

FAR EAST HOLDINGS BERHAD

Condensed Consolidated Balance Sheet

	As at 31-Mar-03 RM'000	As at 31-Dec-02 RM'000
Non Current Assets		
Property, plant and equipment	268,295	269,123
Associated Companies	39,473	39,502
Unquoted Investments - at cost	2,299	2,299
Breeding Stocks	1,085	919
	311,152	311,843
Current Assets		
Inventories	1,386	1,676
Receivables, deposits and prepayments	64,620	64,919
Tax recoverables	1,878	1,878
Bank Balances, Deposits and Cash	15,380	15,174
	83,264	83,647
Less: Current Liabilities		
Payables	4,689	6,083
Short Term Borrowings	1,020	4,932
Bank Overdraft	-	-
Tax Liabilities	-	-
	5,709	11,015
Net Current Assets	77,555	72,632
Less: Non Current Liabilities		
Reserves on consolidation	6	6
Long term loan	2,110	2,365
	2,116	2,371
	386,591	382,104
Capital and Reserves		
Share Capital	63,311	62,619
Share premium	4,910	4,190
Capital Reserve	467	304
Revaluation Reserve	124,485	124,485
Retained Earnings	165,005	162,828
Shareholders' Equity	358,178	354,426
Minority Interest	28,413	27,678
	386,591	382,104

Note : The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.

FAR EAST HOLDINGS BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 mths ended 31-Mar-03 RM'000	Year ended 31-Mar-03 RM'000	3 mths ended 31-Mar-02 RM'000	Year ended 31-Mar-02 RM'000
Revenue	12,280	12,280	8,109	8,109
Other operating income	34	34	24	24
Profit from operations	6,099	6,099	2,994	2,994
Finance income	14	14	33	33
Finance interest	(89)	(89)	(263)	(263)
Share of result of associated companies	(14)	(14)	53	53
Profit before taxation	6,010	6,010	2,817	2,817
Taxation	(844)	(844)	(741)	(741)
Profit after taxation	5,166	5,166	2,076	2,076
Minority interest	(735)	(735)	(329)	(329)
Net profit attributable to shareholders	4,431	4,431	1,747	1,747
Earnings per share (sen)				
Basic	7.05	7.05	2.84	2.84
Diluted	6.96	6.96	-	-

Note : The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.

FAR EAST HOLDINGS BERHAD

Condensed Consolidated Statement of Changes in Equity

	Issued and fully paid ordinary shares of RM1 each		Non -distributable				Distributable	Total RM'000
	Number of shares '000 units	Nominal value RM'000	Share premium RM'000	Translation reserves RM'000	Capital reserves RM'000	Revaluation reserves RM'000	Retained earnings RM'000	
As at 1 January 2002 :								
- as previously reported	61,600	61,600	934	-	27,730	108,578	141,462	340,304
- reclassification	-	-	2,196	-	(27,400)	15,907	(367)	(9,664)
- prior year adjustment	-	-	-	-	-	-	(55)	(55)
- as restated	61,600	61,600	3,130	0	330	124,485	141,040	330,585
Net loss not recognised in the income statement	-	-	-	-	(26)	-	-	(26)
Issue of shares- share options	1,019	1,019	1,060	-	-	-	-	2,079
Net profit for the year	-	-	-	-	-	-	24,586	24,586
Dividend for the year ended 31.12.2001	-	-	-	-	-	-	(2,798)	(2,798)
As at 31 December 2002	62,619	62,619	4,190	0	304	124,485	162,828	354,426
As at 1 January 2003 :								
- as previously reported	62,619	62,619	4,190	0	304	124,485	162,828	354,426
- reclassification	-	-	-	-	-	-	-	0
- prior year adjustment	-	-	-	-	-	-	-	0
- as restated	62,619	62,619	4,190	0	304	124,485	162,828	354,426
Increase in breeding stock	-	-	-	-	163	-	-	163
Issue of shares- share options	692	692	720	-	-	-	-	1,412
Net profit for the year	-	-	-	-	-	-	4,431	4,431
Interim dividend for the year ended 31.12.2002	-	-	-	-	-	-	(2,254)	(2,254)
As at 31 March 2003	63,311	63,311	4,910	0	467	124,485	165,005	358,178

Note : The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.

FAR EAST HOLDINGS BERHAD

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 31 March, 2003

	RM'000
Net cash inflow from operating activities	5,524
Net cash outflow from investing activities	(309)
Net cash outflow from financing activities	(5,009)
Net increase in cash and cash equivalents	<u>206</u>
Cash and cash equivalent at start of year	15,174
Cash and cash equivalent at end of year	<u>15,380</u>
 Cash and cash equivalent comprise :	
Cash bank balances and deposits	15,380
Bank overdrafts	-
	<u>15,380</u>

Note : The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
MASB 26

A1. BASIS OF PREPARATION

This unaudited quarterly report is prepared in accordance with MASB 26 "Interim Financial Reporting" and paragraph 9.22 of the Kuala Lumpur Stock Exchange Listing Requirements, and should be read in conjunction with the Group's financial statement for the year ended 31 December 2002.

The quarterly financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual audited accounts for the financial year ended 31 December 2002.

A2. DISCLOSURE ON QUALIFICATION OF AUDIT REPORT

The audit report of the Group's financial statements for the financial year ended 31 December 2002 was not qualified.

A3. SEASONALITY OR CYCLICALITY

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 revenue for the current quarter of 2003 as compared to the preceding year quarter of 2002 is due to:

- (i) Higher average CPO price of RM1,585 for the current quarter of 2003 as compared to average price of RM1,143 in the preceding year of 2002.
- (ii) Higher FFB ["Fresh Fruit Bunches"] production by 3%[1,088 mt] as compared to the preceding year of 2002.

A4. UNUSUAL ITEM AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income, or cash flows which are unusual because of their nature, size, or incidence in the current quarter under review.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts that have a material effect in the current quarter.

A6. ISSUANCE, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OR DEBTS AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A7. DIVIDEND PAID

	Current Year Quarter 31.3.2003 RM'000	Preceding Year Quarter 31.3.2002 RM'000
Ordinary: Interim dividend paid – 5 sen Less 28% income tax	2,254	-

The interim dividend of five(5) sen less 28% Malaysian Income Tax for the financial year ended 31 December 2002 was paid in the current quarter of 2003.

A8. SEGMENTAL REPORTING

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

A9. PROPERTY PLANT AND EQUIPMENT

Subsequent to the financial year ended 31 December 2002, there were no changes to the valuation of property, plant and equipment.

A10. SUBSEQUENT MATERIAL EVENTS

There were no subsequent material events at the date of this quarterly report.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Group does not have any contingent liabilities or contingent assets for the current quarter under review.

PART B – EXPLANATORY NOTES OF KLSE REVISED LISTING REQUIREMENTS**B1. REVIEW OF PERFORMANCE**

	Current Quarter 31.3.2003 RM'000	Preceding Year Corresponding Quarter 31.3.2002 RM'000
Revenue	12,280	8,109
Consolidated Profit before taxation	6,010	2,817
Consolidated Profit after taxation	5,166	2,076

Higher revenue and profit before tax for the current quarter 2003 as compared to the preceding quarter 2002 was mainly due to higher palm oil prices and higher FFB production.

The Group's profit before tax increased by 113% (RM3.19 million) as compared to the preceding quarter in 2002. The Group recorded a FFB ["Fresh Fruit Bunches"] production of 42,903 mt for the current quarter as compared to 41,815 mt in the corresponding quarter of the preceding year.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Current Quarter 31.3.2003 RM'000	Current Quarter 31.12.2002 RM'000
Revenue	12,280	18,107
Consolidated Profit before taxation	6,010	13,988
Consolidated Profit after taxation	5,166	13,265

For the first quarter ended 31 March 2003, the Group recorded profit before tax of RM6.01 million and profit after tax of RM5.17 million as compared to RM13.99 million and RM13.26 million in the preceding quarter respectively. Higher profit in the preceding quarter as compared to the current quarter is due to the:

- (i) Higher FFB production by 56% [23,901 mt]
- (ii) The share of result of associated companies amounting to RM5.46 million.

B3. CURRENT YEAR PROSPECTS

The Group is expected to achieve favorable result in the current year given the expectation that CPO price would remain strong.

B4. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

Not applicable as there were no profit forecast and profit guarantee published.

B5. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2003 RM'000	Preceding Year Quarter 31.3.2002 RM'000	Current Year To Date 31.3.2003 RM'000	Preceding Year To Date 31.3.2002 RM'000
<u>Income Tax:</u>				
Current Tax Charge	829	688	829	688
Under/(over) provision in prior year	-	-	-	-
Share of tax of Associate Co.	15	53	15	53
	844	741	844	741

The Group effective tax rate for the current quarter ended 31 March 2003 is lower than the statutory tax as the Group has utilized its unabsorbed capital allowance.

B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties for the current quarter under review.

B7. QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the current quarter under review.

B8. STATUS OF CORPORATE PROPOSALS

There was no corporate proposal as at the date of this announcement.

B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the followings:

	As at end of Current Quarter 31.3.2003 RM'000	As at Preceding Financial Year End 31.12.2002 RM'000	Security
<u>Short Term:</u>			
Short Term Loan	1,020	1,020	Negative Pledge
Revolving Credit	-	3,912	Negative Pledge
<u>Long Term Loan</u>			
Long Term	2,110	2,365	Negative Pledge
	3,130	7,297	

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the current quarter the Group did not enter into any contracts involving off balance sheet instruments.

B11. STATUS OF THE MATERIAL LITIGATIONS

Followings are the status of the pending material litigations of the Company:

(i) Kuantan High Court Suit No. 22-92-2001

Far East Holdings Berhad ["Plaintiff"] –vs-

- (1) Perbadanan Kemajuan Negeri Pahang ["Defendant"]
- (2) Pascorp Holdings Sdn. Bhd ["Defendant"]

The Learned Judge on 13.2.2003 had decided to allow FEHB's appeal against the Registrar's decision and granted FEHB's application for summary judgment against the Defendants.

(ii) Kuantan High Court Suit No. 22-9-2002

Far East Holdings Berhad ["Plaintiff"] –vs-

- (1) Perbadanan Kemajuan Negeri Pahang ["Defendant"]
- (2) PT Berkas Sawit Sentosa ["Defendant"]

The initial hearing date for the appeal which was fixed on the 16.1.2003 has been postponed. As to date, the hearing date has not been fixed yet.

(iii) Kuantan High Court Civil Suit No. 22-115-2002

Haji Said dan Anak-Anak Sdn. Bhd [Plaintiff] –vs-
Madah Perkasa Sdn. Bhd

FEHB's solicitor has filed an application for stay of proceeding and the hearing date has been fixed on 2 July 2003.

B12. DIVIDEND

No dividend has been proposed or declared for the current quarter under review. [No dividend was declared for the previous year preceding quarter for the quarterly period ended 31 March 2002].

B13. EARNINGS PER SHARE

Earnings per share is calculated based on the following:

	Current Quarter Ended 31.3.2003	3 Months Cumulative To Date 31.3.2003	Current Quarter Ended 31.3.2002	3 Months Cumulative To Date 31.3.2002
<u>Basic earnings per share:</u>				
Net Profit Attributable to Shareholders (RM'000)	4,431	4,431	1,747	1,747
Weighted average no. of ordinary shares in issue ('000)	62,900	62,900	61,600	61,600
Basic earnings per share (sen)	7.05	7.05	2.84	2.84
<u>Diluted earnings per share:</u>				
Net Profit Attributable to Shareholders (RM'000)	4,431	4,431	-	-
Weighted average no. of ordinary shares in issue ('000)	62,900	62,900	-	-
Adjustment for share option ('000)	789	789	-	-
Weighted average no. of ordinary shares for diluted earning per share ('000)	63,689	63,689	-	-
Diluted per share (sen)	6.96	6.96	-	-

Note:

Diluted earnings per share is not presented in the preceding year quarter and cumulative quarter as there were no dilutive potential ordinary share.