

FAR EAST HOLDINGS BERHAD

Condensed Consolidated Balance Sheet

	As at 30-Sep-02 RM'000	As at 31-Dec-01 RM'000
Non Current Assets		
Property, plant and equipment	294,297	295,037
Long Term Assets	1,128	1,128
Associated Companies	33,692	34,343
Other Investments	1,170	1,170
Breeding Stocks	918	939
	331,205	332,617
Current Assets		
Inventories	1,502	1,164
Trade Receivables	6,818	3,157
Bank Balances, Deposits and Cash	5,839	4,119
Other Debtors and Prepayments	59,520	60,269
	73,679	68,709
Less: Current Liabilities		
Payables	3,709	7,416
Tax Liabilities	381	381
Short Term Borrowings	6,921	11,793
	11,011	19,590
Net Current Assets	62,668	49,119
	393,873	381,736
Capital and Reserves		
Share Capital	62,258	61,600
Reserves	311,872	278,711
Shareholders' Equity	374,130	340,311
Minority Interest	17,123	15,538
	391,253	355,849
Long Term Loan	2,620	3,385
Replanting Reserve	-	22,502
	393,873	381,736

Note : The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2001.

FAR EAST HOLDINGS BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 mths ended 30-Sep-02 RM'000	9 mths ended 30-Sep-02 RM'000	3 mths ended 30-Sep-01 RM'000	9 mths ended 30-Sep-01 RM'000
Revenue	19,410	39,796	14,564	30,890
Other operating income	34	38	13	87
Staff cost	(1,428)	(2,910)	(1,145)	(2,383)
Depreciation	(387)	(1,555)	(511)	(1,810)
Upkeep and cultivation	(1,465)	(5,303)	(2,842)	(4,745)
Harvesting	(2,473)	(5,566)	(2,742)	(7,440)
Estate general charges	(583)	(1,690)	(684)	(1,928)
Other operating expenses	(1,950)	(4,483)	(1,678)	(4,399)
Profit from operations	11,158	18,327	4,975	8,272
Finance (cost) / income, net	(185)	(144)	(3,510)	(939)
Share of result of associated companies	582	462	126	803
Profit before taxation	11,555	18,645	1,591	8,136
Taxation	(3,441)	(4,848)	(615)	(2,263)
Profit after taxation	8,114	13,797	976	5,873
Minority interest	(959)	(1,585)	(519)	(771)
Net profit attributable to shareholders	7,155	12,212	457	5,102
Earnings per share (sen)				
Basic	11.60	19.80	0.74	8.28
Diluted	11.42	19.64		

Note : The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2001.

FAR EAST HOLDINGS BERHAD

Condensed Consolidated Statement of Changes in Equity

	<u>Non-distributable</u>			<u>Distributable</u>	Total RM'000
	Share capital RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Retained earnings RM'000	
Balance as at 1 January 2002 :					
- as previously reported	61,600	934	136,315	141,462	340,311
- prior year adjustment				22,502	22,502
- as restated	61,600	934	136,315	163,964	362,813
Net profit for the 9-month period				12,212	12,212
Dividend paid for the year ended 31/12/2001				(2,217)	(2,217)
Breeding Stock Movement			(20)		(20)
Employee Share Option Scheme Exercised	658	684			1,342
Balance as at 30 September 2002	62,258	1,618	136,295	173,959	374,130

Note:

Consolidated Statement of Changes in Equity for the preceeding year corresponding period ended 30 September 2001 is not presented as this is the first year of implementation and the information is not readily available.

Note : The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2001.

FAR EAST HOLDINGS BERHAD

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 September, 2002

	RM'000
Net cash inflow from operating activities	9,225
Net cash outflow from investing activities	(995)
Net cash outflow from financing activities	(1,877)
Net increase in cash and cash equivalents	<u>6,353</u>
Cash and cash equivalent at 1 January, 2002	(903)
Cash and cash equivalent at 30 September, 2002	<u><u>5,450</u></u>

Cash and cash equivalent comprise :

Cash bank balances and deposits	5,839
Bank overdrafts	(389)
	<u><u>5,450</u></u>

Note:

Consolidated Statement of Changes in Equity for the preceeding year corresponding period ended 30 September 2001 is not presented as this is the first year of implementation and the information is not readily available.

Note : The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2001.

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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A1. BASIS OF PREPARATION

The quarterly financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual audited accounts for the financial year ended 31 December 2002 [*other than provision for replanting expenditure as explained below*] and also in accordance with MASB 26, Interim Financial Reporting.

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.

A2. DISCLOSURE ON QUALIFICATION OF AUDIT REPORT

The audit report of the Group's preceding annual financial statements was not qualified.

A3. SEASONALITY OR CYCLICALITY

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 RM1,286 for the period of 2002 as compared to average price of RM859 in 2001 has resulted in higher revenue despite lower crop production.

A4. UNUSUAL ITEM AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income, or cash flows which are unusual because of their nature, size, or incidence in the current interim period ended 30 September 2002.

A5. MATERIAL CHANGES IN ESTIMATES

Not Applicable.

A6. ISSUANCE, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OR DEBTS AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current interim period ended 30 September 2002.

A7. DIVIDEND PAID

	Current Year Quarter 30.09.2002 RM'000	Preceding Year Quarter 30.09.2001 RM'000
Ordinary: Final dividend paid – 5 sen less 28% income tax	2,217	2,016

A8. SEGMENTAL REPORTING

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

A9. PROPERTY PLANT AND EQUIPMENT

The valuation of long term leasehold land, matured and immature plantations have been brought forward, without amendment from the previous annual report.

A10. MATERIAL EVENTS SUBSEQUENT TO THE QUARTERLY PERIOD

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

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarterly period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Group does not have any contingent liabilities or contingent assets for the period under review.

PART B – EXPLANATORY NOTES OF KLSE REVISED LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Group's revenue and profit before tax for the current quarter and financial period ended 30 September 2002 has increased as compared to the previous corresponding period in 2001.

For the current quarter and financial period ended 30 September 2002, the Group's revenue recorded a significant increase of RM4.58 million to RM19.14 million and RM8.9 million to RM39.8 million respectively as compared to current quarter 30 September 2001 and financial period ended 30 September 2001.

	Current Year Quarter 30.09.2002 RM'000	Preceding Year Corresponding Quarter 30.09.2001 RM'000
Revenue	19,140	14,564
Consolidated Profit before taxation	11,555	1,591
Consolidated Profit after taxation	8,114	976

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

	Current Year To Date 30.09.2002 RM'000	Preceding Year Corresponding Period 30.09.2001 RM'000
Revenue	39,796	30,890
Consolidated Profit before taxation	18,645	8,136
Consolidated Profit after taxation	13,797	5,873

The Group's profit after tax increased by 135% (RM7.92 million) as compared to the corresponding period of 2001. The increase in the profit as compared to the same period of 2001 is due to higher palm oil prices.

The company recorded an FFB ["Fresh Fruit Bunches"] production of 173,578 mt as compared to 224,609 mt for the period of 2001. Lower

FFB production is due to replanting activities covering 1,881 hectares and biological palms stress after a high production last year which seemed to be an industry's norm.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

For the third quarter ended 30 September 2002, the Group recorded profit before tax of RM11.6 million as compared to RM4.3 million in the preceding quarter ended 30 June 2002. The increase of RM7.3 million was mainly due to higher CPO prices average in addition to increase in fresh fruit bunches production by 22,927 metric tonne.

B3. CURRENT YEAR PROSPECTS

The group is expected to achieve better result than last year given the expectation that CPO price would remain at current level.

B4. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

Not applicable as there were no profit forecast and profit guarantee published.

B5. TAXATION

RM'000	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.09.2002	Preceding Year Quarter 30.9.2001	Current Year To Date 30.09.2002	Preceding Year To Date 30.09.2001
<u>Income Tax:</u>				
Current Tax Charge	2,728	540	4,107	1,943
Under provision in prior year	553	-	553	-
Share of tax of Associate Co.	160	75	188	320
	3,441	615	4,848	2,263

The Group effective tax rate for the current quarter ended 30 September 2002 is lower than the statutory tax as the provision for

taxation is based on the estimated profits of the group in line with the current year tax assessment.

B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties for the current quarter and financial year to date.

B7. QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the period ended 30 September 2002.

B8. STATUS OF CORPORATE PROPOSALS

There was no corporate proposal as at the date of this announcement.

B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the followings:

	As at end of current Quarter 30/09/02 RM '000	As at Preceding financial year- end 31/12/01 RM '000	Security
<u>Short Term:</u>			
Short term loan	1,020	1,020	Negative Pledge
Bank Overdraft	388	5,023	Negative Pledge
Revolving Credit	5,513	5,750	Negative Pledge
<u>Long Term Loan:</u>			
Long Term	2,620	3,385	Negative Pledge
	9,541	15,178	

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the financial to date, the group did not enter into any contracts involving off balance sheet instruments.

B11. STATUS OF THE MATERIAL LITIGATIONS

Followings are the status of 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

The Learned Judge has postponed the decision of the appeal made by Far East Holdings Berhad from 27 November 2002 to 17 December 2002.

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

Far East Holdings Berhad –vs-

(1) Perbadanan Kemajuan Negeri Pahang

(2) PT Berkat Sawit Sentosa

The Court has granted a summary judgment in favour of FEHB on 16th September 2002. The defendant has filed an appeal on which the Court has fixed a hearing on 16 January 2003.

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

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

Far East Holdings Berhad

Enclosure 12 (0.14 Application for Summary Judgment) was dismissed with costs to be paid by Plaintiff to defendant. The costs are to be taxed before the Senior Assistant Registrar.

Further, with regards to Enclosure 14, (the Plaintiff's application to amend their settlement of claim) was allowed with costs to be borne by the Plaintiff).

**(iv) Kuantan High Court Civil Suit No. 22-30-2002
Haji Said dan Anak-Anak Sdn. Bhd [Plaintiff] –vs-
Ladang Sungai Gayung [Madah Perkasa Sdn. Bhd]**

The application to set aside the Writ of Summons filed by the Plaintiff (Haji Said dan Anak-Anak) against Ladang Sungai Gayung (Madah Perkasa Sdn. Bhd) had been set aside by court with costs.

B12. DIVIDEND

The company has declared a five(5) sen interim dividend less 28% income tax for the period ended 30 September 2002 (No interim dividend paid for the quarterly period ended 30 September 2001).

NOTICE IS HEREBY GIVEN that an interim dividend of five(5) sen less 28% income tax will be payable on **24 January 2003** to depositors registered in the Records of Depositors at the close of business on **26 December 2002**. A Depositor shall qualify for entitlement to the dividends only in respect of:

- (a) Shares transferred into Depositor's Securities Account before 12.30 p.m. on 26 December 2002 in respect of ordinary transfer; and
- (b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

B13. EARNINGS PER SHARE

Earnings per share is calculated based on the following:

	Current Quarter Ended 30.09.2002	9 Months Cumulative To Date 30.9.2002	Current Quarter Ended 30.09.2001	9 Months Cumulative To Date 30.09.2001
<u>Basic earnings per share:</u>				
Net Profit Attributable to Shareholders (RM'000)	7,155	12,212	457	5,102
Weighted average no. of Ordinary shares in issue ('000)	61,664	61,664	61,600	61,600
Basic earning per share (sen)	11.60	19.80	0.74	8.28
<u>Diluted earnings per share:</u>				
Net Profit Attributable to Shareholders (RM'000)	7,155	12,212		
Weighted average no. of Ordinary shares in issue ('000)	61,664	61,664		
Adjustment for share option ('000)	978	516		
Weighted average no. of ordinary shares for diluted earning per share ('000)	62,642	62,180		
Diluted per share (sen)	11.42	19.64		

Note:

Diluted earnings per share is not presented for year 2001 as there were no dilutive potential ordinary share.