

Condensed Consolidated Balance Sheet

At 31 December 2004

	31 December 2004	31 December 2003
	RM'000	RM'000
Property, Plant & Equipment	435,925	400,201
Deferred tax assets	4,491	1,739
Other Investments	49	49
Intangible Assets	1,173	1,319
	441,638	403,308
Current Assets		
Inventories	13,564	9,180
Trade and other receivables	9,360	5,466
Cash & Cash Equivalents	51,432	44,692
	74,356	59,338
Current Liabilities		
Trade & other payables	36,468	57,217
Borrowings	35,168	22,974
Taxation	3,511	3,306
Bank overdraft	2,638	344
	77,785	83,841
Net Current Assets	(3,429)	(24,503)
	438,209	378,805
Financed by:		
Capital And Reserve		
Share Capital	94,968	94,968
Retained Profits	132,290	101,847
	227,258	196,815
Minority Shareholders' Interests	12,201	13,605
Long Term And Deferred Liabilities		
Borrowings	150,310	120,635
Deferred taxation	26,537	26,337
Other deferred liabilities	21,903	21,413
	198,750	168,385
	438,209	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 twelve months ended 31 December 2004

	3 months ended 31 December		12 months ended 31 December	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	53,599	31,305	167,954	104,931
Operating Profit	15,927	9,728	51,490	38,424
Interest expense	(1,426)	(1,094)	(6,111)	(2,969)
Other Income	670	459	2,024	1,499
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	15,171	9,093	47,403	53,192
Tax expense	(3,310)	(2,184)	(14,945)	(10,428)
Profit after taxation	11,861	6,909	32,458	42,764
Add: Minority Interests	0	6	1,404	281
Net Profit for the period	11,861	6,915	33,862	43,045
Basic earnings per ordinary share (sen)	12.49	7.00	35.66	45.30
Diluted earnings per ordinary share (sen)	12.49	7.00	35.66	45.30

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Condensed Consolidated Statement of Changes in Equity

For the twelve months ended 31 December 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	0	33,862	33,862
Dividends	0	(3,419)	(3,419)
At 31 December 2004	94,968	132,290	227,258
At 1 January 2003 (restated)	94,968	62,221	157,189
Net profit for the year	0	43,045	43,045
Dividends	0	(3,419)	(3,419)
At 31 December 2003	94,968	101,847	196,815

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 twelve months ended 31 December
2004

	31 December 2004	31 December 2003
	RM'000	RM'000
Net cash inflow from operating activities	48,770	40,902
Net cash outflow from investing activities	(72,530)	(66,923)
Net cash inflow/(outflow) from financing activities	28,206	37,724
Net increase/(decrease) in cash and cash Equivalents	4,446	11,703
Cash and cash equivalents at 1 January	44,348	32,645
Cash and cash equivalents at 31 December	48,794	44,348

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 audited 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 2004. 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 2004.

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 2004.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2004 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 94,968,240 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 Karubangan 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 2004, except for the following:-

	Company RM'000
Corporate guarantees favouring banks for loan granted to subsidiaries	89,000
Loans drawn down by subsidiaries	(65,500)
Total Contingent liabilities	23,500

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 financial statements as at 31 December 2004 is as follows:-

	31 December 2004 RM '000
Property, Plant and Equipment	
Authorised but not contracted for	64,663
Contracted but not provided for in the financial statements	16,065
	80,728
Plantation Development Expenditure	
Authorised but not contracted for	32,847
Contracted but not provided for in the financial statements	0
	32,847

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>	12 months ended 31 December 2004 RM '000
Purchase of consumables from Shin Yang Services Sdn Bhd , Shin Yang Trading Sdn Bhd , Hollystone Quarry Sdn Bhd, Pierkerjaan Piasau Konkerit Sdn Bhd, Shin Yang Sawmill Sdn Bhd, Shin Yang Sdn Bhd , Scott & English Trading (S'wak) Sdn Bhd, Miri Belait Transport Co Bhd and Melinau Transport Sdn Bhd	7,712
Purchase of farm machineries and spare parts from Dai Lieng Machinery Sdn Bhd and Dai Lieng Trading Sdn Bhd	1,310
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	1,003
Purchase of fresh fruit bunches from Greenwood Estate Sdn Bhd and Jati Vista Sdn Bhd	2,298



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 RM168.0 million for the current financial year ended 31 December 2004 compared with RM104.9 million reported in the financial year ended 31 December 2003. The revenue of the Group increased by RM63.0 million or 60.1%. 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 RM38.4 million to RM51.5 million or 34.0% during the same period.

The Group's profit before taxation for the twelve months ended 31 December 2004 decreased by RM5.8 million or 10.9% to RM47.4 million compared to the previous year due mainly to the exceptional gain from the disposal of Keresa Plantations Sdn Bhd of RM16.2 million in 2003. Excluding exceptional gains, the Group's profit before taxation for the twelve months ended 31 December 2004 shows an improvement of RM10.4million or 28.3% compared to the previous year results.

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 RM15.2 million compared to RM11.1 million in the preceding quarter.

3 Commentary on Prospects

The performance of the Group for the next year is largely dependent on developments in the world edible oil market and their corresponding effect on CPO prices.

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		12 months ended	
	31 December		31 December	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Current tax expense	5,862	2,731	17,304	10,855
Previous years adjustment	0	(258)	0	(258)
Deferred tax	(2,552)	(289)	(2,552)	(169)
Additional tax for YA 2003	0	0	193	0
	3,310	2,184	14,945	10,428

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 31 December 2004 is as follows:-

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	87	49	38



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:-

Joint Venture with Sarawak Economic Development Corporation (“SEDC”)

On 23 December 2004, it was announced that the Company had entered into a joint venture agreement with SEDC to develop a parcel of land into an oil palm estate. In the said agreement, both parties have also jointly agreed that a joint-venture company, namely SOP Karabungan Sdn Bhd, shall acquire the said land and carry out the development of the Land. The joint-venture exercise is still incomplete as both parties are still in the process of fulfilling the conditions precedent of the said agreement.

9 Borrowing and debt securities

	31/12/04
	RM’000
Current	
Secured	20,450
Unsecured	14,343
Non-current	
Secured	142,050
Unsecured	8,635
	185,478

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 last pre-trial case management was heard 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 was fixed on 17 January 2005 and subsequently adjourned to 18 March 2005 as the plaintiff was not ready with their submission.

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 31 December 2004 (31 December 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 RM11.9 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 23 April 2005.

By Order of the Board

Eric Kiu Kwong Seng

Company Secretary

Miri

25 April 2005

