

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2002

The figures have not been audited

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER 31/03/02 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/01 RM '000	CURRENT YEAR TO DATE 31/03/02 RM '000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/01 RM '000
1. (a) Revenue	8,109	7,434	8,109	7,434
(b) Investment income	-	-	-	-
(c) Other income	38	1,113	38	1,113
2. (a) Profit/(Loss) before finance cost depreciation & amortisation, exceptional items, income tax, minority interest and extraordinary items	3,631	3,513	3,631	3,513
(b) Finance Cost	(263)	(402)	(263)	(402)
(c) Depreciation and amortisation	(604)	(644)	(604)	(644)
(d) Exceptional items	-	-	-	-
(e) Profit/(loss) before income tax, minority interests and extraordinary items	2,764	2,467	2,764	2,467
(f) Share of profits and losses of associated companies	53	(840)	53	(840)
(g) Profit/(loss) before income tax, minority interests and extraordinary items	2,817	1,627	2,817	1,627
(h) Income Tax	(741)	(1,005)	(741)	(1,005)
(i) (i) Profit/(loss) after income tax before deducting minority interests	2,076	622	2,076	622
(ii) Less Minority interests	(329)	4	(329)	4
(j) Pre-acquisition profit/(loss), if applicable	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the company	1,747	626	1,747	626
(l) (i) Extraordinary items	-	-	-	-
(ii) Less Minority interest	-	-	-	-
(iii) Extraordinary items attributable to members of the company	-	-	-	-
(m) Net profit/(loss) attributable to members of the company	1,747	626	1,747	626
3. Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any: -				
(a) Basic (based on 61,600,000 ordinary shares) - (sen)	2.84	1.02	2.84	1.02
(b) Fully diluted (based on 61,600,000 ordinary shares) - (sen)	2.84	1.02	2.84	1.02
4. (a) Dividend per share (sen)	-	-	-	-
(b) Dividend Description	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
5. Net tangible assets per share (RM)	5.92	5.52

CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR-END
	31/03/02 RM '000	31/12/01 RM '000
1. Property, Plant And Equipment	294,322	295,037
Breeding Stock	888	939
2. Investment Property	-	-
3. Investment in Associated Companies	34,343	34,343
Unquoted Investment	1,170	1,170
4. Long Term Investment	-	-
5. Goodwill on Consolidation	-	-
6. Intangible Assets	-	-
7. Other Long Term Assets	1,128	1,128
8. <u>Current Assets</u>		
Inventories	1,309	1,164
Trade Receivables	2,671	3,157
Short Term Investments	2,057	2,054
Cash	1,476	2,065
Other Debtors, Deposits and Prepayments	59,565	60,269
	67,078	68,709
9. <u>Current Liabilities</u>		
Trade Payables	1,138	2,410
Other Payables	3,180	5,006
Short Term Borrowings	10,655	11,793
Provision for Taxation	451	381
Proposed Dividend	-	-
Others	-	-
	15,424	19,590
10. Net Current Assets	51,654	49,119
	383,505	381,736
11. <u>Shareholders' Funds</u>		
Share Capital	61,600	61,600
Reserves		
- Share Premium	934	934
- Reserves On Consolidation	7	7
- Translation Reserves	-	-
- Revaluation Reserve	108,578	108,578
- Statutory Reserve	-	-
- Capital Reserves	27,679	27,730
- Retained Profit	165,711	141,462
- Others	-	-
12. Minority Interests	15,866	15,538
13. Long Term Borrowings	3,130	3,385
14. Other Long Term Liabilities- Prov. For Replanting Reserves	-	22,502
15. Deferred Taxation	-	-
	383,505	381,736
16. Net tangible assets per share (RM)	5.92	5.52

Notes:**1) Accounting Policies**

The quarterly financial statements are in accordance with the accounting policies as stated in the annual financial statements of the Group for the year ended 31st December 2001 other than provision for replanting expenditure. 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 for the period ended 31 March, 2002.

2) Exceptional Items

There were no exceptional items for the period ended 31 March 2002.

3) Extraordinary Item

There were no extraordinary items for the period ended 31 March 2002.

4) Taxation

	Current Quarter (RM'000)	Months ended 31st March 2001 (RM'000)
Income tax		
- Current Year	688	863
- Prior Year	-	-
Deferred Tax	-	-
Share of Tax of Ass. Co	53	142
	741	1,005

The provision for taxation for year 2002 is based on the estimated profits of the company in line with the current year tax assessment.

5) Sale of Investment and/or Properties

There were no sales of investment and/or properties for the period ended 31st March 2002.

6) Purchase or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities for the period ended 31st March 2002.

7) Changes in the Composition of the Group

There were no changes in the composition of the Group for the period under review.

8) Corporate Developments

Proposed Establishment Of Employee Share Option Scheme (“Proposed ESOS”)

The Company has received an approval from Kuala Lumpur Stock Exchange for the Additional Listing Application of the Proposed ESOS on 6th February 2002.

An ESOS scheme was implemented on 30 April 2002 for the benefit of the eligible employees at an exercise price of RM2.04 per share.

9) Issuance or Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 31st March 2002.

10) Group Borrowings and Debt Securities

The Group borrowings consist of the followings:

	As at end of current Quarter 31/03/02 RM '000	As at Preceding financial year-end 31/12/01 RM '000	Secured/Unsecured
Bank Overdraft	3,885	5,023	Negative Pledge
Revolving Credit	5,750	5,750	Negative Pledge
<u>Long Term Loan:</u>			
Short Term	1,020	1,020	Negative Pledge
Long Term	3,130	3,385	Negative Pledge
	13,785	15,178	

11) Contingent Liabilities

There were no contingent liabilities as at the date of this announcement.

12) Financial Instruments

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

13) Material Litigation

Followings are the material litigation 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 hearing of the application for the summary judgement has been fixed on 20 May 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 application of the summary judgement has been filed in the Kuantan High Court on 2 May 2002.

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

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

Far East Holdings Berhad

Plaintiff had filed an application to amend the Statement of Claim and a date of hearing is yet to be fixed by the Court.

14) Segmental Reporting

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

15) Comparison with Preceding Quarter's Results

The Group's revenue for the current quarter of 2002 was RM8.11 million as compared to RM10.35 million in the fourth quarter of 2001.

Profit before taxation for the current quarter of 2002 was RM2.82 million compared to profit of RM7.14 million achieved in the fourth quarter of 2001. The results of the fourth quarter 2001 has included the:-

- (i) Share of group profit of associated companies amounting to RM2.94 million.
- (ii) Profit from the exceptional items amounting to RM2.56 million.

16) Review of Current Quarter Performance

The Group's profit before tax increased by 73% (RM1.19 million) as compared to the period of 2001. The increase in the profit as compared to the same period of 2001 is due to high oil palm prices.

The company recorded a FFB["Fresh Fruit Bunches'] production of 41,815 mt as compared to 67,784 mt to the period of 2001. Lower FFB production is due to replanting done covering 1,894 hectares and probably due to the biological stress after high production recorded in the previous year. However production is expected to pick-up in the second quarter of the year.

17) Subsequent Material Events

No subsequent material events at the date of this quarterly report.

18) 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.

Higher average CPO price of RM1,143 for the period of 2002 as compared to average price of RM731 in 2001 has resulted in higher revenue despite lower crop production.

19) Current Year Prospects

The oil palm prices increased in current year and should the price of CPO continue to increase; the performance of the group for the year 2002 is expected to be better than the year 2001.

20) Variance from Profit Forecast and Profit Guarantee

No forecast profit/ profit guarantee was made or issued during the period under review.

21) Dividend

No dividend declared for the period under review (Quarterly 2001: Nil).

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

EN. MOHD LIZAH HASHIM
Company Secretary LS 00177