

FAR EAST HOLDINGS BERHAD

Company No : 14809-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Six - Months Ended 30 June 2012

| | 3 months ended | | 6 months ended | |
|--|----------------|---------------|----------------|---------------|
| | 30-Jun-12 | 30-Jun-11 | 30-Jun-12 | 30-Jun-11 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Revenue | 106,324 | 130,873 | 202,606 | 241,734 |
| Other operating income | 977 | 227 | 1,787 | 1,056 |
| Amortisation of investment held to maturity | 306 | 373 | 612 | 746 |
| Gain on financial assets "at fair value through profit and loss" | (75) | 639 | 466 | 912 |
| | 107,532 | 132,112 | 205,471 | 244,448 |
| Depreciation and amortisation | (2,655) | (2,323) | (5,279) | (4,620) |
| Operating expenses | (85,611) | (99,107) | (163,726) | (188,541) |
| Profit from operations | 19,266 | 30,682 | 36,466 | 51,287 |
| Finance income | 965 | 646 | 1,927 | 1,363 |
| Finance cost | - | (1) | - | (3) |
| Share of profit after tax of equity accounted associates | 5,038 | 6,581 | 9,731 | 12,167 |
| Profit before taxation | 25,269 | 37,908 | 48,124 | 64,814 |
| Taxation | (4,746) | (7,832) | (9,591) | (13,162) |
| Net profit for the period | 20,523 | 30,076 | 38,533 | 51,652 |
| Attributable to: | | | | |
| Owners of the Company | 19,172 | 27,961 | 35,700 | 47,752 |
| Non-controlling interests | 1,351 | 2,115 | 2,833 | 3,900 |
| | 20,523 | 30,076 | 38,533 | 51,652 |
| Earnings per share attributable to owners of the Company (sen): | | | | |
| Basic | 13.67 | 20.47 | 25.46 | 34.97 |
| Diluted | 13.67 | 20.42 | 25.46 | 34.88 |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD**Company No : 14809-W**

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**For the Six - Months Ended 30 June 2012**

| | 3 months ended | | 6 months ended | |
|--|-----------------------|------------------|-----------------------|------------------|
| | 30-Jun-12 | 30-Jun-11 | 30-Jun-12 | 30-Jun-11 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Profit for the period | 20,523 | 30,076 | 38,533 | 51,652 |
| Other comprehensive income | | | | |
| - Transfer from deferred tax | 187 | 32,646 | 374 | 65,292 |
| Total comprehensive income | 20,710 | 62,722 | 38,907 | 116,944 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 19,359 | 60,607 | 36,074 | 113,044 |
| Non-controlling interests | 1,351 | 2,115 | 2,833 | 3,900 |
| | 20,710 | 62,722 | 38,907 | 116,944 |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD**Company No : 14809-W**

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**For the Six - Months Ended 30 June 2012**

| | As at 30-Jun-12 RM'000 Unaudited | As at 31-Dec-11 RM'000 Audited |
|---|---|---|
| Non Current Assets | | |
| Property, plant and equipment | 680,476 | 679,919 |
| Land held for disposal | 29,263 | 29,263 |
| Associates | 236,448 | 226,717 |
| Other financial assets | 42,144 | 41,481 |
| | <u>988,331</u> | <u>977,380</u> |
| Current Assets | | |
| Inventories | 5,911 | 10,985 |
| Short term held to maturity investment | 4,806 | 10,680 |
| Receivables, deposits and prepayments | 64,796 | 60,022 |
| Tax recoverable | 8,957 | 6,485 |
| Deposits, bank and cash balances | 154,984 | 139,180 |
| | <u>239,454</u> | <u>227,352</u> |
| Less: Current Liabilities | | |
| Payables | 29,549 | 28,744 |
| Dividend payable | - | 20,967 |
| Current tax liabilities | 58 | - |
| | <u>29,607</u> | <u>49,711</u> |
| Net Current Assets | <u>209,847</u> | <u>177,641</u> |
| Non Current Liabilities | | |
| Deferred tax liabilities | 126,219 | 126,593 |
| | <u>1,071,959</u> | <u>1,028,428</u> |
| Capital and reserves attributable to owners of the Company | | |
| Share capital | 141,390 | 139,779 |
| Share premium | 47,998 | 37,719 |
| Revaluation reserve | 313,060 | 312,686 |
| Share option reserve | - | 951 |
| Retained earnings | 506,357 | 470,657 |
| Shareholders' equity | <u>1,008,805</u> | <u>961,792</u> |
| Non-controlling interests | 63,154 | 66,636 |
| Total equity | <u>1,071,959</u> | <u>1,028,428</u> |
| Net assets per share attributable owners of the Company (RM) | 7.13 | 6.88 |

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD

Company No : 14809-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Six - Months Ended 30 June 2012

[The figures have not been audited]

| | ----- Attributable to owners of the Company ----- | | | | | | Non-controlling interests | Total equity |
|---|---|-------------------------|--------------------------------|--------------------------------|-----------------------------|------------------|---------------------------|------------------|
| | Share capital RM'000 | Share premium RM'000 | Share option reserve RM'000 | Revaluation reserves RM'000 | Retained earnings RM'000 | Total RM'000 | RM'000 | RM'000 |
| At 1 January 2011 | 136,509 | 17,546 | - | 311,938 | 413,196 | 879,189 | 67,202 | 946,391 |
| Employees shares option scheme | | | | | | | | |
| - issue of shares | 1,531 | 7,963 | - | - | - | 9,494 | - | 9,494 |
| - share option granted | - | - | 1,049 | - | - | 1,049 | - | 1,049 |
| Profit for the year | - | - | - | - | 47,752 | 47,752 | 3,900 | 51,652 |
| Other comprehensive income | | | | | | | | |
| - transfer from deferred tax | - | - | - | 65,292 | - | 65,292 | - | 65,292 |
| Total comprehensive income | - | - | - | 65,292 | 47,752 | 113,044 | 3,900 | 116,944 |
| Dividend for the year ended | | | | | | | | |
| - 31 December 2010 | - | - | - | - | (13,651) | (13,651) | (7,464) | (21,115) |
| At 30 June 2011 | 138,040 | 25,509 | 1,049 | 377,230 | 447,297 | 989,125 | 63,638 | 1,052,763 |
| At 1 January 2012 | 139,779 | 37,719 | 951 | 312,686 | 470,657 | 961,792 | 66,636 | 1,028,428 |
| Employees shares option scheme | | | | | | | | |
| - issue of shares | 1,611 | 8,882 | - | - | - | 10,493 | - | 10,493 |
| - share option granted | - | - | 446 | - | - | 446 | - | 446 |
| - share options exercised | - | 1,397 | (1,397) | - | - | - | - | - |
| Profit for the for the year | - | - | - | - | 35,700 | 35,700 | 2,833 | 38,533 |
| Other comprehensive income | | | | | | | | |
| - transfer from deferred tax | - | - | - | 374 | - | 374 | - | 374 |
| Total comprehensive income | - | - | - | 374 | 35,700 | 36,074 | 2,833 | 38,907 |
| Dividend paid to non-controlling shareholders | - | - | - | - | - | - | (6,315) | (6,315) |
| At 30 June 2012 | 141,390 | 47,998 | - | 313,060 | 506,357 | 1,008,805 | 63,154 | 1,071,959 |

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD

Company No : 14809-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**For the Six - Months Ended 30 June 2012**

| | 6 months and year-to-date ended | |
|---|---------------------------------|---------------|
| | 30-Jun-12 | 30-Jun-11 |
| | RM'000 | RM'000 |
| | Unaudited | Unaudited |
| Operating activities | | |
| Profit for the year attributable to owners of the Company | 35,700 | 47,752 |
| Adjustments for: | | |
| Non-controlling interests | (3,482) | (3,564) |
| Property, plant and equipment | | |
| - depreciation | 5,279 | 4,620 |
| - written off and other adjustment | 8 | 3 |
| - gain on disposal | (11) | - |
| Share of profit of associates | (9,731) | (12,167) |
| Gain on financial asset "at fair value through profit and loss" | (466) | (912) |
| Amortisation of investment held to maturity | (612) | (746) |
| Share options granted | 446 | 1,049 |
| Interest expenses | - | 3 |
| Interest income | (1,927) | (1,363) |
| Tax expense | 9,591 | 13,162 |
| Operating profit before working capital | 34,795 | 47,837 |
| Changes in working capital: | | |
| - inventories | 5,074 | (2,465) |
| - receivables, deposits and prepayments | (4,583) | (3,230) |
| - payables | 863 | (1,057) |
| Cash from operations | 36,149 | 41,085 |
| Interest received | 1,927 | 1,363 |
| Interest paid | - | (3) |
| Tax paid | (11,840) | (10,167) |
| Net cash flow from operating activities | 26,236 | 32,278 |

FAR EAST HOLDINGS BERHAD

Company No : 14809-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the Six - Months Ended 30 June 2012

| | 6 months and year-to-date ended | |
|--|--|------------------|
| | 30-Jun-12 | 30-Jun-11 |
| | RM'000 | RM'000 |
| | Unaudited | Unaudited |
| Investing activities | | |
| Property, plant and equipment | | |
| - purchase | (5,844) | (5,333) |
| - proceed from disposal | 11 | - |
| Proceed from of investment | 5,875 | (143) |
| Gain on "fair value through profit and loss " investment | - | 2,912 |
| Net cash from/(used in) investing activities | <u>42</u> | <u>(2,564)</u> |
| Financing activities | | |
| Exercise of share options | | |
| - issue of shares | 1,611 | 1,531 |
| - share premium | 8,882 | 7,963 |
| Hire purchase paid | - | (29) |
| Dividend paid | (20,967) | (13,651) |
| Net cash used in financing activities | <u>(10,474)</u> | <u>(4,186)</u> |
| Net increase in cash and cash equivalents | 15,804 | 25,528 |
| Cash and cash equivalents | | |
| -at start of the year | 139,180 | 89,072 |
| -at end of the year | <u>154,984</u> | <u>114,600</u> |

The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

1. BASIS OF PREPARATION

The interim financial statements, other than financial instruments, have been prepared under the historical cost convention. Financial instruments have been fair valued in accordance to FRS 139 Financial Instruments: Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2011, except for the adoption of the following:

2.1 Effective for financial periods beginning on or after 1 July 2011

| | |
|------------------------------------|---|
| IC Interpretation 19 | Extinguishing Financial Liabilities with Equity Instruments |
| Amendments to IC Interpretation 14 | Prepayments of a Minimum Funding Requirement |

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

2.2 Effective for financial periods beginning on or after 1 January 2012

| | |
|-----------------------|--|
| Amendments to FRS 1 | Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters |
| Amendments to FRS 7 | Disclosures - Transfers of Financial Assets |
| Amendments to FRS 112 | Deferred Tax: Recovery of Underlying Assets |

The adoption of the above revised FRSs, IC Interpretation and Amendments did not have any significant impact on the financial performance, position or presentation of financials of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called “Transitioning Entities”).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

On 30 June 2012, MASB has decided to allow agriculture and real estate companies (Transitioning Entities) to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014. This decision comes after an extensive deliberation by Board and taking into account both local and international developments affecting these standards.

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's plantations business is affected by seasonal crop production, weather condition and fluctuating commodity prices.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the current quarter and cumulative quarter ended 30 June 2012.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no material changes in estimates of amounts that have any material effect in the current quarter and cumulative quarter ended 30 June 2012.

6. DISCLOSURE ON QUALIFICATION ON AUDIT REPORT

The audit report of the Group's financial statements for the financial year ended 31 December 2011 was not qualified.

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

7. 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 and cumulative quarter ended 30 June 2012 except for the issuance 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) |
|--|--|-----------------------------------|
| 6.520 | 1,076 | 7,015 |
| 6.550 | 5 | 33 |
| 6.500 | 530 | 3,445 |
| Total | 1,611 | 10,493 |

8. DIVIDEND PAID

Dividend paid is as follow:

| | 3 months ended | | 6 months ended | |
|------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 30.6.2012 RM'000 | 30.6.2011 RM'000 | 30.6.2012 RM'000 | 30.6.2011 RM'000 |
| Interim dividend | 20,967 ¹ | 13,651 ² | 20,967 ¹ | 13,651 ² |

Note:

- 1 An interim dividend of fifteen (15) sen per share (single tier) for the financial year ended 31 December 2011 was paid on 9 January 2012. The amount was taken-up in the retained earnings for the financial year ended 31 December 2011.
- 2 An interim dividend of ten (10) sen per share (single tier) for the financial year ended 31 December 2010 was paid on 21 January 2011.

9. SEGMENTAL REPORTING

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

10. PROPERTY, PLANT AND EQUIPMENT

The valuation of property, plant and equipment has been brought forward without amendments from the financial statements for the year ended 31 December 2011.

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

11. SUBSEQUENT MATERIAL EVENTS

There was no subsequent material events at the date of this cumulative quarter ended 30 June 2012.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the cumulative quarter ended 30 June 2012.

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Group does not have any contingent liabilities or contingent assets for the cumulative quarter ended 30 June 2012.

14. REVIEW OF PERFORMANCE

| | 3 months ended | | 6 months ended | |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 30.6.2012 RM'000 | 30.6.2011 RM'000 | 30.6.2012 RM'000 | 30.6.2011 RM'000 |
| Revenue | 106,324 | 130,873 | 202,606 | 241,734 |
| Profit before taxation | 25,269 | 37,908 | 48,124 | 64,814 |
| Net profit for the period | 20,523 | 30,076 | 38,533 | 51,652 |

Lower revenue, profit before taxation and net profit for the cumulative quarter 2012 when compared to the corresponding cumulative quarter 2011 were mainly due to:

- (i) Higher estate expenditure by RM9.86 million (35%) due to the early completion of half year estate programmes as compared to the corresponding period of 2011.
- (ii) Lower crop received and processed by the mill during the period by 14,380 metric tonnes (18%) which was 65,220 metric tonnes when compared to the corresponding period of 2011 which was 79,600 mt as there were some outside estates had diverted the crop to other millers.
- (iii) Lower average kernel price during the period of RM1,913 per metric tonne when compared to RM2,796 per metric tonne for the corresponding period of 2011.

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

- (iv) Lower FFB production by 1,381 metric tonnes.
- (v) Lower contribution from the share of profits from associated companies by RM2.44 million (20%).

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

| | Current Quarter 30.6.2012 RM'000 | Preceding Quarter 31.3.2012 RM'000 |
|---------------------------|---|---|
| Revenue | 106,324 | 96,282 |
| Profit before taxation | 25,269 | 22,855 |
| Net profit for the period | 20,523 | 18,010 |

For the current quarter ended 30 June 2012, the Group posted higher revenue, profit before taxation and net profit for the period were due to:

- (i) Higher FFB production by 13,393 metric tonnes.
- (ii) Higher average of crude palm oil price.
- (iii) Higher contribution from the share of profits from associated companies by RM0.35 million.

16. OTHER OPERATING INCOME

| | 3 months ended | | 6 months ended | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 30.6.2012 RM'000 | 30.6.2011 RM'000 | 30.6.2012 RM'000 | 30.6.2011 RM'000 |
| - Net sales of scout harvesting | 412 | 713 | 675 | 1,024 |
| - Net sales of FFB from "tapping right" | 328 | 79 | 595 | 120 |
| - Net sales of seedlings | (14) | (774) | 42 | (360) |
| - Net sales of palm kernel shell and others | 204 | 194 | 397 | 395 |
| - Amount over taken-up for the gain on disposal of land | - | - | - | (180) |
| - Gain on disposal of property, plant and equipment | 11 | 1 | 11 | 8 |
| - Rental income | 26 | 6 | 49 | 19 |
| - Others | 10 | 8 | 18 | 30 |
| Total | 977 | 227 | 1,787 | 1,056 |

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

17. GAIN OR LOSS ON DISPOSAL OF QUOTED OR UNQUOTED INVESTMENT OR PROPERTIES

There were no gain or loss on disposal of quoted or unquoted investment or properties for the current and cumulative quarter ended 30 June 2012.

18. FOREIGN EXCHANGE GAIN OR LOSS

The Group does not have any foreign exchange gain or loss for the current and cumulative quarter ended 30 June 2012.

19. GAIN OR LOSS ON DERIVATIVES

The Group does not have any gain or loss on derivatives for the current and cumulative quarter ended 30 June 2012.

20. CURRENT YEAR PROSPECTS

The Group is expected to achieve favorable result in view of the sustainable crude palm oil price.

21. CAPITAL COMMITMENTS

The amount of capital commitments not provided for in the financial statements is as follow:

| | As at 30.6.2012 RM'000 | As at 30.6.2011 RM'000 |
|----------------------------------|---------------------------------------|---------------------------------------|
| Property, plant and equipment | 7,065 | 7,883 |
| Oil palm estates development | 12,408 | 16,399 |
| Acquisition of land | 40,000 | 70,000 |
| Total capital commitments | 59,473 | 94,282 |

22. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

Not applicable as there was no profit forecast nor profit guarantee published.

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

23. TAXATION

| | 3 months ended | | 6 months ended | |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 30.6.2012 RM'000 | 30.6.2011 RM'000 | 30.6.2012 RM'000 | 30.6.2011 RM'000 |
| Current year tax | 4,770 | 7,832 | 9,599 | 13,162 |
| Under provision in prior year | (24) | - | (8) | - |
| Total | 4,746 | 7,832 | 9,591 | 13,162 |

The effective tax rate of the Group for the cumulative quarter ended 30 June 2012 and 30 June 2011 is calculated at Malaysian statutory tax rate of 25% of the estimated assessable profit for the year.

24. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the cumulative quarter ended 30 June 2012.

25. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowing is as follow:

| | As at 30.6.2012 RM'000 | As at 30.6.2011 RM'000 |
|-------------------------------------|------------------------------|------------------------------|
| Current | | |
| Hire purchase liabilities (secured) | - | 4 |

26. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the current quarter and cumulative quarter ended 30 June 2012, the Group did not enter into any contract involving off balance sheet instruments.

27. STATUS OF THE MATERIAL LITIGATIONS

In the matter of an Arbitration between
Majlis Ugama Islam Dan Adat Resam Melayu Pahang – Claimant
And
Far East Holdings Berhad & Anor – Respondent

The decision from Arbitrator has yet to be delivered.

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

28. STATUS ON THE JOINT VENTURE PROJECT

- (i) **The status on the joint venture project for the development of oil palm plantation between Far East Holdings Berhad and Rangkaian Delima Sdn Bhd**

Far East Delima Plantations Sdn Bhd (“FEDP”)

The total planted area was 2,860 hectares and as at 30 June 2012 all areas had been declared as matured. FEDP had recorded a profit before tax of RM347,933 for the cumulative quarter ended 30 June 2012.

- (ii) **The status on the joint venture project for the biodiesel and glycerine refinery - Future Prelude Sdn Bhd (“FPSB”)**

FPSB recorded a loss of RM5.23 million for the cumulative quarter ended 30 June 2012.

Redeemable Cumulative Preference Shares (“RCPS”)

FEHB on 12 July 2012 had announced to convert 34,200,000 RCPS held by the Company as well as RM5,695,500 being cumulative dividends up to 30 June 2012. This total consideration of RM39,895,500 are to be satisfied by issuance of 39,895,500 ordinary shares of RM1.00 each by FPSB.

As at to date, the exercise is yet to be completed.

Status of Material Litigation

FPSB had received a first payment of USD569,732.10 on 8 June 2012 from Alami Vegetable Oil Products Sdn Bhd (Alami) whilst the second payment of USD268,230.60 was received on 2 July 2012 and the third payment of RM1,360,000.00 was received on 6 August 2012.

FPSB had served a Statutory Notice of Demand (s.218(2)(a) of The Companies Act 1965) to Alami on 9 August 2012.

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W
(Incorporated in Malaysia)

29. DIVIDEND

(i) Current quarter for the financial period ending 30 June 2012

Dividend for the financial year ended 31 December 2011:

On 6 April 2012, the Company had announced recommendation for a final single tier dividend of 15 sen per share and a special single tier dividend of 10 sen per share for the financial year ended 31 December 2011 and the dividend was approved at Annual General Meeting on 20 June 2012 and payment date was on 18 July 2012.

(ii) Current quarter for the financial period ending 30 June 2011

Dividend for the financial year ended 31 December 2010:

On 15 April 2011, the Company had announced recommendation for a final dividend of 20 sen (single tier) for the financial year ended 31 December 2010 and the dividend was approved at Annual General Meeting on 20 June 2011 and payment date was on 14 July 2011.

30. EARNINGS PER SHARE (“EPS”)

(a) Basic EPS

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period:

| | 3 months ended | | 6 months ended | |
|---|-----------------------|------------------|-----------------------|------------------|
| | 30.6.2012 | 30.6.2011 | 30.6.2012 | 30.6.2011 |
| Profit attributable to equity holder of the parent (RM'000) | 19,172 | 27,961 | 35,700 | 47,752 |
| Weighted average number of ordinary shares in issue ('000) | 140,196 | 136,569 | 140,196 | 136,569 |
| Basic EPS (sen) | 13.67 | 20.47 | 25.46 | 34.97 |

FAR EAST HOLDINGS BERHAD

Company No : 14809 - W

(Incorporated in Malaysia)

(b) Diluted EPS

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares in issue during the period has been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

| | 3 months ended | | 6 months ended | |
|--|----------------|--------------|----------------|--------------|
| | 30.6.2012 | 30.6.2011 | 30.6.2012 | 30.6.2011 |
| Profit attributable to equity holder of the parent (RM'000) | 19,172 | 27,961 | 35,700 | 47,752 |
| Weighted average number of ordinary shares in issue ('000) | 140,196 | 136,569 | 140,196 | 136,569 |
| Effect of dilution ('000) | - | 334 | - | 337 |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 140,196 | 136,903 | 140,196 | 136,906 |
| Diluted EPS (sen) | 13.67 | 20.42 | 25.46 | 34.88 |

31. RETAINED EARNINGS

| | As at 30.6.2012 Unaudited RM'000 | As at 31.12.2011 Audited RM'000 |
|--------------------------------|---|--|
| Realised | 529,703 | 494,666 |
| Unrealised | (23,346) | (24,009) |
| Total Retained Earnings | 506,357 | 470,657 |

32. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue on 14 August 2012 by the Board of Directors in accordance with a resolution of the Directors.