

Condensed Consolidated Balance Sheet

At 31 March 2005

	31 March 2005 RM'000	31 December 2004 RM'000
Property, Plant & Equipment	439,630	435,925
Deferred tax assets	4,491	4,491
Other Investments	49	49
Intangible Assets	1,135	1,173
	445,305	441,638
Current Assets		
Inventories	13,278	13,564
Trade and other receivables	5,838	9,360
Cash & Cash Equivalents	48,620	51,432
	67,736	74,356
Current Liabilities		
Trade & other payables	38,941	36,468
Borrowings	31,757	35,168
Taxation	1,846	3,511
Bank overdraft	654	2,638
	73,198	77,785
Net Current Assets	(5,462)	(3,429)
	439,843	438,209
Financed by:		
Capital And Reserve		
Share Capital	94,968	94,968
Retained Profits	135,987	132,290
	230,955	227,258
Minority Shareholders' Interests	11,337	12,201
Long Term And Deferred Liabilities		
Borrowings	155,810	150,310
Deferred taxation	26,537	26,537
Other deferred liabilities	15,204	21,903
	197,551	198,750
	439,843	438,209

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 three months ended 31 March 2005

	3 months ended 31 March		3 months ended 31 March	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	39,143	33,523	39,143	33,523
Operating Profit	7,606	11,019	7,606	11,019
Interest expense	(2,146)	(1,508)	(2,146)	(1,508)
Other Income	375	501	375	501
Share of Profit (Loss) of an associate	0	0	0	0
Profit/(Loss) on disposal of investment	0	0	0	0
Profit before taxation	5,835	10,012	5,835	10,012
Tax expense	(3,002)	(3,595)	(3,002)	(3,595)
Profit after taxation	2,833	6,417	2,833	6,417
Add: Minority Interests	864	327	864	327
Net Profit for the period	3,697	6,744	3,697	6,744
Basic earnings per ordinary share (sen)	3.89	7.10	3.89	7.10
Diluted earnings per ordinary share (sen)	3.89	7.10	3.89	7.10

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 three months ended 31 March 2005

	Share Capital (Non- distributable) RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2005	94,968	132,290	227,258
Net profit for the period	0	3,697	3,697
Dividends	0	0	0
At 31 March 2005	94,968	135,987	230,955
At 1 January 2004	94,968	101,847	196,815
Net profit for the year	0	6,744	6,744
Dividends	0	0	0
At 31 March 2004	94,968	108,591	203,559

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 three months ended 31 March 2005

	31 March 2005	31 March 2004
	RM'000	RM'000
Net cash inflow from operating activities	7,084	6,848
Net cash outflow from investing activities	(7,322)	(7,901)
Net cash inflow/(outflow) from financing activities	(590)	(551)
Net increase/(decrease) in cash and cash Equivalents	(828)	(1,604)
Cash and cash equivalents at 1 January	48,794	44,348
Cash and cash equivalents at 31 March	47,966	42,744

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 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

There were no dividend paid in the quarter under review.

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.



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	(67,000)
Contingent Liabilities	22,000

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 March 2005 is as follows:-

	31 March 2005 RM '000
Property, Plant and Equipment	
Authorised but not contracted for	54,142
Contracted but not provided for in the financial statements	19,681
	73,823
Plantation Development Expenditure	
Authorised but not contracted for	31,026
Contracted but not provided for in the financial statements	0
	31,026

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:-

	3 months ended 31 March 2005 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, Shin Yang Sawmill Sdn Bhd, Perkerjaan Piasau Konkerit Sdn Bhd, Shin Yang Sdn Bhd , Scott & English Trading (S'wak) Sdn Bhd, Miri Belait Transport Co Bhd and Melinau Transport Sdn Bhd	1,219
Purchase of farm machineries and spare parts from Dai Lieng Machinery Sdn Bhd and Dai Lieng Trading Sdn Bhd	97
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	0
Interest charged by Shin Yang Holding Sdn Bhd	347
Purchase of fresh fruit bunches from Greenwood Estate Sdn Bhd and Jati Vista Sdn Bhd	815



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 RM39.1 million for the three months ended 31 March 2005. Compared with RM33.5 million reported in the preceding year corresponding quarter, the revenue of the Group increased by RM5.6 million or 16.8%. The improvement was mainly due to higher CPO production.

The Group's profit before taxation for the three months ended 31 March 2005 decreased by RM4.2 million or 41.7% to RM5.8 million compared to the previous year corresponding period of RM10.0 million. This is attributable to the drop in CPO price and the losses incurred at Subsidiary Companies which were at early stages of maturity.

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 RM5.8 million compared to RM14.1 million in the preceding quarter. The drop was mainly due to the lower CPO prices and production coupled with losses at the Subsidiary Companies' level.

3 Commentary on Prospects

The performance of the Group for the remaining 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 31 March		3 months ended 31 March	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current tax expense	3,002	3,595	3,002	3,595
Deferred tax	0	0	0	0
	<u>3,002</u>	<u>3,595</u>	<u>3,002</u>	<u>3,595</u>

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 March 2005 is as follows:-

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	87	49	32



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 has not been completed as both parties are in the process of fulfilling the conditions precedent of the said agreement.

9 Borrowing and debt securities

	31 March 2005
	RM'000
Current	
Secured	18,775
Unsecured	12,982
Non-current	
Secured	147,175
Unsecured	8,635
	187,567

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 and the next pre-trial management was fixed on 26 May 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. The Court has rescheduled the hearing to 16 May 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 31 March 2005 (31 March 2004 – 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 RM3.7 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 April 2005.

By Order of the Board
Eric Kiu Kwong Seng
Company Secretary
Miri
28 April 2005

