

Condensed Consolidated Balance Sheet

At 30 June 2004

	Note	30 June 2004 RM'000	31 December 2003 RM'000
Property, Plant & Equipment	2	412,018	400,201
Investment in Associate		-	-
Deferred tax assets		1,739	1,739
Other Investments		49	49
Intangible Assets	3	1,246	1,319
		415,052	403,308
Current Assets			
Inventories		9,977	9,180
Trade and other receivables		3,130	5,466
Cash & Cash Equivalents		47,359	44,692
		60,466	59,338
Current Liabilities			
Trade & other payables		21,231	57,217
Borrowings		25,974	23,318
Taxation		4,636	3,306
Bank overdraft		-	-
		51,841	83,841
Net Current Assets		8,625	(24,503)
		423,677	378,805
Financed by:			
Capital And Reserve			
Share Capital		94,968	94,968
Retained Profits		116,537	101,847
		211,505	196,815
Minority Shareholders' Interests		12,884	13,605
Long Term And Deferred Liabilities			
Borrowings		152,450	120,635
Deferred taxation		26,337	26,337
Other deferred liabilities		20,501	21,413
		199,288	168,385
		423,677	378,805

The notes set out on pages 5 to 6 form an integral part of, and, should be read in conjunction with, this interim financial report.



Condensed Consolidated Income Statements

For the six months ended 30 June 2004

	3 months ended 30 June		6 months ended 30 June	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	40,435	21,388	73,958	39,037
Operating Profit	11,765	7,835	22,784	14,585
Interest expense	(1,136)	(378)	(2,644)	(739)
Other Income	457	367	958	671
Share of Profit (Loss) of an associate	-	-	-	-
Profit/(Loss) on disposal of investment	-	16,238	-	16,238
Profit before taxation	11,086	24,062	21,098	30,755
Tax expense	(3,535)	(2,245)	(7,130)	(4,210)
Profit after taxation	7,551	21,817	13,968	26,545
Add: Minority Interests	395	58	722	116
Net Profit for the period	7,946	21,875	14,690	26,661
Basic earnings per ordinary share (sen)	8.36	23.04	15.47	28.07
Diluted earnings per ordinary share (sen)	8.36	23.04	15.47	28.07

The notes set out on pages 5 to 6 form an integral part of, and, should be read in conjunction with, this interim financial report.



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2004

	Share Capital (Non- distributable) RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2004	94,968	101,847	196,815
Net profit for the year	-	14,690	14,690
Dividends	-	-	-
At 30 June 2004	94,968	116,537	211,505
At 1 January 2003 (restated)	94,968	62,221	157,189
Net profit for the year	-	26,661	26,661
Dividends	-	-	-
At 30 June 2003	94,968	88,882	183,850

The notes set out on pages 5 to 6 form an integral part of, and, should be read in conjunction with, this interim financial report.



Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2004

	30 June 2004	30 June 2003
	RM'000	RM'000
Net cash inflow from operating activities	14,932	16,266
Net cash outflow from investing activities	(42,382)	(43,004)
Net cash inflow/(outflow) from financing activities	30,461	35,921
Net increase/(decrease) in cash and cash equivalents	3,011	9,183
Cash and cash equivalents at 1 January	44,348	32,645
Cash and cash equivalents at 30 June	47,359	41,828

The notes set out on pages 5 to 6 form an integral part of, and, should be read in conjunction with, this interim financial report.



Notes to the Report

1 Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The Interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2003.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2003.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2003.

2 Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

3 Intangible Assets

An amount of RM1.2 million is the goodwill upon consolidation arising from the acquisition of SOP Plantations (Borneo) Sdn Bhd (*formerly known as Shin Yang Oil Palm Sdn Bhd*).

4 Disclosure of audit report qualification and status of matters raised

The audit report of the preceding annual financial statements for the year ended 31 December 2003 was unqualified.

5 Seasonality or Cyclical Factors

The Group's performance is affected by the cropping pattern which normally reaches its peak at the second half of the year.

6 Unusual items affecting assets, liabilities, equity, net income, or cash flow

There were no items for which by nature or amount affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size, or incidence during the quarter under review.

7 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

8 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities for the current financial year-to-date.

9 Dividends paid

There were no dividends paid in the quarter under review.

10 Segment Information

No segment analysis is prepared as the Company is primarily engaged in the oil palm industry in Malaysia.

11 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter except for the following:-



Notes to the Report

Proposed Acquisition of Shophouses

On 2 July 2004, it was announced that the Company had proposed to acquire 4 units of 4-storey shophouses containing a land area of 445.60 square metres (floor area of 424.86 square metres for each unit), more or less, held under lots 495 to 498 block 9 Miri Concession Land District, Miri, Sarawak, all with leasehold term expiring on 20th April 2042, from Shin Yang Holding Sdn. Bhd., Shin Yang Trading Sdn. Bhd., Tung Yuen Tugboat Sdn. Bhd. and Shin Yang Sdn. Bhd. for a total cash consideration of RM 3,822,000. The proposed acquisition was approved by the Shareholders in an extraordinary general meeting held on 24 July 2004 and the proposed acquisition is expected to be completed by August 2004.

12 Changes in the composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings, and discontinued operations for the current interim period.

13 Capital Commitments

	30-June-2004
	RM '000
Property, Plant and Equipment	
Authorised but not contracted for	31,943
Contracted but not provided for in the financial statements	11,365
	43,308
Plantation Development Expenditure	
Authorised but not contracted for	9,435
Contracted but not provided for in the financial statements	-
	9,435

14 Contingent Liabilities -

	Company
	RM'000
Corporate guarantees favouring banks for loan granted to subsidiaries	68,000
Loans yet to be drawn down by subsidiaries	(8,700)
	59,300

15 Related Party Transaction

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:-

Transactions with companies in which Datuk Ling Chiong Ho, a Director, has or is deemed to have substantial interests:-

	6 months ended 30 June 2004 RM '000
<u>Nature of transactions</u>	
Purchase of consumables from Shin Yang Services Sdn Bhd , Shin Yang Trading Sdn Bhd , Hollystone Quarry Sdn Bhd, Piasau Slipways Sdn Bhd, Shin Yang Sawmill Sdn Bhd, Shin Yang Sdn Bhd and Scott & English Trading (S'wak) Sdn Bhd	2,710
Purchase of farm machineries and spare parts from Dai Lieng Machinery Sdn Bhd and Dai Lieng Trading Sdn Bhd	465
Interest charged by Shin Yang Holding Sdn Bhd	499
Purchase of fresh fruit bunches from Greenwood Estate Sdn Bhd and Jati Vista Sdn Bhd	958



Additional Information Required by the BMSB's Listing Requirements

1 Review of performance

The Group registered a revenue of RM73.96 million for the current financial period ended 30 June 2004. Compared with RM39.04 million reported in the financial period ended 30 June 2003. The revenue of the Group increased by RM34.92 million or 89%. The improvement in the Group's revenue was mainly due to higher CPO production and stronger CPO and PK prices. Accordingly, the Group's operating profit increased from RM14.59 million to RM22.78 million during the same period.

The Group's profit before taxation for the six months ended 30 June 2004 decreased by RM9.7 million or 31.4% to RM21.1 million compared to the previous year corresponding period. This was due to the exceptional gain of RM16.24 million from the disposal of entire 45% investment in Keresa Plantations Sdn Bhd reported in the financial period ended 30 June 2003.

2 Variation of results against preceding quarter

For the quarter under review, the Group recorded a profit before tax, minority interest and extraordinary items of RM11.1 million compared to RM10.0 million in the preceding quarter.

3 Prospects

The performance of the Group for the year is largely dependent on developments in the world edible oil market and their corresponding effect on CPO prices. Assuming that CPO & PK prices stay at current levels, the Group is expected to maintain its performance for the remaining of the year.

4 Profit forecast

Not applicable as no profit forecast was published.

5 Tax expense

	3 months ended		6 months ended	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Current tax expense	3,535	2,135	7,130	4,100
Deferred tax	0	110	0	110
	3,535	2,245	7,130	4,210

The Group's effective tax rate is higher than the prima facie tax rate as group relief is not available for losses incurred at the subsidiaries and non-deductibility for tax purposes of certain expenses.

6 Unquoted investments and properties

There is no profit on sale of unquoted investments and properties as there is no disposal of unquoted investments and properties during the period under review.

7 Quoted investments

There is no purchase or disposal of quoted securities.

8 Status of corporate proposal announced

There are no corporate proposals announced but not completed as at the date of issue of this report except for the following:-

Proposed Acquisition of Shophouses

On 2 July 2004, it was announced that the Company had proposed to acquire 4 units of 4-storey shophouses containing a land area of 445.60 square metres (floor area of 424.86 square metres for each unit), more or less, held under lots 495 to 498 block 9 Miri Concession Land District, Miri, Sarawak, all with leasehold term expiring on 20th April 2042, from Shin Yang Holding Sdn. Bhd., Shin Yang Trading Sdn. Bhd., Tung Yuen Tugboat Sdn. Bhd. and Shin Yang Sdn. Bhd. for a total cash consideration of RM 3,822,000. The proposed acquisition was approved by the Shareholders in an extraordinary general meeting held on 24 July 2004 and the proposed acquisition is expected to be completed by August 2004.



Additional Information Required by the KLSE's Listing Requirements

9 Borrowing and debt securities

	30 June 2004 RM'000
Current	
Secured	11,350
Unsecured	14,624
Non-current	
Secured	138,374
Unsecured	14,076
	<u>178,424</u>

The above borrowings are denominated in Ringgit Malaysia.

10 Off balance sheet financial instruments

During the financial year to date, the Group did not enter into any contract involving off balance sheet financial instruments.

11 Changes in material litigation

SOP Plantations (Suai) Sdn Bhd ("SOP (Suai)")

As reported in the last quarter, the Superintendent of Lands and Surveys, Sarawak, the State Government of Sarawak and Sarawak Oil Palms Berhad ("SOPB"), were sued by five individuals claiming to have native customary rights over the lands in the area at Rumah Lasan and Rumah Timboo, Sungai Galasah, Suai, Niah, Miri Division, Sarawak which overlaps part of Lot 78 ("the disputed land"), Sawai Land District, Sarawak totaling 1,226 hectares. The disputed land is one of the provisional leases of SOP(Suai), which is 85% owned subsidiary of SOPB.

These five individuals claim to sue on behalf of themselves and all other proprietors, occupiers, holders or claimants of Native Customary Rights Lands situated at Rumah Lasan and Rumah Timboo, Sungai Gelasah, Niah, Suai.

There is no further development as the pre-trial case management was adjourned to 12 August 2004.

On 27 April 2004, SOP (Suai), the Superintendent of Lands and Surveys Miri Division, the Director of Lands and Surveys, Sarawak and the State Government of Sarawak were sued by sixteen individuals claiming to have native customary rights over part of the lands in Lot 931, Niah Land District, Niah, Miri Division, Sarawak totaling 1,054 hectares. SOP (Suai) has filed a reply to dismiss the claim.

On 14 May 2004, SOP (Suai) has obtained an order from High Court to recover possession of all that parcel of land described as Lot 931, Niah Land District, Niah, Miri Division, Sarawak totaling 1,054 hectares from six individuals who are also members of the sixteen individuals mentioned above.

The disputed land is one of the provisional leases of SOP (Suai), which is 85% owned subsidiary of SOPB.

12 Dividends

No interim ordinary dividend was declared for the financial period ended 30 June 2004 (30 June 2003 – nil).

13 Earnings per share

Basic/Diluted earnings per share

The calculation of basic/diluted earnings per share for the quarter is based on the net profit attributable to ordinary shareholders of RM7.9 million and the number of ordinary shares outstanding during the quarter of 94,968,240.

By Order of the Board

Eric Kiu Kwong Seng

Company Secretary

Miri

24 July 2004

