



L a p o r a n T a h u n a n
A n n u a l R e p o r t

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SARAWAK OIL PALMS BERHAD
(7949-M)

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Notice Of Annual General Meeting / Notis Mesyuarat Agung Tahunan

NOTICE IS HEREBY GIVEN THAT the Thirty-Sixth Annual General Meeting of the Company will be held at the Dynasty 2 (Level 2), Dynasty Hotel, Lot 683, Block 9, Jalan Pujut-Lutong, 98000 Miri Sarawak on 25th June 2004 at 10.00 am for the following purposes:-

AGENDA

1. To receive and adopt the annual accounts for the year ended 31st December 2003 and the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend in respect of the financial year ended 31st December 2003 as recommended by the Directors.
3. To approve payment of Directors' fees in respect of the financial year ended 31st December 2003.
4. To re-elect the following Directors who retire pursuant to Article 95 and 101 of the Company's Articles of Association and being eligible, offer themselves for re-election.
Datu Haji Hamzah Bin Haji Drahman
Gerald Rentap Jabu
Jamil Bin Jamaludin
5. To appoint Messrs. Ernst & Young as the auditors of the Company and to authorise the Board of Directors to fix their remuneration.

DENGAN INI DIMAKLUMKAN bahawa MESYUARAT AGUNG TAHUNAN yang Ketigapuluh enam Syarikat akan diadakan di Dynasty 2 (Level 2), Dynasty Hotel, Lot 683, Block 9, Jalan Pujut-Lutong, 98000 Miri, Sarawak pada 25 Jun 2004, jam 10.00 pagi untuk menjalankan urusan-urusan berikut :-

AGENDA

1. Menerima dan meluluskan akaun-akaun yang bagi tahun kewangan berakhir 31 Disember 2003 dan Laporan-laporan Pengarah dan Juruaudit mengenainya.
2. Mengisytiharkan pembayaran dividen akhir seperti yang disyorkan oleh Para Pengarah bagi tahun kewangan berakhir 31 Disember 2003.
3. Meluluskan fee Pengarah-pengarah bagi tahun kewangan berakhir 31 Disember 2003.
4. Melantik semula Para Pengarah berikut yang bersara menurut Artikel 95 dan 101 Tataurusan Persatuan Syarikat dan oleh kerana layak, menawarkan diri mereka untuk dilantik semula:
Datu Haji Hamzah Bin Haji Drahman
Gerald Rentap Jabu
Jamil Bin Jamaludin
5. Melantik Tetuan Ernst & Young sebagai juruaudit Syarikat dan memberi kuasa kepada Lembaga Pengarah untuk menetapkan ganjaran mereka.

6. **As Special Business**

To consider and, if thought fit, to pass the following resolution as Special Resolution:-

Proposed Increase in the Authorised Share Capital

"THAT, the authorised share capital of the Company be increased from RM110,100,000 divided into 110,100,000 Ordinary Shares of RM1.00 each to RM500,000,000 divided into 500,000,000 Ordinary Shares of RM1.00 each by the creation of an additional 389,900,000 new Ordinary Shares of RM1.00 each ranking pari passu in all respects with the existing Ordinary Shares of the Company and THAT, accordingly, Clause 6 of the Company's Memorandum of Association and Article 5 of the Company's Articles of Association be amended respectively to read as follows:-

Clause 6

"The share capital of the Company is RM500,000,000.00 divided into 500,000,000 shares of RM1.00 each. The shares in the original or any increase capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or other wise."

Article 5

"The authorised share capital of the Company is Malaysian Ringgit five hundred million(RM500,000,000/)divided into 500,000,000 shares of Malaysian Ringgit One (RM1/-) each with power for the Company to increase or reduce such capital and to issue any part of its capital, original or increased with or without any preference,priority or special privilege or subject to any postponement of rights, or to any conditions or restriction and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise, shall subject to the power hereinbefore contained."

7. **As Special Business**

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:-

Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature

6. **Sebagai Urusan Khas**

Menimbang, dan jika difikirkan wajar, meluluskan resolusi berikut sebagai Resolusi Khas :-

Cadangan Modal Dibenarkan Ditambahkan

" BAHAWA, Modal Dibenarkan bagi Syarikat, RM110,000,000 yang dibahagi kepada 110,000,000 syer dan berharga RM1.00 sesyer ditambahkan kepada RM500,000,000 yang dibahagi kepada 500,000,000 syer dan berharga RM1.00 sesyer dengan cara pengujudan saham biasa tambahan sebanyak 389,900,000 syer berharga RM1.00 sesyer, dan setiap saham biasa tambahan adalah saksama dalam segala aspek dengan saham biasa syarikat yang sedia ada DAN BAHAWA justera itu, fasal 6 Memorandum Syarikat dan artikel 5 Tataurusan Syarikat masing-masing dipinda dan setelah dipinda akan dibaca seperti berikut:-

Fasal 6

"Modal Dibenarkan bagi Syarikat adalah RM500,000,000 yang dibahagi kepada 500,000,000 saham biasa berharga RM1.00 sesyer. Saham asal mahupun saham tambahan mungkin dibahagi kepada pelbagai kelas dan setiap kelas mungkin diberi keutamaan atau hak yang khas, keistimewaan, syarat atau sekatan berkaitan dengan dividen, modal, hak mengundi atau sebaliknya.

Artikel 5

"Modal Dibenarkan bagi Syarikat adalah Ringgit Malaysia Lima Ratus Juta (RM500,000,000) yang dibahagi kepada 500,000,000 syer berharga Ringgit Malaysia Satu (RM1.00) sesyer dan Syarikat berkuasa untuk menambah atau mengurang modal sedemikian dan untuk menerbit mana-mana bahagian modal, sama ada modal asal ataupun modal tambahan, dengan atau tanpa keutamaan atau keistimewaan atau tertakluk kepada hak tertunda, atau tertakluk kepada mana-mana syarat atau sekatan, dan kecuali dinyatakan syarat-syarat terbitan yang sebaliknya, setiap terbitan saham sama ada diisytiharkan sebagai keutamaan ataupun tidak adalah tertakluk kepada kuasa syarikat yang terdahulunya dinyatakan.

7. **Sebagai Urusan Khas**

Menimbang, dan jika difikirkan wajar, meluluskan resolusi berikut sebagai Resolusi Biasa :-

Cadangan Mandat Pemegang Saham untuk Transaksi Di Antara Pihak yang Berkaitan Yang Kerap Berlaku, Sama ada bersifat Pendapatan atau pun Perniagaan.

Notice Of Annual General Meeting Con't / Sambungan Notis Mesyuarat Agung Tahunan

"THAT, subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into Recurrent Related Party transactions of a revenue or trading nature with those Related Parties as stated in Section 3.2 of the Circular to Shareholders dated 3 June 2004, which are necessary for its day-to-day operations subject further to the following: -

- a) That the transactions are in the ordinary course of business and are made on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those available to the public and not to the detriment of the minority shareholders; and
 - b) That disclosure will be made in the annual report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year based on information such as the type of the Recurrent Transactions made and the names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the company.
 - c) That such approval shall continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company ;
 - (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("Acts") but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
 - (iii) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier;
8. To transact any other business for which due notice shall be given.

By Order of the Board

Eric Kiu Kwong Seng

Secretary
Miri

3 June 2004

"Bahawa berdasarkan sentiasa kepada Keperluan-keperluan Penyenaraian Bursa Malaysia, kelulusan diberikan kepada Syarikat dan/atau anak syarikatnya untuk menjalankan transaksi di antara pihak yang berkaitan di dalam sebarang urusan yang menghasilkan pendapatan dengan Pihak Berkaitan seperti yang disebutkan pada Surat Pekeliling kepada Pemegang Saham bertarikh 3 Jun 2004, di mana transaksi tersebut adalah perlu bagi operasi hariannya, tertakluk kepada syarat-syarat berikut:

- a) Bahawa transaksi tersebut dijalankan sebagai urusan biasa dan dilakukan tanpa bertelingkahan dengan kepentingan sendiri dan pilih kasih sehinggakan memberi lebih faedah kepada Pihak Berkaitan serta tidak memudaratkan kepentingan pemegang saham minoriti.
 - b) Bahawa pendedahan dilakukan di dalam laporan tahunan Syarikat mengenai pengagihan agregat nilai transaksi yang dijalankan tertakluk kepada Cadangan Mandat Pemegang Saham pada tahun kewangan berdasarkan maklumat seperti Kekerapan transaksi yang dijalankan dan nama pihak-pihak berkaitan yang terlibat dengan setiap Kekerapan transaksi tersebut serta perhubungan pihak tersebut dengan Syarikat yang terbabit.
 - c) Bahawa kelulusan demikian akan terus berkuatkuasa sehingga :-
 - (i) berakhirnya Mesyuarat Agung Tahunan ("MAT") Syarikat yang berikutnya;
 - (ii) tamatnya tempoh selepas tarikh yang sepatutnya MAT Syarikat yang berikutnya seharusnya dijalankan menurut seksyen 143(1) Akta Syarikat, a, 1965 ("Akta") tetapi tidak ditunda ke satu tarikh yang melebihi tempoh penundaan yang dibenarkan menurut Seksyen 143(2) Akta tersebut; atau
 - (iii) dibatal atau diubahsuai oleh resolusi yang diluluskan oleh para pemegang saham di dalam mesyuarat agung, yang mana lebih awal.
8. Menjalankan sebarang urusan biasa lain yang mana notis mencukupi mengenainya telah diberikan.

Dengan Perintah Lembaga Pengarah

Eric Kiu Kwong Seng

Setiausaha
Miri

3 Jun 2004

Notice Of Annual General Meeting Con't / Sambungan Notis Mesyuarat Agung Tahunan

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead, A proxy need not be a member of the Company,
2. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of its attorney.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. The Form of Proxy must be deposited to either of the following offices not less than forty-eight (48) hours before the time appointed for holding the meeting:
 - (i) The Office of the Share Registrars, Signet Share Registration Services Sdn. Bhd. at Level 26 Menara Multi-Purpose, Capital Square, No.8 Jalan Munshi Abdullah, 50100 Kuala Lumpur
 - (ii) The Registered office of the Company at 41KM, Miri-Bintulu Road, 98000 Miri, Sarawak.
5. Explanatory notes on Special Business:

The Special Resolution proposed under item 6, if passed, will authorize the Company to increase its Authorised Share Capital to RM500,000,000 divided into 500,000,000 Ordinary Shares of RM1.00 each. Please refer to the Circular to Shareholders dated 3 June 2004 for more information.

The Ordinary Resolution proposed under item 7, if passed, will authorize the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 3 June 2004 for more information.

Nota-nota:

1. Seorang Ahli Syarikat yang berhak untuk menghadiri dan mengundi di mesyuarat berhak juga untuk melantik seorang wakil untuk menghadiri dan mengundi bagi pihak dirinya. Seorang wakil tidak semestinya seorang Ahli Syarikat.
2. Untuk ahli korporat pula, dokumen formal yang digunakan oleh wakil hendaklah beserta Cop Mohor syarikat ahli tersebut atau dilakukan oleh pihak peguam.
3. Di mana seorang ahli melantik lebih daripada seorang wakil, perantikan tersebut dikira tidak sah kecuali ia memaklumkan mengenai pecahan hakmiliknya yang akan diwakili oleh setiap perwakilannya.
4. Borang Perwakilan hendaklah dihantar dan sampai pada mana-mana pejabat yang berikut tidak lewat dari empat puluh lapan (48) jam sebelum waktu mesyuarat yang telah ditentukan:
 - (i) Pejabat Pendaftar Saham, Signet Share Registration Services Sdn Bhd di Tingkat 26 - Menara Multi-Purpose, Capital Square, No.8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.
 - (ii) Pejabat Berdaftar Syarikat di 41km, Jalan Miri-Bintulu, 98000 Miri, Sarawak.
5. Nota Mengenai Perihal Khas
Resolusi Khas yang dicadangkan di bawah Perkara 6, jika diluluskan, akan memberi kuasa kepada syarikat untuk menambahkan modal dibenarkan hingga RM500,000,000 dibahagikan kepada 500,000,000 syer biasa berharga RM1.00 sesyer. Sila rujuk Surat Pekeliling kepada Para Pemegang saham yang bertarikh 3 Jun 2004 untuk maklumat lanjut.

Resolusi Khas yang dicadangkan di bawah Perkara 7, jika diluluskan, akan memberi kuasa kepada Syarikat dan/atau anak-anak syarikatnya untuk menjalankan transaksi yang berulang-ulang di antara pihak yang berkaitan, sama ada bersifat pendapatan atau pun perniagaan. Kuasa ini, jika tidak dimansuhkan atau dipinda oleh Syarikat di suatu Mesyuarat Agung, akan tamat tempohnya pada penghujung Mesyuarat Agung Tahunan Syarikat yang berikutnya. Sila rujuk Surat Pekeliling kepada Para Pemegang Saham yang bertarikh 3 Jun 2004 untuk maklumat lanjut.

Statement Accompanying Notice

OF THE THIRTY-SIXTH ANNUAL GENERAL MEETING OF SARAWAK OIL PALMS BERHAD

Directors who are standing for Re-election

Datu Haji Hamzah Haji Drahman (retiring pursuant to Article 95 of the Articles of Association)
Gerald Rentap Jabu (retiring pursuant to Article 95 of the Articles of Association)
Jamil Bin Jamaludin (retiring pursuant to Article 101 of the Articles of Association)

Details of Attendance of Directors at Board Meetings

Name of Director	Date of appointment	Board Attendance
Datuk Ling Chiong Ho	15/10/1995	5/5
Datu Haji Hamzah Haji Drahman	7/6/2000	4/5
Abdul Rashid Bin Abdul Kassim (resigned)	22/2/2003	5/5
Gerald Rentap Jabu	24/5/2000	5/5
Tang Tiong Ing	15/6/1995	5/5
Gary Tan Yow Hoo	15/7/2000	5/5
Fong Tshu Kwong @ Fong Tshun Kwong	22/3/1996	4/5
Lai Yew Hock	24/2/2000	5/5
Wong Ngie Yong	15/6/2001	5/5
Jamil Bin Jamaludin	22/2/2003	1/1

Number of meetings attended (first figure)/number of meetings held while in office (second figure).

Details of the Board of Directors' Meeting held

Five Board Meetings were held during the year.

Date of Meeting	Time	Place
22 February 2003	10.00 am	Room 1, Lotus Court, Mega Hotel, Jalan Merbau, 98000 Miri
23 April 2003	10.00 am }	
6 June 2003	11.30 pm }	Mega Room 3, Mega Hotel, Jalan Merbau, 98000 Miri
20 August 2003	10.00 am }	
10 November 2003	8.00 am }	

Details of Directors standing for re-election

DATU HAJI HAMZAH HAJI DRAHMAN

(57 years of age - Malaysian)

- Holds a Bachelor of Economics with Honours from University of Malaya.
- Non-Independent and Non-Executive Director
- Is the Permanent Secretary to the Ministry of Planning & Resource Management. He has over 26 years of working experience in various government departments.
- Does not hold any other directorships of public companies. He sits as Board member in various government statutory bodies.
- Is an appointed representative of Pelita Holdings Sdn Bhd (PHSB), a substantial shareholder of SOPB and does not have any conflict of interest with Sarawak Oil Palms Berhad.
- In the past 10 years, he has not been convicted of any offence.

Details of Directors standing for re-election (Continued)

Gerald Rentap Jabu

(34 years of age - Malaysian)

- Holds a Bachelor of Economics degree from La Trobe University, Melbourne Australia.
- Non-Independent and Non-Executive Director
- Is currently the Executive Director of Utahol Management Sdn. Bhd. He was a Licensed Dealer's Representative (Corporate Investment) in Sarawak Securities Sdn. Bhd. from 1993 to 1995 and was a Project Manager and Consultant for Sarawak Capital Sdn. Bhd. in 1995 to 1996.
- Does not hold any other directorships of public companies.
- Does not hold any shares or warrants, direct or indirect, in Sarawak Oil Palms Berhad.
- Is an appointed representative of Pelita Holdings Sdn Bhd (PHSB), a substantial shareholder of SOPB and does not have any conflict of interest with Sarawak Oil Palms Berhad.
- To-date, there has not been any conflict of interest with Sarawak Oil Palms Berhad.
- In the past 10 years, he has not been convicted of any offence.

Jamil Bin Jamaludin

(43 years of age - Malaysian)

- holds a Advanced Diploma in Accountancy from MARA University of Technology, Malaysia and is a registered member of the Malaysian Institute of Accountant.
- Non-Independent and Non-Executive Director.
- is currently the Senior Manager at the Land Custody Development Authority, Sarawak, where he also sits as the Chairman of the Audit Committee and Remuneration and Nomination Committee. Prior to this, he has worked in Jabatan Audit Negara, Sarawak Economic Development Corporation and Hamden & Kiu dan Rakan-Rakan.
- Does not hold any other directorships of public companies.
- Does not hold any shares or warrants, direct or indirect, in Sarawak Oil Palms Berhad.
- Is an appointed representative of Pelita Holdings Sdn Bhd (PHSB), a substantial shareholder of SOPB and does not have any conflict of interest with Sarawak Oil Palms Berhad.
- In the past 10 years, he has not been convicted of any offence.

Corporate Information



DIRECTORS

Datuk Ling Chiong Ho
Group Executive Chairman

Datu Haji Hamzah Haji Drahman

Abdul Rashid Bin Abdul Kassim
(Resigned on 10 November 2003)

Gerald Rentap Jabu

Tang Tiong Ing

Gary Tan Yow Hoo

Fong Tshu Kwong @ Fong Tshun Kwong

Lai Yew Hock

Wong Ngie Yong

Jamil Bin Jamaludin
(appointed on 10 November 2003)

AUDIT/NOMINATION COMMITTEE

Fong Tshu Kwong @ Fong Tshun Kwong
Chairman
Independent Non-Executive

Tang Tiong Ing
Non-Executive

Lai Yew Hock
Independent Non-Executive

REMUNERATION COMMITTEE

Fong Tshu Kwong @ Fong Tshun Kwong
Chairman
Independent Non-Executive

Lai Yew Hock
Independent Non-Executive

Jamil Bin Jamaludin
Non-Executive

CHIEF EXECUTIVE

Wong Hee Kwong

COMPANY SECRETARY

Eric Kiu Kwong Seng

REGISTERED OFFICE

41 KM Miri-Bintulu Road 98000 Miri
Tel : (085) 481 188
Fax : (085) 481 260

SHARE REGISTRAR

Signet Share Registration Services Sdn Bhd
Level 26 Menara Multi Purpose Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur Malaysia
Tel : (03) 2721 2222
Fax : (03) 2721 2530

AUDITORS

Ernst & Young
Room 300-303, 3rd Floor,
Wisma Bukit Mata Kuching
Jalan Tunku Abdul Rahman
93100 Kuching Malaysia

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Arab Malaysian Merchant Bank Berhad
Bumiputra-Commerce Bank Berhad
EON Bank Berhad

STOCK EXCHANGE LISTING

The Main Board
Bursa Malaysia

Stock Name

SOP

Stock Code

5126

DOMICILE

Malaysia

MEMBERS

*Fong Tshu Kwong @ Fong Tshun Kwong - Chairman
Independent Non-Executive Director
Lai Yew Hock
Independent Non-Executive Director
Tang Tiong Ing
Non-Executive Director*

SECRETARY

Eric Kiu Kwong Seng

TERMS OF REFERENCE

The Audit Committee ("Committee") was established on 9 April 1992 to serve as a Committee of the Board of Directors, with the term of reference as set out on below:

Objectives

The Committee shall assist the Board of Directors in fulfilling the following objectives on the Group activities:

- Assess the Group's processes relating to its risks and control environment;
- Oversee financial reporting; and
- Evaluate the internal and external audit processes.

Duties and Responsibilities

The Committee shall:

- Provide assistance to the Board of Directors in fulfilling its fiduciary responsibilities relating to the corporate accounting and reporting practices for Sarawak Oil Palms Bhd (the "Company") and its subsidiaries (the "Group").
- Maintain a direct line of communication between the Board and the external and internal Auditors.
- Act upon the Board's request to direct and where appropriate supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcations, frauds and thefts.

KEAHLIAN

*Fong Tshu Kwong @ Fong Tshun Kwong - Pengerusi
Pengarah Bebas Bukan Eksekutif
Lai Yew Hock
Pengarah Bebas Bukan Eksekutif
Tang Tiong Ing
Pengarah Bukan Eksekutif*

SETIAUSAHA

Eric Kiu Kwong Seng

TERMA RUJUKAN

Jawatankuasa Audit ("Jawatankuasa") telah ditubuhkan pada 9 April 1992 sebagai sebuah Jawatankuasa Lembaga Pengarah, dengan merujuk kepada syarat-syarat berikut:

Objektif

Jawatankuasa tersebut akan membantu pihak Lembaga Pengarah untuk menepati objektif objektif berikut yang terdapat pada aktiviti-aktiviti Kumpulan:

- Menilai proses-proses Kumpulan berkaitan dengan risiko dan situasi kawalan;
- Memerhati laporan kewangan; dan
- Menilai proses-proses audit dalaman dan luaran.

Tugas dan Tanggungjawab

Jawatankuasa tersebut haruslah:

- Membantu Lembaga Pengarah untuk mematuhi piawaian perakaunan korporat dan tatacara laporan Sarawak Oil Palms Bhd ("Syarikat") serta anak-anak syarikatnya ("Kumpulan").
- Menjadi saluran komunikasi di antara Lembaga Pengarah serta Juruaudit Dalam dan Luar.
- Melaksanakan permintaan Lembaga Pengarah untuk menjalankan, dan di mana munasabah, menyelia sebarang projek khas atau penyiasatan yang perlu, dan mengkaji semula laporan penyiasatan mengenai kes-kes pecah amanah, penipuan dan pencurian.

Authority

- Review procedures in place to ensure that the Group is in compliance with the Companies Act 1965, MSEC Listing Requirements and other legislative and reporting requirements.
- Prepare reports, if the circumstances arise or at least once (1) a year, to the Board summarising the work performed in fulfilling the Committee's primary responsibilities.
- Any other activities, as authorised by the Board.
- The Committee is authorised to seek any information it requires from employees, who are required to cooperate with any request made by the Committee.
- The Committee shall have full and unlimited access to any information pertaining to the Group.
- The Committee shall have direct communication channels with the internal and external auditors and with senior management of the Group and shall be able to convene meetings with the external auditors whenever deemed necessary.
- The Committee shall have the resources that are required to perform its duties. The Committee can obtain at the expense of the Company, outside legal or other independent professional advice it considers necessary.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MSEC Listing Requirements, the Committee shall promptly report such matter to the MSEC.

Financial Procedures And Financial Reporting

Review the quarterly results and the year end financial statements, prior to the approval by the Board focusing particularly on:

- Changes in or implementation of major accounting policy changes;
- Significant or unusual events;

Hak-Hak Dan Kewibawaan

- Mengkaji semula prosedur-prosedur yang sedia ada untuk memastikan supaya Kumpulan mematuhi ketetapan syarat-syarat keperluan Akta Syarikat 1965, Bursa Malaysia dan perundangan serta peraturan laporan.
- Menyediakan laporan-laporan, sekiranya perlu, atau sekurang-kurangnya sekali (1) setahun, kepada Lembaga Pengarah, dengan mengupas semula tugas-tugas yang telah dijalankan untuk menepati tanggungjawab utama Jawatankuasa.
- Sebarang aktiviti yang lain seperti yang dipertanggungjawabkan oleh Lembaga Pengarah.
- Jawatankuasa berhak dan berwibawa untuk mendapatkan sebarang maklumat yang diperlukan daripada para pekerja, yang diharuskan pula untuk bekerjasama mematuhi sebarang permintaan yang dibuat oleh Jawatankuasa tersebut.
- Jawatankuasa haruslah memiliki hak akses mutlak kepada sebarang maklumat yang berkaitan dengan Kumpulan.
- Jawatankuasa haruslah memiliki saluran-saluran komunikasi yang terus dan telus dengan audit luar dan dalam serta pihak pengurusan kanan Kumpulan dan boleh bermesyuarat dengan juruaudit luar apabila perlu.
- Jawatankuasa haruslah mempunyai sumber-sumber yang mencukupi untuk menjalankan tugasnya. Di mana perlu, Jawatankuasa boleh mendapatkan khidmat nasihat perundangan atau pihak profesional yang bebas, di mana perbelanjaannya dibiayai oleh pihak Syarikat.

Di mana Jawatankuasa berpendapat bahawa suatu hal berbangkit yang dirujuk untuk perhatian Lembaga Pengarah belum diselesaikan dengan sebaiknya sehingga melanggar syarat-syarat keperluan penyenaian di Bursa Malaysia, Jawatankuasa haruslah melaporkan perkara berkenaan dengan serta merta kepada pihak Bursa.

Prosedur Kewangan dan Laporan Kewangan

Mengkaji semula keputusan-keputusan suku tahunan dan penyata perakaunan akhir tahun, sebelum diluluskan oleh Lembaga Pengarah, khususnya:

- Perubahan pada atau pelaksanaan polisi perakaunan yang utama;
- Perkara-perkara penting yang berbangkit atau luar biasa;

- Compliance with accounting standards, disclosure and other legal requirements;
- Significant adjustments from audit; and
- Going concern assumption

Related Party Transactions

Review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question on management integrity.

External and internal Audit

- Review with the external auditors, the audit scope and plan, including any changes to the planned scope of the audit plan.
- Review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money.
- Review the adequacy of the internal audit scope and plan, functions and resources of the internal audit and that it has the necessary authority to carry out its work.
- Review the appointment and performance of internal and external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board.
- Review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified.
- Review major audit findings and the management's response during the year with management, external auditors and internal auditors, including the status of previous audit recommendations.
- Review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.

- Pematuhan kepada piawaian perakaunan, syarat-syarat laporan dan peraturan-peraturan perundangan yang lain.
- Pelarasan-pelarasan yang penting dalam audit
- Anggapan usaha berterusan

Transaksi Di Antara Pihak Yang Berkaitan

Mengkaji semula sebarang transaksi di antara pihak yang berkaitan dan situasi yang bertelingkahan kepentingan yang mungkin timbul di dalam Syarikat atau Kumpulan, termasuk sebarang transaksi, prosedur atau kegiatan yang menimbulkan kecurigaan terhadap ketelusan pihak pengurusan.

Auditan luaran dan dalaman

- Bersama-sama dengan juruaudit luaran, mengkaji semula skop dan pelan audit, termasuk sebarang perubahan kepada skop audit yang telah dirancang.
- Mengkaji semula sejauh mana wujudnya kebebasan dan objektiviti juruaudit luaran dan perkhidmatan mereka, termasuk perkhidmatan bukan audit dan bayaran profesional mereka, untuk mengimbangi objektiviti berbanding nilai bayaran profesional.
- Mengkaji semula sama ada skop dan pelan, fungsi serta sumber audit dalaman adalah memadai dan ianya mempunyai bidang kuasa yang mencukupi untuk menjalankan tugasnya.
- Mengkaji semula perlantikan dan prestasi juruaudit dalam dan luar, bayaran audit dan sebarang hal perletakan atau pengguguran jawatan sebelum membuat syor-syor kepada Lembaga Pengarah.
- Mengkaji semula laporan audit luaran dan dalaman untuk memastikan pihak pengurusan mengambil tindakan pemulihan yang sesuai dan cepat ke atas sebarang kekurangan utama pada sistem kawalan atau prosedur yang dikenalpasti.
- Mengkaji semula laporan audit dan maklumbalas pihak pengurusan pada tahun kewangan bersama-sama pihak pengurusan, juruaudit luar dan dalam, termasuk kedudukan cadangan-cadangan bagi audit sebelumnya.
- Mengkaji semula bantuan yang diberi oleh para pegawai Kumpulan kepada pihak juruaudit, serta sebarang masalah yang dihadapi sewaktu tugas auditan, termasuk sebarang ketegahan ke atas skop aktiviti atau terhadap akses kepada maklumat yang di perlukan.

- Review the adequacy and integrity of internal control systems, including risk management, management information system, and the internal auditors' and/ or external auditors' evaluation of the said systems.

MEETINGS

During the financial year ended 31 December 2003, four Committee meetings were held. A record of the attendance to these meetings is as follows :

	No. of Meetings Attended
Fong Tshu Kwong @ Fong Tshun Kwong	4
Lai Yew Hock	4
Tang Tiong Ing	4

INTERNAL AUDIT FUNCTION

The Group has outsourced the function of internal audit to Ernst & Young("IA").The principal role of the IA is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The IA reports directly to the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group.

The IA attends the Audit Committee meeting to present the internal audit findings and makes appropriate recommendations on areas of concern for the Audit Committee's deliberation.

During the year, the IA carried out the following activities :-

- Mengkaji semula kecukupan dan ketelusan sistem kawalan dalaman, termasuk pengurusan risiko, sistem pengurusan maklumat, dan penilaian sistem-sistem tersebut oleh juruaudit dalam dan/atau luar.

MESYUARAT

Pada tahun kewangan yang berakhir 31 Disember 2003, empat mesyuarat Jawatankuasa telah diadakan. Rekod kehadiran di mesyuarat-mesyuarat tersebut adalah seperti berikut:

	Bilangan Kehadiran
Fong Tshu Kwong @ Fong Tshun Kwong	4
Lai Yew Hock	4
Tang Tiong Ing	4

FUNGSI AUDIT DALAMAN

Kumpulan telah melantik Tetuan Ernst & Young ("AD") untuk menjalankan audit dalaman. Peranan utama AD tersebut ialah untuk meneliti sistem kawalan secara bebas, kerap dan sistematik bagi memastikan bahawa sistem tersebut beroperasi dengan memuaskan dan efektif. AD melapor terus kepada Jawatankuasa Audit secara bebas dan objektif mengenai status kawalan dalaman yang terdapat pada unit-unit operasi di dalam Kumpulan.

AD juga menghadiri mesyuarat Jawatankuasa Audit untuk menyampaikan hasil siasatan audit dan mencadangkan langkah-langkah pemulihan bagi operasi yang memerlukan tindakan lanjutan untuk pertimbangan Jawatankuasa Audit.

Pada tahun ini, para juruaudit dalaman telah menjalankan aktiviti-aktiviti berikut :-

1. Analysed and assessed certain key business processes, reported findings and made recommendations to improve their effectiveness.
2. Review and evaluate the adequacy and effectiveness of the internal control systems in the following areas:
 - Planting material selection
 - Manuring
 - Pest and diseases control
 - Weed control
 - Harvesting and collection of FFB
 - FFB distribution and control
 - Mill Operation
 - Manpower planning
 - Store
 - Environment And Assets Security

1. Menganalisa dan menilai proses perusahaan utama, membuat laporan audit dan cadangan untuk memperbaiki kecekapan proses yang berkenaan.
2. Mengkaji semula dan menilai sama ada sistem kawalan dalaman adalah mencukupi dan cekap bagi proses-proses berikut:
 - Pemilihan bahan tanaman
 - Pembajaan
 - Kawalan serangga perosak dan penyakit
 - Kawalan rumput-rumpai
 - Penuaian dan pengumpulan FFB
 - Pembahagian FFB dan kawalan
 - Perancangan tenaga manusia
 - Pengurusan dan kawalan keselamatan estet
 - Stor
 - Operasi pengilangan

ACTIVITIES

The Audit Committee carried out its duties in accordance with its terms of reference during the year.

The summary of activities of the Committee during the year under review was as follows :

- Reviewed the external auditors' scope of work and audit plans for the year prior to commencement of audit.
- Reviewed with the external auditors the results of the audit and the audit report.
- Considered and recommended to the Board for approval of the audit fees payable to the external auditors as disclosed in Note 5 to the financial statements.
- Reviewed the internal auditors' programmes and plan for the financial year under review and the annual assessment of the internal auditors' performance.
- Reviewed the internal audit reports, which highlighted the audit issues, recommendations and management's response. Appraised the adequacy of actions and remedial measures taken by the management in resolving the audit issues reported and recommended further improvement measures.
- Met with the external auditors once during the year without the presence of the Management.
- Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards approved by the MASB.

AKTIVITI

Pada tahun kewangan 2003, Jawatankuasa Audit telah menjalankan tugas mereka menurut terma-terma rujukan yang dikenalpasti.

Pada tahun 2003, ringkasan aktiviti jawatankuasa adalah seperti berikut:

- Mengkaji semula skop kerja dan pelan audit juruaudit luaran sepanjang tahun sebelum proses auditan bermula.
- Mengkaji semula bersama-sama dengan juruaudit luaran keputusan dan rumusan audit dan laporan audit.
- Mempertimbangkan dan mengesyorkan bayaran audit kepada Lembaga untuk dibayar kepada juruaudit luaran seperti yang dinyatakan pada Nota 5 pada Penyata Kewangan.
- Mengkaji semula program dan pelan juruaudit dalaman untuk tahun kewangan 2003 serta penilaian prestasi tahunan juruaudit dalaman.
- Mengkaji semula laporan audit dalaman yang mengemukakan isu-isu audit, cadangan-cadangan dan maklumbalas pihak pengurusan. Menilai sama ada tindakan dan langkah pemulihan yang diambil oleh pihak pengurusan mencukupi untuk menyelesaikan isu-isu audit yang dilaporkan dan mencadangkan langkah-langkah pembedahan selanjutnya.
- Berjumpa dengan juruaudit luaran sekali pada tahun kewangan tersebut tanpa kehadiran pihak pengurusan.
- Mengkaji semula sejauh mana Kumpulan telah menepati keperluan-keperluan yang ditentukan oleh syarat-syarat penyenaian MSEB, MASB dan keperluan dalam laporan kewangan suku tahun dan akhir tahun

- Reviewed the Company's compliance in particular the quarterly and year end financial statements with the Listing Requirements of the MSEC, MASB and other relevant legal and regulatory requirements.
- Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. The review and discussions were conducted with the Chief Executive Officer and Financial Controller/Company Secretary.
- Reviewed the related party transactions entered into by the Group.
- Reviewed the report by external consultant on the high level risk assessment of the Company and the Group including internal controls.
- Reviewed the report of state of internal control readiness assessment conducted by external consultant and its recommendations.
- Reviewed and assessed the risk management activities of the Company and the Group including the risk management policies.
- Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement pursuant to the MSEC Listing Requirements.

- Mengkaji semula pengumuman keputusan kewangan yang belum diaudit sebelum mengesyorkan supaya disahkan oleh Lembaga Pengarah. Kajian semula dan perbincangan tersebut telah dijalankan dengan Ketua Eksekutif dan Pengawal Kewangan/Setiausaha Syarikat.
- Mengkaji semula sebarang transaksi di antara pihak berkaitan yang boleh menyebabkan pertelingkahan kepentingan yang mungkin muncul di dalam Kumpulan.
- Mengkaji semula laporan perunding mengenai penilaian risiko tinggi termasuk kawalan dalaman Syarikat dan Kumpulan.
- Mengkaji semula laporan mengenai penilaian keadaan persediaan kawalan dalaman yang dijalankan oleh perunding luaran serta cadangan-cadangan yang dikemukakan.
- Mengkaji semula dan menilai aktiviti pengurusan risiko Syarikat dan Kumpulan termasuk polisi pengurusan risiko.
- Mengkaji semula sejauh mana Kumpulan telah menepati keperluan-keperluan seperti yang ditentukan di bawah Kod Pentadbiran Korporat Malaysia bertujuan untuk menyediakan Penyata Pentadbiran Korporat menurut syarat-syarat penyenaiaan di MSEC.

Profile Of Board Of Directors

DATUK LING CHIONG HO

A Malaysian citizen, aged 52, was appointed as the Non-Executive Director on 15 October 1995 and subsequently as Non-executive Chairman on 1 October 1999. He was appointed as Group Executive Chairman on 6 June 2003. He is also the founder and Chairman of the diversified Shin Yang Group of Companies involving in forest management, downstream wood-based processing, property development and shipping. He has been instrumental to the growth and expansion of Shin Yang Group of Companies. He is deemed substantial shareholder of SOPB and does not have any conflict of interest with SOPB.

DATU HAJI HAMZAH HAJI DRAHMAN

A Malaysian citizen, aged 57, was appointed as a Non-Executive Director on 7 June 2000. He has over 26 years of working experience in various government departments and is currently the Permanent Secretary to the Ministry of Planning & Resource Management. He holds a Bachelor of Economics with Honours from University of Malaya. He also sits as Board member in various government statutory bodies. He is an appointed representative of Pelita Holdings Sdn Bhd (PHSB), a substantial shareholder of SOPB and does not have any conflict of interest with SOPB.

GERALD RENTAP JABU

A Malaysian citizen, aged 34, was appointed as a Non-Executive Director on 24 May 2000. He graduated from the La Trobe University, Melbourne, Australia in 1993 with a Bachelor of Economics degree. He was a Licensed Dealer's Representative (Corporate Investment) in Sarawak Securities Sdn. Bhd. from 1993 to 1995 and was a Project Manager and Consultant for Sarawak Capital Sdn. Bhd. in 1995 to 1996. He is currently the Executive Director of Utahol Management Sdn. Bhd. He is an appointed representative of PHSB, a substantial shareholder of SOPB and does not have any conflict of interest with SOPB.



TANG TIONG ING

A Malaysian citizen, aged 45, has been a Non-Executive Director since 15 June 1995. He was appointed as a member of the audit committee and nomination committee in 1996 and 2001 respectively. He graduated from University of Malaya with Bachelor in Accounting with Honours. He is also a Chartered Accountant (Malaysia) and a member of the Malaysian Institute of Accountants and Malaysian Institute of Taxation. He joined Lau Hoi Chew & Co., a Certified Public Accounting firm in 1984 and was promoted to head the Miri Branch in 1985 till 1990. In 1991, he joined Shin Yang Group as a Group Accountant and he is presently the Head of Finance of the Group. He is an appointed representative of Shin Yang Plantation Sdn. Bhd. (SYPSB), a substantial shareholder of SOPB and does not have any conflict of interest with SOPB.



GARY TAN YOW HOO

A Malaysian citizen, aged 49, was appointed as a Non-Executive Director on 15 July 2000. He holds a Bachelor of Mechanical Engineering from Portsmouth University, England and is a Chartered Engineer registered in Malaysia, England, America and Australia. He was the General Manager of Bintulu Industrial Gas Sdn Bhd prior to joining Shin Yang Group in 1990. He is currently the General Manager of Business Development, Project & Technical Consultancy Department of Shin Yang Group. He is an appointed representative of SYPSB, a substantial shareholder of SOPB and does not have any conflict of interest with SOPB.

FONG TSHU KWONG @ FONG TSHUN KWONG

A Malaysian citizen, aged 45, was appointed as an Independent and Non-Executive Director on 22 March 1996. He was appointed as a member of audit committee, nomination committee and remuneration committee in 1996, 2001 and 2003 respectively. He is a Chartered Accountant (Malaysian) and is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and the Malaysian Institute of Corporate Governance. He started his career in Ernst & Young and has over 18 years of professional experience in accounting, secretarial, assurance and advisory business services, taxation, management consultancy & corporate advisory services. Since April 1996, he has been the Managing Director of OMG Fidelity (Malaysia) Sdn. Bhd., a wholly owned subsidiary of OM Group, Inc., USA, a NYSE listed company. He is also a Non-Executive Independent Director in Kim Hin Industry Berhad. He is not related to any director/or substantial shareholder of SOPB and does not have any conflict of interest with SOPB.



LAI YEW HOCK

A Malaysian citizen, aged 45, was appointed as an Independent and Non-Executive Director on 24 February 2000. He was appointed as a member of audit committee, nomination committee and remuneration committee in 2000, 2001 and 2003 respectively. He is an Advocate, a Commissioner for Oaths, a Notary Public and an Accredited Mediator. He is not related to any director and/ or substantial shareholder of SOPB and does not have any conflict of interest with SOPB.



WONG NGIE YONG

A Malaysian citizen, aged 54, was appointed as an Independent and Non-Executive Director on 15 June 2001. He holds a diploma in Mechanical Engineering from Technical College, Kuala Lumpur in 1972 and is a member of the Institute of Motor Industry, UK. He has over 25 years of experience in palm oil industry and engineering field, holding various positions as Mill Manager, Engineering Controller, Chief Engineer and Project Manager. He is currently a Consultant and a businessman. He is the Managing Partner of Konsultant Process (Sarawak) Sdn Bhd and is a Director of Utama Parts Trading (Sarawak) Sdn. Bhd. He is not related to any director/or substantial shareholder of SOPB and does not have any conflict of interest with SOPB.

JAMIL BIN JAMALUDIN

A Malaysian citizen, aged 43, was appointed as a Non-Executive Director on 10 November 2003. He holds a Advanced Diploma in Accountancy from MARA University of Technology, Malaysia and is a registered member of the Malaysian Institute of Accountant. He is currently the Senior Manager at the Land Custody Development Authority, Sarawak, where he also sits as the Chairman of the Audit Committee and Remuneration and Nomination Committee. Prior to this, he has worked in Jabatan Audit Negara, Sarawak Economic Development Corporation and Hamden & Kiu dan Rakan-Rakan. He is an appointed representative of Pelita Holdings Sdn Bhd (PHSB), a substantial shareholder of SOPB and does not have any conflict of interest with SOPB.

Chairman Statement / *Kenyata Pengerusi*

On behalf of the Board of Directors, I am pleased to present the Annual Report of Sarawak Oil Palms Berhad Group (SOPBG) for the Financial Year ended 31 December 2003.

FINANCIAL REVIEWS

The buoyant palm oil prices and higher FFB crops production have contributed to the vast increase in profit of SOPBG for the year under review compared to that of last year.

Our Group turnover increased by 58.4% to RM104.9 million compared with RM66.2 million last year. Profit before taxation increased 184% to RM53.2 million. Profit after taxation and minority interests attributable to shareholders also rose by 203% to RM43.0 million. This included the extraordinary profit from disposal of investment in Associated Company of RM16.2 million. In line with the increase, the earnings per share jumped substantially from 15 sen to 45.3 sen.

DIVIDEND

In line with our Group's objective to sustain growth by substantially reinvesting its profits, the Board proposes a first and final dividend of 5% less tax at 28% per ordinary share amounting to RM3,418,857 for the Financial Year ended 31 December 2003.

Bagi pihak lembaga pengarah, saya dengan sukacitanya ingin membentangkan Laporan Tahunan Kumpulan Sarawak Oil Palms Berhad (KSOP) bagi tahun kewangan berakhir 31 Disember 2003.

SOROTAN KEWANGAN

Kenaikan mendadak harga kelapa sawit pada tahun kewangan 2003 telah menghasilkan peningkatan keuntungan yang mendadak berbanding dengan tahun kewangan sebelumnya.

Pendapatan kumpulan melonjak naik sebanyak 58.4% kepada RM104.9 juta berbanding dengan RM66.2 juta tahun sebelumnya. Keuntungan selepas cukai dan faedah minoriti milik pemegang saham juga meningkat sebanyak 203% kepada RM43.0 juta. Ini termasuk keuntungan luar biasa sebanyak RM16.2 juta yang diperolehi daripada pelupusan pelaburan dalam syarikat bersekutu. Sejalan dengan peningkatan keuntungan, perolehan sesaham melonjak daripada 15 sen kepada 45.3 sen.

DIVIDEN

Objektif Kumpulan adalah untuk meneruskan pertumbuhan melalui pelaburan semula keuntungannya. Maka Lembaga Pengarah mencadangkan dividen pertama dan terakhir sebanyak 5% ditolak cukai pada 28% sesaham biasa berjumlah RM3,418,857 untuk Tahun Kewangan yang berakhir 31 Disember 2003.



OPERATIONS REVIEW

For the year under review, the average crude palm oil ("CPO") price realized by the Group further increased from RM1,327 per ton in 2002 (net of RM40 East Malaysia discount) to RM1,494 per ton. The recovery of CPO price was mainly due to tight supply of Soya beans and other competing oil seeds worldwide as a result of disruptions of weather patterns pests and diseases.

At the time of writing, the CPO price has comfortably remained stable at around RM1,800 to RM1,900 per ton level. It appears that the price will be sustainable over the next few months and this should augur well for the new financial year.

Production of fresh fruit bunches (FFB) for the year increased by 25.9% to 236,591 tonnes compared to 187,889 tonnes recorded in 2002. Total matured area increased from 8,896 hectares to 13,842 hectares due to new young areas coming into maturing. The Group has fully replanted those palms planted in the early and mid 1970's in 2003.

Group average FFB yield per hectare and oil per hectare stood at 20.28 tonnes and 4 tonnes compared to last year's 21.12 tonnes and 4.66 tonnes respectively. This is mainly due to the new young areas coming to maturing. The Group's palm oil mills produced a total of 64,507 tonnes of CPO, an increase of 44.3% over the preceding year. This is in line with the increase in mature area of the Group.

With the completion of acquisition of SOP Plantations (Borneo) Sdn Bhd ("SOP Borneo"), (formerly known as Shin Yang Oil Palm Sdn Bhd, "SYOP") in 2003, the total land bank of our Group increased from 26,450 hectares to 40,338 hectares. Total area planted with oil palms also increased from 17,469 hectares to 27,417 hectares, comprising 13,842 hectares (50.5%) of mature oil palms and 13,575 hectares (49.5%) of immature oil palms. With more than 49.5% of our Group planted area remain immature, the FFB production of the Group is posed to increase over the next few years.



SOROTAN OPERASI

Untuk tahun kewangan 2003, harga purata minyak sawit mentah untuk Kumpulan turut meningkat daripada RM1,327 setan bagi tahun 2002 (bersih setelah ditolak diskaun RM40 untuk Malaysia Timur) kepada RM1.494 setan. Pemulihan harga tersebut terutamanya disebabkan oleh kekecutan pembekalan kacang soya serta bijian minyak lain yang bersaing akibat daripada kesan keadaan cuaca, serangga dan juga penyakit.

Ketika ini, harga purata minyak sawit mentah kekal di paras RM1,800 hingga RM1,900 setan. Wujudnya petanda yang menunjukkan bahawa harga tersebut boleh kekal untuk beberapa bulan lagi dan keadaan ini dijangka membawa manfaat bagi tahun kewangan yang berikutnya.

Keluaran "Fresh Fruit Bunches"(FFB) untuk tahun kewangan 2003 meningkat sebanyak 25.9% kepada 236,591 tan berbanding dengan 187,889 tan pada tahun 2002. Jumlah kawasan matang bertambah sedikit daripada 8,896 hektar kepada 13,842 hektar hasil daripada kawasan baru yang mula matang. Penanaman semula 13,842 hektar menggantikan pokok-pokok yang ditanam pada awal dan pertengahan 1970an telah siap sepenuhnya pada tahun 2003.

Hasil FFB sehektar mencapai 20.28 tan sehektar bagi tahun kewangan 2003 berbanding dengan 21.12 tan sehektar bagi tahun sebelumnya, manakala hasil minyak sehektar adalah 4 tan berbanding 4.66 tan pada tahun lepas. Keadaan sedemikian adalah disebabkan oleh kawasan-kawasan baru yang mula matang. Hasil keluaran kumpulan bagi kilang minyak adalah sebanyak 64,507 tan minyak sawit mentah iaitu peningkatan sebanyak 44.3% berbanding tahun lepas. Ini adalah sejajar dengan peningkatan kawasan-kawasan yang matang.

Jumlah tanah Kumpulan meningkat daripada 26,450 hektar kepada 40,338 hektar disebabkan pembelian ke atas SOP Plantations (Borneo) Sdn Bhd (dahulunya dikenali sebagai Shin Yang Oil Palm Sdn Bhd) pada tahun 2003. Kawasan tanaman kelapa sawit juga meningkat daripada 17,469 hektar kepada 27,417 hektar, dimana 13,842 hektar (50.5%) merupakan tanaman matang dan 13,575 (49.5%) lagi tanaman belum matang. Apabila tanaman 49.5% yang belum matang kini menjadi matang pada masa kelak, keluaran FFB akan meningkat berterusan pada tahun-tahun yang akan datang.



HUMAN RESOURCES

As part of our Group's strategy to be more competitive, our Group continues to conduct training programs through internal and external courses to upgrade the skill and knowledge of the employees.

CORPORATE DEVELOPMENT

As reported in the last annual report, our Company had entered into conditional sale and purchase agreement with Rajang Wood Sdn Bhd to dispose of its entire 45% equity in Keresa Plantations Sdn Bhd. The disposal was completed on 20 May 2003.

Our Company also entered into conditional sale and purchase agreement with Esteem Pioneer Sdn Bhd and other vendors to acquire 85% of the total issued and paid-up Ordinary Shares Capital and the entire issued and paid-up Preference Shares Capital of SOP Borneo (formerly known as SYOP) in 2003. The proposed acquisition was approved at the Extraordinary General Meeting of the shareholders of the Company held on 6 June 2003. The proposed acquisition was completed on 23 June 2003.

During the year, our Company incorporated a wholly owned subsidiary, SOP Plantations (Sarawak) Sdn Bhd. The principal activity of the Company is that of investment holding.

TENAGA MANUSIA

Sebahagian daripada strategi untuk mengekalkan daya kompetitifnya, Kumpulan terus mengadakan program-program latihan dalaman serta luaran untuk menaikkan taraf kemahiran dan pengetahuan para pekerja.

PEMBANGUNAN KORPORAT

Seperti yang telah dilaporkan dalam laporan tahun lepas, Syarikat menandatangani satu Perjanjian Jual Beli Bersyarat dengan Rajang Wood Sdn Bhd untuk menjual keseluruhan 45% ekuitinya kepada Keresa Plantations Sdn Bhd dan penjualan ini telah siap dalam tahun 2003.

Syarikat juga telah menandatangani satu Perjanjian Jual Beli Bersyarat dengan Esteem Pioneer Sdn Bhd dan vendor-vendor lain untuk memperolehi 85% daripada jumlah Saham Biasa yang diterbitkan dan berbayar, serta semua saham keutamaan yang diterbitkan dan berbayar bagi SOP Borneo (dahulunya dikenali SYOP) pada tahun 2003. Cadangan perolehan tersebut telah diluluskan oleh mesyuarat luar biasa Lembaga Pengarah yang diadakan pada 6hb Jun 2003 dan cadangan perolehan telah siap dilakukan pada 23hb Jun 2003.

PROSPECT

Our Group has continued to invest wholly in the expansion of oil palms area. The prospect of our Group will continue to be subjected to the volatility of CPO prices, and the current strong CPO prices have given the new financial year a good start.

APPRECIATION

Encik Abdul Rashid resigned as Director during the year, and to him the Board would like to express its appreciation for his services. The Board would also like to welcome Encik Jamil to the Board.

It is my pleasant duty once again, on behalf of the Board, to extend our sincere gratitude and appreciation to our employees, customers, business associates and shareholders for their continued support and confidence in the Group.

Datuk Ling Chiong Ho
Chairman

PROSPEK

Kumpulan syarikat akan terus memperkembangkan pelaburan dalam kawasan-kawasan kelapa sawit. Masa depan Kumpulan adalah tertakluk kepada harga pasaran minyak sawit mentah (CPO) yang tidak menentu. Namun harga minyak sawit kini yang tinggi memberi tahun kewangan baru satu permulaan yang menggalakkan.

PENGHARGAAN

Encik Abdul Rashid telah meletak jawatan sebagai Pengarah pada tahun ini dan Lembaga Pengarah mengucapkan terima kasih keatas perkhidmatan yang disumbangkan oleh beliau. Lembaga Pengarah mengalu-alukan perlantikan Encik Jamil sebagai ahli Lembaga Pengarah.

Bagi pihak Lembaga Pengarah, saya amat berbesar hati untuk menghulurkan sekalung budi dan penghargaan kepada semua pekerja, pelanggan, rakan niaga dan pemilik saham yang telah memberi sokongan dan dorongan yang memberangsangkan kepada Kumpulan.

Datuk Lim Chiong Ho
Pengerusi



Statement on Corporate Governance

STATEMENT ON CORPORATE GOVERNANCE

The Malaysian Code on corporate governance ("the Code") formalized in March 2000 and made mandatory with effect from June, 2001 for public-listed companies to follow, marks a milestone in the corporate scene in the country. The Code sets out the principles and best practices for adoption in an effort to raise standards of corporate governance in the country. SOP Board recognizes that the exercise of good corporate governance in all aspects of its business dealings is vital for the Group's continued progress and success. The Board is therefore, committed to maintain a high standard of corporate governance throughout the Group.

BOARD OF DIRECTORS

An effective Board sets the policies which will enable them to lead and guide the Company to achieve its goals. The Board currently has nine members and eight of them are Non-Executive Directors and one Executive Chairman. The Independent Non-Executive Directors are Fong Tshu Kwong @ Fong Tshun Kwong, Lai Yew Hock and Wong Ngie Yong. Therefore, pursuant to the MSEL Listing Requirements, one third of the Board consists of Independent Directors. Together, the Directors bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, law, business acumen, management and operations. For the financial year ended 31 December 2003, the Board held 4 meetings. Directors' profiles and attendance to these meetings can be found in the Profiles of Directors on page 15 to 16.

At Board Meetings, strategies and performance of the Company are being reviewed and evaluated in the light of any changing circumstances whether economic, social or political. Although all the Directors have an equal responsibility for the Company's operations, the pivotal role played by the independent Non-Executive Directors is vital to ensure that strategies formulated or transactions proposed by management are amply discussed in an unbiased and independent manner, taking into account the interests not only of the Group but also the shareholders, employees, customers, suppliers, environment and community at large.

In discharging its duty, the Board is assisted by Board Committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. The terms of reference of each Committee have been approved by the Board and are in compliance with the recommendations of the Code.

AUDIT COMMITTEE

The composition and terms of reference of this Committee together with its report are presented on pages 8 to 14 of the Annual Report.

NOMINATION COMMITTEE

The Committee, formed on 16 May 2001, is responsible for recommending the right candidate with the necessary skills, experience and competencies to fill in the Board. The Committee is also responsible to systematically assess the effectiveness of the Board, its Committees, and the performance of each individual Director annually. The members of the Nomination Committee are as follows:

Fong Tshu Kwong @ Fong Tshun Kwong - Chairman, Independent Non-Executive Director
Lai Yew Hock - Independent Non-Executive Director
Tang Tiong Ing - Non-Executive Director

The Committee met twice during the financial year.

REMUNERATION COMMITTEE

The Committee was established in June 2003. It is responsible for recommending the remuneration framework for Directors' as well as the remuneration package of Executive Director to the Board for approval.

The members of the Remuneration Committee are as follows :

Fong Tshu Kwong @ Fong Tshun Kwong - Chairman, Independent Non-Executive Director
Lai Yew Hock - Independent Non-Executive Director
Jamil Jamaludin - Non-Executive Director

The Committee met once during the financial year.

DIRECTORS' REMUNERATION

The Company pays its Non-Executive Directors annual fees which are approved annually by the shareholders. In addition, its Directors and members to the Board Committee are paid a meeting allowance for each meeting they attend. The Directors are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company.

The policy practiced by the Company is to provide remuneration package necessary to attract, retain and motivate Directors. The structure of remuneration package of Executive Director is also linked to corporate and individual performance. The Board also takes into consideration information provided by independent consultants or survey data on comparable companies in determining the remuneration package.

The aggregate and range of the Directors' remuneration from the Company and its subsidiary companies for the financial year ended 31 December 2003 are as follows:

Aggregate of remuneration	Directors	
	Executive RM000	Non-Executive RM000
Fees	17	226
Salaries	240	-
Bonus	87	-
Other Emoluments	1	21
Total	345	247

Range of remuneration	Number Of Directors	
	Executive	Non-Executive
0 to RM50,000		8
RM300,000 to RM350,000	1	

There are no contracts of service between any Director and the Company or its subsidiaries other than the Group Executive Chairman, Datuk Ling Chiong Ho, whose term will expire on 30 June 2006.

RE-ELECTION OF DIRECTORS

The Articles of Association provide that at least one-third of the Board are subject to retirement by rotation at each Annual General Meeting. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-appointment. These provide an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act 1965.

SUPPLY OF INFORMATION TO BOARD MEMBERS

Board Meetings are structured with a pre-set agenda. Board papers for the Agenda are circulated to Directors well before the meeting date to give Directors time to deliberate on the issues to be raised at the meeting. Quarterly reports on the financial performance of the Company and Group are also circulated to the Directors for their views and comments. All proceedings of Board Meetings are minuted and signed by the Chairman of the Meeting in accordance with the provision of Section 156 of the Companies Act, 1965.

Statement on Corporate Governance Con't

At other times, Directors have direct access to the Senior Management and the service of the Company Secretary. Directors, especially newly appointed ones, are encouraged to visit the Group's operating centers to familiarize themselves with the various operations of the Group.

All the Directors have attended and completed the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysis Malaysia (RIAM), an affiliate company of Malaysia Securities Exchange Berhad. The directors are also attending the Continuing Education Programme ("CEP") organized by accredited organizations.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognizes the importance of communicating with its shareholders and does this through the Annual Report, Annual General Meeting (AGM) and analyst meetings. The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete a picture of the Company's performance and position as possible.

The key elements of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from both private and institutional shareholders on all issues relevant to the Company at the AGM. It has also been the Company's practice to send the Notice of the Annual General Meeting and related papers to shareholders at least fourteen (14) working days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed and about the Group's operations in general. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the AGM. The Chairman of the Board also addresses the shareholders on the review of the Group's operations for the financial year and outlines the prospects of the Group for the subsequent financial year.

FINANCIAL REPORTING

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly and half yearly announcement of results to shareholders as well as the Chairman's statement and review of operations in the annual report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

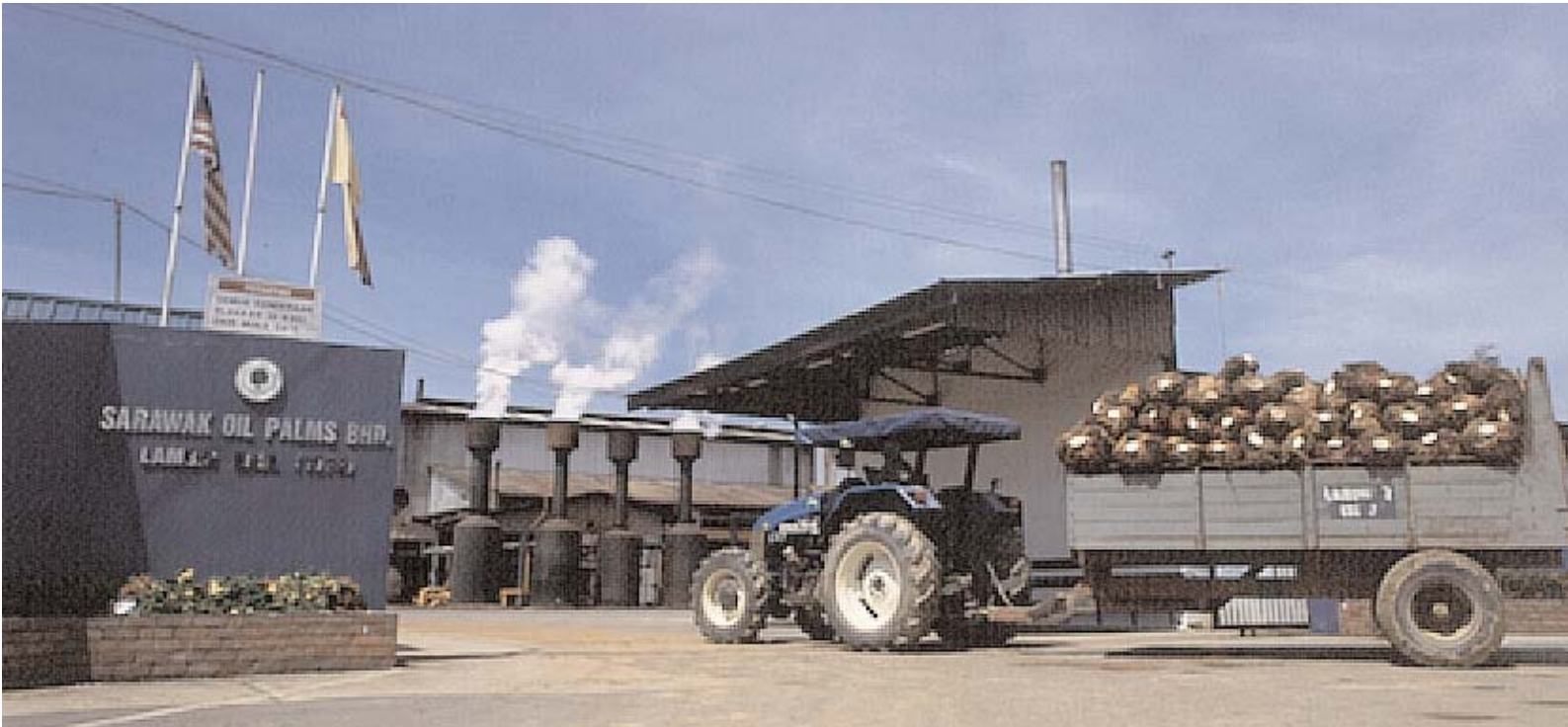
INTERNAL CONTROLS

The Statement on Internal Control is set out on page 25 to 26 of the Annual Report.

RELATIONSHIP WITH THE AUDITORS

Key features underlying the relationship of the Audit Committee with the external Auditors are included in the Audit Committee's term of reference as detailed on page 8 to 14 of the Annual Report.





COMPLIANCE WITH THE CODE

The Group has substantially complied with the Principles and Best Practices of the Code.

- (a) The Company does not have a Remuneration Committee as all Directors are Non-Executive Directors and the determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman are a matter for the Board as a whole.

OTHER INFORMATION

Options warrants and convertible securities

The Company has not issued any warrants and convertible securities during the financial year.

Sanctions and/or penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Profit guarantee

During the financial year, there was no profit guarantee issued by the Company.

Material contracts

Material contracts for the Company and its subsidiaries involving Directors either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 31 to the financial statements under "Significant Related Party Transactions" on page 67 to 68.

Statement On Internal Control

The Board of Directors strongly supports the need for good corporate governance and is committed to maintaining a sound system of internal control to safeguard shareholders' interests and Group's assets. The Board is pleased to set out below the Internal Control Statement which outlines the nature and state of internal control of the Company and the Group during the year pursuant to Paragraph 15.27 (b) of the Listing Requirements of Malaysia Securities Exchange Berhad ("MSEB") which requires the Board of Directors of public listed companies to include in its annual report a "statement about the state of internal control of the listed issue as a group".

The external Auditors have reviewed this Statement and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Internal Control intended to be included in the Annual Report is inconsistent with their understanding of the process the Board of Directors has adopted in the review of the adequacy and integrity of internal control of the Group.

Board Responsibility

The Board acknowledges its responsibility for the Company's and the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity.

In view of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system could provide only reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

Risk management Framework

There is in place a formal and on-going process of identifying, evaluating, and managing significant risks affecting the achievement of the Group's business objectives in a structured manner. The Group has established procedures for reporting and monitoring of risks and controls. Regular reviews are conducted on yearly basis with additional reviews to be carried out as and when required.

The Group Audit Committee ("GAC") has been delegated to oversee the risk management activities and approve appropriate risk management procedures and measurement methodologies across the Group.

The on-going process is monitored by the Risk Management Committee which consists of Chief Executive Officer ("CEO") and Head of Divisions within the Group and report quarterly to GAC.

Other key components of internal control system

The other key components of the Company's internal control systems are described below:

Board Meetings

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Group Executive Chairman together with CEO leads the presentation of board papers and provides comprehensive explanation of pertinent issues. In arriving at any decision, on recommendation by the Management, a thorough deliberation and discussion by the Board is a prerequisite. In addition, the Board is kept updated on the Company's and the Group's activities and operations on a regular basis.

Organizational structure with formally defined responsibility lines and delegation of authority

There is in place an organizational structure with formally defined responsibility lines and authorities to facilitate quick response to changes in the evolving business environment and accountability for operation performance. Capital and non-capital expenditures and acquisition and disposal of investment interest are subjected to appropriate approval processes.

Performance Management framework

Comprehensive management reports are generated on a regular and consistent basis to facilitate the Board to review the Company's and the Group's financial and operating performance. The reviews encompass areas such as financial and non-financial key performance indicators, variances between budget and operating results and compliance with laws and regulations.

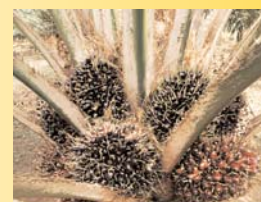
The company and the Group have in place a detailed and well-controlled budgeting process that provides a responsibility accounting framework.

Operational policies and procedures

The documented policies and procedures form an integral part of the internal control system to safeguard the Company's and the Group's assets against material losses and ensure complete and accurate financial information. The documents consist of memoranda, circulars, manuals and handbooks that are continuously being revised and updated to meet operational needs.

Weaknesses in internal control

Continuous management efforts are in place to improve the internal control systems. No material losses were incurred during the year due to the weaknesses in the internal control system.



Additional Compliance Information

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the following information is provided:-

1. Non-Audit fees

The amount of non-audit fees paid in the financial year ended 31 December 2003 to SOP Group's external auditors is mainly for the tax advisory and accounting services. The breakdown of the fees is as follows:

Name of Auditor	Fees (RM)
ERNST & YOUNG	1,350
KPMG	19,700
	<u>21,050</u>

2. Material Contracts

There were no material contracts involving the interest of Directors and major shareholders pursuant to paragraph 20, Part A, Appendix 9C of the KLSE Listing Requirements of Bursa Malaysia entered into by the SOPB Group since the end of the previous financial year up to 31 December 2003.

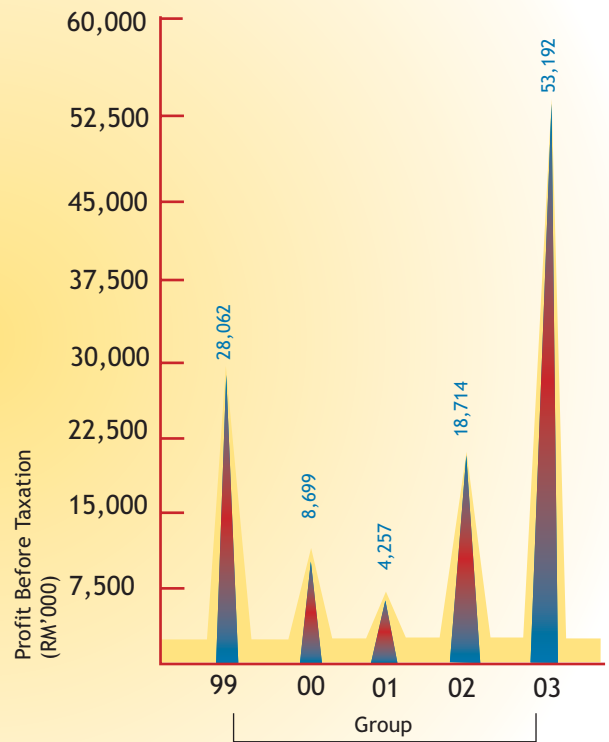
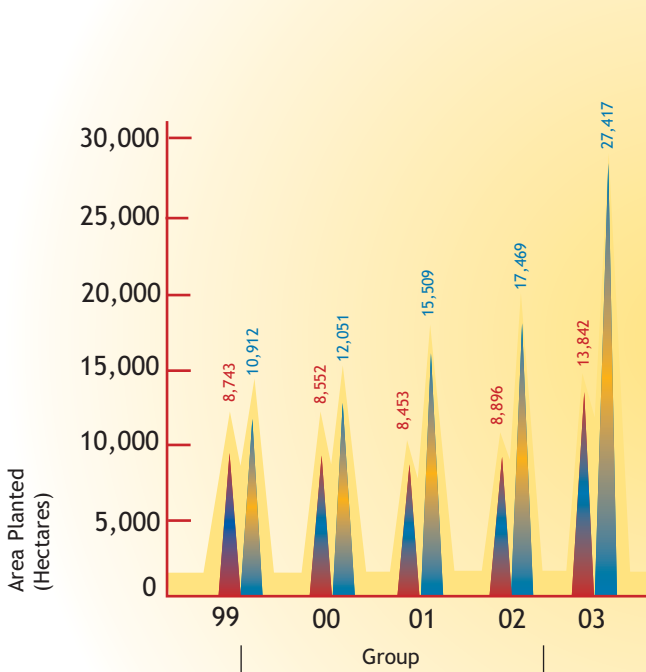
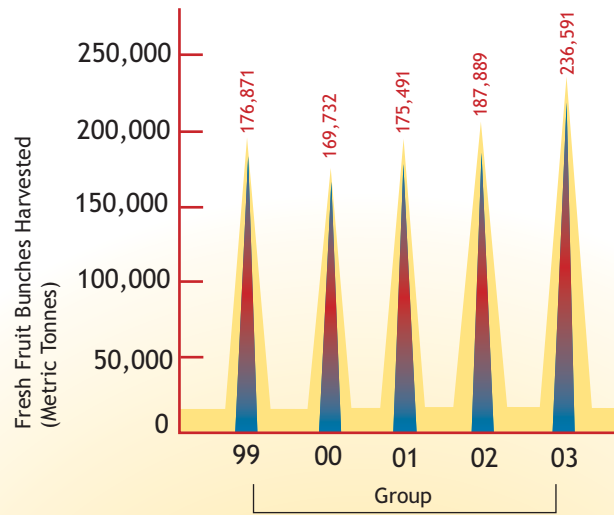
3. Recurrent Related Party Transactions of a Revenue or Trading nature ("RRPT")

The RRPTs entered into by SOPB Group during the financial year ended 31 December 2003 were as follows:-

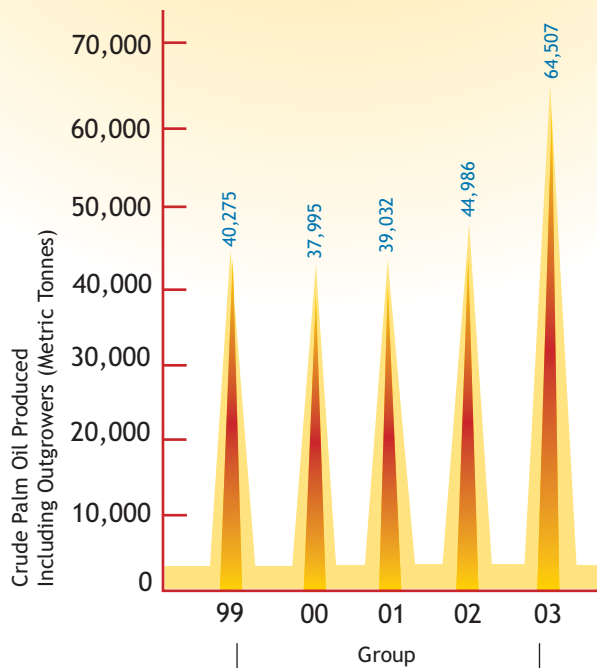
Name of Transacting Party	Nature of Transaction	Related Party #	Year 2003 Actual (RM'000)
Shin Yang Services	Supplies diesel and petrol to oil palm estates of SOPB Group	Datuk Ling Chiong Ho(1) Tang Tiong Ing(2). Gary Tan Yow Hoo(2)	1,444
Shin Yang Trading	Supplies lubricant, spare parts and tyres for the tractors and machinery of the Group	Datuk Ling Chiong Ho(1) Tang Tiong Ing(2) Gary Tan Yow Hoo(2)	238
SYSB	Provides land clearing and development services to SOPB Group's estates	Datuk Ling Chiong Ho(1) Tang Tiong Ing(2) Gary Tan Yow Hoo(2)	4,095

Note

- # (1) Datuk Ling Chiong Ho is the Non-Executive Chairman of SOPB and is also the major shareholder of Shin Yang Services and SYSB and Director and shareholder of Shin Yang Trading.
(2) Messrs. Tang Tiong Ing and Gary Tan Yow Hoo, the Directors of SOPB are also the employees of the Mandated Related Parties and are deemed persons connected to Datuk Ling Chiong Ho.



■ Total Planted
■ Mature







FINANCIAL STATEMENT

Directors' report

for the year ended 31 December 2003

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the cultivation of oil palms and the operation of palm oil mills. There have been no significant changes in the nature of these activities during the financial year

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	42,764	35,789
Loss attributable to minority interest	281	-
	-----	-----
Net profit for the year	43,045	35,789
	-----	-----

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statement of changes in equity.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the disposal of an associate resulting in a gain of RM16,238,475 to the Group and a gain of RM7,468,355 to the Company.

DIVIDEND

The amount of dividend paid by the Company since 31 December 2002 was as follows:

In respect of the financial year ended 31 December 2002 as reported in the Directors' report of that year	RM'000
First and final dividend of 5% less tax, paid on 28 July 2003	3,419

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2003, of 5% less 28% taxation on 94,968,240 ordinary shares, amounting to a dividend payable of RM3,418,857 (3.6 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2004.

Directors' report (con't)

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Datuk Ling Chiong Ho
 Datu Haji Hamzah Haji Drahman
 Abdul Rashid Bin Abdul Kassim (Resigned on 10 November 2003)
 Gerald Rentap Jabu
 Tang Tiong Ing
 Gary Tan Yow Hoo
 Fong Tshu Kwong @ Fong Tshun Kwong
 Lai Yew Hock
 Wong Ngie Yong
 Jamil Bin Jamaludin (Appointed on 10 November 2003)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member, or with a company in which a Director has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1 January 2003	Bought	Sold	31 December 2003
The Company				
Direct interest				
Datu Haji Hamzah Haji Drahman	5,000	-	-	5,000
Lai Yew Hock	10,000	-	-	10,000
Datuk Ling Chiong Ho	974,000	3,985,800	-	4,959,800
Tang Tiong Ing	-	5,000	-	5,000
Deemed interest				
Datuk Ling Chiong Ho	23,749,982	1,701,600	-	25,451,582

Directors' report (con't)

DIRECTORS' INTERESTS (Continued)

Datuk Ling Chiong Ho by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
- i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- b) At the date of this report, the Directors are not aware of any circumstances which would render:
- i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- e) At the date of this report, there does not exist:
- i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- f) In the opinion of the Directors:
- i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and
 - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Directors' report (con't)

SIGNIFICANT EVENTS

During the year, the Company acquired from Esteem Pioneer Sdn. Bhd. and other vendors 85% of the total issued and paid-up ordinary shares and the entire issued and paid up cumulative preference shares of SOP Plantations (Borneo) Sdn. Bhd. (Formerly Known As Shin Yang Oil Palm Sdn. Bhd.) for purchase consideration of RM63,600,000 and RM4,250,000 respectively.

The above acquisitions were completed on 23 June 2003.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in
accordance with a resolution of the Directors

FONG TSHU KWONG @
FONG TSHUN KWONG

TANG TIONG ING

Miri, Malaysia
Date: 28 April 2004

Statement By Directors Pursuant To Section 169 (15) Of The Companies Act, 1965

We, FONG TSHU KWONG @ FONG TSHUN KWONG and TANG TIONG ING, being two of the Directors of SARAWAK OIL PALMS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 37 to 70 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2003 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in
accordance with a resolution of the Directors

FONG TSHU KWONG @
FONG TSHUN KWONG

TANG TIONG ING

Miri, Malaysia
Date: 28 April 2004

Statutory Declaration Pursuant To Section 169 (16) Of The Companies Act, 1965

I, WONG HEE KWONG, being the officer primarily responsible for the financial management of SARAWAK OIL PALMS BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 37 to 70 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
above named WONG HEE KWONG at
Miri in the State of Sarawak on 28 April 2004

WONG HEE KWONG

Before me,

DOMINIC LAI YEW HOCK
Commissioner For Oaths (No. Q 047)
Lot 2451, 1st & 2nd Floors
Boulevard Commercial Centre, Jalan Miri-Pujut
98000 Miri, Sarawak

Report of the auditors to the members of Sarawak Oil Palms Berhad

We have audited the accompanying financial statements set out on pages 37 to 70. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - i) the financial position of the Group and of the Company as at 31 December 2003 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 13 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF: 0039
Chartered Accountants

Yong Voon Kar
1769/4/06 (J/PH)
Partner

Kuching, Malaysia
Date: 28 April 2004

Income Statements For The Year Ended 31 December 2003

	Note	Group		Company	
		2003 RM'000	Restated 2002 RM'000	2003 RM'000	Restated 2002 RM'000
Revenue	3	104,931	66,228	103,337	66,228
Cost of sales		(59,732)	(37,421)	(57,148)	(36,747)
Gross profit		45,199	28,807	46,189	29,481
Gain on disposal of an associate	4	16,238	-	7,468	-
Other operating income		496	282	434	504
Administrative expenses		(567)	(739)	(329)	(349)
Other operating expenses		(147)	-	(25)	-
Distribution costs		(6,061)	(3,525)	(6,061)	(3,525)
Profit from operations	5	55,158	24,825	47,676	26,111
Finance costs, net	8	(1,966)	379	(890)	380
Share of results of associate		-	(6,490)	-	-
Profit before taxation		53,192	18,714	46,786	26,491
Taxation	9	(10,428)	(4,649)	(10,997)	(4,848)
Profit after taxation		42,764	14,065	35,789	21,643
Minority interests		281	139	-	-
Net profit for the year		43,045	14,204	35,789	21,643
Basic earnings per ordinary shares (sen)	10	45.3	15.0		
Dividend per ordinary shares					
- gross (sen)	11	5.0	5.0		

The accompanying notes form an integral part of the financial statements.

Balance sheets as at 31 December 2003

	Note	Group		Company	
		2003 RM'000	Restated 2002 RM'000	2003 RM'000	Restated 2002 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	12	400,201	220,578	113,564	114,792
Investment in subsidiaries	13	-	-	83,737	15,500
Investment in an associate	14	-	4,549	-	13,320
Other investment	15	49	-	-	-
Amounts due from subsidiaries	16	-	-	30,700	13,000
Goodwill on consolidation	17	1,319	-	-	-
Deferred tax assets	27	1,739	323	-	-
		403,308	225,450	228,001	156,612
CURRENT ASSETS					
Inventories	18	9,180	5,709	5,520	3,404
Trade receivables	19	3,024	3,235	2,923	3,235
Other receivables	20	2,442	1,593	1,790	1,279
Amounts due from subsidiaries	16	-	-	37,492	27,904
Cash and bank balances	21	44,692	32,645	44,206	31,979
		59,338	43,182	91,931	67,801
CURRENT LIABILITIES					
Borrowings	22	23,318	11,600	18,974	11,600
Trade payables	23	18,739	5,120	5,559	2,608
Other payables	24	38,478	17,260	31,389	7,352
Taxation		3,306	1,645	3,306	1,645
		83,841	35,625	59,228	23,205
NET CURRENT (LIABILITIES)/ ASSETS					
		(24,503)	7,557	32,703	44,596
		378,805	233,007	260,704	201,208

Balance sheets (Con't) as at 31 December 2003

	Note	Group		Company	
		2003 RM'000	Restated 2002 RM'000	2003 RM'000	Restated 2002 RM'000
FINANCED BY:					
Share capital	25	94,968	94,968	94,968	94,968
Retained profits	26	101,847	62,221	104,510	72,140
		-----	-----	-----	-----
Shareholders' equity		196,815	157,189	199,478	167,108
Minority interests		13,605	2,818	-	-
		-----	-----	-----	-----
		210,420	160,007	199,478	167,108
		-----	-----	-----	-----
NON-CURRENT LIABILITIES					
Borrowings	22	120,635	50,900	38,726	12,000
Other payables	24	21,413	-	-	-
Deferred tax liabilities	27	26,337	22,100	22,500	22,100
		-----	-----	-----	-----
		168,385	73,000	61,226	34,100
		-----	-----	-----	-----
		378,805	233,007	260,704	201,208
		-----	-----	-----	-----

The accompanying notes form an integral part of the financial statements.

Statement of changes in equity for the year ended 31 December 2003

	Share Capital RM'000	(Non- distributable) Revaluation Reserve RM'000	(Distributable) Retained Profits RM'000	Total RM'000
Group				
At 1 January 2002				
As previously stated	94,968	4,454	60,010	159,432
Prior year adjustments	-	(4,454)	(9,942)	(14,396)
	-----	-----	-----	-----
At 1 January 2002 (restated)	94,968	-	50,068	145,036
Net profit for the year	-	-	14,204	14,204
Dividend - 2001 final (Note 11)	-	-	(2,051)	(2,051)
	-----	-----	-----	-----
At 31 December 2002	94,968	-	62,221	157,189
	-----	-----	-----	-----
At 1 January 2003				
As previously stated	94,968	4,454	69,297	168,719
Prior year adjustments	-	(4,454)	(7,076)	(11,530)
	-----	-----	-----	-----
At 1 January 2003 (restated)	94,968	-	62,221	157,189
Net profit for the year	-	-	43,045	43,045
Dividend - 2002 final (Note 11)	-	-	(3,419)	(3,419)
	-----	-----	-----	-----
At 31 December 2003	94,968	-	101,847	196,815
	-----	-----	-----	-----
Company				
At 1 January 2002				
As previously stated	94,968	4,454	62,594	162,016
Prior year adjustments	-	(4,454)	(10,046)	(14,500)
	-----	-----	-----	-----
At 1 January 2002 (restated)	94,968	-	52,548	147,516
Net profit for the year	-	-	21,643	21,643
Dividend - 2001 final (Note 11)	-	-	(2,051)	(2,051)
	-----	-----	-----	-----
At 31 December 2002	94,968	-	72,140	167,108
	-----	-----	-----	-----
At 1 January 2003				
As previously stated	94,968	4,454	79,486	178,908
Prior year adjustments	-	(4,454)	(7,346)	(11,800)
	-----	-----	-----	-----
At 1 January 2003 (restated)	94,968	-	72,140	167,108
Net profit for the year	-	-	35,789	35,789
Dividend - 2002 final (Note 11)	-	-	(3,419)	(3,419)
	-----	-----	-----	-----
At 31 December 2003	94,968	-	104,510	199,478
	-----	-----	-----	-----

The accompanying notes form an integral part of the financial statements.

Cash flow statements for the year ended 31 December 2003

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	53,192	18,714	46,786	26,491
Adjustments for:				
Amortisation of discount on acquisition of an associate	-	(32)	-	-
Amortisation of goodwill	147	-	-	-
Depreciation and amortisation of property, plant and equipment	10,930	7,259	9,195	7,031
Dividend income	(1)	-	-	-
Gain on disposal of an associate	(16,238)	-	(7,468)	-
Loss on disposal of shares in subsidiaries	-	-	25	-
(Gain)/Loss on disposal of property, plant and equipment	(16)	251	(19)	(127)
Interest income	(1,003)	(523)	(1,000)	(517)
Interest expense	2,949	145	1,890	137
Inventories written off	1	-	-	-
Provision for doubtful debts	26	-	26	-
Share of loss retained in an associate	-	6,522	-	-
	-----	-----	-----	-----
Operating profit before working capital changes	49,987	32,336	49,435	33,015
Increase in inventories	(1,253)	(369)	(2,116)	(393)
Decrease/(increase) in receivables	86	(853)	(26,959)	(17,524)
Increase in payables	1,018	1,959	1,327	3,670
	-----	-----	-----	-----
Cash generated from operations	49,838	33,073	21,687	18,768
Income taxes paid	(8,936)	(752)	(8,936)	(752)
	-----	-----	-----	-----
Net cash from operating activities	40,902	32,321	12,751	18,016
	-----	-----	-----	-----

Cash flow statements for the year ended 31 December 2003 (con't)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	1	-	-	-
Interest received	1,003	523	1,000	517
Purchase of property, plant and equipment (excluding loan interest and depreciation charge capitalised)	(41,146)	(48,961)	(8,150)	(23,092)
Proceeds from disposal of property, plant and equipment	549	413	202	263
Net proceeds from disposal of associate	20,234	-	20,234	-
Net proceeds from disposal of shares in subsidiaries	-	-	173	-
Acquisition of subsidiary (Note 13)	(47,564)	-	(42,835)	-
Net cash used in investing activities	(66,923)	(48,025)	(29,376)	(22,312)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of loans	(40,428)	(3,300)	(7,700)	(3,300)
Proceeds from loans	88,825	36,600	41,800	22,300
Dividend paid	(3,419)	(2,051)	(3,419)	(2,051)
Interest paid	(6,567)	(2,658)	(1,829)	(249)
Repayment of hire purchase	(687)	-	-	-
Net cash from financing activities	37,724	28,591	28,852	16,700
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,703	12,887	12,227	12,404
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	32,645	19,758	31,979	19,575
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 21)	44,348	32,645	44,206	31,979

The accompanying notes form an integral part of the financial statements.

Notes to the financial statements - 31 December 2003

1. CORPORATE INFORMATION

The principal activities of the Company are the cultivation of oil palms and the operation of palm oil mills. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

The Company is a limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 41 KM, Miri-Bintulu Road, 98000 Miri.

The numbers of employees in the Group and the Company at the end of the financial year were 3,112 (2002: 2,058) and 1,567 (2002: 1,456) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for the revaluation of leasehold land and plantation development expenditure included under property, plant and equipment.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

During the financial year ended 31 December 2003, the Group and the Company adopted the following new MASB Standards:

MASB 25	Income Taxes
MASB 27	Borrowing Costs
MASB 29	Employee Benefits

The effects of adopting MASB 25 are summarised in the Statement of Changes in Equity and further information is disclosed in Note 28 to the financial statements. The adoption of MASB 27 and MASB 29 have not given rise to any adjustments to the opening balances of retained profits of the prior and current year or to changes in comparatives.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered. The difference between the cost of an acquisition and the fair values of the Group's share of net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

(ii) Associates

Associates are defined as companies in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits or losses of associates during the year is included in the consolidated income statement.

The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

(iii) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition.

Goodwill is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (j). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet. Goodwill is amortised on a straight line basis over its estimated useful life of ten years.

(c) Investment in Subsidiaries and Associates

The Company's investment in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (j).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

(d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (j).

Certain long term leasehold land and plantation development expenditure are stated at valuation less accumulated depreciation and impairment losses. As permitted under the transitional provisions of IAS16 (Revised): Property, Plant and Equipment, these assets continued to be stated at valuation less accumulated depreciation and impairment losses.

New planting expenditure incurred on land clearing, upkeep of immature oil palms and interest incurred during the pre-maturity period (pre-cropping costs) is capitalised under planting development expenditure. Upon maturity, all subsequent maintenance expenditure is charged to revenue and the capitalised pre-cropping cost is amortised on a straight line basis over 25 years, the expected useful life of oil palms.

All replanting expenditure is also capitalised in plantation development expenditure and amortised on the above mentioned basis.

Leasehold land is depreciated over the period of the respective leases. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset over the estimated useful life at the following annual rates:

Buildings	5% - 20%
Furniture and office equipment	10% - 20%
Motor vehicles	20% - 25%
Plant, machinery and field equipment	10% - 25%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

Capital Work In Progress

Expenditure incurred on the construction/extension of buildings and the installation of plant and machinery is capitalised as capital work-in-progress until the buildings/plant are fully completed and operational.

(e) Inventories

Processed inventories comprising crude palm oil and palm kernel and nursery inventories, comprising seedlings remaining in nursery for eventual field planting, are valued at the lower of cost, determined on the weighted average basis, and net realisable value. Cost of processed inventories and nursery inventories includes cost of raw materials, direct labour and an appropriate proportion of fixed and variable production overheads.

Stores and spares are valued at the lower of cost of purchase, determined on the weighted average cost basis, and net realisable value.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(f) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand and at bank, and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdraft.

(g) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Prior to the adoption of MASB 25 Income Taxes on 1 January 2003, deferred tax was provided for using the liability method in respect of significant timing differences and deferred tax assets were not recognised unless there was reasonable expectation of their realisation. This change in accounting policy has been accounted for retrospectively and the effects of this change are disclosed in Note 28.

(h) Employee Benefits

Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group, except where they are directly attributable to immature plantation areas, in which case these expenses are capitalised in plantation development expenditure.

Defined Contribution Plans

As required by law, the Group make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred, or capitalised in plantation development expenditure, as appropriate.

(i) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from sale of goods

Revenue relating to sale of goods is recognised upon the transfer of risks and rewards.

(j) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(k) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Non-Current Investments

Non-current investments are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (j).

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(ii) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debt based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade Payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-Bearing Borrowings

Interest-bearing bank borrowings are recorded at the amount of proceeds received.

Borrowing costs directly attributable to plantation development expenditure are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Company's borrowings that are outstanding during the year.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. REVENUE

The revenue of the Group and the Company comprises sales of crude palm oil and palm kernel.

4. GAIN ON DISPOSAL OF AN ASSOCIATE

The gain on disposal of an associate is stated net of expenses which include real property gain tax of RM446,000.

5. PROFIT FROM OPERATIONS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
This is arrived at after crediting:				
Bad debts recovered	90	21	-	-
Dividend income	1	-	-	-
Gain on disposal of property, plant and equipment	16	-	19	127
Rental income from land and building	46	40	42	38
and after charging:				
Staff costs (Note 6)	16,734	11,947	13,805	11,729
Amortisation of goodwill	147	-	-	-
Audit fees	47	34	25	25
Depreciation (Note 12)	10,930	7,259	9,195	7,031
Inventories written off	1	-	-	-
Loss on disposal of property, plant and equipment	-	251	-	-
Loss on disposal of shares in subsidiaries	-	-	25	-
Non-Executive Directors' fees	247	147	172	114
Provision for doubtful debts	26	10	26	-
	-----	-----	-----	-----

6. STAFF COSTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Salaries and wages and other related expenses	21,138	15,624	13,224	11,723
EPF contributions	1,053	717	710	522
	-----	-----	-----	-----
	22,191	16,341	13,934	12,245
Less: Amount capitalised in plantation development expenditure	(5,457)	(4,394)	(129)	(516)
	-----	-----	-----	-----
	16,734	11,947	13,805	11,729
	-----	-----	-----	-----

Included in staff costs of the Group and of the Company are the Executive Director's remuneration amounting to RM345,000 (2002: Nil) and RM342,000 (2002: Nil) respectively as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Directors of the Company				
Executive:				
Salary	240	-	240	-
Bonus	87	-	87	-
Fees	17	-	14	-
Board of Director meeting fees	1	-	1	-
	-----	-----	-----	-----
	345	-	342	-
	-----	-----	-----	-----
Non-executive:				
Fees	226	147	151	114
Board of Director meeting fees	21	-	21	-
	-----	-----	-----	-----
	247	147	172	114
	-----	-----	-----	-----
	592	147	514	114
	-----	-----	-----	-----

The number of Directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2003	2002
Executive Directors:		
RM300,000 - RM350,000	1	-
Non-Executive Directors:		
Below RM50,000	8	9

8. FINANCE COSTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Interest expense	6,674	2,767	1,890	283
Interest income	(1,003)	(523)	(1,000)	(517)
	-----	-----	-----	-----
	5,671	2,244	890	(234)
Less: Amount capitalised in plantation development expenditure				
	(3,705)	(2,623)	-	(146)
	-----	-----	-----	-----
	1,966	(379)	890	(380)
	-----	-----	-----	-----

9. TAXATION

Based on profit for the year	10,855	3,200	10,855	3,200
Deferred tax relating to origination and reversal of temporary difference (Note 27)	(169)	1,401	400	1,600
(Over)/under provision in prior year	(258)	48	(258)	48
	-----	-----	-----	-----
	10,428	4,649	10,997	4,848
	-----	-----	-----	-----

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Profit before taxation	53,192	18,714	46,786	26,491
Taxation at Malaysian statutory tax rate of 28% (2002: 28%)	14,894	5,240	13,100	7,417
Expenses not deductible for tax purposes	197	536	94	384
Income not subject to tax	(4,558)	-	(2,091)	-
Tax incentives	(181)	(3,200)	(181)	(3,200)
Deferred tax assets of associate not recognised	-	1,826	-	-
Others	334	199	333	199
	10,686	4,601	11,255	4,800
(Over)/under provision in prior year	(258)	48	(258)	48
	10,428	4,649	10,997	4,848

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	2003 RM'000	2002 RM'000
Net profit for the year	43,045	14,204
Weighted average number of ordinary shares in issue	94,968	94,968
Basic earnings per share (sen)	45.3	15.0

The comparative basic earnings per share has been restated to take into account the effect of the change in accounting policy (Note 2 (a) and Note 28) on net profit for the year.

11. DIVIDEND

	Group 2003 RM'000	Company 2002 RM'000
Proposed dividend paid:		
First and final dividend of 5% (2002: 3%) less tax	3,419	2,051

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2003, of 5% less 28% taxation on 94,968,240 ordinary shares, amounting to a dividend payable of RM3,418,857 (3.6 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2004.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land and Plantation Development Expenditure RM'000	Buildings RM'000	Furniture and Office Equipment RM'000	Motor Vehicles RM'000	Plant, Machinery and Field Equipment RM'000	Total RM'000
GROUP						
Cost						
At 1.1.2003	199,943	38,541	2,623	5,790	48,633	295,530
Acquisition of subsidiary	144,937	1,078	103	593	2,500	149,211
Reclassification	-	7	4	-	(11)	-
Additions	35,964	2,648	414	2,595	4,917	46,538
Disposals	-	(20)	(50)	(75)	(1,173)	(1,318)
At 31.12.2003	380,844	42,254	3,094	8,903	54,866	489,961
Representing:						
At cost	320,257	35,376	3,094	8,903	54,866	422,496
At valuation- 1991	60,587	6,878	-	-	-	67,465
	380,844	42,254	3,094	8,903	54,866	489,961
Accumulated Depreciation						
At 1.1.2003	29,233	16,401	1,994	3,652	24,949	76,229
Acquisition of subsidiary	2,092	325	30	446	938	3,831
Reclassification	-	7	-	-	(7)	-
Charge for the year	4,547	2,538	164	1,074	4,452	12,775
Disposals	-	(18)	(43)	(30)	(694)	(785)
At 31.12.2003	35,872	19,253	2,145	5,142	29,638	92,050

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold Land and Plantation Development Expenditure RM'000	Buildings RM'000	Furniture and Office Equipment RM'000	Motor Vehicles RM'000	Plant, Machinery and Field Equipment RM'000	Total RM'000
GROUP						
Net Book Value						
At 31.12.2003	344,972	23,001	949	3,761	25,228	397,911
Capital work-in-progress At 1.1.2003						1,277
Acquisition of subsidiary						855
Add: Additions						3,842
Less: Transferred to property, plant and equipment						(3,684)
At 31.12.2003						2,290
						400,201
At 31.12.2002	170,710	22,140	629	2,138	23,684	219,301
Capital work-in-progress At 1.1.2002						2,380
Add: Additions						1,224
Less: Transferred to property, plant and equipment						(2,327)
At 31.12.2002						1,277
						220,578
Depreciation charge for 2002	3,248	1,880	147	777	2,693	8,745

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP

*Leasehold Land and Plantation Development Expenditure (Continued)

	Long Term Leasehold Land RM'000	Plantation Development Expenditure RM'000	Total RM'000
Cost			
At 1 January 2003	43,650	156,293	199,943
Acquisition of subsidiary	56,560	88,377	144,937
Additions	-	35,964	35,964
	-----	-----	-----
At 31 December 2003	100,210	280,634	380,844
	-----	-----	-----
Accumulated Depreciation			
At 1 January 2003	4,533	24,700	29,233
Acquisition of subsidiary	974	1,118	2,092
Charge for the year	620	3,927	4,547
	-----	-----	-----
At 31 December 2003	6,127	29,745	35,872
	-----	-----	-----
Net Book Value			
At 31 December 2003	94,083	250,889	344,972
	-----	-----	-----
At 31 December 2002	39,117	131,593	170,710
	-----	-----	-----
Depreciation charge for 2002	526	2,722	3,248
	-----	-----	-----

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold Land and Plantation Development Expenditure RM'000	Buildings RM'000	Furniture and Office Equipment RM'000	Motor Vehicles RM'000	Plant, Machinery and Field Equipment RM'000	Total RM'000
COMPANY						
Cost						
At 1.1.2003	99,058	35,818	2,362	4,881	44,583	186,702
Reclassification	-	(7)	4	-	3	-
Additions	3,140	1,337	211	1,972	2,271	8,931
Disposals	-	(20)	(47)	-	(804)	(871)
	-----	-----	-----	-----	-----	-----
At 31.12.2003	102,198	37,128	2,530	6,853	46,053	194,762
	-----	-----	-----	-----	-----	-----
Representing:						
At cost	41,611	30,250	2,530	6,853	46,053	127,297
At valuation - 1991	60,587	6,878	-	-	-	67,465
	-----	-----	-----	-----	-----	-----
	102,198	37,128	2,530	6,853	46,053	194,762
	-----	-----	-----	-----	-----	-----
Accumulated Depreciation						
At 1.1.2003	28,681	15,420	1,936	3,111	23,861	73,009
Charge for the year	3,011	1,837	124	804	3,626	9,402
Disposals	-	(18)	(41)	-	(629)	(688)
	-----	-----	-----	-----	-----	-----
At 31.12.2003	31,692	17,239	2,019	3,915	26,858	81,723
	-----	-----	-----	-----	-----	-----

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold Land and Plantation Development Expenditure RM'000	Buildings RM'000	Furniture and Office Equipment RM'000	Motor Vehicles RM'000	Plant, Machinery and Field Equipment RM'000	Total RM'000
COMPANY						
Net Book Value						
At 31.12.2003	70,506	19,889	511	2,938	19,195	113,039
	-----	-----	-----	-----	-----	
Capital work-in-progress						
At 1.1.2003						1,099
Add: Additions						1,779
Less: Transferred to property, plant and equipment						(2,353)

At 31.12.2003						525

						113,564

At 31.12.2002	70,377	20,398	426	1,770	20,722	113,693
	-----	-----	-----	-----	-----	
Capital work-in-progress						
At 1.1.2002						2,318
Add: Additions						1,047
Less: Transferred to property, plant and equipment						(2,266)

At 31.12.2002						1,099

						114,792

Depreciation charge for 2002	2,911	1,414	123	573	2,227	7,248
	-----	-----	-----	-----	-----	-----

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

*Leasehold Land and Plantation Development Expenditure

	Long Term Leasehold Land RM'000	Plantation Development Expenditure RM'000	Total RM'000
Cost			
At 1 January 2003	26,669	72,389	99,058
Additions	-	3,140	3,140
At 31 December 2003	26,669	75,529	102,198
Accumulated Depreciation			
At 1 January 2003	4,102	24,579	28,681
Charge for the year	310	2,701	3,011
At 31 December 2003	4,412	27,280	31,692
Net Book Value			
At 31 December 2003	22,257	48,249	70,506
At 31 December 2002	22,567	47,810	70,377
Depreciation charge for 2002	310	2,601	2,911

Current year changes to plantation development expenditure include:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Depreciation	1,845	1,486	207	217
Loan interest	3,705	2,623	-	146
Hire of heavy equipment	90	385	53	346
	=====	=====	=====	=====
	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Average rate of interest capitalised per annum	%	%	%	%
	4.62	7.36	-	5.34
	=====	=====	=====	=====

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation and amortisation charge for the year is allocated as follows:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Income statement (Note 5)	10,930	7,259	9,195	7,031
Plantation development expenditure	1,845	1,486	207	217
	-----	-----	-----	-----
	12,775	8,745	9,402	7,248
	-----	-----	-----	-----

Certain of the leasehold land and plantation development expenditure of the Group and the Company were revalued by a firm of professional valuers using the investment method of valuation for planted fields and the cost method of valuation for the other areas of the plantations. The valuation, as adjusted and approved by the Capital Issues Committee on 29 April 1991, was incorporated in the financial statements in 1991. Subsequent additions to property, plant and equipment are included at cost.

Had the revalued assets of the Group and the Company been carried at historical cost less accumulated depreciation or amortisation, the carrying amount of the assets concerned that would have been included in the financial statements at the end of the year would be as follows:

	Group	Company
	2003 RM'000	2002 RM'000
Long term leasehold land and Plantation development expenditure	17,262	18,260
	-----	-----

The leasehold land of the Group and the Company amounting to RM24,052,000 (2002: RM7,302,000) and RM6,622,000 (2002: Nil) respectively have been charged as security for borrowings as referred to in Note 22.

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2003 RM'000	2002 RM'000
Unquoted shares at cost	83,737	15,500
	-----	-----

13. INVESTMENT IN SUBSIDIARIES (Continued)

Acquisition of subsidiary:

On 23 June 2003, the Group acquired 85% equity interest in SOP Plantations (Borneo) Sdn. Bhd. (Formerly known as Shin Yang Oil Palm Sdn. Bhd.) for a cash consideration of RM63,600,000.

The Group also acquired the entire issued and paid-up cumulative preference shares of SOP Plantations (Borneo) Sdn. Bhd. (Formerly known as Shin Yang Oil Palm Sdn. Bhd.) for a purchase consideration of RM4,250,000.

The effect of the acquisition on the financial results of the Group from the date of acquisition to 31 December 2003 is as follows:

	2003 RM'000
Revenue	3,224
Operating cost	(3,806)

Net loss	(582)

The effect of the acquisition on the financial position of the Group as at 31 December 2003 is as follows:

	2003 RM'000
Property, plant and equipment	61,144
Plantation development expenditure	95,847
Other investment	49
Goodwill on consolidation	1,319
Inventories	2,403
Trade and other receivables	213
Cash and bank balances	7
Bank overdraft	(344)
Trade and other payables	(43,794)
Term loans	(35,408)
Deferred taxation	(2,764)
Minority interest	(11,171)

Group's share of net assets	67,501

13. INVESTMENT IN SUBSIDIARIES (Continued)

The fair value of the assets acquired and liabilities assumed from the acquisition of the subsidiary is as follows:

	23.6.2003 RM'000
Net Assets Acquired	
Property, plant and equipment	50,389
Plantation development expenditure	95,846
Other investment	49
Inventories	2,219
Trade and other receivables	195
Tax recoverable	1
Cash and bank balances	8
Trade and other payables	(29,544)
Bank overdraft	(4,737)
Hire purchase payables	(687)
Term loans	(32,712)
Preference shares	(4,250)
Deferred tax liabilities	(2,990)

Fair value of total net assets	73,787
Less: Minority interest	(11,068)

Group's share of net assets	62,719
Goodwill on acquisition (Note 17)	1,466

Total consideration	64,185

Net cash outflow arising on acquisitions:	
Total purchase consideration	63,600
Expenses directly attributable to the acquisition	585

Acquisition of preference shares in subsidiary	64,185
	4,250

	68,435
Less: Consideration payable	(25,600)

Add: Cash and cash equivalents of subsidiary acquired	42,835
	4,729

Net cash outflow on acquisition	47,564

13. INVESTMENT IN SUBSIDIARIES (Continued)

Details of the subsidiaries, all of which are incorporated in Malaysia, and their principal activities are shown as follows:

Name of subsidiaries	Equity Interest Held (%)		Principal activities
	2003	2002	
Ebal Plantation Sdn. Bhd.	50	50	Inactive
SOP Plantations (Balingian) Sdn. Bhd.*	80	80	Cultivation of oil palms
SOP Plantations (Niah) Sdn. Bhd.*	80	80	Cultivation of oil palms
SOP Plantations (Suai) Sdn. Bhd.*	85	85	Cultivation of oil palms
SOP Plantations (Sarawak) Sdn. Bhd.	100	-	Investment holding
SOP Plantations (Borneo) Sdn. Bhd. (Formerly Known As Shin Yang Oil Palm Sdn. Bhd.)	85	-	Cultivation of oil palms

* Audited by a firm of auditors other than Ernst & Young.

14. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Unquoted shares, at cost	-	13,320	-	13,320
Share of post acquisition losses	-	(8,835)	-	-
Amortisation of discount on acquisition	-	64	-	-
	-----	-----	-----	-----
	-	4,549	-	13,320
	-----	-----	-----	-----
Represented by:				
Group's share of net assets other than goodwill	-	4,805	-	-
Discount on acquisition less amortisation	-	(256)	-	-
	-----	-----	-----	-----
	-	4,549	-	-
	-----	-----	-----	-----

The discount on acquisition was amortised through the Group income statement over 10 years.

Details of the associate, which is incorporated in Malaysia, and its principal activities are shown as follows:

Name of Associate	Equity Interest Held (%)		Principal activities
	2003	2002	
Keresa Plantation Sdn. Bhd	-	45	Cultivation of rattan and oil palm

During the year, the Company disposed of its 45% equity interest in Keresa Plantation Sdn. Bhd. for a total cash consideration of RM21,300,000.

15 OTHER INVESTMENT

	Group	
	2003	2002
	RM'000	RM'000
Shares quoted in Malaysia, at cost	86	-
Less: Accumulated impairment losses	(37)	-
	-----	-----
	49	-
	-----	-----
Market value of quoted shares	50	-
	-----	-----

16. AMOUNTS DUE FROM SUBSIDIARIES

Included in the amounts due from subsidiaries are RM11,900,000 (2002: RM8,200,000), being advance which bears interest ranging from 4.40% - 4.75% (2002: 4.58% - 4.70%) per annum.

The amounts due from subsidiaries are unsecured and have no fixed terms of repayment.

17. GOODWILL ON CONSOLIDATION

	Group	
	2003	2002
	RM'000	RM'000
At 1 January	-	-
Arising from acquisition of subsidiary	1,466	-
	-----	-----
	1,466	-
Less: Accumulated amortisation	(147)	-
	-----	-----
At 31 December	1,319	-
	-----	-----

18. INVENTORIES

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
At cost:				
Processed inventories (crude palm oil and palm kernel)	2,871	1,023	2,871	1,023
Stores and spares	4,685	3,113	2,490	2,143
Nursery inventories	1,560	1,573	95	238
Compost plant	64	-	64	-
	-----	-----	-----	-----
	9,180	5,709	5,520	3,404
	-----	-----	-----	-----

19. TRADE RECEIVABLES

The Group's normal trade credit term is 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

20. OTHER RECEIVABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Sundry receivables	2,195	1,321	1,567	1,046
Less: Provision for bad and doubtful debts	(26)	-	(26)	-
	-----	-----	-----	-----
	2,169	1,321	1,541	1,046
Amount due from associate	-	5	-	5
Deposits	22	24	22	23
Prepayments	250	243	227	205
Tax recoverable	1	-	-	-
	-----	-----	-----	-----
	2,442	1,593	1,790	1,279
	-----	-----	-----	-----

Included in sundry receivables are unsecured amounts of RM198,000 (2002: RM374,000) and RM162,000 (2002: RM295,000) due from staff of the Group and the Company respectively. These amounts bear interest at 6.00% (2002: 6.00%) per annum and are repayable in accordance with agreed repayment schedules.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Fixed deposits with licensed banks	40,575	30,875	40,575	30,875
Cash on hand and at bank	4,117	1,770	3,631	1,104
	-----	-----	-----	-----
Cash and bank balances	44,692	32,645	44,206	31,979
Bank overdraft - secured (Note 22)	(344)	-	-	-
	-----	-----	-----	-----
	44,348	32,645	44,206	31,979
	-----	-----	-----	-----

The effective interest rates during the financial year and the maturities of deposits at the balance sheet date were as follows:

	Interest Rates		Maturities Days	
	2003 %	2002 %	2003	2002
Licensed banks	2.60 - 3.00	2.15 - 3.20	30 - 90	24 - 90

22. BORROWINGS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Short Term Borrowings				
Secured:				
Bank overdraft (Note 21)	344	-	-	-
Revolving credit	1,000	-	1,000	-
Term loans	4,350	-	350	-
	-----	-----	-----	-----
	5,694	-	1,350	-
	-----	-----	-----	-----
Unsecured:				
Revolving credits	14,900	11,600	14,900	11,600
Term loans	2,724	-	2,724	-
	-----	-----	-----	-----
	17,624	11,600	17,624	11,600
	-----	-----	-----	-----
	23,318	11,600	18,974	11,600
	-----	-----	-----	-----

22. BORROWINGS (Continued)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Long Term Borrowings				
Secured:				
Term loans	106,559	38,900	24,650	-
Unsecured:				
Term loans	14,076	12,000	14,076	12,000
	-----	-----	-----	-----
	120,635	50,900	38,726	12,000
	-----	-----	-----	-----
Total Borrowings				
Bank overdraft (Note 21)	344	-	-	-
Revolving credits	15,900	11,600	15,900	11,600
Term loans	127,709	50,900	41,800	12,000
	-----	-----	-----	-----
	143,953	62,500	57,700	23,600
	-----	-----	-----	-----
Maturity of borrowings:				
Within one year	23,318	11,600	18,974	11,600
More than 1 year and less than 2 years	15,273	1,944	9,648	1,944
More than 2 years and less than 5 years	83,987	33,306	29,078	10,056
5 years or more	21,375	15,650	-	-
	-----	-----	-----	-----
	143,953	62,500	57,700	23,600
	-----	-----	-----	-----

The effective interest rates at the balance sheet date for borrowings were as follows:

	Group		Company	
	2003 %	2002 %	2003 %	2002 %
Overdraft	7.25	-	-	-
Revolving credits	4.40-4.75	4.58-4.88	4.40-4.75	4.58-4.88
Term loans:				
fixed rates	5.85-6.75	-	5.85	-
floating rates	5.00-7.25	6.31-8.15	5.75	6.31

The bank borrowings are secured by the following:

- (a) A first registered charge (first party) of RM20,000,000 over the Company's properties described as Lot 135, 136 and 139 all of Suai Land District, Lot 52 Sawai Land District and Lot 3 Block 15 Sawai Land District;
- (b) A second registered charge (first party) of RM40,000,000 over the same properties as described in (a) above; and
- (c) A third registered charge (first party) of RM18,500,000 over the same properties as described in (a) above.

23. TRADE PAYABLES

The normal trade credit term granted to the Group range from 30 to 60 days.

Included in trade payables of the Group is an amount of RM5,396,000 (2002: Nil) due to companies in which a Director has substantial financial interests.

24. OTHER PAYABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current:				
Land premium payable	-	5,207	-	-
Retention sums payable to contractors	626	1,845	626	958
Staff remuneration payable	861	1,488	862	1,368
Deposit	63	-	63	-
Sundry payable and accruals	36,928	8,720	29,838	5,026
	-----	-----	-----	-----
	38,478	17,260	31,389	7,352
	-----	-----	-----	-----
Non-current:				
Land premium payable	1,413	-	-	-
Sundry payables and accruals	20,000	-	-	-
	-----	-----	-----	-----
	21,413	-	-	-
	-----	-----	-----	-----
	59,891	17,260	31,389	7,352
	-----	-----	-----	-----

Included in sundry payables of the Group and the Company are amounts of RM25,954,000 (2002: Nil) and RM25,600,000 (2002: Nil) respectively due to a company in which a Director has substantial financial interest.

The long term payable of the Group is an amount due to a company in which a Director of the Company has substantial interest. This amount bears interest at 5% per annum or at the prevailing commercial interest rate, whichever is lower and is unsecured. The loan is repayable by three annual instalments of RM6,700,000, RM6,700,000 and RM6,600,000 respectively commencing on 23 June 2005.

25. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Authorised	110,100	110,100	110,100	110,100
	-----	-----	-----	-----
Issued and fully paid	94,968	94,968	94,968	94,968
	-----	-----	-----	-----

26. RETAINED PROFITS

The Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained profits as at 31 December 2003.

27. DEFERRED TAX

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At 1 January	21,777	20,376	22,100	20,500
Acquisition of subsidiary	2,990	-	-	-
Recognised in the income statement (Note 9)	(169)	1,401	400	1,600
At 31 December	24,598	21,777	22,500	22,100
Presented after appropriate offsetting as follows:				
Deferred tax assets	(1,739)	(323)	-	-
Deferred tax liabilities	26,337	22,100	22,500	22,100
	24,598	21,777	22,500	22,100

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group:

	Revaluation of Leasehold Land RM'000	Accelerated Capital Allowances RM'000	Total RM'000
At 1 January 2003	3,478	39,451	42,929
Acquisition of subsidiary	3,837	13,960	17,797
Recognised in the income statement	(48)	10,946	10,898
At 31 December 2003	7,267	64,357	71,624

Deferred Tax Assets of the Group:

	Unabsorbed Losses RM'000	Unabsorbed Capital Allowances and Agriculture Allowances RM'000	Total RM'000
At 1 January 2003	4,027	17,125	21,152
Acquisition of subsidiary	4,584	10,223	14,807
Recognised in the income statement	2,267	8,800	11,067
At 31 December 2003	10,878	36,148	47,026

Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM'000	Total RM'000
At 1 January 2003	22,100	22,100
Recognised in the income statement	400	400
At 31 December 2003	22,500	22,500

28. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

(a) Changes in Accounting Policies

During the financial year, the Group applied three new MASB Standards and accordingly modified certain accounting policies. The changes in accounting policies which resulted in prior year adjustment is discussed below:

MASB 25: Income Taxes

Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future. In addition, the Group has commenced recognition of deferred tax assets for all deductible temporary differences, when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised. Previously, deferred tax assets were not recognised unless there was reasonable expectation of their realisation.

(b) Prior Year Adjustments

The change in accounting policy has been applied retrospectively and comparatives have been restated. The effects of changes in accounting policy are as follows:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Effects on retained earnings:				
At 1 January, as previously stated	69,297	60,010	79,486	62,594
Effects of adopting MASB 25	(7,076)	(9,942)	(7,346)	(10,046)
	-----	-----	-----	-----
At 1 January, as restated	62,221	50,068	72,140	52,548
	-----	-----	-----	-----
Effects on net profit for the year:				
Net profit before changes in accounting policies	42,476	11,338	35,789	18,943
Effects of adopting MASB 25	569	2,866	-	2,700
	-----	-----	-----	-----
Net profit for the year	43,045	14,204	35,789	21,643
	-----	-----	-----	-----
Effects on revaluation reserve:				
At 1 January, as previously stated	4,454	4,454	4,454	4,454
Effects of adopting MASB 25	(4,454)	(4,454)	(4,454)	(4,454)
	-----	-----	-----	-----
At 1 January, as restated	-	-	-	-
	-----	-----	-----	-----

Comparative amounts as at 31 December 2002 have been restated as follows:

	Previously Stated RM'000	Adjustments RM'000	Restated RM'000
Group			
Deferred tax assets	-	(323)	(323)
Deferred tax liabilities	10,300	11,800	22,100
Minority interest	2,765	53	2,818
Revaluation reserves	4,454	(4,454)	-
	-----	-----	-----
Company			
Deferred tax liabilities	10,300	11,800	22,100
Revaluation reserves	4,454	(4,454)	-
	-----	-----	-----

29. CAPITAL COMMITMENTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Capital expenditure:				
Approved and contracted for:				
Property, plant and equipment	6,092	2,141	2,624	1,833
Approved but not contracted for:				
Plantation development expenditure	33,883	34,803	1,611	3,560
Property, plant and equipment	22,227	14,126	11,522	9,487
	-----	-----	-----	-----
	62,202	51,070	15,757	14,880
	-----	-----	-----	-----

30. CONTINGENT LIABILITIES

	Company	
	2003 RM'000	2002 RM'000
Unsecured		
Corporate guarantees given to banks for credit facilities granted to: Subsidiaries	50,500	38,900
	-----	-----

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant transactions with subsidiaries

Purchase of fresh fruit bunches from subsidiaries	4,679	384
Sale of seedlings to subsidiaries	(72)	-
Non-trade transaction:		
Interest recharged to subsidiaries*	435	184
	-----	-----

* Interest on the revolving credits of RM11,900,000 (2002: RM8,200,000) obtained by the Company and on-lent to the subsidiaries is recharged to the latter.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
a) Transactions with companies owned substantially by a Director, Datuk Ling Chiong Ho				
Purchase of spare parts and consumables from Dai Lieng Trading Sdn. Bhd., Dai Lieng Machinery Sdn. Bhd., Hollystone Quarry Sdn. Bhd., Perkerjaan Piasau Konkerit Sdn. Bhd., Shin Yang Trading Sdn. Bhd., Shin Yang Services Sdn. Bhd., Shin Yang Sawmill Sdn. Bhd., Shin Yang Sdn. Bhd. and Scott and English Trading (Sarawak) Sdn. Bhd. (Formerly known as Harimau Teknik (Malaysia) Sdn. Bhd.)	6,924	1,214	1,995	1,172
Property, plant and equipment bought from Dai Lieng Trading Sdn. Bhd. and Piasau Slipway Sdn. Bhd.	912	729	237	337
Interest charged by Shin Yang Holding Sendirian Berhad	504	-	-	-
Purchase of fresh fruit bunches from SOP Plantations (Borneo) Sdn. Bhd. (Formerly Known As Shin Yang Oil Palm Sdn. Bhd.), Green Wood Estate Sdn. Bhd. and Jati Vista Sdn. Bhd.	1,870	548	1,870	548
	=====	=====	=====	=====
b) Transactions with companies owned substantially by a Director, Wong Ngie Yong				
Purchase of spare parts and consumables from Utama Parts Trading (Sarawak) Sdn. Bhd.	77	115	77	115
	=====	=====	=====	=====

The Directors are of the opinion that all the above transactions were entered into in the normal course of business and were established on terms and conditions that were not materially different from those obtainable in transactions with related parties.

32. OTHER SIGNIFICANT EVENTS

The subsidiary, SOP Plantations (Suai) Sdn. Bhd. had in 1998 accepted an offer of alienation of nine provisional land leases for oil palm plantation purpose comprising Lot 157, Suai Land District; Lots 931 and 932, Niah Land District; and Lots 73 to 78, Sawai Land District totalling 6,586 hectares.

Titles of five provisional land leases were issued during the year for Lot 157, Suai Land District; Lots 931 and 932, Niah Land District; and Lots 73 and 74, Sawai Land District. The titles of Lot 75 to Lot 78, Sawai Land District have yet to be issued due to land disputes and claims from local natives.

The subsidiary has developed an area of 1,102 hectares on the land not in dispute. A suit was filed by five individuals who claimed to have native customary rights over Lot 78, Sawai Land District, Sarawak, in which the Superintendent of Lands and Surveys, Sarawak, the State Government of Sarawak, and the Company, were named as defendants. The reliefs sought by the plaintiffs include a declaration that the plaintiffs have native customary rights over the land and an order to cancel the alienation of the said land. The pre-trial case management for the suit fixed for hearing on 12 August 2004.

33. COMPARATIVE FIGURES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except that certain comparative amounts have been adjusted as a result of changes in accounting policies as disclosed in Note 2(a) and Note 28.

In addition, RM27,904,000 in amounts due from subsidiaries has been reclassified from Non-Current Assets to Current Assets.

34. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt, as the Group had no substantial long-term interest-bearing assets as at 31 December 2003. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been placed in fixed deposits which yield better returns than cash at bank.

(c) Liquidity Risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

(d) Credit Risk

Credit risks are minimised and monitored via strictly limiting the Group's association to business partners with high credit worthiness. Trade receivables are monitored on an on-going basis through Group management reporting procedures. The Group has exposure to certain individual customers. However, this does not pose significant credit risk to the Group. The Group does not have any other major concentration of credit risk related to any financial instruments.

34. FINANCIAL INSTRUMENTS

(e) Fair Values

The fair values of financial assets which are not carried at fair values on the balance sheet of the Company as at 31 December 2003 are represented as follows:

		Carrying Amount	Fair Value
	Note	RM'000	RM'000
Financial Assets			
Amounts due from subsidiaries	16	68,192	*
	

* It is not practical to estimate the fair values of amounts due from subsidiaries due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) *Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings*

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) *Borrowings*

The fair value of borrowings is estimated by discounting the expected future cash flow using the current interest rates for liabilities with similar risk profiles. The current interest rates approximate the contractual interest rates.

35. FINANCIAL INFORMATION BY SEGMENT

No segmental analysis is presented as the Group is principally engaged in the oil palm industry in Malaysia.

Five Years Financial Record

	Group				
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
RESULTS					
Turnover	66,587	40,274	36,675	66,228	104,931
Profit before taxation	28,062	8,699	4,257	18,714	53,192
Profit after taxation	25,062	5,338	2,020	14,204	43,045
Total Shareholders' Fund	155,493	157,412	159,432	157,189	196,815
Total assets	194,854	198,329	216,053	268,632	462,646
Total borrowing	-	11,330	29,200	62,500	143,953
Issued & paid -up capital	94,968	94,968	94,968	94,968	94,968
Dividend (Net of tax)	3,419	3,419	3,419	2,051	3,419

FINANCIAL STATISTICS

Profit before taxation / turnover (%)	42.1	21.6	11.6	28.3	50.7
Gross Dividend (sen / share)	5.0	5.0	5.0	3.0	5.0
Net Earnings per share of RM 1 each (sen)	26.4	5.6	2.1	15.0	45.3
Net tangible assets of RM 1 each (RM)	1.64	1.65	1.68	1.66	2.07

Five Years Crop Record

PLANTED HECTARAGE, PRODUCTION AND PRODUCE PRICES

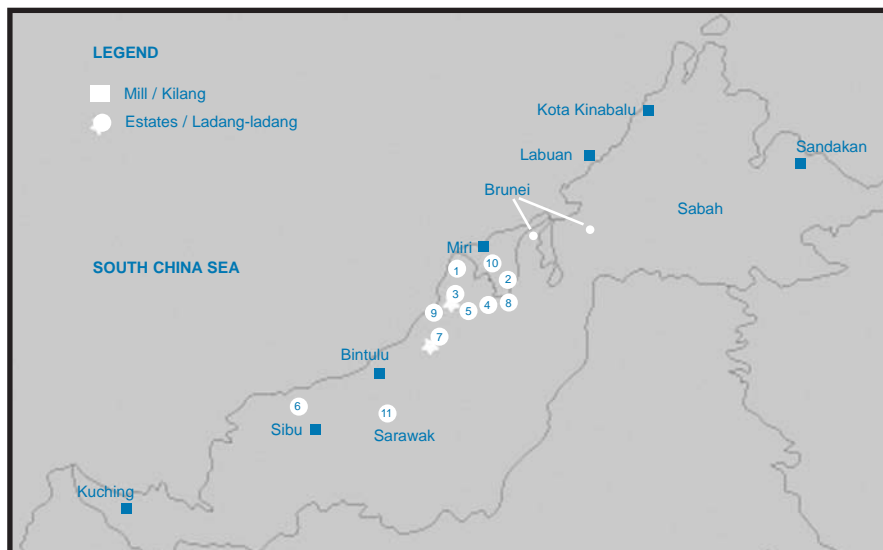
	1999	2000	2001	2002	2003
	Ha.	Ha.	Ha.	Ha	Ha
OIL PALMS					
Mature	8,743	8,552	8,453	8,896	13,842
Immature	2,169	3,499	7,056	8,573	13,575
Total	10,912	12,051	15,509	17,469	27,417
Reserves, Unplanted, Building sites, etc	15,538	14,399	10,941	8,981	12,921
Total Area Under Lease	26,450	26,450	26,450	26,450	40,338
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes
FFB CROP					
Estate Crop	176,871	169,732	175,491	187,889	236,591
Outside Crop	3,096	3,072	7,186	16,236	63,543
	179,967	172,804	182,677	204,125	300,134
Crude Palm Oil	40,275	37,995	39,032	44,986	64,507
Palm Kernels	9,436	9,567	10,185	11,068	14,361
YIELD PER HECTARE					
Tonnes FFB / Mature palms	20.23	19.85	20.76	21.12	20.28
Crude Palm Oil / FFB	22.38%	22.02%	21.40%	22.08%	21.94%
Palm Kernels / FFB	5.24%	5.55%	5.59%	5.43%	4.88%
AVERAGE PRICES					
FOB Bintulu / Miri					
Crude Palm Oil	1,320	906	823	1,327	1,494
Palm Kernels	922	548	377	610	707

Properties Of The Group

AS AT 31 DECEMBER 2003

Location of Property Sarawak	Tenure	Year of Expiry	Size Hectares	Description	Net Book Value As At 31 Dec 2003 (RM Million)	Age of Building (Years)
1. Kebuloh Estate, Miri	Leasehold 87 to 97 years	2067	1,841	Oil Palm Estate & Oil Mill	90,854	1 to 33
2. Luak Estate, Miri	Leasehold 87 to 97 years	2067	2,785	Oil Palm Estate		
3. Telabit Estate, Miri	Leasehold 99 years	2085	2,762	Oil Palm Estate		
4. Pinang Estate, Miri	Leasehold 99 years	2090	1,482	Oil Palm Estate		
5. Galasah Estate, Miri	Leasehold 99 years	2084	1,907	Oil Palm Estate & Oil Mill		
6. Balingian Estate 1, Balingian	Leasehold 60 years	2057	1,669	Oil Palm Estate	44,695	1 to 5
Balingian Estate 2, Balingian	Leasehold 60 years	2059	2,368	Oil Palm Estate		
7. Sengah Estate, Miri*	-	-	2,725	Land for Oil Palm Development	15,041	1 to 6
8. Lamaus Estate, Miri*	-	-	3,911	Land under Oil Palm Development		
9. Niah Estate, Miri	Leasehold 60 years	2059	5,000	Oil Palm Estate		
10. Taniku Estate, Miri	Leasehold 60 years	2058	4,858	Land under Oil Palm Development	77,141	1 to 5
11. Sepakau Estate, Belaga	Leasehold 60 years	2059	9,030	Land under Oil Palm Development		

*Pending for the issue of provisional lease.



Shareholdings statistics as at 06 May 2003

SHARE CAPITAL

Authorised	:	110,100,000 Ordinary Shares of RM1.00 each
Issued and Fully Paid	:	94,968,240 Ordinary Shares of RM1.00 each
Voting Rights	:	One Vote Per Share

BREAKDOWN OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 1,000	804	13.37	205,287	0.22
1,000 - 10,000	4,797	79.76	12,043,001	12.68
10,001 - 100,000	379	6.30	9,426,100	9.93
100,001 to less than 5% of issued shares	30	0.50	14,903,612	15.69
5% and above of issued shares	4	0.07	58,390,240	61.48
Total	6,014	100.00	94,968,240	100.00

Substantial Shareholders

	No. of Shares Held	% of Issued Capital
1. Shin Yang Plantation Sdn Bhd	25,451,582	26.80
2. Pelita Holdings Sdn Bhd	24,334,458	25.62
3. Perra Group Ltd	5,346,000	5.63
Total	53,430,440	56.26

Directors' Interests In Shares

Size of Holdings	Direct Interest		Deemed Interest	
	No. of shares	% of Issued capital	No. of shares	% of Issued capital
In the company				
Datuk Ling Chiong Ho	4,959,800	5.22	25,451,582	26.80
Datu Haji Hamzah Haji Drahan	5,000	*	-	-
Tang Tiong Ing	5,000	*	-	-
Fong Tshu Kwong @ Fong Tshun Kwong	10,000	0.01	-	-
Lai Yew Hock	10,000	0.01	-	-
In Subsidiary Companies				
SOP Plantations (Balingian) Sdn Bhd				
Datuk Ling Chiong Ho **	-	-	4,800,000	80
SOP Plantations (Niah) Sdn Bhd				
Datuk Ling Chiong Ho **	-	-	6,000,000	80
SOP Plantations (Suai) Sdn Bhd				
Datuk Ling Chiong Ho **	-	-	1,700,000	85

* negligible

** by virtue of his interest in the shares of Sarawak Oil Palms Berhad

Thirty Largest Shareholders

	Name	No. of	Shares %
1.	Pelita Holdings Sdn. Bhd.	24,334,458	25.62
2.	AMMB Nominees (Tempatan) Sdn. Bhd. AM International (L) Ltd for Shin Yang Plantation Sdn. Bhd.	23,749,982	25.01
3.	HSBC Nominees (Asing) Sdn. Bhd. HRBS SG for Perra Group Ltd	5,346,000	5.63
4.	Datuk Ling Chiong Ho	4,959,800	5.22
5.	Vision Classic Holdings Limited	2,137,900	2.25
6.	HSBC Nominees (Asing) Sdn. Bhd. HSBC Trustee SG Ltd for Millionasia Properties Ltd.	1,873,000	1.97
7.	Shin Yang Plantation Sdn Bhd	1,701,600	1.79
8.	HSBC Nominees (Tempatan) Sdn. Bhd.		
9.	HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak Pekan Megah Sdn. Bhd.	1,538,800	1.62
10.	Citicorp Nominees (Asing) Sdn. Bhd. MLPFS for Shea Kin Kwok	1,239,400	0.97
11.	Ki Yien Ping	439,000	0.46
12.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for UT Securities Sdn. Bhd.	437,000	0.46
13.	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for LSM Enterprises Sdn. Bhd.	422,000	0.44
14.	Menteri Kewangan Malaysia Section 29 (SICDA)	378,412	0.40
15.	Wong Ing Yung	321,000	0.34
16.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pheim Asset Management Sdn. Bhd. for Employees Provident Fund	310,000	0.33
17.	HLG Nominee (Asing) Sdn. Bhd UOB Kay Hian Pte Ltd for Quek Leng Chye	240,000	0.25
18.	Ling Pien Huoi @ Ling Beng Hui	236,800	0.25
19.	HDM Nominees (Asing) Sdn. Bhd. Kim Eng Ong Asia Securities Pte Ltd for Global Bridge Venture Ltd.	220,000	0.23
20.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Ing Kee (E-BTR)	200,000	0.21
21.	Eow Cheng Siew	199,400	0.21
22.	Adinamaju Sdn Bhd	193,100	0.20
23.	Ha Diong Ing	165,000	0.17
24.	Eng Nominees (Asing) Sdn Bhd Kim Eng Securities Pte Ltd for Tan How Nguang	160,000	0.17
25.	Lee Yoke Wan	150,000	0.16
26.	Ricojaya Sdn. Bhd.	150,000	0.16
27.	HSBC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for LHG Holdings Sdn. Bhd.	145,000	0.15
28.	Bee San Lim Sdn Bhd	145,000	0.15
29.	Amanah Saham Mara Berhad	134,000	0.14
30.	Ong Tatt Poh	130,000	0.14
		72,934,852	76.78

SARAWAK OIL PALMS BERHAD
(Company No. 7949-M)
(Incorporated in Malaysia)

No of ordinary shares held

PROXY FORM

I/We, _____
of _____
being a member/members of the above Company, hereby appoint * Chairman of the meeting or

of _____
or failing him _____
of _____

as *my/our proxy to attend and vote for * me/us and on * my/our behalf at the Thirty-Sixth Annual General Meeting of the Company, to be held at the Dynasty 2 (Level 2), Dynasty Hotel, Lot 683, Block 9, Jalan Pujut-Lutong, 98000 Miri Sarawak on the 25th day of June 2004 at 10.00 a.m. and, at every adjournment thereof. The proxy is to vote on the resolutions set out in the Notice of Annual General Meeting as indicated with an "X" in the appropriate spaces.

Resolution No.	For	Against
1. Adoption of Annual Accounts and Reports of the Directors and Auditors		
2. Declaration of Final Dividend.		
3. Approval of Directors' fees.		
4. Re-election of retiring directors:- Datu Haji Hamzah Bin Haji Drahman Gerald Rentap Jabu Jamil Bin Jamaludin		
5. Appointment of Auditors		
6. Proposed Increase in the Authorised Share Capital		
7. Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature		

(Please indicate with an "X" in the space provided above on how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his/her discretion)

Dated this _____ day of _____ 2004

Signature and/or Common Seal of Shareholders

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his instead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints more than one (1) proxy, the proportion of his shareholdings to be represented by each proxy must be specified in order for the appointments to be valid. Pursuant to paragraph 7.22 of the Listing Requirements of MSEC, where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. The instrument appointing a proxy or proxies shall be in writing (in the common and usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, the instrument appointing a proxy or proxies must be either under seal or under the hand of an office or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at either of the following offices not less than forty-eight (48) hours before the time appointed for the holding of the meeting:
 - a) The Office of the Share Registrars, Signet Share Registration Services Sdn. Bhd. at Level 26 Menara Multi-Purpose, Capital Square, No.8 Jalan Munshi Abdullah, 50100 Kuala Lumpur
 - b) The Registered Office of the Company at 41KM, Miri-Bintulu Road, 98000 Miri, Sarawak.

