

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2002

The figures have not been audited

### CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR TO	CORRESPONDING
	QUARTER	QUARTER	DATE	PERIOD
	30/06/02	30/06/01	30/06/02	30/06/01
	RM '000	RM '000	RM '000	RM '000
1. (a) Revenue	12,278	8,892	20,387	16,326
(b) Investment income				
(c) Other income	(34)	2,234	4	3,347
2. (a) Profit/(Loss) before finance cost depreciation & amortisation, exceptional items, income tax, minority interest and extraordinary items	5,283	4,439	8,914	7,952
(b) Finance Cost	(249)	(381)	(512)	(783)
(c) Depreciation and amortisation	(588)	(657)	(1,192)	(1,301)
(d) Exceptional items				
(e) Profit/(loss) before income tax, minority interests and extraordinary items	4,446	3,401	7,210	5,868
(f) Share of profits and losses of associated companies	(173)	1,517	(120)	677
(g) Profit/(loss) before income tax, minority interests and extraordinary items	<b>4,273</b>	<b>4,918</b>	<b>7,090</b>	<b>6,545</b>
(h) Income Tax	(666)	(643)	(1,407)	(1,648)
(i) (i) Profit/(loss) after income tax before deducting minority interests	<b>3,607</b>	<b>4,275</b>	<b>5,683</b>	<b>4,897</b>
(ii) Less Minority interests	(297)	(256)	(626)	(252)
(j) Pre-acquisition profit/(loss), if applicable				
(k) Net profit/(loss) from ordinary activities attributable to members of the company	<b>3,310</b>	<b>4,019</b>	<b>5,057</b>	<b>4,645</b>
(l) (i) Extraordinary items	-	-	-	-
(ii) Less Minority interest	-	-	-	-
(iii) Extraordinary items attributable to members of the company	-	-	-	-
(m) Net profit/(loss) attributable to members of the company	<b>3,310</b>	<b>4,019</b>	<b>5,057</b>	<b>4,645</b>
3. Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any: -				
(a) Basic (based on 61,600,000 ordinary shares) - (sen)	5.37	6.52	8.21	7.54
(b) Fully diluted (based on 61,600,000 ordinary shares) - (sen)	5.37	6.52	8.21	7.54
4. (a) Dividend per share (sen)	-	-	-	-
(b) Dividend Description	-	-	-	-

	<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
5. Net tangible assets per share (RM)	5.97	5.52

**CONSOLIDATED BALANCE SHEET**

	<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR-END</b>
	<b>30/06/02 RM '000</b>	<b>31/12/01 RM '000</b>
1. Property, Plant And Equipment	294,330	295,037
Breeding Stock	893	939
2. Investment Property	-	-
3. Investment in Associated Companies	34,195	34,343
Unquoted Investment	1,170	1,170
4. Long Term Investment	-	-
5. Goodwill on Consolidation	-	-
6. Intangible Assets	-	-
7. Other Long Term Assets	1,128	1,128
8. <b>Current Assets</b>		
Inventories	1,626	1,164
Trade Receivables	5,359	3,157
Short Term Investments	2,059	2,054
Cash	1,071	2,065
Other Debtors, Deposits and Prepayments	59,215	60,269
	<b>69,330</b>	<b>68,709</b>
9. <b>Current Liabilities</b>		
Trade Payables	3,041	2,410
Other Payables	1,772	5,006
Short Term Borrowings	9,570	11,793
Provision for Taxation	381	381
Proposed Dividend	-	-
Others	-	-
	<b>14,764</b>	<b>19,590</b>
10. Net Current Assets	<b>54,566</b>	<b>49,119</b>
	<b>386,282</b>	<b>381,736</b>
11. <b>Shareholders' Funds</b>		
Share Capital	61,600	61,600
Reserves		
- Share Premium	934	934
- Reserves On Consolidation	7	7
- Translation Reserves	-	-
- Revaluation Reserve	108,578	108,578
- Statutory Reserve	-	-
- Capital Reserves	27,684	27,730
- Retained Profit	169,021	141,462
- Others	-	-
12. Minority Interests	15,583	15,538
13. Long Term Borrowings	2,875	3,385
14. Other Long Term Liabilities- Prov. For Replanting Reserves	-	22,502
15. Deferred Taxation	-	-
	<b>386,282</b>	<b>381,736</b>
16. Net tangible assets per share (RM)	5.97	5.52

**Notes:****1) Accounting Policies**

The quarterly financial statements are in accordance with the accounting policies as stated in the annual financial statements of the Group for the year ended 31<sup>st</sup> December 2001 other than provision for replanting expenditure. In prior years, provision for replanting expenditure represents provision for replanting cost for the replanting of oil palm plantations and provided once the estate reaches 15 years of maturity. The quantum set aside each year is based on the replanting schedule of each estate at the estimated cost of replanting of RM5,870 per hectare and is charged against the income statement. All future replanting cost will be charged against this provision. During the current financial quarter, the basis was changed and replanting costs are charged to income statement as and when incurred, pursuant to the requirement of Malaysian Accounting Standards Board Standard 20: Provision, Contingent Liabilities and Contingent Assets. Following this change in accounting policy, the amounts for the current and comparative years are stated on the new basis and a prior year adjustment had been made. The change in accounting policy has the effect of increasing profit before taxation by RM810,437 for the Group in 2001. The effects relating to periods prior to 2002 of RM22,502,368 for the Group has been adjusted against the opening retained profits.

**2) Exceptional Items**

There were no exceptional items for the period ended 30<sup>th</sup> June 2002.

**3) Extraordinary Item**

There were no extraordinary items for the period ended 30<sup>th</sup> June 2002.

**4) Taxation**

	<b>Current Quarter (RM'000)</b>	<b>Months ended 30<sup>th</sup> June 2002 (RM'000)</b>
<b>Income tax</b>		
- Current Year	691	1,379
- Prior Year	-	-
Deferred Tax	-	-
Share of Tax of Ass. Co	(25)	28
	<b>666</b>	<b>1,407</b>

The provision for taxation for year 2002 is based on the estimated profits of the company in line with the current year tax assessment.

**5) Sale of Investment and/or Properties**

There were no sales of investment and/or properties for the period ended 30<sup>th</sup> June 2002.

**6) Purchase or Disposal of Quoted Securities**

There were no purchases or disposals of quoted securities for the period ended 30<sup>th</sup> June 2002.

**7) Changes in the Composition of the Group**

There were no changes in the composition of the Group for the period under review.

**8) Corporate Developments**

No corporate development for the period under review.

**9) Issuance or Repayment of Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 30<sup>th</sup> June 2002.

**10) Group Borrowings and Debt Securities**

The Group borrowings consist of the followings:

	<b>As at end of current Quarter 31/06/02 RM '000</b>	<b>As at Preceding financial year-end 31/12/01 RM '000</b>	<b>Secured/Unsecured</b>
Bank Overdraft	2,450	5,023	Negative Pledge
Revolving Credit	6,100	5,750	Negative Pledge
<b><u>Long Term Loan:</u></b>			
Short Term	1,020	1,020	Negative Pledge
Long Term	2,875	3,385	Negative Pledge
	<b>12,445</b>	<b>15,178</b>	

**11) Contingent Liabilities**

There were no contingent liabilities as at the date of this announcement.

**12) Financial Instruments**

No financial instruments with off balance sheet risk at the date of this quarterly report.

### 13) Material Litigation

Followings are the pending material litigations of the Company:

**(i) Kuantan High Court Suit No. 22-92-2001**

**Far East Holdings Berhad –vs-**

**(1) Perbadanan Kemajuan Negeri Pahang**

**(2) Pascorp Holdings Sdn Bhd**

**(ii) Kuantan High Court Suit No. 22-9-2002**

**Far East Holdings Berhad –vs-**

**(1) Perbadanan Kemajuan Negeri Pahang**

**(2) PT Berkas Sawit Sentosa**

**(iii) Kuantan High Court Civil Suit No. 21-4-2001**

**Kerajaan Malaysia[Inland Revenue Board-Plaintiff] –vs-**

**Far East Holdings Berhad**

### 14) Segmental Reporting

No segmental reporting has been prepared as the group activities are predominantly in plantation activity which is mainly carried out in Malaysia.

### 15) Comparison with Preceding Quarter's Results

	<b>Current Quarter 30.06.2002 RM'000</b>	<b>Preceding Quarter 31.03.2002 RM'000</b>
Revenue	12,278	8,109
Consolidated Profit before taxation	4,273	2,817
Consolidated Profit after taxation	3,607	2,076

Higher profit before taxation for the current quarter 2002 as compared to the first quarter 2002 were due to:-

- (i) higher crop production by 12,613 mt
- (ii) higher average CPO prices

## 16) Review of Performance

	<b>Current Year Quarter 30.06.2002 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.06.2001 RM'000</b>
Revenue	12,278	8,892
Consolidated Profit before taxation	4,273	4,918
Consolidated Profit after taxation	3,607	4,275

Higher revenue for the current quarter was mainly due high oil palm prices.

	<b>Current Year To Date 30.06.2002 RM'000</b>	<b>Preceding Year Corresponding Period 30.06.2001 RM'000</b>
Revenue	20,387	16,326
Consolidated Profit before taxation	7,090	6,545
Consolidated Profit after taxation	5,683	4,897

The Group's profit before tax increased by 8% (RM0.54 million) as compared to the period of 2001. The increase in the profit as compared to the same period of 2001 is due to high oil palm prices.

The company recorded a FFB[“Fresh Fruit Bunches’] production of 96,244 mt as compared to 142,125 mt to the period of 2001. Lower FFB production is due to replanting done covering 1,881 hectares.

## 17) Subsequent Material Events

No subsequent material events at the date of this quarterly report.

## 18) Seasonal or Cyclical Factors

The profitability of the business operations of the Group is driven to a large extent by CPO (Crude Palm Oil) prices. CPO prices are governed by the forces of world supply and demand for the commodity. Determinants of supply and demand such as abnormal weather patterns, changes in import/export policies of major producing and importing countries, trade sanctions imposed, threat from major substitute oils are not always predictable.

Higher average CPO price of RM1,212 for the period of 2002 as compared to average price of RM755 in 2001 has resulted in higher revenue despite lower crop production.

**19) Current Year Prospects**

The oil palm prices increased in current year and should the price of CPO continue to increase; the performance of the group for the year 2002 is expected to be better than the year 2001.

**20) Variance from Profit Forecast and Profit Guarantee**

No forecast profit/ profit guarantee was made or issued during the period under review.

**21) Dividend**

No dividend declared for the period under review (Quarterly 2001: Nil).

**BY ORDER OF THE BOARD  
FAR EAST HOLDINGS BERHAD**

**PN. ASMIN YAHYA**  
Company Secretary MIA 10161

**PN. NOORANISAH SABARUDIN**  
Company Secretary LS008153