

JOHORE TENGGARA OIL PALM BHD (Co. No. 17867-T)
(Incorporated in Malaysia)

**INTERIM UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND
NINE MONTHS ENDED 30 SEPTEMBER 2002**

A) NOTES TO THE INTERIM FINANCIAL REPORT

A1. Accounting Policies

The quarterly financial statements have been prepared in accordance with MASB 26 Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Kuala Lumpur Stock Exchange. The accounting policies, methods of computation and bases of consolidation are consistent with those used in the preparation of the recent audited Annual Financial Statements for the year ended 31 December 2001.

A2. Audit Qualification

The audited Annual Financial Statements for the preceding year did not have any qualification.

A3. Seasonal or Cyclical Factors

Other than natural cropping patterns and fluctuations in global vegetable oil prices, there is no significant seasonal or cyclical factor that affect the Group's operations.

A4. Exceptional Item

There is no exceptional item in the financial quarter.

A5. Nature and Amount of Changes in Estimates

There is no change in the nature and amount in estimates reported in the previous quarters of the current financial year or in the previous financial year.

A6. Issuance, Cancellation, Repurchase, Resale and Repayment of Debt and Equity Securities.

There is no issuance and repayment of debt and equity securities, share buy-back, share cancellation, share held as treasury shares and resale of treasury shares for the current financial year to date.

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A7. Dividends Paid

A final dividend of 1.0 sen per share, less tax, amounting to RM1,152,000 in respect of the financial year ended 31 December 2001 was paid on 28 June 2002. No dividend has been paid during the financial quarter.

A8. Segmental Reporting

No segmental information has been prepared as the Group's principal activities in the current financial year involves predominantly in cultivation, processing and sales of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

A9. Valuation of Property, Plant and Equipment

There is no change to the valuation of property, plant and equipment from the previous audited annual financial statements except for depreciation and amortisation which have been provided for in the financial quarter and the current financial year.

A10. Material Events Subsequent to Third Financial Quarter

There is no material event subsequent to 30 September 2002 that has not been reflected in the financial quarter which would affect substantially the results of the Group.

A11. Changes in the Composition of the Group

There is no change in the composition of the Group during the financial quarter.

A12. Contingent Liabilities

	30/9/2002 RM'000	31/12/2001 RM'000	CHANGE RM'000
Corporate guarantee for credit facilities granted to third parties under "Skim Industri Pertanian"	<u>1,628</u>	<u>2,517</u>	<u>(889)</u>

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B) ADDITIONAL INFORMATION AS REQUIRED BY KLSE REQUIREMENTS

KLSE LISTING REQUIREMENTS

B1. Review of Performance

For the financial quarter and 9-month period ended 30 September 2002, the Group recorded a revenue of RM15.1 million and RM40.12 million respectively as compared to RM12.91 million and RM33.36 million respectively recorded for the corresponding periods last year. Profit before taxation for the financial quarter and 9-month period ended 30 September 2002 is RM2.70 million and RM0.96 million respectively as compared to RM36.54 million and RM37.17 million respectively registered for the same periods in the previous year. With the exclusion of the exceptional gain of RM40.92 million in 2001, revenue and profit for the period improved due to the significant increase in selling prices of palm products.

B2. Comparison of Results with the Preceding Quarter's Results

For the financial quarter, the Group recorded a profit before tax of RM2.70 million as compared to a loss before tax of RM1.51 million in the immediate preceding quarter. The improvement in results is mainly due to significant increase in selling prices of palm products. The average crude palm oil price of RM1,424 pmt achieved during the financial quarter is RM 165 pmt higher than the average price registered in the 2nd financial quarter. Whereas the average palm kernel price of RM705 pmt achieved during the financial quarter is RM 36 pmt higher than the average price of the preceding quarter.

B3. Prospects for the Remaining Quarter of Current Financial Year

The Board is optimistic that the Group's result for the remaining quarter will be profitable if the prices of palm products are maintained at the prevailing levels.

B4. Variance of Actual Profit from Forecast Profit

The Group has not issued any profit forecast for the current financial year.

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B5. Taxation

	Current Year Quarter 30.9.2002 RM'000	Current Year To date 30.9.2002 RM'000
Current tax expense	-	-
Underprovision in prior year	7	5
Deferred tax expense	(157)	(202)
	(150)	(197)

The effective tax rate of the Group for the financial quarter and current financial year todate is zero mainly due to the availability of agricultural allowances, revenue expenditure capitalised and capital allowances.

During the financial quarter and current financial year todate, there is a write back of deferred tax provision of RM157,000 and RM202,000 respectively.

B6. Unquoted Securities and/or Properties

There is no sale of unquoted investments and/or properties for the financial quarter.

B7. Quoted Securities

(a) Summary of purchases and sales of quoted securities:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2002 RM'000	Preceding Year Corresponding Quarter 30.9.2001 RM'000	Current Year To Date 30.9.2002 RM'000	Preceding Year Corresponding Period 30.9.2001 RM'000
Total purchases	-	-	6,250	-
Total sale proceeds	-	-	72	-
Total profit on disposal	-	-	19	-

(b) Summary of quoted securities

	30/9/2002 RM'000	31/12/2001 RM'000
Total investment at cost	8,928	2,731
Total investment at carrying value / book value (after provision for diminution in value)	6,767	1,621
Total investments at market value at end of reporting period	6,767	1,621

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B8. Status of Corporate Proposals

There is no announced corporate proposal which is not completed as at the date of this quarterly report.

B9. Group Borrowings

	30/9/2002	31/12/2001
	<u>RM'000</u>	<u>RM'000</u>
<u>Short term</u>		
Term Loans – secured	366	11,946
Revolving Credits – secured	72,000	13,000
Revolving Credits – unsecured	9,500	15,000
Bank Overdraft		
– secured	1	1
– unsecured	1	33
Hire Purchase - secured	24	24
	<u>81,890</u>	<u>40,004</u>
<u>Long term</u>		
Term Loans – secured	934	44,215
Hire Purchase - secured	63	80
	<u>997</u>	<u>44,295</u>

B10. Financial Instruments with Off Balance Sheet Risks

There is no financial instrument with off balance sheet risks issued as at the date of this quarterly report.

B11. Material Litigation

There is no material litigation involving the Group as at the date of this quarterly report.

B12. Dividend

The Board of Directors does not recommend any interim dividend for the quarter ended 30 September 2002 (Q3 2001 : Nil).

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B13. Earnings Per Share

The basic and diluted earnings per share for the financial quarter and current financial year todate is calculated based on the consolidated profit after tax and minority interest of RM3.03 million and RM1.62 million respectively divided by the number of ordinary shares issued of 160 million.

By Order of the Board

Mohamad Affendi Bin Yusoff (LS 007158)

Sakinah Abdul Kadir (MAICSA 7000087)

Companies Secretaries

Dated : 29 November 2002