

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2001**

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
	31/03/01 RM '000	31/03/00 RM '000	31/03/01 RM '000	31/03/00 RM '000
<b>1.</b> (a) Turnover	7,434	11,421	7,434	11,421
(b) Investment income	-	-	-	-
(c) Other income including interest income	1,113	129	1,113	129
	<b>8,547</b>	<b>11,550</b>	<b>8,547</b>	<b>11,550</b>
<b>2.</b> (a) Operating profit before interest on borrowings, depreciation & amortisation, exceptional items, income tax, minority interests and extraordinary items	3,513	5,090	3,513	5,090
(b) Interest on borrowings	(402)	(241)	(402)	(241)
(c) Depreciation and amortisation	(644)	(870)	(644)	(870)
(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	2,467	3,979	2,467	3,979
(f) Share in the results of associated companies	(840)	-	(840)	-
(g) Profit/(loss) before taxation, minority interests and extraordinary items	1,627	3,979	1,627	3,979
(h) Taxation	(1,005)	(1,814)	(1,005)	(1,814)
(i) (i) Profit/(loss) after taxation before deducting minority interest	622	2,165	622	2,165
(ii) Less minority interests	4	6	4	6
(j) Profit/(loss) after taxation attributable to members of the company	626	2,171	626	2,171
(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	626	2,171	626	2,171
<b>3.</b> (a) Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any :-				

(i) Basic (based on 2001: 56,000,000 (2000: 56,000,000 ordinary shares) - sen	1.12	3.88	1.12	3.88
(ii) Fully diluted (based on 2001: 56,000,000 (2000: 56,000,000 ordinary shares) - sen	1.12	3.88	1.12	3.88

## CONSOLIDATED BALANCE SHEET

	<b>As at end of current Quarter 31/03/01 RM '000</b>	<b>As at Preceding financial year-end 31/12/00 RM '000</b>
<b>1.</b> Fixed Assets	313,296	313,140
<b>2.</b> Breeding Stock	456	469
<b>3.</b> Investment in Associated Companies	30,162	31,908
Unquoted Investment	1,170	1,170
<b>4.</b> Long Term Investment	-	-
<b>5.</b> Intangible Assets	-	-
<b>6.</b> Goodwill on Consolidation	114	114
<b>7. <u>Current Assets</u></b>		
Stocks	2,391	2,344
Trade Debtors	2,002	2,243
Short Term Investments	2,483	3,923
Cash	797	753
Other Debtors, Deposits and Prepayments	49,170	47,627
	<b>56,843</b>	<b>56,890</b>
<b>8. <u>Current Liabilities</u></b>		
Bank Overdraft	16,309	18,068
Short Term Borrowings	5,000	3,000
Trade Creditors	1,791	2,545
Other Creditors	5,611	7,910
Provision for Taxation	-	39
Dividend Payable	2,016	2,016
	30,727	33,578
<b>9.</b> Net Current Assets	26,116	23,312
	<b>371,314</b>	<b>370,113</b>
<b>10. <u>Shareholders' Funds</u></b>		
Share Capital	56,000	56,000
Reserves		
Share Premium	934	934
Reserves	133,114	133,114
Retained Profit	140,272	139,646
<b>11.</b> Minority Interests	17,102	17,106
<b>12.</b> Long Term Borrowings	-	-
<b>13.</b> Other Long Term Liabilities- Prov. For Replanting Reserves	23,892	23,313
	<b>371,314</b>	<b>370,113</b>
<b>14.</b> Net tangible assets per share (RM)	5.89	5.88

### Notes:

#### 1) 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 2000 Audited Accounts.

**2) 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.

**4) Taxation**

	Individual Period		Cumulative Period	
	31/03/01 RM '000	31/03/00 RM '000	31/03/01 RM '000	31/03/00 RM '000
<b>Income tax</b>				
- Current Year	863	1,814	863	1,814
- Prior Year	-	-	-	-
Deferred Tax	-	-	-	-
Share of Tax of Ass. Co	142	-	142	-
	<b>1,005</b>	<b>1,814</b>	<b>1,005</b>	<b>1,814</b>

The provision for taxation for year 2001 is based on the estimated profits of the company in line with the current year tax assessment.

**5) 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**

**(i) Refund of deposits for the proposed acquisitions not exercised by the**

## **Board of Directors**

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 30 April 2001 has been extended for another three (3) months. The parties involved are as follows:

18) Perbadanan Kemajuan Negeri Pahang for the acquisition of 14.59 hectares institutional land at Sector III, Bandar Indera Mahkota land in Kuantan.

19) Pascorp Holdings Sdn Bhd for the acquisition of 60% equity in Kuantan Beach Hotel.

The above announcement was made to KLSE on the 4 May 2001.

## **(ii) Proposed Establishment of Employee Share Option Scheme ("Proposed ESOS")**

The application to the relevant authorities including the Securities Commission ("SC") in respect of Proposed Establishment of Employee Share Option Scheme shall be postponed.

The Company had initially intended to submit the said application to the relevant authorities within three (3) months after the release of the above said announcement. However, the Company is in the process of finalising the terms and conditions of the Proposed ESOS to take into consideration the Revised Guidelines On Employee Share Option Schemes which was issued by the SC on 10 May 2001.

In view of the current status and barring unforeseen circumstances, the application to the relevant authorities shall be made within the next three (3) months from the date of the announcement made to KLSE on this postponement which was on the 23 May 2001.

## **10) 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 RM730 for the period of 2001 as compared to average price of RM1,117 for the same period of 2000 has resulted in lower profits before tax by 59% (RM2.35 million) as compared to the same period of 2000.

**11) 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.

**12) Group Borrowings and Debt Securities**

The Group borrowings consist of the followings:

	<b>As at end of current Quarter 31/03/01 RM '000</b>	<b>As at Preceding financial year-end 31/12/00 RM '000</b>	<b>Secured/Unsecured</b>
Bank Overdraft	16,309	18,068	Negative Pledge
Short Term Loan	5,000	3,000	Negative Pledge
	<b>21,039</b>	<b>21,068</b>	

**13) Off Balance Sheet Financial Instrument**

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

**14) Financial Instruments**

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

**15) Material Litigation**

There were no material litigation.

**16) 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 first quarter of 2001 was RM7.43 million as compared to RM11.59 million in the fourth quarter of 2000.

Profit before taxation for the first quarter of 2001 was RM1.63 million compared to RM2.15 million achieved in the fourth quarter of 2000. The results of the Group for the first quarter 2001 was affected by the low oil palm prices.

**18) Current Year Performance**

The Group's profit before tax decreased by 59% (RM2.35 million) as compared to the same period of 2000. 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 RM730 per mt compared to RM1,117 achieved in the same period of 2000. The crop production for the period under review increased by 20% that is 67,784mt as compared to 56,715 mt in 2000.

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 first quarter ended 31 March 2001 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 first quarter 2001.

**21) 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: 30 May, 2001**