

FAR EAST HOLDINGS BERHAD (14809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET**For the Nine-Months Ended 30 September 2007**

| | As at 30-Sep-07 RM'000 (unaudited) | As at 31-Dec-06 RM'000 (restated) |
|--|---|--|
| Non Current Assets | | |
| Property, plant and equipment | 218,510 | 202,896 |
| Land held for development | 40,285 | 40,246 |
| Prepaid land lease payments | 203,151 | 205,154 |
| Deferred tax assets | 66 | 66 |
| Associates | 83,397 | 72,679 |
| Investments, at cost | 31,247 | 18,299 |
| Breeding stocks | 0 | 92 |
| | <hr/> 576,656 | <hr/> 539,432 |
| Current Assets | | |
| Inventories | 8,659 | 8,046 |
| Receivables, deposits and prepayments | 33,083 | 31,407 |
| Tax recoverable | 1,556 | 1,060 |
| Deposits, bank and cash balances | 108,058 | 80,288 |
| | <hr/> 151,356 | <hr/> 120,801 |
| Less: Current Liabilities | | |
| Payables | 30,597 | 23,407 |
| Hire purchase liabilities | 469 | 432 |
| Current tax liabilities | 8,830 | 589 |
| Bank overdraft | 9,252 | 0 |
| | <hr/> 49,148 | <hr/> 24,428 |
| Net Current assets | <hr/> 102,208 | <hr/> 96,373 |
| Non Current Liabilities | | |
| Hire purchase liabilities | 366 | 512 |
| Deferred tax liabilities | 83,247 | 83,557 |
| | <hr/> 83,613 | <hr/> 84,069 |
| | <hr/> 595,251 | <hr/> 551,736 |
| Capital and reserves attributable to equity holders of the parent | | |
| Share capital | 135,089 | 134,861 |
| Share premium | 10,347 | 10,208 |
| Other reserves | 173,892 | 173,581 |
| Retained earnings | 213,846 | 178,704 |
| | <hr/> 533,174 | <hr/> 497,354 |
| Minority Interest | 62,077 | 54,382 |
| Total equity | <hr/> 595,251 | <hr/> 551,736 |
| Net assets per share attributable to equity holders of the Company (RM) | | |
| | 3.95 | 3.71 |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED INCOME STATEMENTS**For the Nine-Months Ended 30 September 2007**

| | 3 months ended | | 9 months ended | |
|--|-----------------------|--------------------|-----------------------|--------------------|
| | 30-Sep-07 | 30-Sep-06 | 30-Sep-07 | 30-Sep-06 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Revenue | 122,743 | 62,897 | 275,153 | 102,954 |
| Other income | 467 | 596 | 5,253 | 4,468 |
| | 123,210 | 63,493 | 280,406 | 107,422 |
| Operating expenses | (88,921) | (44,824) | (215,262) | (71,560) |
| Profit from operations and other income | 34,289 | 18,669 | 65,144 | 35,862 |
| Finance income | 641 | 483 | 1,798 | 1,549 |
| Finance interest | (165) | (10) | (180) | (12) |
| Share of profit of associates | 6,605 | 2,255 | 10,718 | 4,590 |
| Profit before taxation | 41,370 | 21,397 | 77,480 | 41,989 |
| Taxation | (8,242) | (3,406) | (16,881) | (7,756) |
| Net profit for the period | 33,128 | 17,991 | 60,599 | 34,233 |
| Attributable to: | | | | |
| Equity holders of the parent | 26,304 | 15,859 | 51,020 | 31,055 |
| Minority interest | 6,824 | 2,132 | 9,579 | 3,178 |
| Net profit for the period | 33,128 | 17,991 | 60,599 | 34,233 |
| Earnings per share attributable to equity holder of the parent (sen): | | | | |
| Basic | 19.49 | 11.87 | 37.80 | 23.25 |
| Diluted | 19.49 | 11.86 | 37.80 | 23.22 |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Period Ended 30 September 2007**

[The figures have not been audited]

| | ----- Attributable to Equity Holders of the Parent ----- | | | | | Minority Interest | Total Equity |
|---|--|---------------|--|-------------------|----------------|-------------------|-----------------|
| | -----Non-Distributable ----- | | Distributable | | | | |
| | Shares capital | Share premium | Revaluation Reserve and Other Reserves | Retained earnings | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| As at 1 January 2006 : | | | | | | | |
| As previously stated | 133,038 | 9,226 | 173,111 | 157,715 | 473,090 | 33,616 | 506,706 |
| Prior year adjustment - effects of adopting FRS 2 | - | - | 28 | (28) | 0 | - | 0 |
| As at 1 January 2006 (restated) | 133,038 | 9,226 | 173,139 | 157,687 | 473,090 | 33,616 | 506,706 |
| Issuance of ordinary shares pursuant to ESOS | 1,764 | 940 | - | - | 2,704 | - | 2,704 |
| Net loss recognised in the income statement | - | - | 8 | - | 8 | - | 8 |
| Share-based payment under ESOS | - | - | 28 | - | 28 | - | 28 |
| Transfer from deferred tax | - | - | 186 | - | 186 | - | 186 |
| Business combination | - | - | - | - | 0 | 17,084 | 17,084 |
| Dividend paid by subsidiary - minority interest portion | - | - | - | - | 0 | (1,859) | (1,859) |
| Net profit for the year | - | - | - | 31,055 | 31,055 | 3,913 | 34,968 |
| Dividend paid during the period | - | - | - | (13,036) | (13,036) | - | (13,036) |
| As at 30 September 2006 | 134,802 | 10,166 | 173,361 | 175,706 | 494,035 | 52,754 | 546,789 |
| As at 1 January 2007 : | | | | | | | |
| As previously stated | 134,861 | 10,208 | 173,581 | 178,704 | 497,354 | 54,382 | 551,736 |
| Issuance of ordinary shares pursuant to ESOS | 228 | 139 | - | - | 367 | - | 367 |
| Share-based payment under ESOS | - | - | - | - | 0 | - | 0 |
| Transfer from deferred tax | - | - | 311 | - | 311 | - | 311 |
| Net profit for the year | - | - | - | 51,020 | 51,020 | 9,579 | 60,599 |
| Dividend paid during the period - 31 December 2006 | - | - | - | (15,878) | (15,878) | (1,884) | (17,762) |
| As at 30 September 2007 | 135,089 | 10,347 | 173,892 | 213,846 | 533,174 | 62,077 | 595,251 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT**For the Nine-Months Ended 30 September 2007**

| | 9 months and year-to-date ended | |
|---|--|--------------------|
| | 30-Sep-07 | 30-Sep-06 |
| | RM'000 | RM'000 |
| | (unaudited) | (unaudited) |
| Net cash inflow from operating activities | 62,752 | 30,086 |
| Net cash outflow from investing activities | (28,451) | (16,474) |
| Net cash generated from financing activities | (15,783) | (11,379) |
| Net increase/(decrease) in cash and cash equivalents | 18,518 | 2,233 |
| Cash and cash equivalent at 1 January 2007/2006 | 80,288 | 74,844 |
| Cash and cash equivalent at 30 September 2007/2006 | 98,806 | 77,077 |
| Cash and cash equivalent comprise : | | |
| Cash and bank balances | 108,058 | 77,077 |
| Bank overdraft (included in current liabilities) | (9,252) | - |
| | 98,806 | 77,077 |

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

1. BASIS OF PREPARATION

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

The interim financial report should be read in conjunction with the Group's financial statement for the year ended 31 December 2006. 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 financial year ended 31 December 2006.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 January 2007:

| | |
|-----------------------------------|---------------------------|
| FRS 117 | Leases |
| FRS 119 ₂₀₀₄ (Revised) | Employee Benefits |
| FRS 124 | Related Party Disclosures |

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of all FRSs mentioned above does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are discussed below:

FRS 117: Leases

Prior to 1 January 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis

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over the lease term.

Upon the adoption of the revised FRS 117 at 1 January 2007, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and as disclosed below, certain comparative amounts as at 31 December 2006 have been restated:

Restatement of comparatives

| | Previously stated (RM'000) | Decrease (RM'000) | Restated (RM'000) |
|-------------------------------|---------------------------------------|------------------------------|------------------------------|
| Property, plant and equipment | 408,050 | (205,154) | 202,896 |
| Prepaid land lease payments | - | 205,154 | 205,154 |

3. DISCLOSURE ON QUALIFICATION OF AUDIT REPORT

The audit report of the Group's financial statements for the financial year ended 31 December 2006 was not qualified.

4. SEASONALITY OR CYCLICALITY

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

5. 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 and financial year-to-date except as disclosed in Note 2.

6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts that have a material effect in the current quarter and financial year-to-date results.

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

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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] |
|-----------------------------|-----------------------------|-------------------------|
| 1.020 | 35 | 36 |
| 1.635 | 160 | 261 |
| 2.125 | 33 | 70 |
| Total | 228 | 367 |

8. DIVIDEND PAID

Dividend paid was as follow:

| | 3 months ended | | 9 months ended | |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | 30.9.2007 RM'000 | 30.9.2006 RM'000 | 30.9.2007 RM'000 | 30.9.2006 RM'000 |
| Interim dividend | - | - | 4,922 ¹ | - |
| Final dividend | 10,956 ² | 13,036 ³ | 10,956 ² | 13,036 ³ |
| Total dividend paid | 10,956 | 13,036 | 15,878 | 13,036 |

Note:

1. A special dividend of five (5) sen less 27% Malaysian Income Tax for the financial year ended 31 December 2006 was paid on 29 January 2007.
2. A final dividend of seven (7) sen less 27% Malaysian Income Tax and a tax exempt dividend of three (3) sen for the financial year ended 31 December 2006 was paid on 27 July 2007.
3. A final dividend of ten (10) sen less 28% Malaysian Income Tax and a tax exempt dividend of two and a half (2.5) sen for the financial year ended 31 December 2005 was paid on 5 July 2006.

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 valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the year ended 31 December 2006.

11. SUBSEQUENT MATERIAL EVENTS

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

12. CHANGES IN THE COMPOSITION OF THE GROUP

In May 2007, the proposed disposal by the Company of 900,000 shares representing approximately 3.46% equity interest in Prosper Trading Sdn Bhd to Prosper Palm Oil Mills Sdn Bhd for a cash consideration of RM5.41 million was finalised. The proposed disposal had resulted in a gain of disposal of RM4.20 million and was recognised as other income in preceding quarter ended 30 June 2007.

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

14. REVIEW OF PERFORMANCE

| | 3 months ended | | 9 months ended | |
|---------------------------|-----------------------|------------------|-----------------------|------------------|
| | 30.9.2007 | 30.9.2006 | 30.9.2007 | 30.9.2006 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 122,743 | 62,897 | 275,153 | 102,954 |
| Profit before taxation | 41,370 | 21,397 | 77,480 | 41,989 |
| Net profit for the period | 33,128 | 17,991 | 60,599 | 34,233 |

Higher revenue and net profit for the current quarter 2007 and cumulative quarter 2007 as compared to the current quarter 2006 and cumulative quarter 2006 respectively were due to:

- (a) Higher average crude palm oil price of RM2,085 mt for the cumulative quarter 2007 as compared to RM1,446 for the corresponding cumulative quarter 2006.

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- (b) Inclusion of KKS B's revenue for nine months for the cumulative quarter 2007 as compared to only two months revenue taken-up in the cumulative quarter of 2006.
- (c) Gain of disposal of RM4.20 million resulting from the sale of Prosper Trading shares to Prosper Palm Oil Mills Sdn Bhd in the cumulative quarter 2007.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

| | Current Quarter 30.9.2007 RM'000 | Preceding Current Quarter 30.6.2007 RM'000 |
|---------------------------|---|---|
| Revenue | 122,743 | 77,435 |
| Profit before taxation | 41,370 | 22,912 |
| Net profit for the period | 33,128 | 17,226 |

For the current quarter ended 30 September 2007, the Group recorded higher net profit for the period as compared to the preceding current quarter 30 June 2007. This was mainly due to higher FFB production by 37,723 mt (62%) and as well as higher Crude Palm Oil ("CPO") and Kernel prices.

16. CURRENT YEAR PROSPECTS

The Group is expected to achieve favorable result given the expectation of higher crop production and sustainable CPO price.

17. CAPITAL COMMITMENTS

The amount of commitments for the acquisition of shares, purchase of land, plant and equipment not provided for in the interim financial statements as at 30 September 2007 is as follows:

Approved and contracted for:

| | As at 30.9.2007 (RM'000) |
|-------------------------------|-------------------------------------|
| Acquisition of shares | 23,345 |
| Acquisition of land | 33,912 |
| Property, plant and equipment | 24,149 |
| Prepaid land lease payments | 668 |
| Total | 82,074 |

18. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

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

19. TAXATION

| | 3 months ended | | 9 months ended | |
|------------------------------------|-----------------------|------------------|-----------------------|------------------|
| | 30.9.2007 | 30.9.2006 | 30.9.2007 | 30.9.2006 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Company tax | 8,413 | 3,406 | 16,587 | 7,756 |
| Under/(over) accrual in prior year | (171) | - | 294 | - |
| Total | 8,242 | 3,406 | 16,881 | 7,756 |

The Group effective tax rate for the current quarter 2007 was 24% and for the cumulative quarter 2007 was 26%. The Group effective tax rate for the current and cumulative quarter 2007 was lower than the statutory tax rate due to certain expenses allowable for tax.

20. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties for the current quarter under review other than through the fund managers appointed.

21. QUOTED SECURITIES

The value of quoted securities are as follows:

| | As at |
|-----------------|------------------|
| | 30.9.2007 |
| | RM'000 |
| At cost | 18,969 |
| At market value | 21,261 |

22. STATUS OF CORPORATE PROPOSALS

As to date, the proposed rationalisations have not been completed, as some of the condition precedents are yet to be met.

23. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings were as follows:

As at
30.9.2007
RM'000

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Current

| | |
|-------------------------------------|-------|
| Hire purchase liabilities (secured) | 469 |
| Bank Overdraft | 9,252 |

Non Current

| | |
|-------------------------------------|-----|
| Hire purchase liabilities (secured) | 366 |
|-------------------------------------|-----|

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

25. STATUS OF THE MATERIAL LITIGATIONS

Originating Summon – Kuantan HCOS NO. MT (1) 24-263-2006

Majlis Ugama Islam Dan Adat Resam Melayu Pahang - vs -

- 1) Far East Holdings Berhad
- 2) Kampong Aur Oil Palm (Co.) Sdn Bhd

The Summon In Chambers on 21 June 2006 had allowed with cost that the dispute be referred to Arbitration.

26. STATUS ON THE JOINT VENTURE PROJECT

The status on the joint venture project for the development of oil palm plantation with Far East Holdings Berhad and Rangkaian Delima Sdn Bhd.

About 2,784 hectares had been planted and developed in stages since 2005. The joint venture company i.e. Far East Delima Plantations Sdn Bhd had recorded a loss of RM364,943 for the cumulative quarter ended 30 September 2007.

27. DIVIDEND

For the financial year ended 31 December 2007:

Current quarter 31 Mar 2007: No dividend declared in the current quarter Mar 2007.

Current quarter 30 June 2007: No dividend declared in the current quarter June 2007.

Current quarter 30 Sept 2007: The Board is recommending an interim dividend of five (5) sen less 26% income tax and a special interim dividend of five (5) sen less 26% income tax for the financial year ended 31 December 2007.

Payment date : 17 January 2008

Entitlement date: 19 December 2007

For the financial year ended 31 December 2006:

Current quarter 31 Mar 2006: No dividend declared in the current quarter Mar 2006.

Current quarter 30 June 2006: An interim dividend of five (5) sen less 28% income tax for the financial year ended 31 December 2006 had been declared.

Current quarter 30 Sept 2006: No dividend declared in the current quarter September 2006.

28. 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 | | 9 months ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30.9.2007 RM'000 | 30.9.2006 RM'000 | 30.9.2007 RM'000 | 30.9.2006 RM'000 |
| Profit attributable to equity holder of parent (RM'000) | 26,304 | 15,859 | 51,020 | 31,055 |
| Weighted average number of ordinary shares in issue ('000) | 134,974 | 133,598 | 134,974 | 133,598 |
| Basic EPS (sen) | 19.49 | 11.87 | 37.80 | 23.25 |

(b) **Diluted EPS**

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

| 3 months ended | | 9 months ended | |
|---------------------|---------------------|---------------------|---------------------|
| 30.9.2007 RM'000 | 30.9.2006 RM'000 | 30.9.2007 RM'000 | 30.9.2006 RM'000 |

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| | | | | |
|--|--------------|--------------|--------------|--------------|
| Profit attributable to equity holder of parent (RM'000) | 26,304 | 15,859 | 51,020 | 31,055 |
| Weighted average number of ordinary shares in issue ('000) | 134,974 | 133,598 | 134,974 | 133,598 |
| Effect of dilution ('000) | - | 160 | - | 148 |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 134,974 | 133,758 | 134,974 | 133,746 |
| Diluted EPS (sen) | 19.49 | 11.86 | 37.80 | 23.22 |

29. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue on 22 November 2007 by the Board of Directors in accordance with a resolution of the directors.