

**FAR EAST HOLDINGS BERHAD  
QUARTERLY REPORT**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD  
ENDED 31 DECEMBER 1999.**

The figures have not been audited

**CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/12/99	31/12/98	31/12/99	31/12/98
	RM '000	RM '000	RM '000	RM '000
1. (a) Turnover	17,916	N/A	71,363	88,489
(b) Investment income	-	-	-	-
(c) Other income including interest income	90	N/A	314	692
2. (a) Operating profit before interest on borrowings, depreciation & amortisation, exceptional items, income tax, minority interests and extraordinary items	8,651	N/A	35,050	56,022
(b) Interest on borrowings	(125)	N/A	(795)	(940)
(c) Depreciation and amortisation	(776)	N/A	(3,348)	(3,119)
(d) Exceptional items	(3,418)	N/A	(3,418)	-
(e) Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	4,332	N/A	27,489	51,963
(f) Share in the results of associated companies	4,483	N/A	4,483	4,055
(g) Profit/(loss) before taxation, minority interests and extraordinary items	8,815	N/A	31,972	56,018
(h) Taxation	434	N/A	434	(15,030)
(i) (i) Profit/(loss) after taxation before deducting minority interest	9,249	N/A	32,406	40,988
(ii) Less minority interests	(1,604)	-	(1,506)	(689)
(j) Profit/(loss) after taxation attributable to members of the Company	7,645	N/A	30,900	40,299
(k) (i) Extraordinary items	-	-	-	-
(ii) Less minority interest	-	-	-	-
(iii) Extraordinary items attributable to members of the company	-	-	-	-
(l) Profit/(loss) after taxation and	7,645	N/A	30,900	40,299

	extraordinary items attributable to members of the company				
3.	(a) Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any :-	-	-	-	-
	(i) Basic (based on 1999: 56,000,000 (1998: 56,000,000) ordinary shares) - sen	13.65	N/A	55.18	71.96
	(iii) Fully diluted (based on 1999: 56,000,000 (1998: 56,000,000) ordinary shares) - sen	-	-	-	-

## CONSOLIDATED BALANCE SHEET

	As at end of current Quarter 31/12/99 RM '000	As at Preceding financial year-end 31/12/98 RM '000
1. Fixed Assets	228,767	199,999
2. Investment in Associated Companies	29,427	20,035
Unquoted Investment	1,170	1,170
3. Long Term Investment	-	-
4. Intangible Assets	273	13
5. Current Assets		
Stocks	1,879	506
Trade Debtors	5,745	6,763
Short Term Investments	3,926	11,547
Cash	4,712	7,857
Other Debtors, Deposits and Prepayments	46,321	24,211
	<hr/> 62,583	<hr/> 50,884
6. Current Liabilities		
Short Term Borrowings	15,772	5,270
Trade Creditors	2,489	2,127
Other Creditors	11,112	2,871
Provision for Taxation	5,596	14,725
Dividend Payable	4,032	4,032
	<hr/> 39,001	<hr/> 29,025
7. Net Current Assets	<hr/> 23,582	<hr/> 21,859
	<hr/> <b>283,219</b>	<hr/> <b>243,076</b>
8. Shareholders' Funds		
Share Capital	56,000	56,000
Reserves		
Share Premium	934	934
Reserves	59,352	59,509
Retained Profit	126,829	101,977
9. Minority Interests	17,348	-
10. Long Term Borrowings	-	5,000
11. Other Long Term Liabilities- Prov. For Replanting Reserves	22,756	19,656
	<hr/> <b>283,219</b>	<hr/> <b>243,076</b>
12. Net tangible assets per share (sen)	434	390

### Notes:

### 1. Accounting Policies

The quarterly financial statement have been prepared based on accounting policies and methods of computation consistent with those adopted in the 31 December 1998 Audited Accounts.

### 2. Exceptional Items, Extraordinary Items and Pre-Acquisition Profits

During the period under review, FEHB interest in its subsidiary, Kampung Aur Oil Palm Company (Sdn) Berhad (KAOP) has been reduced from 100% to 83% arising from KAOP acquiring a land by way of issuing its shares to a third party, Majlis Ugama Islam Pahang pursuant to joint venture agreement dated on the 16<sup>th</sup> January 1992. A loss on deemed disposal was incurred for the above transaction and shown as exceptional items in the accounts.

There were no extraordinary items nor pre-acquisition profits for the current financial period to date.

### 3. Taxation

	Individual Period		Cumulative Period	
	31.12.99 RM '000	31.12.98 RM '000	31.12.99 RM '000	31.12.98 RM '000
Malaysian taxation				
Income tax				
-Current Year	-	N/A	-	15,545
-Prior Year	(393)	N/A	(393)	(1,130)
Deferred Tax	-	N/A	-	(190)
Share of Tax of Ass. Co	(41)	N/A	(41)	805
	<b>(434)</b>	N/A	<b>(434)</b>	<b>15,030</b>

There is no tax charge for the current financial year as the amount payable is waived in accordance with the Income Tax (Amendment) Bill 1999.

### 4. Sale of Investment and/or Properties

There were no sale of investment and/or properties during the quarterly period under review.

### 5. Quoted Investments

There were no purchases or sales of quoted securities for the current financial period to date.

## **6. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarterly report under review.

## **7. Corporate Developments**

7.1 The Board of Directors of FEHB has extended the call option period for another six (6) months in relation to the proposed acquisition :-

- (a) Agriculture land at Title No. H.S.(D) 9723 Lot No. PT 940 Mukim Ulu Kuantan, Pahang measuring 874.8 hectares (“Mukim Ulu Kuantan”); and
- (b) Institutional land located at Sector III, Bandar Indera Mahkota, Kuantan, measuring in area approximately 14.59 hectares (“Bandar Indera Mahkota Land”)

## **8. 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.

Lower average (Jan – Dec) commodity price of RM1,461 in 1999 as compared to average price (Jan – Dec) of RM2,372 has resulted in lower profits before tax by 43% (RM24.05 million) as compared to the same period of 1998.

## **9. Changes in the Share Capital**

There were no issuance and repayment of equity securities nor any movement in share capital for the current financial period to date.

## **10. Group Borrowings and Debt Securities**

The Group borrowings consist of the followings:

	As at end of current Quarter 31/12/99 RM '000	As at Preceding financial year-end 31/12/98 RM '000	Secured/Unsecured
<b>Short Borrowings:</b>			
Bank Overdraft (I)	10,772	-	Not Secured
Bank Overdraft (II)	-	109	Secured Against Directors Guarantee And Placement of Fixed Deposits
Term Loan (I)	5,000	5,000	Secured Against Plantation Land
Term Loan (II)	-	161	Secured Against Directors Guarantee And Placement of Fixed Deposits
	<b>15,772</b>	<b>5,270</b>	
<b>Long Term Borrowings</b>	-	<b>5,000</b>	Secured Against Plantation Land

#### 11. Contingent Liabilities and Litigation

There were no contingent liabilities nor material litigation pending at the date of this report.

#### 12. Off Balance Sheet Financial Instruments

No off balance sheet financial instruments were utilised for the current financial period to date.

#### 13. Segment Reporting

No segmental analysis is prepared as the Group is primarily engaged in the oil palm plantations.

#### 14. Comparison with Preceding Quarter's Report

This note is not applicable as this is the first quarterly report issued for the quarterly period ended 31 December 1999.

**15. Review of Performance**

The Group's profit before tax decreased by 43% (from RM56.02 million to RM31.97 million) as compared to the same period of 1998. The crop production for the period under review increased by 32% that is 267,034mt as compared to 202,920 mt in 1998. The decrease in the profit is mainly due to lower commodity prices during the period with the average price of crude palm oil recorded at RM1,461 per mt compared to RM2,372 achieved in the same period of 1998.

**16. Current Year Performance**

Plantation profit for 2000 is expected to be lower than 1999 in anticipation of lower average commodity price and also due to replanting programmes covering 837 hectares expected to be done in year 2000.

**17. Dividend**

The Board of Directors has proposed a final dividend of 10% less 28% Malaysian Income Tax in respect of financial year ended 31 December 1999 amounting to RM4,032,000 (net of tax). An interim dividend of 5% less 28% Malaysian Income Tax had been declared and the payment was made in November 1999. (1998: 10% final dividend less 28% Malaysian Income Tax and interim dividend declared was 5% less 28% Malaysian Income Tax). The payment of the final dividend will be announced at a later date.

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

**MOHD LIZAH HASHIM.,AMCCS**  
Company Secretary LS 00177

Date: 25 February 2000