1,008,819	798,840	-	-
Rental of premises	283,016	260,987	-	-
Share of property, plant and equipment charges	20,432	17,420	-	-
Southern Keratong Plantations Sdn. Bhd.				
Purchases of goods	46,804,703	20,019,550	-	-
Administrative charges	617,767	10,902	-	-
Bukit Rotan Palm Oil Sdn. Bhd.				
Purchases of goods	5,067,635	9,099,203	-	-
Administrative charges	173,161	-	-	-
Southern Edible Oil Industries (M) Sdn. Berhad				
Sales of goods	2,321,323	1,698,422	380,360	250,000
Purchases of goods	1,145,766	-	-	-
Administrative charges	226,218	158,725	-	-
Share of property, plant and equipment charges	20,432	17,420	-	-
Danny Soh Agency				
Insurance brokerage services (including premium)	730,862	706,222	-	-
Sunny Futures Sdn. Bhd.				
Purchases of goods	-	393,325	-	-
Procurements of brokerage services	62,788	38,516	-	-
Administrative charges	17,001	14,834	-	-
Trading gain	5,903,825	1,452,975	-	-
Low Mong Hing Enterprise Sdn. Bhd.				
Transportation charges	257,864	167,685	-	-

Included under the following accounts of the Group and of the Company are significant outstanding balances arising from trade and non-trade transactions which were determined based on negotiations, as agreed with the above related parties:



notes to the financial statements (cont'd)

26. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS (CONT'D)

(a) Related Party Transactions (cont'd)

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade receivables				
Sunny Futures Sdn. Bhd.	4,348,308	1,860,045	4,325,503	1,839,033
Southern Edible Oil Industries (M) Sdn. Berhad	798,129	671,429	45,300	95,000
Southern Realty (Malaya) Sdn. Berhad	342,803	380,590	-	-
Torita Rubber Works Sdn. Bhd.	376,187	349,941	155,718	161,018
Torita Trading (M) Sdn. Bhd.	320,805	307,308	-	-
Southern Keratong Plantations Sdn. Bhd.	63,670	102,322	-	-
Bukit Rotan Palm Oil Sdn. Bhd.	158,761	66,282	-	-
	6,408,663	3,737,917	4,526,521	2,095,051
Other receivables deposits and prepaid expenses				
Southern Realty (Malaya) Sdn. Berhad	3,307	153,569	-	-
Southern Palm Industries Sdn. Berhad	23,689	23,589	23,589	23,589
Sunny Futures Sdn. Bhd.	48,669	45,310	-	-
Torita Trading (M) Sdn. Bhd.	39,217	40,850	-	-
Torita Rubber Works Sdn. Bhd.	29,777	12,815	-	-
	144,659	276,133	23,589	23,589
Trade payables				
Southern Keratong Plantations Sdn. Bhd.	2,360,239	6,195,303	-	-
Southern Realty (Malaya) Sdn. Berhad	1,135,332	4,665,383	-	-
Bukit Rotan Palm Oil Sdn. Bhd.	837,074	-	-	-
Southern Edible Oil Industries (M) Sdn. Berhad	131,001	-	-	-
	4,463,646	10,860,686	-	-
Other payables and accrued expenses				
Low Mong Hing Enterprise Sdn. Bhd.	55,386	20,540	31,740	5,949
Southern Realty (Malaya) Sdn. Berhad	47,265	65,143	42,636	47,627
	102,651	85,683	74,376	53,576

notes to the financial statements (cont'd)

26. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS (CONT'D)

(b) Compensation of Key Management Personnel

The remuneration of directors and other members of key management during the year are as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors				
Short-term employment benefits	1,393,042	1,189,683	297,520	252,639
Post employment benefits	71,922	63,178	-	-
	1,464,964	1,252,861	297,520	252,639
Other members of key management				
Short-term employment benefits	495,856	490,980	144,900	140,553
Post employment benefits	59,503	57,718	17,388	16,867
	555,359	548,698	162,288	157,420
Total compensation	2,020,323	1,801,559	459,808	410,059

27. FIXED DEPOSITS, SHORT-TERM PLACEMENTS, CASH AND BANK BALANCES

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Fixed deposits and short-term placements				
with licensed banks	30,856,125	42,918,453	18,421,375	33,194,397
Cash and bank balances	16,432,222	13,408,995	398,627	3,134,133
	47,288,347	56,327,448	18,820,002	36,328,530

The average effective interest rates for fixed deposits and short-term placements range from 2.65% to 3.15% (2007 : 2.50% to 2.80%) per annum and have an average maturity period of 1 to 7 (2007 : 1 to 14) days.



notes to the financial statements (cont'd)

27. FIXED DEPOSITS, SHORT-TERM PLACEMENTS, CASH AND BANK BALANCES (CONT'D)

Analysis of fixed deposits, short-term placements, cash and bank balances by currency:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Ringgit Malaysia	22,224,284	39,974,174	10,936,327	28,035,835
Indonesia Rupiah	17,180,388	8,037,011	-	-
United States Dollar	6,041,281	7,138,735	6,041,281	7,123,697
Pound Sterling	1,842,394	1,126,818	1,842,394	1,126,818
Euro Dollar	-	42,180	-	42,180
Hong Kong Dollar	-	8,530	-	-
	47,288,347	56,327,448	18,820,002	36,328,530

28. SHARE CAPITAL

	The Group and The Company	
	2008 RM	2007 RM
Authorised:		
200,000,000 ordinary shares of RM1 each	200,000,000	200,000,000
Issued and fully paid:		
136,934,132 ordinary shares of RM1 each	136,934,132	136,934,132

29. RESERVES

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-distributable:				
Share premium	34,321,050	34,321,050	34,321,050	34,321,050
Foreign exchange reserve	(924,688)	(1,069,535)	-	-
	33,396,362	33,251,515	34,321,050	34,321,050
Distributable:				
Retained earnings	212,933,024	197,961,813	57,771,943	60,673,889
	246,329,386	231,213,328	92,092,993	94,994,939

notes to the financial statements (cont'd)

29. RESERVES (CONT'D)

Share premium

Share premium arose from the following issue of shares:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
2,700,000 ordinary shares issued at a premium of RM1.45 per share in 1991, net of share issue expenses of RM1,048,207	2,866,793	2,866,793	2,866,793	2,866,793
Expenses relating to bonus issue in 1996	(356,866)	(356,866)	(356,866)	(356,866)
2,186,463 ordinary shares issued at a premium of RM3.00 per share in 1997	6,559,389	6,559,389	6,559,389	6,559,389
Exercise of 100 warrants 1996/2001 at a premium of RM3.80 per share in 1997	380	380	380	380
32,715,908 ordinary shares issued at a premium of RM0.20 per share in 2000, net of share issue expenses of RM537,074	6,006,108	6,006,108	6,006,108	6,006,108
Exercise of 134 warrants 1999/2003 at a premium of RM0.60 per share in 2000	80	80	80	80
Exercise of 332 warrants 1999/2003 at a premium of RM0.60 per share in 2001	199	199	199	199
Exercise of 14,000 warrants 1999/2003 at a premium of RM0.60 per share in 2002	8,400	8,400	8,400	8,400
Exercise of 32,060,945 warrants 1999/2003 at a premium of RM0.60 per share in 2004	19,236,567	19,236,567	19,236,567	19,236,567
	34,321,050	34,321,050	34,321,050	34,321,050

Foreign exchange reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign exchange reserve, as described in the accounting policies.

Retained earnings

Distributable reserves are those available for distribution as cash dividends.

Based on the tax-exempt income as mentioned in Note 10 and based on the tax credits available and the prevailing tax rate applicable to dividends, the Company has sufficient tax credits to frank approximately RM47,282,900 of its retained earnings as of April 30, 2008 if distributed by way of cash dividends without incurring additional tax liability. Any distribution in excess of this amount will attract tax at the prevailing tax rate of 26%.

The Malaysian Budget 2008 introduced a single tier dividend system with effect from year of assessment 2008. Companies without Section 108 tax credit will automatically move to the new single tier dividend system on January 1, 2008 whilst companies with such tax credit are given an irrevocable option to elect for a switch to the new system during the transitional period of six years. All the companies will be in the new system on January 1, 2014. Under the new system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of the shareholders. The Company has not opted to elect for a switch to the new system as of todate.



notes to the financial statements (cont'd)

30. TERM LOANS

	The Group	
	2008 RM	2007 RM
Term loan I	1,184,261	2,996,255
Term loan II	4,749,674	7,656,715
	5,933,935	10,652,970
Less: Portion due within the next 12 months included under bank borrowings (Note 34)	(3,495,937)	(4,662,528)
Non-current portion	2,437,998	5,990,442

The non-current portion is repayable as follows:

	The Group	
	2008 RM	2007 RM
Financial years ending April 30:		
2009	-	3,647,645
2010	2,437,998	2,342,797
	2,437,998	5,990,442

The term loans are denominated in United States Dollar.

Term loan I pertaining to a subsidiary company in Indonesia is obtained from a foreign bank and bears interest at rates ranging from 5.14% to 7.88% (2007 : 7.35% to 7.88%) per annum. This term loan is repayable over 20 quarterly instalments commencing April 2004 and is secured as follows:

- (a) A negative pledge on the said subsidiary company's current and future assets;
- (b) Jointly and severally guaranteed by the directors of the said subsidiary company; and
- (c) Corporate guarantee given by the Company.

Term loan II pertaining to a subsidiary company in Indonesia is obtained from a foreign bank and bears interest at rates ranging from 5.39% to 8.13% (2007 : 7.64% to 8.17%) per annum. This term loan is repayable over 60 monthly installments commencing April 2005 and is secured as follows:

- (a) A negative pledge over all the current and future assets of the said subsidiary company; and
- (b) Corporate guarantee given by the Company.

notes to the financial statements (cont'd)

31. HIRE-PURCHASE PAYABLE

	The Group	
	2008	2007
	RM	RM
Total instalments outstanding	60,965	-
Less: Interest-in-suspense	(10,178)	-
	<hr/>	<hr/>
Principal outstanding	50,787	-
Less: Amount due within 12 months (shown under current liabilities)	(22,572)	-
	<hr/>	<hr/>
Non-current portion	28,215	-

The non-current portion is repayable as follows:

	The Group	
	2008	2007
	RM	RM
Financial years ending April 30:		
2010	22,572	-
2011	5,643	-
	<hr/>	<hr/>
	28,215	-

The term for hire-purchase is 2 years for the financial year ended April 30, 2008. The effective borrowing rate is at 6.68% per annum. Interest rates are fixed at the inception of the hire-purchase arrangement.

The Group's hire-purchase payable is secured by the financial institution's charge over the asset under hire-purchase.

32. PROVISION FOR RETIREMENT BENEFITS

The Group

Movements in net liability during the financial year are as follows:

	Malaysia	Indonesia	Total
	RM	RM	RM
Balance as at May 1, 2006	3,080,641	-	3,080,641
Charged to income statement (Note 7)	252,549	-	252,549
Utilised during the year	(553,958)	-	(553,958)
	<hr/>	<hr/>	<hr/>
Balance as at April 30, 2007	2,779,232	-	2,779,232



notes to the financial statements (cont'd)

32. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

The Group

	Malaysia RM	Indonesia RM	Total RM
Balance as at May 1, 2007	2,779,232	-	2,779,232
Charged to income statement (Note 7)	366,822	432,608	799,430
Utilised during the year	(135,322)	-	(135,322)
Effects of foreign exchange translation	-	(21,059)	(21,059)
Balance as at April 30, 2008	<u>3,010,732</u>	<u>411,549</u>	<u>3,422,281</u>

In 2008, the amount recognised in the balance sheet for subsidiary companies in Indonesia are determined as follows:

	Indonesia RM
At April 30, 2008:	
Present value of defined benefit obligations	537,969
Unrecognised actuarial losses	<u>(126,420)</u>
	<u>411,549</u>

In 2008, the amount recognised in the income statement for subsidiary companies in Indonesia are as follows:

	Indonesia RM
For the financial year ended April 30, 2008:	
Current service cost	<u>432,608</u>

The Company

Movements in net liability during the financial year are as follows:

	2008 RM	2007 RM
At beginning of year	175,232	158,245
Charged to income statement (Note 7)	15,570	16,987
Utilised during the year	<u>(65,577)</u>	-
At end of year	<u>125,225</u>	<u>175,232</u>

notes to the financial statements (cont'd)

32. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

The Company and a subsidiary company have an unfunded defined retirement plan for eligible employees. Provision for retirement benefits is computed at half a month's salary for each year of service based on the last drawn salary of the employees.

During the financial year, the subsidiary company replaced its unfunded defined retirement plan for eligible employees with a four percent increase in its EPF contribution to all eligible employees with effect from April 1, 2007.

In 2008, two subsidiary companies in Indonesia operated an unfunded defined benefit scheme for qualified permanent employees in accordance with Labour Law No. 13 Year 2003.

The valuation for the obligations under the schemes are calculated using the "Projected Unit Credit" method which will be carried out once in every two years by independent actuaries, Prima Aktuaria. The valuation for the two subsidiary companies in Indonesia was performed on August 14, 2008 in respect of the obligations as of April 30, 2008. The principal actuarial assumptions used are as follows:

	Indonesia 2008 %
Discount rate	10
Expected return on plan assets	N/A
Expected rate of salary increases	7

33. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

(a) Trade Payables

Trade payables comprise amounts outstanding for trade purchases. The credit period granted to the Group for trade purchases ranges from 7 to 60 (2007 : 7 to 60) days.

The foreign currency exposure profile of trade payables is as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Ringgit Malaysia	19,608,704	20,121,634	-	-
Indonesia Rupiah	2,625,548	4,151,324	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	22,234,252	24,272,958	-	-

(b) Other Payables and Accrued Expenses

Other payables	15,113,578	16,212,549	1,448,451	1,357,364
Accrued expenses	4,237,983	3,180,981	1,098,463	831,691
Loan from shareholders of subsidiary companies	1,870,502	2,637,911	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	21,222,063	22,031,441	2,546,914	2,189,055



notes to the financial statements (cont'd)

33. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

(b) Other Payables and Accrued Expenses (cont'd)

Other payables arose mainly from on-going costs. These amounts are unsecured, interest-free and are repayable within 60 (2007: 60) days from the transaction dates.

Included in other payables is an amount of RM6,121,448 (2007: RM6,747,912) owing to a third party arising from bank borrowings arranged by the Government of Indonesia for a subsidiary company. The amount owing is unsecured, interest-free and is repayable on demand.

The loan from shareholders of subsidiary companies is unsecured, interest-free and is repayable on demand.

The foreign currency exposure profile of other payables is as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Indonesia Rupiah	9,808,378	10,159,996	-	-
Ringgit Malaysia	5,208,320	5,958,184	1,448,451	1,357,364
Hong Kong Dollar	96,880	94,369	-	-
	15,113,578	16,212,549	1,448,451	1,357,364

34. BANK BORROWINGS

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Term loans (Note 30)	3,495,937	4,662,528	-	-
Revolving credit	3,158,028	3,424,290	-	-
Bank overdrafts	681,440	872,153	-	-
	7,335,405	8,958,971	-	-

Bank overdrafts and other credit facilities of the Group and of the Company totalling RM57,032,600 (2007: RM73,303,100) and RM17,000,000 (2007: RM27,200,000) respectively obtained from certain local banks bear interest at rates ranging from 4.25% to 8.75% (2007: 2.75% to 7.75%) per annum. The credit facilities of the Company and of two subsidiary companies amounting to RM56,632,600 (2007: RM72,903,100) are covered by a negative pledge on the assets of the Company and of the subsidiary companies and are guaranteed by the Company. The credit facilities of two subsidiary companies totalling RM400,000 (2007: RM400,000) are secured by debentures over all fixed and floating assets of these subsidiary companies and are jointly and severally guaranteed by certain former directors and shareholders of the said subsidiary companies.



notes to the financial statements (cont'd)

35. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances	16,432,222	13,408,995	398,627	3,134,133
Fixed deposits and short-term placements with licensed banks	30,856,125	42,918,453	18,421,375	33,194,397
Bank overdrafts (Note 34)	(681,440)	(872,153)	-	-
	46,606,907	55,455,295	18,820,002	36,328,530

36. DIVIDEND

	The Group and the Company	
	2008 RM	2007 RM
Final dividend of 6.0%, tax exempt, in 2007	8,216,048	-
Final dividend of 3.5%, tax exempt, in 2006	-	4,792,695
	8,216,048	4,792,695

The Directors propose a final dividend (tax exempt) of 8% per ordinary share of RM1.00 each amounting to RM10,954,731 in respect of the current financial year on the issued and paid-up ordinary shares of the Company. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

37. SEGMENTAL INFORMATION

The Group's operating businesses are classified according to the following operating divisions:

- i) Manufacturing and marketing
- ii) Development, managing and operating of private hospital
- iii) Plantation
- iv) Others

Included in other operating divisions are property development and investment holding, warehousing and bulk conveyor operations and administrative services.

Inter-segment sales and administrative services are charged at cost. Segment revenue, expenses and results include transactions between business segments and are eliminated on consolidation.



notes to the financial statements (cont'd)

37. SEGMENTAL INFORMATION (CONT'D)

Financial Year Ended April 30, 2008

	Manufacturing and marketing RM	Development, managing and operating of private hospital RM	Plantation RM	Others RM	Eliminations RM	Consolidated RM
Revenue						
External sales	339,537,073	49,596,314	66,277,286	8,191,665	-	463,602,338
External dividend income	1,898,881	-	-	-	-	1,898,881
Inter-segment sales	-	-	-	1,434,423	(1,434,423)	-
Total revenue	341,435,954	49,596,314	66,277,286	9,626,088	(1,434,423)	465,501,219
Financial Results						
Segment results	22,270,540	(3,855,034)	22,790,994	1,890,384	-	43,096,884
Share in loss of associated company					(3,312)	
Profit from operations						43,093,572
Finance costs						(1,015,950)
Investment revenue						1,778,718
Profit before tax						43,856,340
Income tax expense						(14,867,823)
Profit for the year						28,988,517
Other Information						
Capital expenditure	4,860,950	826,659	993,728	69,855	-	6,751,192
Non-cash expenses:						
Depreciation of property, plant and equipment	2,447,038	6,079,248	2,673,022	323,028	-	11,522,336
Allowance for diminution in value of quoted shares	1,394,003	-	-	-	-	1,394,003
Amortisation of biological assets	-	-	735,338	-	-	735,338
Provision for retirement benefits	366,822	-	432,608	-	-	799,430
Amortisation of prepaid lease payments	-	-	702,277	48,284	-	750,561
Unrealised loss on foreign exchange - net	29,055	-	587,361	45	-	616,461
Allowance for doubtful debts	-	397,296	-	-	-	397,296
Property, plant and equipment written off	-	381,401	-	-	-	381,401

notes to the financial statements (cont'd)

37. SEGMENTAL INFORMATION (CONT'D)

Financial Year Ended April 30, 2008 (cont'd)

	Manufacturing and marketing RM	Development, managing and operating of private hospital RM	Plantation RM	Others RM	Eliminations RM	Consolidated RM
Allowance for loss on conversion of Plasma PIR- TRANS projects	-	-	272,512	-	-	272,512
Loss/(Gain) on disposal of property, plant and equipment	(19,999)	32,659	-	(3,999)	-	8,661
Bad debts written off	3,488	-	-	-	-	3,488
Consolidated Balance Sheets						
Assets						
Segment assets	439,330,398	56,860,853	198,806,411	38,927,717	(282,425,048)	451,500,331
Income tax assets	5,686,105	-	123,465	776,000	-	6,585,570
Investment in associated company						7,361
Consolidated assets						<u>458,093,262</u>
Liabilities						
Segment liabilities	25,114,697	70,687,391	166,700,185	32,349,598	(238,027,585)	56,824,286
Income tax liabilities	-	-	5,439,248	169,735	-	5,608,983
						<u>62,433,269</u>

Financial Year Ended April 30, 2007

Revenue						
External sales	234,560,038	52,302,939	68,599,105	12,951,959	-	368,414,041
External dividend income	6,190,076	-	-	-	(4,440,000)	1,750,076
Inter-segment sales	-	-	-	1,204,845	(1,204,845)	-
Total revenue	240,750,114	52,302,939	68,599,105	14,156,804	(5,644,845)	370,164,117
Financial Results						
Segment results	11,410,541	1,928,123	11,712,570	1,280,673	-	26,331,907
Share in loss of associated company						<u>(726,845)</u>
Profit from operations						25,605,062
Finance costs						(1,383,292)
Investment revenue						<u>1,235,505</u>



notes to the financial statements (cont'd)

37. SEGMENTAL INFORMATION (CONT'D)

Financial Year Ended April 30, 2007 (cont'd)

	Manufacturing and marketing RM	Development, managing and operating of private hospital RM	Plantation RM	Others RM	Eliminations RM	Consolidated RM
Profit before tax					25,457,275	
Income tax expense					(7,659,021)	
Profit for the year						17,798,254
Other Information						
Capital expenditure	3,760,819	451,423	2,866,155	866,920	-	7,945,317
Non-cash expenses:						
Depreciation of property, plant and equipment	3,687,363	4,410,818	2,814,719	659,195	-	11,572,095
Amortisation of biological assets	-	-	807,907	-	-	807,907
Allowance for loss on conversion of Plasma PIR- TRANS projects	-	-	668,746	-	-	668,746
Provisions for retirement benefits	252,549	-	-	-	-	252,549
Inventories written down	175,142	-	-	-	-	175,142
Amortisation of prepaid lease payments	-	-	21,126	48,284	-	69,410
Bad debts written off	-	-	19,922	-	-	19,922
Loss on disposal of property, plant and equipment	-	-	-	11,734	-	11,734
Property, plant and equipment written off	-	-	-	400	-	400
Non-cash income:						
Write back of allowance for diminution in value of quoted shares	2,489,734	-	-	-	-	2,489,734
Waiver of amount owing to former director of subsidiary companies	228,350	-	-	-	-	228,350
Unrealised gain on foreign exchange - net	372,427	-	(280,514)	137	-	92,050



notes to the financial statements (cont'd)

37. SEGMENTAL INFORMATION (CONT'D)

Financial Year Ended April 30, 2007 (cont'd)

	Manufacturing and marketing RM	Development, managing and operating of private hospital RM	Plantation RM	Others RM	Eliminations RM	Consolidated RM
Consolidated Balance Sheets						
Assets						
Segment assets	425,868,956	62,798,133	194,965,564	37,740,110	(290,615,737)	430,757,026
Income tax assets	12,374,289	-	103,010	506,768	-	12,984,067
Investment in associated company						10,673
Consolidated assets						443,751,766
Liabilities						
Segment liabilities	25,647,273	72,948,743	177,781,021	33,113,153	(245,335,646)	64,154,544
Income tax liabilities	-	-	3,047,000	3,683	-	3,050,683
						67,205,227

Geographical Segments

The Group's operations are mainly located in Malaysia, Asia, Europe and America.

The following is an analysis of the Group's sales by geographical market:

	Sales revenue by geographical market	
	2008 RM	2007 RM
Asia	225,180,920	202,173,397
Malaysia	157,957,369	137,501,916
Europe	60,942,810	17,054,799
America	17,573,263	10,429,936
Others	3,846,857	3,004,069
	465,501,219	370,164,117



notes to the financial statements (cont'd)

37. SEGMENTAL INFORMATION (CONT'D)

The following is an analysis of the carrying amount of segmental assets and capital expenditure by the geographical area in which assets are located:

	Carrying amount of segment assets		Capital expenditure	
	2008	2007	2008	2007
	RM	RM	RM	RM
Malaysia	367,883,627	370,088,528	5,880,150	6,090,218
Asia	79,561,220	70,439,107	871,042	1,855,099
Europe	7,879,083	1,102,945	-	-
America	2,271,986	1,803,512	-	-
Others	497,346	317,674	-	-
	458,093,262	443,751,766	6,751,192	7,945,317

38. CAPITAL COMMITMENTS

As of April 30, 2008 the Group has the following capital commitments:

	The Group	
	2008	2007
	RM	RM
Purchase of property, plant and equipment:		
Approved and contracted for	763,011	147,410

39. CONTINGENT LIABILITY - UNSECURED

The Company has issued corporate guarantee without security to local banks for credit facilities totalling RM46,294,894 (2007 : RM49,340,539) granted to two (2007 : four) subsidiary companies and an associated company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by the said subsidiary companies and associated company.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, price fluctuation risk, credit risk, liquidity risk and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders.

Foreign currency risk

The Group undertakes trade transactions with its trade receivables, trade payables and related companies which are mainly denominated in Ringgit Malaysia (RM), United States Dollar (USD), Euro, Indonesia Rupiah and other foreign currencies, where the amounts outstanding are exposed to currency translation risks.

The Group enters into foreign currency forward contracts in the normal course of business to manage its exposure against foreign currency fluctuations on sales and purchase transactions denominated in foreign currencies.



notes to the financial statements (cont'd)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk

The Group's significant interest bearing financial assets and financial liabilities are mainly its fixed deposits and short term placements and also its short-term and long-term obligations comprising bank overdraft, revolving credit and term loans.

The fixed deposits and short-term placements as at balance sheet date, which bear interest as disclosed in Note 27, are short-term and therefore their exposure to the effects of future changes in prevailing level of interest rates are limited.

Price fluctuation risk

The Group is exposed to the price fluctuation of raw materials used in the operations in particular commodities such as crude palm oil, crude palm stearine and palm kernel oil. The Group mitigates its risk to the price alternation on these key raw materials by entering into commodity contracts to cover the physical requirements of the commodities needed by the Group at pre-determined purchase prices.

Credit risk

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

The Group's exposure to credit risk in relation to its trade and other receivables, should all its customers fail to perform their obligations as of April 30, 2008, is the carrying amount of these receivables as disclosed in the balance sheets.

The Group places its fixed deposits with credit worthy financial institutions. The carrying amount of financial assets in the financial statements, net of any provision of losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral or other security obtained.

Liquidity risk

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Foreign Currency Forward Contracts

In order to hedge its exposure to foreign exchange risks, the Group enters into foreign currency forward contracts. Gains and losses on foreign exchange contracts designated as hedges of identified exposure are offset against the foreign exchange gains and losses on the hedged financial assets and liabilities.

Where the instruments are used to hedge against anticipated future transactions, gains and losses are not recognised until the transaction occurs.



notes to the financial statements (cont'd)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

At the balance sheet date, the Group and the Company had contracted to purchase and sell the following amounts under forward contracts:

The Group

Sell	2008 RM	2007 RM	Average exchange rate per unit of Ringgit Malaysia	
			2008	2007
United States Dollar	7,299,396	11,578,202	0.31205	0.29087
Euro	127,715	-	0.21047	-

The Company

Sell	2008 RM	2007 RM	Average exchange rate per unit of Ringgit Malaysia	
			2008	2007
United States Dollar	7,299,396	8,307,660	0.31205	0.29087
Euro	127,715	-	0.21047	-

All of these contracts mature within two months of the balance sheet date.

The net deferred gain arising on such contracts for the Group and the Company as of April 30, 2008 of approximately RM1,900 has been recognised in the underlying transactions in the first half of 2008.

The net deferred loss arising on such contracts for the Group and the Company as of April 30, 2007 of approximately RM140,550 and RM101,400 respectively has been recognised in the underlying transactions in the first half of 2007.

Commodity Future Contracts

As at balance sheet date, the Group has entered into the following commodity future contracts:

			Net unrecognised gain/(loss) as at end of the financial year	
			Total RM	RM
2008				
Sale contracts			7,854,425	316,925
Purchase contracts			8,309,275	141,575
2007				
Sale contracts			2,224,300	(74,700)
Purchase contracts			6,472,475	568,175



notes to the financial statements (cont'd)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The above commodity future contracts have maturities of less than 1 year.

The unrecognised gain/(loss) on the commodity future contracts have been deferred until the related future transactions occur, at which time they will be included in the measurement of the transactions.

Fair Values

The fair values of the financial assets and financial liabilities reported in the balance sheets approximate the carrying amount of those assets and liabilities because of the immediate or short-term maturity of those financial instruments except as follows:

	Note	The Group		The Company	
		Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
April 30, 2008					

Financial Asset

Other investments:

Quoted shares	19	24,214,686	33,882,079	24,214,686	33,882,079
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Financial Liabilities

Term loans

Term loans	30	5,933,935	5,601,535	-	-
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Hire-purchase payable

Hire-purchase payable	31	50,787	45,951	-	-
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April 30, 2007

Financial Asset

Other investments:

Quoted shares	19	25,608,689	30,981,251	25,608,689	30,981,251
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Financial Liability

Term loans

Term loans	30	10,652,970	10,555,026	-	-
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(i) Other investments

The fair value of other investments is estimated based on the market value as at the balance sheet date.

(ii) Term loans

The fair value of term loans is estimated using discounted cash flow analysis based on current borrowing rates for similar types of borrowing arrangements.

(iii) Hire-purchase payable

The fair value of hire-purchase payable is estimated using discounted cash flow analysis based on current interest rates for similar types of hire-purchase arrangements.



notes to the financial statements (cont'd)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Investment in subsidiary companies and associated company

It is not practical to estimate the fair value of investment in subsidiary companies and associated company. As at year end, based on the audited financial statements, the Company's share of net tangible assets of investment in subsidiary companies and associated company amounted to RM428,143,035 (2007: RM433,887,068) and RM7,361 (2007: RM10,673) respectively.

41. COMPARATIVE FIGURES

The following comparative figures have been restated due to the adoption of new/revised FRSs:

The Group

	As previously reported RM	← Increase/(Decrease) →			
		FRS 117 RM	Reclassification RM	As restated RM	
Balance Sheet					
As of April 30, 2007					
Land held for property development	136,353,899	-	633,337	136,987,236	
Property, plant and equipment	117,807,276	(6,972,037)	(19,259,236)	91,576,003	
Investment property	-	-	3,318,127	3,318,127	
Biological assets	-	-	14,439,135	14,439,135	
Prepaid lease payments	-	6,972,037	-	6,972,037	
Property development costs	3,951,464	-	(3,951,464)	-	
Advances for Plasma PIR-TRANS projects	-	-	2,939,166	2,939,166	
Advances for KKPA projects	-	-	1,212,189	1,212,189	
Deferred tax assets	11,888,190	-	3,153	11,891,343	
Other receivables, deposits and prepaid expenses	7,725,793	-	(1,092,724)	6,633,069	
Tax recoverable	-	-	1,092,724	1,092,724	
Deferred tax liabilities	-	-	(3,153)	(3,153)	
Other payables and accrued expenses	(25,268,609)	-	3,237,168	(22,031,441)	
Amount owing to directors	(475,425)	-	475,425	-	
Tax liabilities	(3,683)	-	(3,043,847)	(3,047,530)	
Income Statement					
Financial year ended April 30, 2007					
Depreciation of property, plant and equipment	12,449,412	(69,410)	(807,907)	11,572,095	
Amortisation of biological assets	-	-	807,907	807,907	
Amortisation of prepaid lease payments	-	69,410	-	69,410	



statement by directors

The directors of **SOUTHERN ACIDS (M) BERHAD** state that, in their opinion, the accompanying balance sheets and the related statements of income, changes in equity and cash flows are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of April 30, 2008 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

LIM KIM LONG

LOW MONG CHAI @ LOW AH KOW

Klang,
August 28, 2008

declaration by the officer primarily responsible for the financial management of the company

I, **LOU AI CHOO**, the officer primarily responsible for the financial management of **SOUTHERN ACIDS (M) BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, changes in equity and cash flows 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.

LOU AI CHOO

Subscribed and solemnly declared by the abovenamed **LOU AI CHOO** at **KLANG** this 28th day of August, 2008.

Before me,

COMMISSIONER FOR OATHS



properties of the group

as at April 30, 2008

Subsidiaries	Types of Property	Area	Existing Use Purposes	Tenure	Age of Buildings	Net Book Value (RM)
1. Pembinaan Gejati Sdn Bhd						
Thangamallay Estate, Lot 3563, Batu 7, Jalan Kebun, Kampung Jawa 42450 Klang Selangor	Land	220.79 acres	Plantation Estate	Freehold	-	47,847,740
Thangamallay Estate, Lot 3860, Batu 7, Jalan Kebun, Kampung Jawa 42450 Klang Selangor	Land	14.33 acres	Plantation Estate	Freehold	-	3,105,476
Thangamallay Estate, Lot 1095, Batu 7, Jalan Kebun, Kampung Jawa 42450 Klang Selangor	Land	409.25 acres	Plantation Estate	Freehold	-	88,689,196
2. Pofachem (M) Sdn Bhd						
Golconda Estate, 10th Mile, Persiaran Hamzah Alang, Off Jalan Kapar, 42200 Kapar, Selangor	Buildings	23 acres	Factory Buildings	N/A	Ranging from 13 to 27 years	4,564,228
3. Noble Interest Sdn Bhd						
P.T. 1288, Seksyen 14, Mukim Klang, Daerah Klang, Selangor	Land	1.62 acres	Hospital Use	Freehold	-	4,950,000
	Buildings	262,000 sq. ft	Hospital Buildings	N/A	9 years	24,513,808



properties of the group (cont'd)

as at April 30, 2008

Subsidiaries	Types of Property	Area	Existing Use Purposes	Tenure	Age of Buildings	Net Book Value (RM)
4. PKE (M) Sdn Bhd						
Lot No. 15, Section 7, Taman Perusahaan Pulau Indah, Pulau Indah, Mukim Klang, Daerah Klang, Selangor	Land	6.67 acres	Vacant Land	Leasehold Expiring in 24-2-2097	-	4,297,282
Lot 6579, Jalan Jerung, Pelabuhan Utara, 42000 Port Klang, Selangor	Warehouse	132,858 sq. ft	Warehousing	Lease Rental Expiring in 15-3-2010	17 years	42,069
No. 18, Jalan Firma 2/1, Kawasan Perindustrian Tebrau, Johor Bahru, Johor	Warehouse	50,400 sq. ft	Vacant	N/A	11 years	1,862,941
5. SAB Properties Development Co. Sdn Bhd						
G.M. 2172 Lot 2824, Mukim Klang, Daerah Klang, Selangor	Land	3.25 acres	Leased	Freehold	-	3,318,127
6. P.T. Mustika Agro Sari						
Kebun Tanjung Pauh & Kebun Petai, Province of Riau, Indonesia	Plantation Land, Palm Oil Mill and Buildings	6,538 acres	Plantation and Palm-Oil Processing	Leasehold Expiring in 20-3-2036 and 9-4-2036	6 years	15,858,050
7. P.T. Wanasari Nusantara						
Kebun Wanasari Province of Riau Indonesia	Plantation Land, Palm Oil Mill and Buildings	13,136 acres	Plantation	Leasehold Expiring in 31-12-2029 and 29-1-2032	20 years	12,109,465



analysis of shareholdings

as at September 15, 2008

Authorised share capital	: RM200,000,000
Issued and fully paid-up capital	: RM136,934,132
Class of shares	: Ordinary shares of RM1.00 each
Voting rights	: 1 vote per RM1.00 share
Number of shareholders	: 2,866

DISTRIBUTION SCHEDULE OF SHARES AS AT SEPTEMBER 15, 2008

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Share Held
LESS THAN 100	196	6.84	8,057	0.00
100 – 1,000	738	25.75	561,363	0.41
1,001 – 10,000	1,550	54.08	5,806,623	4.24
10,001 – 100,000	319	11.13	9,020,442	6.58
100,001 – 6,846,706 (less than 5% of issued shares)	58	2.02	34,603,450	25.27
6,846,707 (5% of issued shares) and above	5	0.18	86,934,197	63.50
Total	2,866	100.00	136,934,132	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT SEPTEMBER 15, 2008

Names	Shareholding	%
1. SOUTHERN PALM INDUSTRIES SDN BHD	42,840,270	31.29
2. LEMBAGA TABUNG HAJI	17,864,605	13.05
3. SOUTHERN REALTY (M) SDN BHD	11,527,419	8.42
4. RASIONAL SDN BERHAD	7,392,666	5.40
5. DATO' MONG HUA @ LOW MONG HUA	7,309,237	5.34



analysis of shareholdings (cont'd)

as at September 15, 2008

DIRECTORS SHAREHOLDINGS

	Names of Directors	Direct	%	Indirect	%
1.	LOW MONG CHAI @ LOW AH KOW	176,495	0.13	76,783,820	56.07
2.	LIM KIM LONG	49,276	0.04	69,053,759	50.43
3.	DATO' LOW BOON ENG	2,487	0.002	65,626,507	47.93
4.	LOW MUN CHUNG	1,516,498	1.11	75,466,927	55.11
5.	DAVID LOW KOK LEONG	1,223	0.0009	176,495	0.13
6.	YAP SOON NAM	0	0.00	0	0.00
7.	SUKHINERJIT SINGH MUKER	0	0.00	0	0.00
8.	DATO' MOHD YUSOFF BIN HAJI AMIN	0	0.00	0	0.00
9.	MOHD HISHAM BIN HARUN	0	0.00	0	0.00

TOP THIRTY SECURITIES ACCOUNT HOLDERS

		No. of Share Held	% of Issued Shares
1.	SOUTHERN PALM INDUSTRIES SDN BHD	42,840,270	31.29
2.	LEMBAGA TABUNG HAJI	17,864,605	13.05
3.	SOUTHERN REALTY (M) SDN BHD	11,216,419	8.19
4.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD < PLEDGED SECURITIES ACCOUNT FOR RASIONAL SDN BERHAD (05-00051-000) >	7,000,000	5.11
5.	SOUTHERN EDIBLE OIL INDUSTRIES (M) SDN BERHAD	4,958,332	3.62
6.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD < PSB-CBG9 FOR MONG HUA @ LOW MONG HUA (49246 DHAM) >	4,909,237	3.59
7.	GLAMOUR PARTNERSHIP SDN BHD	3,221,940	2.35
8.	ANGSANA SUTERA SDN BHD	2,714,942	1.98
9.	SOUTHERN COCOA PRODUCTS (M) SDN BERHAD	2,102,632	1.54



analysis of shareholdings (cont'd)

as at September 15, 2008

TOP THIRTY SECURITIES ACCOUNT HOLDERS (CONT'D)

Names	No. of Share Held	% of Issued Shares
10. LIM CORPORATION BERHAD	1,863,466	1.36
11. LIM BOON ENG	1,820,837	1.33
12. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <PLEDGED SECURITIES ACCOUNT FOR MONG HUA @ LOW MONG HUA (05-00045-000)>	1,800,000	1.31
13. LOW MUN CHONG	1,516,498	1.11
14. BANTING HOCK HIN ESTATE COMPANY SDN BHD	1,487,500	1.09
15. CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <PSB-CBG9 FOR LOU AI CHOO (49246 DHAM)>	1,000,000	0.73
16. HOCK JOO PLANTATION SDN BHD	991,666	0.72
17. LIM THYE PENG REALTY SDN BHD	976,559	0.71
18. NAGA WIRA SDN BERHAD	720,938	0.53
19. BEKALAN UTAMA SDN BERHAD	694,166	0.51
20. TEO KWEE HOCK	610,500	0.45
21. CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <PLEDGED SECURITIES ACCOUNT FOR MONG HUA @ LOW MONG HUA (4851 DHAM)>	600,000	0.44
22. CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <PSB-CBG9, FOR LOW MONG HUA SDN BERHAD (49246 DHAM)>	585,000	0.43
23. MONG TECK SDN BERHAD	559,972	0.41
24. JF APEX NOMINEES (TEMPATAN) SDN BHD <PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)>	558,500	0.41
25. TOH KAM CHOY	540,000	0.39
26. YEOH KEAN HUA	490,000	0.36
27. CHIN PEK FOO	417,000	0.30
28. JF APEX NOMINEES (TEMPATAN) SDN BHD <PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (MARGIN)>	397,200	0.29
29. RASIONAL SDN BERHAD	392,666	0.29
30. OOI LAY SUAN	384,500	0.28
TOTAL	115,235,345	84.17

proxy form
Sounthern Acids (M) Berhad (64577-K)

I/We _____ of NRIC. No/Co.No. _____

being a member/members of Southern Acids (M) Berhad hereby appoint _____

_____ of _____

NRIC No. _____ or failing him / her _____

of _____ NRIC No. _____

as my/our proxy to vote for me/us on my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held on 28 October 2008 and at any adjournment thereof. I/We direct my/our proxy to vote for or against the resolutions to be proposed at the Meeting as hereunder indicated.

No	Ordinary Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 April 2008 together with the Reports of the Directors and Auditors thereon.		
2.	To declare a Final Dividend (tax exempt) of 8.00% per ordinary share for the financial year ended 30 April 2008		
3.	To approve the payment of Directors' Fees.		
4.	To re-elect Dato Low Boon Eng DPMS JP as a Director of the Company in accordance with Articles 95 and 96 of the Company's Articles of Association.		
5.	To re-elect Mr Yap Soon Nam as a Director of the Company in accordance with Articles 95 and 96 of the Company's Articles of Association.		
6.	To re-elect Mr Low Mun Chong as a Director of the Company in accordance with Article 101 of the Company's Articles of Association		
7.	To re-appoint Dato Panglima Kubu Mohd Yusoff Bin Haji Amin, SMS, PJK, JP as a Director of the Company pursuant to Section 129 (6) of the Companies Act, 1965.		
8.	To re-appoint Messrs Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration.		
9.	To approve the Resolution pertaining to the Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
10.	To approve the Proposed Renewal of Shareholders'Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature.		

Dated this _____ day of _____

Signature/Common Seal

No. of Shares held

NOTES:

1. A member entitled to attend and vote at the Meeting of the Company is entitled to appoint a proxy to attend and vote on his behalf. A proxy shall be a member of the Company, and if the proxy is not a member of the Company, the proxy shall be an Advocate or an approved Company Auditor or a person approved by the Registrar of Companies.
2. A member shall be entitled to appoint one (1) proxy to attend and vote at the meeting.
3. Where a member appoints more than one (1) proxy the appointment shall be invalid.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 26, Jalan Istana, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.



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STAMP

SOUTHERN ACIDS (M) BERHAD
(COMPANY NO. 64577-K)

26, JALAN ISTANA
41000 KLANG
SELANGOR DARUL EHSAN
MALAYSIA

FOLD HERE