

**FAR EAST HOLDINGS BERHAD (14809-W)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****For the Nine - Months Ended 30 September 2010**

	<b>As at 30-Sep-10 RM'000 Unaudited</b>	<b>As at 31-Dec-09 RM'000 Audited and not restated (see Note 2)</b>
<b>Non Current Assets</b>		
Property, plant and equipment	260,869	252,772
Prepaid land lease payments	227,750	229,474
Land held for development	29,310	29,264
Deferred tax assets	405	405
Associates	194,677	172,477
Investments, at cost	-	45,329
FIFVPL Investment	26,881	-
Held to maturity investments	32,639	-
	<u>772,531</u>	<u>729,721</u>
<b>Current Assets</b>		
Non current asset held for disposal	-	11,167
Inventories	10,482	11,360
Short term investment	-	10,137
Short term held to maturity investment	10,794	-
Receivables, deposits and prepayments	39,803	28,183
Tax recoverable	6,217	6,217
Deposits, bank and cash balances	62,943	57,701
	<u>130,239</u>	<u>124,765</u>
<b>Less: Current Liabilities</b>		
Payables	33,679	31,216
Hire Purchase liabilities	41	134
	<u>33,720</u>	<u>31,350</u>
<b>Net Current Assets</b>	<u>96,519</u>	<u>93,415</u>
<b>Non Current Liabilities</b>		
Hire purchase liabilities	28	28
Deferred tax liabilities	76,917	78,868
	<u>76,945</u>	<u>78,896</u>
	<u><b>792,105</b></u>	<u><b>744,240</b></u>
<b>Capital and reserves attributable to equity holders of the parent</b>		
Share capital	136,409	136,229
Share premium	16,960	16,198
Other reserves	183,408	181,352
Retained earnings	398,300	351,975
	<u>735,077</u>	<u>685,754</u>
<b>Minority Interest</b>	57,028	58,486
<b>Total equity</b>	<u><b>792,105</b></u>	<u><b>744,240</b></u>
Net assets per share attributable to equity holders of the Company (RM)	5.39	5.03

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2010**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30-Sep-10</b>	<b>30-Sep-09</b>	<b>30-Sep-10</b>	<b>30-Sep-09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited and not restated (see Note 2)</b>	<b>Unaudited</b>	<b>Unaudited and not restated (see Note 2)</b>
Revenue	113,665	83,060	290,864	243,014
Other income	4,105	95	7,059	930
	<u>117,770</u>	<u>83,155</u>	<u>297,923</u>	<u>243,944</u>
Operating expenses	<u>(84,440)</u>	<u>(61,342)</u>	<u>(233,781)</u>	<u>(190,786)</u>
Profit from operations	33,330	21,813	64,142	53,158
Finance income	357	272	973	1,048
Finance interest	(3)	(7)	(10)	(26)
Share of profit of associates	<u>10,963</u>	<u>5,985</u>	<u>24,200</u>	<u>13,064</u>
Profit before taxation	44,647	28,063	89,305	67,244
Taxation	<u>(8,422)</u>	<u>(6,585)</u>	<u>(16,277)</u>	<u>(14,611)</u>
<b>Net profit for the period</b>	<b><u>36,225</u></b>	<b><u>21,478</u></b>	<b><u>73,028</u></b>	<b><u>52,633</u></b>
<b>Attributable to:</b>				
Equity holders of the parent	<b>33,836</b>	<b>19,742</b>	<b>68,466</b>	<b>48,432</b>
Minority interest	<u>2,389</u>	<u>1,736</u>	<u>4,562</u>	<u>4,201</u>
<b>Net profit for the period</b>	<b><u>36,225</u></b>	<b><u>21,478</u></b>	<b><u>73,028</u></b>	<b><u>52,633</u></b>
<b>Earnings per share attributable to equity holder of the parent (sen):</b>				
Basic	<u>24.83</u>	<u>14.53</u>	<u>50.24</u>	<u>35.65</u>
Diluted	<u>24.82</u>	<u>14.53</u>	<u>50.22</u>	<u>35.65</u>

*The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying notes attached to the interim financial statements.*

**FAR EAST HOLDINGS BERHAD (14809-W)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the Nine - Months Ended 30 September 2010**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30-Sep-10</b>	<b>30-Sep-09</b>	<b>30-Sep-10</b>	<b>30-Sep-09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited and not restated (see Note 2)</b>	<b>Unaudited</b>	<b>Unaudited and not restated (see Note 2)</b>
<b>Net profit for the period</b>	36,225	21,478	73,028	52,633
Transfer from deferred tax	651	649	1,951	1,949
<b>Total comprehensive income</b>	<b>36,876</b>	<b>22,127</b>	<b>74,979</b>	<b>54,582</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	<b>34,487</b>	<b>20,391</b>	<b>70,417</b>	<b>50,381</b>
Minority interest	2,389	1,736	4,562	4,201
	<b>36,876</b>	<b>22,127</b>	<b>74,979</b>	<b>54,582</b>

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 Nine - Months Ended 30 September 2010**

[The figures have not been audited]

	----- Attributable to Equity Holders of the Parent -----			Distributable Retained earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Revaluation Reserve and Other Reserves RM'000				
<b>At 1 January 2009</b>	135,649	13,203	178,904	316,574	644,330	58,873	<b>703,203</b>
Total comprehensive income for the period	-	-	1,949	48,432	50,381	4,201	<b>54,582</b>
<b>Transactions with owners in their capacity owners:</b>							
Issuance of ordinary shares pursuant to ESOS	580	2,456	-	-	3,036	-	<b>3,036</b>
Share-based payment under ESOS	-	-	386	-	386	-	<b>386</b>
Dividend paid for the year ended 31 December 2008	-	-	-	(20,434)	(20,434)	(7,866)	<b>(28,300)</b>
<b>At 30 September 2009</b>	<b>136,229</b>	<b>15,659</b>	<b>181,239</b>	<b>344,572</b>	<b>677,699</b>	<b>55,208</b>	<b>732,907</b>
<b>At 1 January 2010</b>	136,229	16,198	181,352	351,975	685,754	58,486	<b>744,240</b>
Effect arising from adoption of FRS 139 (Note 2)	-	-	-	(1,680)	(1,680)	-	<b>(1,680)</b>
<b>At 1 January 2010, as restated</b>	136,229	16,198	181,352	350,295	684,074	58,486	<b>742,560</b>
Total comprehensive income for the period	-	-	1,951	68,466	70,417	4,562	<b>74,979</b>
<b>Transactions with owners in their capacity owners:</b>							
Issuance of ordinary shares pursuant to ESOS	180	762	-	-	942	-	<b>942</b>
Share-based payment under ESOS	-	-	105	-	105	-	<b>105</b>
Dividend paid for the year ended 31 December 2009	-	-	-	(20,461)	(20,461)	(6,020)	<b>(26,481)</b>
<b>At 30 September 2010</b>	<b>136,409</b>	<b>16,960</b>	<b>183,408</b>	<b>398,300</b>	<b>735,077</b>	<b>57,028</b>	<b>792,105</b>

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

**FAR EAST HOLDINGS BERHAD (14809-W)**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW****For the Nine - Months Ended 30 September 2010**

	<b>9 months and year-to-date ended</b>	
	<b>30-Sep-10</b>	<b>30-Sep-09</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited and not restated (see Note 2)</b>
Net cash from/(used in) operating activities	42,147	54,644
Net cash (used in)/from investing activities	(11,274)	(18,184)
Net cash (used in)/from financing activities	(25,631)	(35,665)
Net increase in cash and cash equivalents	<u>5,242</u>	<u>795</u>
Cash and cash equivalent at 1 January 2010/2009:		
Cash and bank balances	57,701	72,666
Cash and cash equivalent at 30 September 2010/2009	<u>62,943</u>	<u>73,461</u>
<b>Cash and cash equivalent comprise :</b>		
Cash and bank balances	62,943	73,461
	<u>62,943</u>	<u>73,461</u>

*The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 have been prepared under the historical cost convention, other than financial instruments as disclosed in Note 2.2 (b).

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 financial statements for the year ended 31 December 2009. 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 2009.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs, Interpretations and Technical Release with effect from 1 January 2010.

**2.1 Adoption of FRSs, Amendments to FRSs, Interpretations and Technical Release**

On 1 January 2010, the Group adopted the following FRSs:-

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**2.1 Adoption of FRSs, Amendments to FRSs, Interpretations and Technical Release (Cont'd.)**

Amendment to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosures of Government Assistance
Amendment to FRS 123	Borrowings Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**2.1 Adoption of FRSs, Amendments to FRSs, Interpretations and Technical Release (Cont'd.)**

Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Report and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other than for the application of FRS 8, FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs, Interpretations and Technical Release did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

**2.2 Application of FRSs**

**(a) FRS 101: Presentation of Financial Statements (FRS 101)**

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statements of changes in equity only includes details of transaction with owners. All non-owners changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.



**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**2.2 Application of FRSs (Cont'd.)**

**(b) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139)**

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

**Financial assets**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, loans and receivables, held to maturity investments and FIFVPL investment.

**(i) Loans and receivables**

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**2.2 Application of FRSs (Cont'd.)**

**(b) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139) (Cont'd.)**

**(ii) Held to maturity investments**

Prior to 1 January 2010, unquoted structured investments and redeemable cumulative preference shares were stated at cost. Under FRS 139, the investments are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. The classification as held to maturity is optional and can only apply to instrument with maturity dates.

**(iii) Financial Instruments at Fair Value through Profit or Loss (FIFVPL)**

Prior to 1 January 2010, FIFVPL financial asset such as portfolio investment was stated at cost. Under FRS 139, FIFVPL financial asset is initially measured at fair value at each reporting date and subsequently with unrealised gain or loss recognised in the income statement.

**Financial liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables and are carried at amortised cost.

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**2.2 Application of FRSs (Cont'd.)**

**(b) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139) (Cont'd.)**

**Impact on opening balances**

In accordance with the transitional provision of FRS 139, the above changes are applied prospectively and the comparative as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances as at 1 January 2010 in the consolidated statement of financial position. The effect of changes in the statement of financial position is as follows:

	<b>Previously stated RM'000</b>	<b>Effect of FRS 139 RM'000</b>	<b>As restated RM'000</b>
<b>Non current assets</b>			
Investments			
- Unquoted structured investments	2,000	(2,000)	-
- Portfolio investment	8,000	(8,000)	-
- Redeemable Cumulative Preference Shares	34,200	(34,200)	-
- Unconsolidated subsidiary	1,129	(1,129)	-
Held to maturity investments			
- Unquoted structured investments	-	2,000	2,000
- Redeemable Cumulative Preference Shares	-	29,573	29,573
FIFVPL Investment	-	11,143	11,143
<b>Current assets</b>			
Short term investment	10,137	(10,137)	-
Short term held to maturity investment	-	10,137	10,137
Amount due to unconsolidated subsidiary	933	(933)	-
<b>Capital and reserves attributable to equity holders of the Company</b>			
Retained earnings	351,975	(1,680)	350,295

## **2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

### **2.2 Application of FRSs (Cont'd.)**

#### **(b) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139) (Cont'd.)**

The adoption of FRS 139 does not have any significant impact on the profit for the financial year-to-date.

### **2.3 FRSs, Amendments to FRSs, Interpretations and Technical Releases issued but not yet effective**

At the date of authorisation of these interim financial statements, the following FRSs, Amendments to FRSs, Interpretations and Technical Releases were issued but not yet effective and have not been applied by the Group:

<b>FRSs, Amendments to FRSs, Interpretations and Technical Releases</b>		<b>Effective for financial period beginning on or after</b>
FRS 1 (revised)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (revised)	Business Combinations	1 July 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 July 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**2.3 FRSs, Amendments to FRSs, Interpretations and Technical Releases issued but not yet effective (Cont'd.)**

<b>FRSs, Amendments to FRSs, Interpretations and Technical Releases</b>	<b>Effective for financial period beginning on or after</b>
Amendment to FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 July 2010
Amendment to FRS 138 Intangible Assets	1 July 2010
Amendment to FRS 1 Limited Exemption from Comparatives FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendment to FRS 1 Additional Exemptions for First-time Adopters	1 January 2011
Amendment to FRS 2 Group Cash-settled Shared-based Payment Transactions	1 January 2011
Amendment to FRS 7 Improving Disclosures about Financial Instruments	1 January 2011
Amendment to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 14 Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfer of Assets from Customers	1 January 2011
TR – 3 Guidance on Disclosure on Transition to IFRSs	31 December 2010

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**3. DISCLOSURE ON QUALIFICATION ON AUDIT REPORT**

The audit report of the Group's financial statements for the financial year ended 31 December 2009 was not qualified.

**4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

**5. 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 September 2010 except for the effects arising from the adoption of FRS 139 as disclosed in Note 2.

**6. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts that have any material effect in the cumulative quarter ended 30 September 2010.

**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 cumulative quarter ended 30 September 2010 except for the issuance of the following new ordinary share of RM1.00 each pursuant to the Company's Employees Share Option Scheme.

<b>Option price per share (RM)</b>	<b>No. of shares issued (‘000)</b>	<b>Cash proceeds (RM‘000)</b>
5.234	180	942
<b>Total</b>	<b>180</b>	<b>942</b>

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**8. DIVIDEND PAID**

Dividend paid is as follow:

	<b>3 months and year-to-date ended</b>		<b>9 months and year-to-date ended</b>	
	<b>30.9.2010 RM'000</b>	<b>30.9.2009 RM'000</b>	<b>30.9.2010 RM'000</b>	<b>30.9.2009 RM'000</b>
Special interim dividend	-	-	-	10,174 <sup>1</sup>
Final dividend	-	-	20,461 <sup>3</sup>	20,434 <sup>2</sup>
<b>Total dividend paid</b>	<b>-</b>	<b>-</b>	<b>20,461</b>	<b>30,608</b>

**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 A final dividend of fifteen (15) sen per share (single tier) for the financial year ended 31 December 2009 was paid on 30 June 2010.

**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 2009.

**11. SUBSEQUENT MATERIAL EVENTS**

There were no subsequent material events at the date of this cumulative quarter ended 30 September 2010.

**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 September 2010.

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**13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

The Group does not have any contingent liabilities or contingent assets for cumulative quarter ended 30 September 2010.

**14. REVIEW OF PERFORMANCE**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2010</b>	<b>30.9.2009</b>	<b>30.9.2010</b>	<b>30.9.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	113,665	83,060	290,864	243,014
Profit before taxation	44,647	28,063	89,305	67,244
Net profit for the period	36,225	21,478	73,028	52,633

Higher revenue and net profit for the cumulative quarter 2010 as compared to the cumulative quarter 2009 were due to:

- (a) Higher average crude palm oil price and kernel price of RM2,525 per mt and RM1,565 per mt respectively for the cumulative quarter 2010 as compared to RM2,212 per mt and RM1,048 per mt respectively for the corresponding cumulative quarter 2009.
- (b) Higher contribution from the share of profits from associated companies by RM11.14 million.

**15. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

	<b>Current Quarter</b>	<b>Preceding Quarter</b>
	<b>30.9.2010</b>	<b>30.6.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	113,665	84,398
Profit before taxation	44,647	20,822
Net profit for the period	36,225	17,149

For the current quarter ended 30 September 2010, the Group posted a net profit of RM36.23 million and profit before taxation of RM44.65 million, on revenue of RM113.67 million which were higher as compared to the preceding quarter 30 June 2010. The increase were mainly due to:

- (i) Higher FFB production by 23,680 mt (44%).



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**15. COMPARISON WITH PRECEDING QUARTER'S RESULTS (Cont'd.)**

- (ii) Higher average of crude palm oil and kernel prices.
- (iii) Higher contribution from the share of profits from associated companies.

**16. CURRENT YEAR PROSPECTS**

The Group is expected to achieve favorable result in view of the sustainable of crude palm oil 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 are as follows:

	<b>As at 30.9.2010 (RM'000)</b>	<b>As at 30.9.2009 (RM'000)</b>
Property, plant and equipment	9,955	13,548
Oil palm development	4,650	13,611
Acquisition of land	30,000	-
<b>Total</b>	<b>44,605</b>	<b>27,159</b>

**18. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE**

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

**19. TAXATION**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2010 RM'000</b>	<b>30.9.2009 RM'000</b>	<b>30.9.2010 RM'000</b>	<b>30.9.2009 RM'000</b>
Company tax	8,422	6,099	16,277	14,125
Under accrual in prior year	-	486	-	486
<b>Total</b>	<b>8,422</b>	<b>6,585</b>	<b>16,277</b>	<b>14,611</b>

The Group effective tax rate for the cumulative quarter ended 30 September 2010 and 30 September 2009 was 25%.

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**20. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

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

**21. QUOTED SECURITIES**

There was no sale of quoted securities other than through the fund manager appointed.

**22. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals for the period under review.

**23. GROUP BORROWINGS AND DEBT SECURITIES**

The Group borrowings were as follows:

	<b>As at 30.9.2010 RM'000</b>	<b>As at 30.9.2009 RM'000</b>
<b>Current</b>		
Hire purchase liabilities (secured)	41	68
<b>Non Current</b>		
Hire purchase liabilities (secured)	28	179

**24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

During the current quarter and cumulative quarter ended 30 September 2010, 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**

The Arbitration Proceedings is scheduled for full trial on the 14, 15 and 16 February 2011 at the Kuala Lumpur Regional Centre for Arbitration.

**26. 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.**

**Joint Venture Company: Far East Delima Plantations Sdn Bhd (“FEDP”)**

The total planted area was 2,860 hectares and as at 30 September 2010 a total of 2,467 hectares of the areas had been declared mature. FEDP had recorded a profit of RM26,051 for the current cumulative quarter ended 30 September 2010.

**Joint Venture Company: Radiant Apex Sdn Bhd**

For a start, 3,500 acres had been earmarked for land clearance which schedule to start in early 2011.

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

As at to date FPSB had recorded a loss of RM2.72 million for the current cumulative quarter ended 30 September 2010.

**27. DIVIDEND**

- (i) **Current quarter for the financial period ending 30 September 2010**

The Board is recommending an interim dividend (single tier) of ten (10) sen, be declared in respect of the financial year ending 31 December 2010 and will be paid on 21 January 2011 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 7 January 2011.

On 29 April 2010, the Company had announced recommendation for a final dividend of 15 sen (single tier) for the financial year ended 31 December 2009 and the dividend was approved at Annual General Meeting on 11 June 2010 and payment date was on 30 June 2010.

**27. DIVIDEND (Cont'd.)**

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

The Directors had not recommended a dividend to be declared in the current quarter.

On 19 August 2009, the Company had announced a single tier interim dividend of 7.5 sen per share for the financial year ended 31 December 2009 and the payment date was on 4 November 2009.

On 3 April 2009, the Company had announced recommendation for a final dividend of 15 sen (single tier) for the financial year ended 31 December 2008 and the dividend was approved at Annual General Meeting on 27 May 2009 and payment date was on 11 June 2009.

**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:

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2010</b>	<b>30.9.2009</b>	<b>30.9.2010</b>	<b>30.9.2009</b>
Profit attributable to equity holder of the parent (RM'000)	<b>33,836</b>	19,742	<b>68,466</b>	48,432
Weighted average number of ordinary shares in issue ('000)	<b>136,286</b>	135,850	<b>136,286</b>	135,850
<b>Basic EPS (sen)</b>	<b>24.83</b>	14.53	<b>50.24</b>	35.65

**(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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**28. EARNINGS PER SHARE (“EPS”) (Cont’d.)**

**(b) Diluted EPS (cont’d.)**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2010</b>	<b>30.9.2009</b>	<b>30.9.2010</b>	<b>30.9.2009</b>
Profit attributable to equity holder of the parent (RM’000)	<b>33,836</b>	19,742	<b>68,466</b>	48,432
Weighted average number of ordinary shares in issue (‘000)	<b>136,286</b>	135,850	<b>136,286</b>	135,850
Effect of dilution (‘000)	<b>44</b>	-	<b>43</b>	-
Adjusted weighted average number of ordinary shares in issue and issuable (‘000)	<b>136,330</b>	135,850	<b>136,329</b>	135,850
<b>Diluted EPS (sen)</b>	<b>24.82</b>	14.53	<b>50.22</b>	35.65

**29. AUTHORISED FOR ISSUE**

The interim financial statements were authorised for issue on 26 November 2010 by the Board of Directors in accordance with a resolution of the Directors.