(Incorporated in Malaysia – 7949-M)

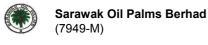
INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position As at 30 June 2010

	Note	30 June 2010 RM'000	31 December 2009 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	A1	834,683	801,968
Prepaid lease payments	A1	229,828	209,129
Held for Trading Investment	B7	-	45
Other receivable		_	4,225
Intangible assets		2,222	2,222
Deferred tax assets		_,	143
Derivative Financial Instruments	A14	2,948	-
		1,069,681	1,017,732
Current Assets			
Inventories		39,370	50,686
Trade and other receivables		51,407	24,491
Derivative Financial Instruments	A14	580	-
Cash and bank balances		314,707	320,419
		406,064	395,596
TOTAL ACCETO		4 475 745	
TOTAL ASSETS		1,475,745	1,413,328
Equity attributable to equity holders Share capital Share premium Other reserve Hedging reserve Retained earnings Minority interest	of the parent	429,293 1,194 2,458 3,528 449,421 885,894 97,060	428,526 1,046 1,885 - 397,320
•			
Total equity		982,954	923,518
Non-current liabilities			
Deferred tax liabilities		103,775	99,022
Borrowings	B9	248,704	226,977
Other deferred liabilities		733	733
		353,212	326,732
Current liabilities			
Borrowings	B9	68,178	64,514
Trade and other payables		61,303	96,000
Current tax payable		10,098	2,564
		139,579	163,078
Total lightilities			
Total liabilities		492,791	489,810
TOTAL EQUITY AND LIABILITIES		1,475,745	1,413,328
Net assets per share (RM)		2.06	1.93

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this report)

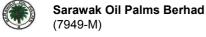


(Incorporated in Malaysia – 7949-M)

Condensed Consolidated Statement of Comprehensive Income For the Six-Months Period Ended 30 June 2010

		INDIVIDUAL (3 months 30 Ju	ended		QUARTER Inths ended 0 June
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Continuing Operations Revenue Sarawak sales tax Cost of sales		157,464 (6,772) (107,774)	157,786 (6,960) (107,372)	302,568 (13,163) (209,515)	259,375 (11,086) (187,422)
Gross profit Other income Administrative expenses Distribution costs Finance costs		42,918 5,412 (963) (1,793) (1,395)	47,454 2,966 (1,896) (2,382) (1,567)	79,890 7,614 (1,591) (3,593) (2,854)	60,867 3,348 (2,489) (4,388) (3,403)
Profit before tax Taxation	B5	44,179 (11,326)	44,575 (7,394)	79,466 (22,041)	53,935 (10,146)
Profit for the period		32,853	37,181	57,425	43,789
Other comprehensive income for net of tax	r the period	d, 	-	_	-
Total comprehensive income to:	for the per	iod			
Owners of the parent Minority interest		29,689 3,164	34,750 2,431	53,366 4,059	41,372 2,417
		32,853	37,181 	57,425 	43,789
Earning per share attributable to Equity holders of the parent (Se					
Basic	B13	6.92	9.10	12.44	10.83
Diluted	B13	6.81	8.94	12.25	10.64

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this report)



(Incorporated in Malaysia – 7949-M)

Condensed Consolidated Statement of Changes in Equity For the Six-Months Period Ended 30 June 2010

	00 2 all 6 20 10	—— Affributab	Attributable to Fauity Holders of the Parent	lders of the P	arent	1			
	,	Non-Distri	Non-Distributable Reserve		Distributable Reserve				
	Share	Share	Hedging	Other	Retained	Total	Minority	Total	
	Capital RM'000	Premium RM'000	Reserve RM'000	Reserve RM'000	Profits RM'000	RM'000	Interest RM'000	Equity RM'000	
At 1 January 2010	428,526	1,046	1	1,885	397,320	828,777	94,741	923,518	
Prior year adjustments	•	•	•	1	(1,265)	(1,265)	(223)	(1,488)	
Net profit for the period	•	•		•	53,366	53,366	4,059	57,425	
Dividends	ı	ı	I	ı	1	1	(1,517)	(1,517)	
Issue of ordinary shares:								•	
Pursuant to ESOS	521	148	•	•	•	699	•	699	
Warrant conversion	246	•	1	•	ı	246	1	246	
Share option granted under ESOS:									
Recognised in profit or loss	i	i	•	573	i	573	•	573	
Hedging reserve	•	•	3,528	1	Ī	3,528	1	3,528	
0700		107.7	002	0 4 50	100 000	700 100	04 060	730 000	
At 30 Julie 2010	429,230	1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1	070,0	2,430	1448,44	160,000	97,000	902,934	
		Ī							
At 1 January 2009	427,408	382	ı	1,187	307,144	736,121	81,346	817,467	
Net profit for the year	1	•	1	•	698'66	698'66	6,668	106,537	
Dividends					(6,630)	(6,630)	(882)	(10,512)	
Issue of ordinary shares:									
Pursuant to ESOS	718	196	•	1	1	914	1	914	
Warrant conversion	400	1	•	•	•	400	•	400	
Share option granted under ESOS:									
Recognised in profit or loss			•	1,166	•	1,166	•	1,166	
Exercise of ESOS		468	•	(468)	•	•	•		
Dilution arising from issuance of shares				•					
by a subsidiary	1	1	•	•	(63)	(63)	63	•	
Acquisition of a subsidiary		•	•	1	,	. 1	7,546	7,546	
-									
At 31 December 2009	428,526	1,046	1	1,885	397,320	828,777	94,741	923,518	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunctions with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this report)



(Incorporated in Malaysia – 7949-M)

Condensed Consolidated Cash Flow Statement For the Six-Months Period Ended 30 June 2010

Note	30 June 2010 RM,000	30 June 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	79,466	53,935
Adjustments for: Depreciation and amortisation of property, plant and equipment Gain from disposal of other investments Employee expenses under ESOS Gain on disposal of property, plant and equipment Interest income Interest expenses Gain on foreign exchange	24,822 (23) 753 (841) (2,900) 2,854 (205)	20,377 - 451 124 (2,757) 4,186
Operating profit before working capital changes Decrease in inventories Increase in trade and other receivables Decrease in trade and other payables	103,926 13,336 (42,907) (21,432)	76,314 33,355 (8,140) (25,625)
Cash generated from operations Income tax paid	52,923 (5,209)	75,904
Net cash from operating activities	47,714	68,204
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment Proceeds from disposal of property, plant and equipment Proceeds from disposal of held for trading investment Interest received	(75,019) 3,293 69 2,900	(68,201) 63 - 2,757
Net cash used in investing activities	(68,757)	(65,381)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in revolving credits and trade finance credit Proceeds from term loans Proceeds from Esos and warrants Interest paid Dividend paid to minority interest Repayment of hire purchase Repayment of term loans	26,377 20,000 914 (6,262) (1,517) (5,682) (18,498)	23,100 60,460 682 (6,616) (882) (4,746) (37,524)
Net cash generated from financing activities	15,332	34,474
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,711)	37,296
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	320,418	279,134
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	314,707	316,430

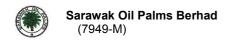


(Incorporated in Malaysia – 7949-M)

Condensed Consolidated Cash Flow Statement For the Six-Months Period Ended 30 June 2010

	Note	30 June 2010 RM,000	30 June 2009 RM'000
Cash and cash equivalents at the end of the financial period comprised the following:			
Wholesale money market deposits Fixed deposits with licensed banks Cash on hand and at bank		35,200 257,580 21,927	53,280 238,226 24,924
Cash and bank balances		314,707	316,430

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this report)



(Incorporated in Malaysia – 7949-M)

Explanatory Notes To The Interim Report – 30 June 2010

A. FRS (Financial Reporting Standards) 134 – Paragraph 16

A1. Accounting policies

The interim financial statements have been prepared under the historical cost convention except for the revaluation of leasehold land.

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of FRS 134 – Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited financial statements for the financial year ended 31 December 2009.

The Company has applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board effective for annual periods beginning on 1 January 2010:-

FRS 4: Insurance Contracts

FRS 7: Financial Instruments: Disclosures

FRS 123: Borrowings Costs (Revised)

FRS 139: Financial Instruments: Recognition and Measurement

Amendment to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives

FRS 101: Presentation of Financial Statements (Revised)

Amendments to FRSs "Improvement to FRSs (2009)"

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

A2. Disclosure of audit report qualification and status of matters raised

There were no qualifications in the audit report on the preceding annual financial statements.

A3. Seasonality or cyclicality of interim operations

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

A4. Unusual Items affecting assets, liabilities, equity, net income, or cash flow

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size, or incidence during the interim period under review.

A5. Material changes in estimates

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect in the current interim period.

(Incorporated in Malaysia – 7949-M)

Explanatory Notes To The Interim Report – 30 June 2010

A6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities except for the following:-

(i) Employees' Share Options Scheme ("ESOS")

As at 30 June 2010, a total of 12,258,200 ESOS options have been granted. Total of ESOS options exercised as at 30 June 2010 were 1,903,750 shares and were granted listing and quotation.

(ii) Warrants

As at 30 June 2010, a total of 24,658,350 warrants in relation to the 26,995,557 free warrants were exercised and were granted listing and quotation. The warrants will expire on 19 January 2011.

A7. Dividends paid

There were no dividend paid during the interim period under review.

A8. Segment Information

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

A9. Valuation of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment brought forward from previous annual financial statements.

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A11. 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 on 20 July 2010, SOPB acquired a dormant company, Setia Wiramaju Sdn Bhd, with a paid up capital of RM2 at RM1.00 per share and that disclosed in Note B8A (i).

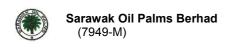
A12. Changes in contingent liabilities and contingent assets

There were no contingent liabilities and contingent assets as at 30 June 2010.

A13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and for plantation development expenditure not provided for in the financial statements as at 30 June 2010 is as follows:-

	30 June 2010 RM'000
Property, plant and equipment Authorised but not contracted for Contracted but not provided in the financial statements	166,396 45,407
	211,803
Plantation Development Expenditure Authorised but not contracted for Contracted but not provided in the financial statements	293,244 28,293
	321,537



(Incorporated in Malaysia – 7949-M)

Explanatory Notes To The Interim Report – 30 June 2010

A14. Derivatives financial instruments

Interest rate swap (IRS)

The Group uses IRS to manage part of its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates and is designated as cash flow hedges. As at 30 June 2010, the Group has IRS with notional value of RM41 million and with maturity bands as shown below. The fair value of IRS is estimated at RM41 million, measured at the present value of future cash flows estimated and discounted based on quoted interest rates. The IRS would reduce the group's cash flow exposure resulting from interest rate fluctuation. It satisfies the criteria for cash flow hedges and accordingly hedge accounting is applied.

Types of derivatives	Notional value (RM Million)	Fair value (RM'000)
Interest rate swap		
- Less than 1 year	41	580
-1 year to 3 years	41	2,226
- more than 3 years	39	722

(Incorporated in Malaysia – 7949-M)

Explanatory Notes To The Interim Report – 30 June 2010

B. BMSB Listing Requirements (Part A of Appendix 9B)

B1. Review of performance

The Group registered a total revenue of RM302.6 million for period ended 30 June 2010 compared with RM259.4 million reported in the preceding year. The increase of RM43.2 million was mainly attributed to the higher CPO and PK prices realized during the period.

With the increase in total revenue, the Group registered a profit before tax for the period ended 30 June 2010 of RM79.5 million, an increase of RM25.6 million compared to RM53.9 million achieved during the corresponding period in year 2009.

B2. Material changes in profit before taxation for the quarter as compared with the immediate preceding quarter

The Group registered a higher profit before tax of RM44.2 million compared to RM35.3 million in the previous quarter due to the increase in sales volume for CPO, despite decrease in CPO prices realised.

B3. Prospects for the current financial year

The performance of the Group is largely dependent on developments in the world edible oil market, bio-diesel market, fossil oil market, movement of Ringgit Malaysia, world economic situation and their corresponding effect on CPO prices.

B4. Variance of actual profit from forecast profit

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.

B5. Taxation

	3 months	ended	6 months	ended
	30 Ju	30 June		June
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	8,928	5,960	17,368	8,246
Deferred tax	2,620	1,434	4,895	1,900
Overprovision in prior years	(222)	-	(222)	-
	11,326	7,394	22,041	10,146

The Group's effective tax rate is higher than the prevailing corporate tax rate due to certain non-deductible expenses.

B6. Unquoted Investments and Properties

There was no sale of unquoted investments and/or properties for the current guarter.

B7. Held for Trading Investment

The particular of disposal of quoted securities are as follows:-

	3 months ended	6 months ended
	30 June 2010	30 June 2010
	RM'000	RM'000
Total sales proceeds	69	69
Total purchase consideration	46	46
Total profit on disposal	23	23

(Incorporated in Malaysia – 7949-M)

Explanatory Notes To The Interim Report - 30 June 2010

B8. 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 followings:-

(A) Joint Venture with Shin Yang Holding Sdn Bhd ("SYHSB")

SOP Plantations (Sabaju) Sdn Bhd ("SOPSSB") (Formerly Known As 'Mazama Plantation Sdn. Bhd.')

On 25 September 2009, SOPB entered into a joint venture agreement with SYHSB to develop an area of about 3,380 hectares situated at Sebauh, Bintulu Division into an oil palm plantation ("the project"). A joint venture company, SOP Plantations (Sabaju) Sdn Bhd, will undertake the project.

SOPB will subscribe for 9,300,000 (60%) ordinary shares in SOPSSB with a cash consideration of RM21 million. In addition, SOPB undertakes to inject interest free advances up to RM8,198,130 to part finance the development costs of the project.

The eventual shareholdings of SOPB and SYHSB in SOPSSB will be 9,300,000 (60%) ordinary shares and 6,200,000 (40%) ordinary shares respectively. SYHSB will also hold 5,465,420 redeemable preference shares. Ordinary shares and redeemable preference shares for SYHSB will be issued by means of bonus issue via share premium reserves of SOPSSB.

On 3 July 2010, SOPB, SYHSB and SOPSSB entered into a Deed of Variation for the variation of certain terms and conditions of the Share Subscription Agreement which was announced on 20 July 2010. Since then SOPB has subscribed 60% shares in SOPSSB.

(B) Status of Utilisation of Proceeds from rights Issue for ordinary shares

The gross proceeds raised from the Rights Issue done in year 2008 was RM112.33 million. As at 7 August 2010, the proceeds had been utilised according to its expected utilisation, except for a balance of RM3.99 million allocated for downstream activities. The funds is expected to be fully utilised by the 3rd quarter of 2010.

B9. Borrowing and debt securities

	30 June 2010 RM'000
Current	
Secured	54,356
Unsecured	13,822
Non-current	
Secured	239,833
Unsecured	8,871
Total	316,882

The above borrowings are denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

In compliance with FRS 139: Financial Instruments:- Recognition and measurement which come into effect from 1 January 2010, fair value of interest rate Swap which has a nominal value of RM41.0 million and for a period until 2013 has been recognised in the balance sheet.

(Incorporated in Malaysia – 7949-M)

Explanatory Notes To The Interim Report – 30 June 2010

B11. Changes in material litigation

There is no material litigation which need to be disclosed for the period under review.

B12. Dividends

The Company declared a first and final dividend of 3% less 25% taxation amounting to RM9,659,092 in respect of the financial year ended 31 December 2009. The amount was paid on 22 July 2010.

B13. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the quarter is based on the profit attributable to equity holders of the parent of RM29.7 million and on the weighted average number of ordinary shares of RM1 each in issue during the period of 429,248,884.

Profit attributable to ordinary equity	3 mon	ths ended	6 mont	hs ended
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM'000	RM'000	RM'000	RM'000
holders of the parent	29,689	34,750	53,366	41,372
	3 mon	ths ended	6 mont	hs ended
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	'000	'000	'000	'000
Weighted average number of Ordinary shares in issue	428,526	382,134	428,526	382,031
	3 mon	ths ended	6 mont	hs ended
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	Sen	Sen	Sen	Sen
Basic earning per share	6.92	9.10	12.44	10.83

Diluted earnings per share

The diluted earning per share for the quarter is based on the profit attributable to equity holders of the parent of RM29.7 million and on the weighted average number of ordinary shares of RM1 each in issue during the period of 436,071,241.

	3 mon	ths ended	6 montl	ns ended
	30.6.2010 RM'000	30.6.2009 RM'000	30.6.2010 RM'000	30.6.2009 RM'000
Profit attributable to ordinary equity holders of the parent	29,689	34,750	53,366	41,372
	3 mon 30.6.2010 '000	ths ended 30.6.2009 '000	6 montl 30.6.2010 '000	ns ended 30.6.2009 '000
Weighted average number of ordinary shares in issue	436,071	388,886	435,708	388,783
	3 mon 30.6.2010 Sen	ths ended 30.6.2009 Sen	6 montl 30.6.2010 Sen	ns ended 30.6.2009 Sen
Diluted earning per share	6.81	8.94	12.25	10.64

(Incorporated in Malaysia – 7949-M)

Explanatory Notes To The Interim Report – 30 June 2010

B14. 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 27 August 2010.

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

27th August 2010