

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

(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORTING

BURSA MALAYSIA LISTING REQUIREMENTS

1. Review of performance

For the first quarter ended 31 March 2005, the Group recorded a revenue of RM16.18 million as compared to RM17.58 million registered in the corresponding period of previous financial year. Profit before taxation achieved for the current quarter was RM1.96 million as compared to profit of RM5.57 million registered for the corresponding period of the previous financial year. Despite an increase in FFB yield, the Group had to endure a shortfall in revenue and profit due to a significant decrease in the average selling price of CPO.

2. Comparison of results with the preceding quarter's

The profit before tax for the quarter under review of RM1.96 million improved from the immediate preceding quarter's loss before tax of RM0.37 million. The improved results arose out of lower operating expenses incurred in the current quarter.

3. Prospects for the current financial year

The Directors are of the opinion that the Group's operating results for the current financial year could be lower than the preceding year's results due partly to the weaker palm oil prices.

4. Variance of actual profit from forecast profit

The Group has not issued any profit forecast in a public document for the year under review.

5. Taxation

	Current Year Quarter 31.3.2005 RM'000	Current Year To date 31.3.2005 RM'000
Current tax expense	(1,799)	(1,799)
Deferred tax	202	202
	<u>(1,597)</u>	<u>(1,597)</u>

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate as a result of the adoption of 2005 estimated tax payable (ETP) submitted to the Inland Revenue Board (IRB) in November 2004, which was based on year 2004 revised ETP. The Group will revise the 2005 ETP in June as allowed by the IRB, resulting in lower tax expense.

6. Unquoted securities and / or properties

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

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7. Quoted securities

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31.3.2005 <u>RM'000</u>	Preceding Year Corresponding Quarter 31.3.2004 <u>RM'000</u>	Current Year To Date 31.3.2005 <u>RM'000</u>	Preceding Year Corresponding Period 31.3.2004 <u>RM'000</u>
Total purchases	-	-	-	-
Total sale proceeds	(34)	-	(34)	-
Total profit on disposal	4	-	4	-

(b) Summary of details of all investments

	<u>31/3/2005</u> <u>RM'000</u>	<u>31/12/2004</u> <u>RM'000</u>
Total investments at cost	6,915	6,945
Total investments at carrying value / book value (after provision for diminution in value)	4,607	5,105
Total investments at market value at end of reporting period	4,607	5,105

8. Status of corporate proposals

Our advisor, Commerce International Merchant Bankers Berhad ("CIMB"), had on 25 May 2004, made an announcement to Bursa Malaysia on the proposed merger of JTOP and the plantation subsidiaries of Tradewinds (M) Bhd. ("Tradewinds").

The proposed merger, which involves a scheme that requires the creation of a Special Purpose Vehicle, namely Jubilant Century Berhad ("JCB"), also involves the following: -

- (i) Proposed acquisitions by JCB from Tradewinds of the issued and paid-up share capital held by Tradewinds in its plantation subsidiaries ("Plantation Subsidiaries") for a total purchase consideration of RM687,124,750 to be satisfied by the issuance of 369,153,315 new ordinary shares of RM1.00 each in JCB ("JCB Shares") at an issue price of RM1.60 per JCB Share and RM96,479,445 nominal value of 10-year 3% irredeemable convertible unsecured loan stocks ("ICUL") in JCB ("JCB ICULS") ("Proposed Acquisitions");
- (ii) Proposed exchange of the entire issued and paid-up share capital of JTOP comprising 160,000,000 ordinary shares of RM1.00 each in JTOP ("JTOP Shares") with JCB Shares between JCB and all the existing shareholders of JTOP ("JTOP Existing Shareholders") pursuant to a members' scheme of arrangement under Section 176 of the Companies Act, 1965 ("Companies Act") ("JTOP Scheme") on the basis of 1 new JCB Share for every 1 existing JTOP Share held by the JTOP Existing Shareholders ("Proposed Share Exchange");

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- (iii) Proposed assumption by JCB of RM63,520,555 of the net inter-company advances ("Assumed Advances") by Tradewinds to certain Plantation Subsidiaries as at 31 December 2003 through the issuance of RM63,520,555 nominal value of JCB ICULS to Tradewinds ("Proposed Debt Assumption");
- (iv) Proposed transfer of the listing status of JTOP on the Main Board of Bursa Malaysia Securities Berhad (*formerly known as Malaysia Securities Exchange Berhad*) ("Bursa Malaysia") to JCB ("Proposed Transfer of Listing"); and
- (v) Proposed placement of such number of JCB Shares and JCB ICULS at a placement price to be determined later ("Proposed Placement") to meet the minimum public shareholding spread requirement in accordance with the Listing requirements of Bursa Malaysia,

In conjunction with the Proposed Merger, CIMB on behalf of the following parties will also seek the approval of the Securities Commission ("SC") for the following exemptions ("Proposed Exemptions"): -

- (a) Tradewinds, from the obligation to undertake a mandatory general offer for the remaining JCB Shares pursuant to the Proposed Acquisitions; and
- (b) JCB, from the obligation to undertake a mandatory general offer for the remaining ordinary shares of RM1.00 each in Ladang Serasa Sdn Bhd ("Ladang Serasa") pursuant to the Proposed Acquisitions,

The Proposed Acquisitions, Proposed Share Exchange, Proposed Debt Assumption, Proposed Transfer of Listing, Proposed Placement and Proposed Exemptions are inter-conditional.

CIMB announced that the SC had on 21 December 2004, approved the Proposed Exemptions.

Currently, the parties are waiting for SC's approval on the other proposals of the submission.

9. Group borrowings

	31/3/2005	31/12/2004
	<u>RM'000</u>	<u>RM'000</u>
<u>Short term</u>		
Bank overdraft - unsecured	0	29
Term loans – secured	359	398
Revolving credits – secured	71,200	63,700
Revolving credits – unsecured	9,970	9,970
Hire purchase – secured	24	24
	<hr/> 81,553	<hr/> 74,121
<u>Long term</u>		
Term loans – secured	0	60
Hire purchase – secured	3	9
	<hr/> 3	<hr/> 69

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10. 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.

11. Material litigation

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

12. Dividend

The Board does not recommend any dividend for the quarter ended 31 March 2005 (Q1 2004 : Nil).

13. Earnings per share

The basic and diluted earnings per share for the current financial quarter is calculated based on the consolidated profit after tax and minority interest of RM0.56 million divided by the number of ordinary shares in issue during the financial quarter of 160 million shares.

MASB 26 DISCLOSURE REQUIREMENTS

(a) 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 Bursa Malaysia. The accounting policies, methods of computation and bases of consolidation used in the preparation of the interim financial statements are consistent with those adopted and used in the preparation of the most recent annual financial statements for the year ended 31 December 2004.

(b) Audit qualification

The annual report of the preceding year did not have any qualification.

(c) Seasonal or cyclical factors

The Group's plantation operations are affected by seasonal crop production, weather condition and fluctuating commodity prices.

(d) Exceptional item

There is no exceptional item in the financial quarter under review.

(e) Nature and amount of changes in estimates

There is no material change in the nature and amounts in estimates reported in the prior interim period or financial year that has a material effect in the current financial quarter.

(f) Issuances, cancellation, repurchases, resale and repayment of debt and equity securities.

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

(g) Dividends paid

No dividend has been paid during the financial quarter.

(h) Segmental reporting

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

(i) Valuation of property, plant and equipment

For the period under review, there is no amendment to the valuation of Property, Plant and Equipment.

(j) Material events subsequent to first financial quarter

There is no material event subsequent to 31 March 2005 that has not been reflected in the quarterly financial statements for the quarter ended 31 March 2005 .

(k) Changes in the composition of the group

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

(l) Contingent liabilities

	31/3/2005 RM'000	31/12/2004 RM'000	CHANGE RM'000
Corporate guarantee for credit facilities granted to third parties under "Skim Industri Pertanian"	1,321	1,397	(76)

By Order of the Board

Mohamad Affendi Bin Yusoff (LS 007158)

Company Secretary

Dated : 25 May 2005