

FAR EAST HOLDINGS BERHAD [14809-W]
Interim report for the financial period ended 31 March 2005

[The figures have not been audited]

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	As at 31-Mar-05 RM'000	As at 31-Dec-04 RM'000
Non Current Assets		
Property, plant and equipment	312,693	312,821
Associates	55,403	54,039
Unquoted investments - at cost	2,299	2,299
Breeding stocks	481	513
	370,876	369,672
Current Assets		
Inventories	1,976	1,013
Receivables, deposits and prepayments	13,193	9,378
Tax recoverables	1,874	1,874
Other investment	5,000	-
Deposits, bank and cash balances	72,333	73,501
	94,376	85,766
Less: Current Liabilities		
Payables	7,149	4,938
Current tax liabilities	168	168
Borrowings (interest bearing)	-	-
	7,317	5,106
Net Current Assets	87,059	80,660
Less: Non Current Liabilities		
Deferred tax liabilities	50,205	50,258
Borrowings (interest bearing)	-	-
	50,205	50,258
	407,730	400,074
Capital and Reserves		
Share Capital	65,209	65,089
Share premium	6,911	6,782
Capital Reserve	24	56
Reserves on consolidation	6	6
Revaluation Reserve	96,432	96,379
Retained Earnings	211,480	204,721
Shareholders' Equity	380,062	373,033
Minority Interest	27,668	27,041
	407,730	400,074

Note : The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004.

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CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER [Q1]		CUMULATIVE QUARTER [3 Mths]	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR	CORRESPONDING
	QUARTER	QUARTER	TO DATE	PERIOD
	31-Mar-05	31-Mar-04	31-Mar-05	31-Mar-04
	RM'000	RM'000	RM'000	RM'000
Revenue	14,454	17,447	14,454	17,447
Other operating income	311	145	311	145
Profit from operations	7,946	11,290	7,946	11,290
Finance income	418	56	418	56
Finance interest	-	(127)	-	(127)
Share of result of associated companies	1,894	624	1,894	624
Profit before taxation	10,258	11,843	10,258	11,843
Taxation	(2,872)	(1,187)	(2,872)	(1,187)
Profit after taxation	7,386	10,656	7,386	10,656
Minority interest	(627)	(1,084)	(627)	(1,084)
Net profit attributable to shareholders	6,759	9,572	6,759	9,572
Earnings per share (sen)				
Basic	10.38	14.89	10.38	14.89
Diluted	10.27	14.72	10.27	14.72

Note : The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Period Ended 31 March 2005**

	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	Capital reserves RM'000	Reserves on consolidation RM'000	Revaluation reserves RM'000	Retained earnings RM'000	
As at 1 January 2004 :								
- as previously reported	64,190	64,190	5,824	142	6	96,185	173,495	339,842
Net loss not recognised in the income statement	-	-	-	-	-	-	-	0
Issue of shares- share options	146	146	152	-	-	-	-	298
Net profit for the year	-	-	-	-	-	-	9,572	9,572
Dividend paid for the year								0
As at 31 March 2004	64,336	64,336	5,976	142	6	96,185	183,067	349,712
As at 1 January 2005 :								
- as previously reported	65,089	65,089	6,782	56	6	96,379	204,721	373,033
Net loss not recognised in the income statement	-	-	-	(32)	-	-	-	0
Issue of shares- share options	120	120	129	-	-	-	-	(32)
Transfer from deferred tax	-	-	-	-	-	53	-	249
Net profit for the year	-	-	-	-	-	-	6,759	53
Dividend paid for the year								6,759
								0
As at 31 March 2005	65,209	65,209	6,911	24	6	96,432	211,480	380,062

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 2004

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 Months Ended 31-Mar-05 RM'000	3 Months Ended 31-Mar-04 RM'000
Net cash inflow from operating activities	4,417	22,888
Net cash outflow from investing activities	(5,834)	(230)
Net cash outflow from financing activities	249	(9,957)
Net increase/(decrease) in cash and cash equivalents	<u>(1,168)</u>	<u>12,701</u>
Cash and cash equivalent at start of year	73,501	34,134
Cash and cash equivalent at end of year	<u>72,333</u>	<u>46,835</u>
 Cash and cash equivalent comprise :		
Cash bank balances and deposits	72,333	46,835
Bank overdrafts	-	-
	<u>72,333</u>	<u>46,835</u>

Note : The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004.

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 Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s financial statement for the year ended 31 December 2004.

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 2004.

A2. DISCLOSURE ON QUALIFICATION OF AUDIT REPORT

The audit report of the Group’s financial statements for the financial year ended 31 December 2004 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.

Lower revenue for the cumulative quarter of 2005 as compared to the cumulative preceding year quarter of 2004 is due to lower average CPO price of RM1,350 for the cumulative quarter of 2005 as compared to average price of RM1,887 in the cumulative preceding year quarter of 2004. The FFB (“Fresh Fruit Bunches”) showed an increase of 12% (5,834 mt) as compared to the cumulative preceding year quarter 2004.

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 that 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 financial year to-date except for the issue of the following new ordinary share of RM1-00 each pursuant to the Company's Employees' Share Option Scheme:-

Option price per share [RM]	No. of shares issued ['000]	Cash proceeds [RM '000]
2.04	115	235
2.89	5	14

A7. DIVIDEND PAID

No dividend paid for the period under review.

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 2004, 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, restructuring 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 BURSA MALAYSIA SECURITIES BERHAD
REVISED LISTING REQUIREMENTS****B1. REVIEW OF PERFORMANCE**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2005 RM'000	Preceding Year Quarter 31.3.2004 RM'000	Current Year To Date 31.3.2005 RM'000	Preceding Year To Date 31.3.2004 RM'000
Revenue	14,454	17,447	14,454	17,447
Consolidated Profit before taxation	10,258	11,843	10,258	11,843
Consolidated Profit after taxation	7,386	10,656	7,386	10,656
Consolidated Profit after taxation and minority interest	6,759	9,572	6,759	9,572

Lower revenue and profit before tax for the cumulative quarter 2005 as compared to the cumulative preceding year quarter 2004 was mainly due to lower palm oil prices.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Current Quarter 31.3.2005 RM'000	Current Quarter 31.12.2004 RM'000
Revenue	14,454	20,680
Consolidated Profit before taxation	10,258	14,174
Consolidated Profit after taxation	7,386	9,031
Consolidated Profit after taxation and minority interest	6,759	8,250

For the first quarter ended 31 March 2005, the Group recorded a profit before tax of RM10.26 million and a profit after tax and minority interest of RM6.76 million as compared to RM14.17 million and RM8.25 million in the preceding quarter respectively. Lower profit in the current quarter as compared to the preceding quarter were due to the:

- [i] Lower FFB production by 34% [18,793 mt] as compared to the preceding quarter 31 December 2004. The decrease was in line with the cyclical trend of lower production for the first half of the year.
- [ii] Lower CPO prices for the current quarter ended 31 March 2005.

B3. CURRENT YEAR PROSPECTS

At current level of CPO prices, the Group plantation profit for the current year is anticipated to be lower as compared to the previous year despite expected higher FFB production.

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 31.3.2005 RM'000	Preceding Year Quarter 31.3.2004 RM'000	Current Year To Date 31.3.2005 RM'000	Preceding Year To Date 31.3.2004 RM'000
Income Tax:				

Current Tax Charge	2,342	1,012	2,342	1,012
Under/(over) provision in prior year	-	-	-	-
Transfer from deferred tax	-	-	-	-
Share of tax of Associate Co.	530	175	530	175
	2,872	1,187	2,872	1,187

The Group effective tax rate for the cumulative quarter ended 31 March 2005 was 28%, which was the same as the statutory tax.

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 were no corporate proposals for the period under review.

B9. GROUP BORROWINGS AND DEBT SECURITIES

There were no group borrowings and debt securities for the period under review.

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

There were no material litigations pending at the date of this announcement.

B12. DIVIDEND

No dividend has been proposed or declared for the current quarter under review. [No dividend was declared in the preceding current quarter 2004].

B13. EARNINGS PER SHARE

Earnings per share is calculated based on the following:

	Current Quarter Ended 31.3.2005	Preceding Year Quarter Ended 31.3.2004	3 Months Cumulative To Date 31.3.2005	3 Months Cumulative To Date 31.3.2004
<u>Basic earnings per share:</u>				
Net Profit Attributable to Shareholders (RM'000)	6,759	9,572	6,759	9,572
Weighted average no. of ordinary shares in issue ('000)	65,105	64,282	65,105	64,282
Basic earnings per share (sen)	10.38	14.89	10.38	14.89
<u>Diluted earnings per share:</u>				
Net Profit Attributable to Shareholders (RM'000)	6,759	9,572	6,759	9,572
Weighted average no. of ordinary shares in issue ('000)	65,105	64,282	65,105	64,282
Adjustment for share option ('000)	687	735	687	735
Weighted average no. of ordinary shares for diluted earning per share ('000)	65,792	65,017	65,792	65,017
Diluted per share (sen)	10.27	14.72	10.27	14.72