

Condensed Consolidated Balance Sheet

At 30 September 2004

	30 September 2004	31 December 2003
	RM'000	RM'000
Property, Plant & Equipment	422,451	400,201
Deferred tax assets	1,739	1,739
Other Investments	49	49
Intangible Assets	1,209	1,319
	425,448	403,308
Current Assets		
Inventories	14,998	9,180
Trade and other receivables	9,455	5,466
Cash & Cash Equivalents	37,265	44,692
	61,718	59,338
Current Liabilities		
Trade & other payables	25,749	57,217
Borrowings	24,116	23,318
Taxation	3,449	3,306
Bank overdraft	-	
	53,313	83,841
Net Current Assets	8,404	(24,503)
	433,852	378,805
Financed by:		
Capital And Reserve		
Share Capital	94,968	94,968
Retained Profits	120,429	101,847
	215,397	196,815
Minority Shareholders' Interests	12,201	13,605
Long Term And Deferred Liabilities		
Borrowings	159,231	120,635
Deferred taxation	26,337	26,337
Other deferred liabilities	20,686	21,413
	206,254	168,385
	433,852	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 nine months ended 30 September 2004

	3 months ended 30 September		9 months ended 30 September	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	40,397	34,589	114,355	73,626
Operating Profit	12,779	14,111	35,563	28,696
Interest expense	(2,041)	(1,136)	(4,685)	(1,875)
Other Income	396	369	1,354	1,040
Share of Profit (Loss) of an associate	0	0	0	0
Profit/(Loss) on disposal of investment	0	0	0	16,238
Profit before taxation	11,134	13,344	32,232	44,099
Tax expense	(4,505)	(4,034)	(11,635)	(8,244)
Profit after taxation	6,629	9,310	20,597	35,855
Add: Minority Interests	682	159	1,404	275
Net Profit for the period	7,311	9,469	22,001	36,130
Basic earnings per ordinary share (sen)	7.70	9.97	23.17	38.04
Diluted earnings per ordinary share (sen)	7.70	9.97	23.17	38.04

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Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 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	-	22,001	22,001
Dividends	-	(3,419)	(3,419)
At 30 September 2004	94,968	120,429	215,397
At 1 January 2003 (restated)	94,968	62,221	157,189
Net profit for the year	-	36,130	36,130
Dividends	-	(3,419)	(3,419)
At 30 September 2003	94,968	94,932	189,900

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 nine months ended 30 September 2004

	30 September 2004 RM'000	30 September 2003 RM'000
Net cash inflow from operating activities	19,938	23,309
Net cash outflow from investing activities	(56,085)	(53,457)
Net cash inflow/(outflow) from financing activities	29,064	39,488
Net increase/(decrease) in cash and cash Equivalents	(7,083)	9,340
Cash and cash equivalents at 1 January	44,348	32,645
Cash and cash equivalents at 30 June	37,265	41,985

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.



Part A – Explanatory Notes Pursuant to MASB 26

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MASB 26: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2003. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since 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.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2003 was not qualified.

3 Comments About Seasonal 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.

4 Unusual items Due to Their Nature, Size or Incidence

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.

5 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.

6 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.

7 Dividends paid

Dividends paid on 28 July 2004 were declared on 25 June 2004, in respect of the year ended 31 December 2003 being the first and final dividend of 5% less 28% taxation, on 94,968,200 ordinary shares, amounting to RM3.42 million.

8 Segment Information

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

9 Carrying Amount of Revalued Assets

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

10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter.

11 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 except for the incorporation of SOP Karubungan Sdn Bhd (663077-D) on 17 August 2004 which is a wholly owned subsidiary of the Company. The announcement of the incorporation was made on 14 September 2004.



Part A – Explanatory Notes Pursuant to MASB 26

12 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2003, except for the following:-

	Company RM'000
Corporate guarantees favouring banks for loan granted to subsidiaries	68,000
Loans yet to be drawn down by subsidiaries	(5,000)
	<u>63,000</u>

13 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and for plantation development expenditure not provide for in the interim financial statements as at 30 September 2004 is as follows:-

	30-September 2004 RM '000
Property, Plant and Equipment	
Authorised but not contracted for	30,851
Contracted but not provided for in the financial statements	12,146
	<u>42,997</u>
Plantation Development Expenditure	
Authorised but not contracted for	6,915
Contracted but not provided for in the financial statements	0
	<u>6,915</u>

14 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:-

<u>Nature of transactions</u>	<u>9 months ended 30 September 2004 RM '000</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	4,791
Purchase of farm machineries and spare parts from Dai Lieng Machinery Sdn Bhd and Dai Lieng Trading Sdn Bhd	885
Purchase of properties, plant and equipment from Shin Yang Holding Sdn Bhd, Shin Yang Trading Sdn Bhd, Tung Yuen Tugboat Sdn Bhd and Shin Yang Sdn Bhd	3,822
Interest charged by Shin Yang Holding Sdn Bhd	753
Purchase of fresh fruit bunches from Greenwood Estate Sdn Bhd and Jati Vista Sdn Bhd	1,638



Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

1 Review of performance

The Group registered a revenue of RM114.36 million for the current financial period ended 30 September 2004 compared with RM73.63 million reported in the financial period ended 30 September 2003. The revenue of the Group increased by RM40.73 million or 55%. 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 RM28.7 million to RM35.56 million or 23.9% during the same period.

The Group's profit before taxation for the nine months ended 30 September 2004 decreased by RM11.9 million or 26.9% to RM32.2 million compared to the previous year corresponding period due mainly to the exceptional gain from the disposal of Keresia Plantations Sdn Bhd of RM16.24 million in 2003. The Group's profit before taxation and exceptional gain for the nine months ended 30 September 2004 shows an improvement of RM4.37 million or 15.7% compared to the previous year corresponding period.

2 Comments on Material Change in Profit Before Taxation

For the quarter under review, the Group recorded a profit before tax, minority interest and extraordinary items of RM11.13 million compared to RM11.09 million in the preceding quarter.

3 Commentary on 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 or Profit Guarantee

The disclosure requirement for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

5 Tax expense

	3 months ended		9 months ended	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Current tax expense	4,312	4,024	11,442	8,124
Deferred tax	0	10	0	120
Additional tax for YA 2003	193	0	193	0
	4,505	4,034	11,635	8,244

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 Sale of Unquoted investments and properties

There is no sale of unquoted investments and properties during the period under review.

7 Quoted investments

There is no purchase or disposal of quoted securities. The investments in quoted securities as at 30 September 2004 is as follows:-

	Cost	Book Value	Market Value
	RM'000	RM'000	RM'000
Total quoted investments	87	49	40



Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

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 was completed in September 2004.

9 Borrowing and debt securities

	30 September 2004
	RM'000
Current	
Secured	11,000
Unsecured	13,116
Non-current	
Secured	145,152
Unsecured	14,079
	183,347

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)")

- a) As reported in the last period, 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 Galasah, Niah, Suai.

The pre-trial case management was heard on 12 August 2004 and the second pre-trial case management has been fixed on 24 February 2005. The trial dates have been fixed from 22 August 2005 to 26 August 2005.

- b) 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 and the hearing has been fixed on 17 January 2005.

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.



Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

12 Dividends

No interim ordinary dividend has been declared for the financial period ended 30 September 2004 (30 September 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 RM7.3 million and the number of ordinary shares outstanding during the quarter of 94,968,240.

14 Authorised for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 26 November 2004.

By Order of the Board
Eric Kiu Kwong Seng
Company Secretary
Miri
29 November 2004

