

FAR EAST HOLDINGS BERHAD (14809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET**For the Nine-Months Ended 30 September 2009**

	As at	As at
	30-Sep-09	31-Dec-08
	RM'000	RM'000
	(unaudited)	(audited)
Non Current Assets		
Property, plant and equipment	249,161	237,705
Prepaid land lease payments	230,253	232,445
Land held for development	40,430	40,379
Deferred tax assets	268	268
Associates	165,132	155,173
Investments, at cost	45,329	39,129
	<hr/>	<hr/>
	730,573	705,099
Current Assets		
Inventories	10,713	7,166
Receivables, deposits and prepayments	31,721	34,798
Tax recoverable	2,465	2,578
Deposits, bank and cash balances	73,461	72,666
	<hr/>	<hr/>
	118,360	117,208
Less: Current Liabilities		
Payables	37,731	27,559
Dividend payable	0	10,174
Current tax liabilities	0	900
Hire Purchase Creditor	68	295
	<hr/>	<hr/>
	37,799	38,928
Net Current assets	<hr/>	<hr/>
	80,561	78,280
Non Current Liabilities		
Hire purchase liabilities	179	179
Deferred tax liabilities	78,048	79,997
	<hr/>	<hr/>
	78,227	80,176
	<hr/>	<hr/>
	732,907	703,203
Capital and reserves attributable to equity holders of the parent		
Share capital	136,229	135,649
Share premium	15,659	13,203
Other reserves	181,239	178,904
Retained earnings	344,572	316,574
	<hr/>	<hr/>
	677,699	644,330
Minority Interest	55,208	58,873
Total equity	<hr/>	<hr/>
	732,907	703,203

Net assets per share attributable
to equity holders of the Company (RM)

4.99

4.76

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD (14809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS**For the Nine-Months Ended 30 September 2009**

	3 months ended		9 months ended	
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	83,060	129,909	243,014	419,922
Other income	95	4,542	930	8,147
	<u>83,155</u>	<u>134,451</u>	<u>243,944</u>	<u>428,069</u>
Operating expenses	(61,342)	(94,168)	(190,786)	(311,677)
Profit from operations	21,813	40,283	53,158	116,392
Finance income	272	425	1,048	1,722
Finance interest	(7)	(10)	(26)	(84)
Share of profit of associates	5,985	10,402	13,064	42,772
Profit before taxation	28,063	51,100	67,244	160,802
Taxation	(6,585)	(10,455)	(14,611)	(30,439)
Net profit for the period	21,478	40,645	52,633	130,363
Attributable to:				
Equity holders of the parent	19,742	37,286	48,432	117,445
Minority interest	1,736	3,359	4,201	12,918
Net profit for the period	21,478	40,645	52,633	130,363
Earnings per share attributable to equity holder of the parent (sen):				
Basic	14.53	27.57	35.65	86.83
Diluted	14.53	27.56	35.65	86.80

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD (14809-W)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Period Ended 30 September 2009**

[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 2008 :							
As previously stated	135,089	10,403	176,152	230,423	552,067	60,600	612,667
Issuance of ordinary shares pursuant to ESOS	560	2,371	-	-	2,931	-	2,931
Share-based payment under ESOS	-	-	583	-	583	-	583
Transfer from deferred tax	-	-	310	-	310	-	310
Net profit for the year	-	-	-	117,445	117,445	12,918	130,363
Dividend for the year ended:							
- 31 December 2007	-	-	-	(23,502)	(23,502)	(6,727)	(30,229)
- 31 December 2008	-	-	-	(13,565)	(13,565)	(9,680)	(23,245)
As at 30 September 2008	135,649	12,774	177,045	310,801	636,269	57,111	693,380
As at 1 January 2009 :							
As previously stated	135,649	13,203	178,904	316,574	644,330	58,873	703,203
Issuance of ordinary shares pursuant to ESOS	580	2,456	-	-	3,036	-	3,036
Share-based payment under ESOS	-	-	386	-	386	-	386
Transfer from deferred tax	-	-	1,949	-	1,949	-	1,949
Net profit for the year	-	-	-	48,432	48,432	4,201	52,633
Dividend for the year ended:							
- 31 December 2008	-	-	-	(20,434)	(20,434)	(7,866)	(28,300)
As at 30 September 2009	136,229	15,659	181,239	344,572	677,699	55,208	732,907

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD (14809-W)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT**For the Nine-Months Ended 30 September 2009**

	9 months and year-to-date ended	
	30-Sep-09	30-Sep-08
	RM'000	RM'000
	(unaudited)	(unaudited)
Net cash inflow from operating activities	54,644	67,924
Net cash inflow/(outflow) from investing activities	(18,184)	1,486
Net cash generated from financing activities	(35,665)	(60,539)
Net increase/(decrease) in cash and cash equivalents	<u>795</u>	<u>8,871</u>
Cash and cash equivalent at 1 January 2009/2008:		
Cash and bank balances	72,666	59,867
Bank overdraft	0	(264)
Cash and cash equivalent at 30 September 2009/2008	<u>73,461</u>	<u>68,474</u>
Cash and cash equivalent comprise :		
Cash and bank balances	73,461	68,474
	<u>73,461</u>	<u>68,474</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD (14809-W)
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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 2008. 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 2008.

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 2008 except for the following Financial Reporting Standards ("FRS") and Issues Committee Interpretations ("IC Interpretation") which were issued but not yet effective and have not been applied by the Group:

FRS 4	Insurance Contract
FRS 7	Financial Instruments Disclosures
FRS 8	Operating Segments
FRS 139	Financial Instruments Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 8	Scope of FRS 2

The adoption of all FRSs and IC Interpretations upon their effective dates is not expected to have any significant financial impact to the Group.

3. DISCLOSURE ON QUALIFICATION OF AUDIT REPORT

The audit report of the Group's financial statements for the financial year ended 31 December 2008 was not qualified.

4. SEASONALITY OR CYCLICALITY

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

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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 cumulative quarter ended 30 September 2009.

6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts that have a material effect in the cumulative quarter ended 30 September 2009.

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 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]
5.234	580	3,036
Total	580	3,036

8. DIVIDEND PAID

Dividend paid was as follows:

	3 months ended		9 months ended	
	30.9.2009 RM'000	30.9.2008 RM'000	30.9.2009 RM'000	30.9.2008 RM'000
Special interim dividend	-	-	10,174 ¹	-
Interim dividend	-	-	-	9,996 ³
Interim dividend	-	13,565 ⁵	-	13,565 ⁵
Final dividend	-	-	20,434 ²	22,721 ⁴
Final dividend	-	781 ⁶	-	781 ⁶
Total dividend paid	-	14,346	30,608	47,063

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Note:

- 1 A special dividend of seven and a half (7.5) sen per share (single tier) for the financial year ended 31 December 2008 was accrued in the accounts for the financial year ended 31 December 2008 and the dividend was paid on 16 January 2009.
- 2 A final dividend of fifteen (15) sen per share (single tier) for the financial year ended 31 December 2008 was paid on 11 June 2009.
- 3 An interim dividend of five (5) sen per share less 26% tax and a special interim dividend of five (5) sen per share less 26% tax was accrued in the accounts for the financial year ended 31 December 2007 and was paid on 17 January 2008.
- 4 A final dividend of twelve and a half (12.5) sen per share less 26% Malaysian Income Tax and a special tax exempt dividend of seven and a half (7.5) sen for the financial year ended 31 December 2007 was paid on 4 July 2008.
- 5 An interim dividend of ten (10) sen per share (single tier) for the financial year ended 31 December 2008 was paid on 23 September 2008.
- 6 A final dividend was paid by Kilang Kosfarm Sdn Bhd and Wujud Wawasan Sdn Bhd of twenty (20) sen per share less 26% Malaysian Income Tax and ten (10) sen per share less 26% Malaysian Income Tax for the financial year ended 31 December 2007 respectively.

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 2008.

11. SUBSEQUENT MATERIAL EVENTS

There were no subsequent material events at the date of this quarterly report and financial year to date ended 30 September 2009.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current quarter and financial year-to-date ended 30 September 2009.

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Group does not have any contingent liabilities or contingent assets for the current quarter and financial year-to-date ended 30 September 2009.

14. REVIEW OF PERFORMANCE

	3 months ended		9 months ended	
	30.9.2009 RM'000	30.9.2008 RM'000	30.9.2009 RM'000	30.9.2008 RM'000
Revenue	83,060	129,909	243,014	419,922
Profit before taxation	28,063	51,100	67,244	160,802
Net profit for the period	21,478	40,645	52,633	130,363

Lower revenue and net profit for the cumulative quarter 2009 as compared to the cumulative quarter 2008 were due to:

- (a) Lower average crude palm oil price and kernel price of RM2,212 per mt and RM1,048 per mt respectively for the cumulative quarter 2009 as compared to RM3,068 per mt and RM1,875 per mt respectively for the corresponding cumulative quarter 2008.
- (b) Lower FFB ("Fresh Fruit Bunches") production by 29,664 mt (12%) as compared to the corresponding cumulative current quarter 2008 as a result of replanting programme undertaken by the Company.
- (c) Lower contribution from the share of associated companies' profits by RM29.71 million as compared to the corresponding cumulative quarter 2008.
- (d) No gain on disposal of securities or unquoted investments during the cumulative quarter 2009 as compared to RM6.45 million recorded in the corresponding cumulative quarter 2008.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Current Quarter 30.9.2009 RM'000	Preceding Quarter 30.6.2009 RM'000
Revenue	83,060	85,837
Profit before taxation	28,063	19,411
Net profit for the period	21,478	15,491

For the current quarter ended 30 September 2009, FFB production is higher by 15,646 mt (23%) as compared to the preceding quarter. However, the average CPO and Kernel prices are lower in the current quarter 30 September 2009 and this resulted in lower revenue in the current quarter under review.

For the current quarter ended 30 September 2009, the Group recorded higher profit before taxation and net profit as compared to the last quarter 30 June 2009. This is attributable to the lower operating cost during the current quarter under review.

16. CURRENT YEAR PROSPECTS

The results of the Group for financial year 2009 is expected to remain satisfactory but lower than that of financial year 2008 due to lower crude palm oil and palm kernel prices.

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 are as follows:

	As at 30.9.2009 (RM'000)	As at 30.9.2008 (RM'000)
Property, plant and equipment	13,548	4,215
Oil palm development	13,611	11,077
Acquisition of shares	-	2,000
Total	27,159	17,292

18. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

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

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19. TAXATION

	3 months ended		9 months ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Company tax	6,099	10,455	14,125	30,439
Under accrual in prior year	486	-	486	-
Total	6,585	10,455	14,611	30,439

The Group effective tax rate for the cumulative quarter ended 30 September 2009 was 25% and 26% for the corresponding cumulative quarter ended 30 September 2008.

20. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties for the current quarter and financial year-to-date ended 30 September 2009.

21. QUOTED SECURITIES

There was no sale and purchase of quoted securities for the current quarter and financial year-to-date ended 30 September 2009 other than through the fund manager appointed.

The disposal of the quoted securities for financial year-to-date ended 30 September 2008 was as follows:

	As at
	30.9.2008
	RM'000
Disposal of quoted securities at market value	14,954
Cost of investment of the quoted securities	12,580
Gain on disposal	2,374

22. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the period under review.

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23. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings were as follows:

	As at 30.9.2009 RM'000	As at 30.9.2008 RM'000
Current		
Hire purchase liabilities (secured)	68	405
Non Current		
Hire purchase liabilities (secured)	179	197

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the current quarter and financial year-to-date ended 30 September 2009, the Group did not enter into any contracts involving off balance sheet instruments.

25. 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**

Case management and hearing of Respondent's preliminary objections on "without prejudice" documents included in the claimant's bundle of Documents was heard on 2 October 2009 and the new hearing date for decision, case management and full trial date of the case would be fixed in early January 2010.

26. STATUS ON THE JOINT VENTURE PROJECT

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

The total planted area was 2,819 hectares and as at 30 September 2009 a total of 1,155 hectares the areas had been declared mature. The joint venture company i.e. Far East Delima Plantations Sdn Bhd had recorded a loss before tax of RM165,354 for the current cumulative quarter ended 30 September 2009.

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

The plant, which is located in Pulau Indah, Klang would be operating with a capacity of 200,000 tonne per year of pre treatment CPO, 100,000 tonne per year of palm methyl ester and 20,000 tonne per year of refined glycerine. The plant is under construction and is scheduled to be commissioned by stages. Pre-treatment plant is scheduled to be commissioned by December 2009, biodiesel plant is to be commissioned by January 2010 and glycerine plant by February 2010. As to date FPSB had recorded a loss of RM856,128 for the current cumulative quarter ended 30 September 2009.

27. DIVIDEND

(i) Current quarter for the financial period ending 30 September 2009

Dividend for the financial period ending 30 September 2009:

The Directors have not recommended a dividend to be declared for the financial period ending 30 September 2009.

Dividend for the financial period ending 30 June 2009:

On 19 August 2009, the Company had announced a single tier interim dividend of 7.5 sen per share for the financial period ending 30 June 2009 and the payment date was on 4 November 2009.

Dividend for the financial year ended 31 December 2008:

On 3 April 2009, the Company had announced recommendation for a final dividend of 15 sen (single tier) and the dividend was approved at Annual General Meeting on 27 May 2009 and payment date was on 11 June 2009.

(ii) Current quarter for the financial period ending 30 September 2008

Dividend for the financial period ending 30 September 2008

On 25 November 2008, the Company had announced a single tier special interim dividend of seven point five (7.5) sen in respect of the financial period ending 30 September 2008 and was paid on 16 January 2009.

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Dividend for the financial period ending 30 June 2008:

On 21 August 2008, the Company had announced a single tier interim dividend of 10 sen per share which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967, for the financial period ending 30 June 2008 and was paid on 23 September 2008.

Dividend for the financial year ended 31 December 2007:

On 17 April 2008, the Company had announced recommendation for a final dividend of 12.5 sen less 26% Malaysian Income Tax and a special dividend of 7.5 sen tax exempt. The dividend was approved at Annual General Meeting on 4 June 2008 and payment date was on 4 July 2008.

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	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Profit attributable to equity holder of the parent (RM'000)	19,742	37,286	48,432	117,445
Weighted average number of ordinary shares in issue ('000)	135,850	135,263	135,850	135,263
Basic EPS (sen)	14.53	27.57	35.65	86.83

(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.

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	3 months ended		9 months ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Profit attributable to equity holder of the parent (RM'000)	19,742	37,286	48,432	117,445
Weighted average number of ordinary shares in issue ('000)	135,850	135,263	135,850	135,263
Effect of dilution ('000)	-	42	-	46
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	135,850	135,305	135,850	135,309
Diluted EPS (sen)	14.53	27.56	35.65	86.80

29. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue on 17 November 2009 by the Board of Directors in accordance with a resolution of the Directors.