

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2000.

The figures have not been audited

### CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/00 RM '000	Preceding Year Corresponding Quarter 31/12/99 RM '000	Current Year To Date 31/12/00 RM '000	Preceding Year Corresponding Period 31/12/99 RM '000
1. (a) Turnover	11,590	17,004	45,502	67,050
(b) Investment income	-	-	-	-
(c) Other income including interest income	1,042	90	4,554	761
2. (a) Operating profit before interest on borrowings, depreciation & amortisation, exceptional items, income tax, minority interests and extraordinary items	1,511	8,938	16,507	39,299
(b) Interest on borrowings	(675)	(374)	(2,300)	(1,693)
(c) Depreciation and amortisation	(788)	(1,015)	(3,036)	(3,193)
(d) Exceptional items	-	-	-	(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	48	7,549	11,171	30,995
(f) Share in the results of associated companies	2,103	3,875	2,572	5,219
(g) Profit/(loss) before taxation, minority interests and extraordinary items	2,151	11,424	13,743	36,214
(h) Taxation	755	434	(3,864)	434
(i) (i) Profit/(loss) after taxation before deducting minority interest	2,906	11,858	9,879	36,648
(ii) Less minority interests	211	(1,604)	236	(1,506)
(j) Profit/(loss) after taxation attributable to members of the Company	3,117	10,254	10,115	35,142
(k) (i) Extraordinary items	-	-	-	-
(ii) Less minority interest	-	-	-	-

	(iii) Extraordinary items attributable to members of the company	-	-	-	-
	(l) Profit/(loss) after taxation and extraordinary items attributable to members of the company	3,117	10,254	10,115	35,142
3.	(a) Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any :-	-	-	-	-
	(i) Basic (based on 2000: 56,000,000 (1999: 56,000,000) ordinary shares) - sen	5.57	18.31	18.06	62.75
	(iii) Fully diluted (based on 2000: 56,000,000 (1999: 56,000,000) ordinary shares) - sen	-	-	-	-

## CONSOLIDATED BALANCE SHEET

	As at end of current Quarter 31/12/00 RM '000	As at Preceding financial year-end 31/12/99 RM '000
1. Fixed Assets	313,449	228,767
2. Breeding Stock	469	331
3. Investment in Associated Companies	31,908	30,162
Unquoted Investment	1,170	1,170
4. Long Term Investment	-	-
5. Intangible Assets	-	-
6. Goodwill on Consolidation	114	119
7. <b><u>Current Assets</u></b>		
Stocks	2,344	1,548
Trade Debtors	2,243	5,745
Short Term Investments	3,924	3,927
Cash	753	4,712
Other Debtors, Deposits and Prepayments	47,596	46,967
	56,860	62,899
8. <b><u>Current Liabilities</u></b>		
Bank Overdraft	18,068	10,772
Short Term Borrowings	3,000	5,000
Trade Creditors	2,865	2,489
Other Creditors	7,858	7,542
Provision for Taxation	39	5,596
Dividend Payable	2,016	4,032
	33,846	35,431
9. Net Current Assets	23,014	27,468
	<b>370,124</b>	<b>288,017</b>
10. <b>Shareholders' Funds</b>		
Share Capital	56,000	56,000
Reserves		

	Share Premium	934	934
	Reserves	133,039	59,352
	Retained Profit	139,727	131,628
11.	Minority Interests	17,111	17,347
12.	Long Term Borrowings	-	-
13.	Other Long Term Liabilities- Prov. For Replanting Reserves	23,313	22,756
		<b>370,124</b>	<b>288,017</b>
14.	Net tangible assets per share (RM)	5.88	4.43

## Notes:

### (i) Accounting Policies

The quarterly financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the 31 December 1999 Audited Accounts.

### (ii) Exceptional Items

There were no exceptional items for the current financial period under review.

### 3. Extraordinary Item

There were no extraordinary items for the current financial period under review.

### (i) Taxation

	Individual Period		Cumulative Period	
	31/12/00	31/12/99	31/12/00	31/12/99
	RM '000	RM '000	RM '000	RM '000
Income tax				
-Current Year	(1,106)	-	3,328	-
-Prior Year	-	(393)	-	(393)
Deferred Tax	-	-	-	-
Share of Tax of Ass. Co	351	(41)	536	(41)
	<b>(755)</b>	<b>(434)</b>	<b>3,864</b>	<b>(434)</b>

There is no tax charge for the financial period of 1999 as the amount is waived in accordance with the Income Tax (Amendment) Bill 1999. The provision for taxation for year 2000 is based on the estimated profits of the company in line with the current year tax assessment.

**(i) Pre-Acquisition Profits**

There were no pre-acquisition profits for the current financial period under review.

**6. Sale of Investment and/or Properties**

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

**7. Quoted Securities**

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

**8. Changes in the Composition of the Group**

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

**9. Corporate Developments**

18. The refund of the deposits with regards to the Deed of Settlement entered into between Far East Holdings Berhad dated 18 October 2000 with the following parties which expired on the 31 December 2000 has been extended to 30 April 2001. The parties involved are as follows:

- (ii) Perbadanan Kemajuan Negeri Pahang for the acquisition of 14.59 hectares institutional land at Sector III, Bandar Indera Mahkota land in Kuantan.
- (iii) Pascorp Holdings Sdn Bhd for the acquisition of 60% equity in Kuantan Beach Hotel.

The above announcement was made to KLSE on the 22 December 2000.

- 18. PT Berkat Sawit Sejati (in which Far East Holdings Berhad has seventy percent (70%) equity interest) has obtained the Hak Guna Usaha ("HGU") status for 11,564.5 hectares of land at Kacamatan Bayung Lencir, Sumatera Selatan, Indonesia from Badan Pertahanan Nasional.

The above announcement was made on the 31 January 2001.

#### **(iv) 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 CPO price of RM999 in 2000 as compared to average price of RM1,461 has resulted in lower profits before tax by 62% (RM22.47 million) as compared to the same period of 1999.

#### **(v) 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.

**(vi) Group Borrowings and Debt Securities**

The Group borrowings consist of the followings:

	As at end of current Quarter  31/12/00 RM '000	As at Preceding financial year- end 31/12/99 RM '000	Secured/Unsecured
Bank Overdraft	18,068	10,772	Negative Pledge
Short Term Loan		5,000	Secured Against Plantation Land
(i) Short Term Loan(ii)	3,000	-	Negative Pledge
	<b>21,068</b>	<b>15,772</b>	

**(i) Contingent Liabilities**

There were no contingent liabilities pending at the date of this report.

**(ii) Off Balance Sheet Financial Instruments**

There were no off-balance sheet financial instruments for the current financial period to date.

**15. Material Litigation**

There were no material litigation at the date of this report.

**(iii) Segmental Reporting**

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

## **17. Comparison Of The Quarterly Results With Preceding Quarter's Results**

The Group's turnover for the fourth quarter of 2000 was RM11.59 million as compared to RM11.04 million in the third quarter of 2000.

Profit before taxation for the fourth quarter was RM2.15 million compared to RM4.09 million achieved in the third quarter of 2000. The results of the Group for the fourth quarter was affected by the low oil palm prices.

## **18. Current Year Performance**

The Group's profit before tax decreased by 62% (from RM36.21 million to RM13.74 million) as compared to the same period of 1999. 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 RM999 per mt compared to RM1,461 achieved in the same period of 1999. The crop production for the period under review decreased by 4% that is 257,326mt as compared to 267,034 mt in 1999. Lower

crop production is due to replanting done in the estates covering 837 hectares.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen during the period from the end of the financial quarter ended 31 December 2000 to the date of this announcement which would affect substantially the results of the operations of the Group

## **19. Current Year Prospects**

The performance of the Group for the year 2001 is expected to be affected by the low prices of palm oil, which are currently trading at prices significantly below the average price realised for the year 2000.

## **20. Variance on forecast profit/profit guarantee**

No forecast profit/ profit guarantee was made or issued during the financial year ended 31 December 2000.

## **21. Dividend**

(a) The Board of Directors has proposed a final dividend of 5 sen per share less 28% tax in respect of the financial year ended 31 December 2000. The payment of the final dividend will be announced at a later date.



An interim dividend of 5 sen per share less 28% Malaysian Income Tax and 10 sen per share of final dividend less 28% Malaysian Income Tax has been declared and paid for the financial year ended 31 December 1999.

( b ) The annual gross dividend per share is 5 sen (1999: 15 sen)

( c ) The total annual dividend net of tax is RM2,016,000 (1999:RM6,048,000)

## 22. Prior Year Adjustment

In prior years, the Company entered into call option agreements with its corporate shareholder, Perbadanan Kemajuan Negeri Pahang (PKNP) and Pascorp Holdings Sdn. Bhd, a wholly owned subsidiary of PKNP, for the acquisition of land and equity interest. During the year, the Company decided not to exercise the option. The prior year adjustment represents the interest the Company is entitled to on the deposits paid.

The effect of the prior year adjustment give rise to impact on the following years:

Affecting:	<b>RM</b>	
The results for the year ended 31 December 1999		3,301,015
The results for the year ended 31 December 1998		555,594
		<u><b>3,856,609</b></u>

**BY ORDER OF THE BOARD**

# **FAR EAST HOLDINGS BERHAD**

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

**Date:** 22 March 2001