

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

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
	31/3/00	31/3/99	31/3/00	31/3/99
	RM '000	RM '000	RM '000	RM '000
1. (a) Turnover	11,421	12,923	11,421	12,923
(b) Investment income	-	-	-	-
(c) Other income including interest income	129	190	129	190
	11,550	13,113	11,550	13,113
2. (a) Operating profit before interest on borrowings, depreciation & amortisation, exceptional items, income tax, minority interests and extraordinary items	5,090	7,508	5,090	7,508
(b) Interest on borrowings	(241)	(221)	(241)	(221)
(c) Depreciation and amortisation	(870)	(739)	(870)	(739)
(d) Exceptional items	-	-	-	-
(e) Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	3,979	6,548	3,979	6,548
(f) Share in the results of associated companies	-	-	-	-
(g) Profit/(loss) before taxation, minority interests and extraordinary items	3,979	6,548	3,979	6,548
(h) Taxation	(1,814)	-	(1,814)	-
(i) (i) Profit/(loss) after taxation before deducting minority interest	2,165	6,548	2,165	6,548
(ii) Add minority interests	6	-	6	-
(j) Profit/(loss) after taxation attributable to members of the Company	2,171	6,548	2,171	6,548
(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	2,171	6,548	2,171	6,548
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

3.88 11.69 3.88 11.69

(ii) Fully diluted (based on 2000: 56,000,000 (1999: 56,000,000) ordinary shares) – sen

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CONSOLIDATED BALANCE SHEET

	As at end of current Quarter 31/3/00 RM '000	As at Preceding financial year-end 31/12/99 RM '000
1. Fixed Assets	230,398	228,767
2. Investment in Associated Companies	30,162	30,162
Unquoted Investment	1,170	1,170
3. Long Term Investment	-	-
4. Intangible Assets	163	149
5. Goodwill on Consolidation	119	119
6. <u>Current Assets</u>		
Stocks	1,130	1,879
Trade Debtors	4,635	5,745
Short Term Investments	3,927	3,927
Cash	5,399	4,712
Other Debtors, Deposits and Prepayments	45,998	42,961
	61,089	59,224
7. <u>Current Liabilities</u>		
Bank Overdraft	13,824	10,772
Short Term Borrowings	3,750	5,000
Trade Creditors	1,984	2,489
Other Creditors	8,561	7,542
Provision for Taxation	3,924	5,596
Dividend Payable	4,032	4,032
	36,075	35,431
8. Net Current Assets	25,014	23,793
	287,026	284,160
9. <u>Shareholders' Funds</u>		
Share Capital	56,000	56,000
Reserves		
Share Premium	934	934
Reserves	59,352	59,352
Retained Profit	129,941	127,771
10. Minority Interests	17,341	17,347
11. Long Term Borrowings	-	-
12. Other Long Term Liabilities- Prov. For Replanting Reserves	23,458	22,756
	287,026	284,160
13. Net tangible assets per share (sen)	4.40	4.36

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 1999 Audited Accounts.

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

There were no exceptional items, extraordinary items or pre-acquisition profits for the current financial period under review.

3. Taxation

	Individual Period		Cumulative Period	
	31/3/00 RM '000	31/3/99 RM '000	31/3/00 RM '000	31/3/99 RM '000
Malaysian taxation				
Income tax				
-Current Year	1,814	-	1,814	-
-Prior Year	-	-	-	-
Deferred Tax	-	-	-	-
Share of Tax of Ass. Co	-	-	-	-
	1,814	-	1,814	-

There is no tax charge for the financial period of 1999 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

The Board of Directors of FEHB has agreed to exercise the Call Option relating to the proposed acquisition of a piece of agricultural land held under title no. H.S (D) 9723 Lot No. PT940 Mukim Ulu Kuantan, Kuantan, Pahang measuring 874.8 hectares in area for a purchase price of RM6,480,000.00.

The Board of Directors of FEHB has however decided not to exercise the Call Options relating to the acquisition of the following assets:-

- (i) Proposed acquisition of 60% equity interest in Kuantan Beach Hotel Sdn. Bhd (“KBH”) from Pascorp Holdings Sdn. Bhd., a wholly owned subsidiary of PKNP, for a purchase consideration of RM40,000,000.00; and
- (ii) Proposed acquisition of a 14.59 hectares institutional land at Sector III, Bandar Indera Mahkota, Kuantan from PKNP for a purchase consideration of RM15,710,000.00.

The above announcement has been made to the KLSE on 11 April, 2000.

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 – Mar) commodity price of RM1,117 in 2000 as compared to average price (Jan ‘99 – Mar ‘99) of RM1,929 has resulted in lower profits before tax by 39% (RM3.98 million) as compared to the same period of 1999.

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 31/3/00 RM '000	As at Preceding financial year-end 31/3/99 RM '000	Secured/Unsecured
Short			
Borrowings:			
Bank Overdraft	13,824	10,772	Not Secured
Short Term Loan	3,750	5,000	Secured Against Plantation Land
Term			

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. Review of Performance

The Group's profit before tax decreased by 39% (from RM6.55 million to RM3.98 million) as compared to the same period of 1999. The crop production for the period under review increased by 50% that is 56,715mt as compared to 37,695mt in 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 RM1,117 per mt compared to RM1,929 achieved in the same period of 1999.

15. 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 expected to be done in year 2000.

16. Dividend

No dividend declared for the period under review.

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

MOHD LIZAH HASHIM.,AMCCS
Company Secretary LS 00177

Date: 23 May, 2000