

FAR EAST HOLDINGS BERHAD (14809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET**For the Three-Months Ended 31 March 2009**

	As at 31-Mar-09 RM'000 (unaudited)	As at 31-Dec-08 RM'000 (audited)
Non Current Assets		
Property, plant and equipment	240,786	237,705
Prepaid land lease payments	231,774	232,445
Land held for development	40,379	40,379
Deferred tax assets	268	268
Associates	158,517	155,173
Investments, at cost	39,129	39,129
	<hr/> 710,853	<hr/> 705,099
Current Assets		
Inventories	5,127	7,166
Receivables, deposits and prepayments	22,779	34,798
Tax recoverable	2,578	2,578
Deposits, bank and cash balances	83,713	72,666
	<hr/> 114,197	<hr/> 117,208
Less: Current Liabilities		
Payables	24,873	27,559
Dividend payable	0	10,174
Current tax liabilities	900	900
Hire Purchase Creditor	234	295
	<hr/> 26,007	<hr/> 38,928
Net Current assets	<hr/> 88,190	<hr/> 78,280
Non Current Liabilities		
Hire purchase liabilities	179	179
Deferred tax liabilities	79,347	79,997
	<hr/> 79,526	<hr/> 80,176
	<hr/> 719,517	<hr/> 703,203
Capital and reserves attributable to equity holders of the parent		
Share capital	135,649	135,649
Share premium	13,203	13,203
Other reserves	179,554	178,904
Retained earnings	330,850	316,574
	<hr/> 659,256	<hr/> 644,330
Minority Interest	60,261	58,873
Total equity	<hr/> 719,517	<hr/> 703,203
 Net assets per share attributable to equity holders of the Company (RM)	 4.86	 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.

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CONDENSED CONSOLIDATED INCOME STATEMENTS**For the Three-Months Ended 31 March 2009**

	3 months and year-to-date ended	
	31-Mar-09	31-Mar-08
	RM'000	RM'000
	(unaudited)	(unaudited)
Revenue	74,117	147,613
Other income	281	2,845
	<hr/>	<hr/>
	74,398	150,458
Operating expenses	(58,216)	(112,040)
Profit from operations	16,182	38,418
Finance income	254	787
Finance interest	(10)	(64)
Share of profit of associates	3,344	9,381
Profit before taxation	19,770	48,522
Taxation	(4,106)	(10,177)
Net profit for the period	15,664	38,345
	<hr/>	<hr/>
Attributable to:		
Equity holders of the parent	14,276	33,129
Minority interest	1,388	5,216
Net profit for the period	15,664	38,345
	<hr/>	<hr/>
Earnings per share attributable to equity holder of the parent (sen):		
Basic	10.52	24.52
	<hr/>	<hr/>
Diluted	10.52	24.47
	<hr/>	<hr/>

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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Period Ended 31 March 2009**

[The figures have not been audited]

	----- Attributable to Equity Holders of the Parent -----					Minority Interest	Total Equity
	-----Non-Distributable -----		Revaluation Reserve and Other Reserves	Distributable			
	Shares capital	Share premium			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	-	-	-	-	0	-	0
Share-based payment under ESOS	-	-	291	-	291	-	291
Transfer from deferred tax	-	-	103	-	103	-	103
Net profit for the year	-	-	-	33,129	33,129	5,216	38,345
As at 31 March 2008	135,089	10,403	176,546	263,552	585,590	65,816	651,406
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	-	-	-	-	0	-	0
Share-based payment under ESOS	-	-	-	-	0	-	0
Transfer from deferred tax	-	-	650	-	650	-	650
Net profit for the year	-	-	-	14,276	14,276	1,388	15,664
As at 31 March 2009	135,649	13,203	179,554	330,850	659,256	60,261	719,517

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.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT**For the Three-Months Ended 31 March 2009**

	3 months and year-to-date ended	
	31-Mar-09	31-Mar-08
	RM'000	RM'000
	(unaudited)	(unaudited)
Net cash inflow from operating activities	24,539	27,421
Net cash inflow/(outflow) from investing activities	(3,257)	9,062
Net cash generated from financing activities	(10,235)	(9,996)
Net increase/(decrease) in cash and cash equivalents	<u>11,047</u>	<u>26,487</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 31 March 2009/2008	<u>83,713</u>	<u>86,090</u>
Cash and cash equivalent comprise :		
Cash and bank balances	83,713	86,090
	<u>83,713</u>	<u>86,090</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.

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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 31 March 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 31 March 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 cumulative quarter ended 31 March 2009.

8. DIVIDEND PAID

Dividend paid was as follows:

	3 months and year-to-date ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Special interim dividend	10,174 ¹	9,996 ²
Total dividend paid	10,174	9,996

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 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.

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 cumulative quarter ended 31 March 2009.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the cumulative quarter ended 31 March 2009.

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Group does not have any contingent liabilities or contingent assets for cumulative quarter ended 31 March 2009.

14. REVIEW OF PERFORMANCE

	3 months and year-to-date ended	
	31.3.2009	31.3.2008
	RM'000	RM'000
Revenue	74,117	147,613
Profit before taxation	19,770	48,522
Net profit for the period	15,664	38,345

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 RM1,925 per mt and RM863 per mt respectively for the cumulative quarter 2009 as compared to RM3,077 per mt and RM2,031 per mt respectively for the corresponding cumulative quarter 2008.
- (b) Lower FFB (“Fresh Fruit Bunches”) production by 12,184 mt (15%) as compared to the corresponding cumulative current quarter 2008.

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(c) Lower contribution from the share of associated companies' profits by RM6.04 million as compared to the corresponding cumulative current quarter 2008.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Current Quarter 31.3.2009 RM'000	Preceding Quarter 31.12.2008 RM'000
Revenue	74,117	106,734
Profit before taxation	19,770	20,644
Net profit for the period	15,664	17,954

For the current quarter ended 31 December 2009, the Group recorded lower revenue as compared to the last quarter 31 December 2008. This is in line with the lower crude palm oil and kernel prices and lower FFB production for the current quarter ended 31 March 2009.

16. CURRENT YEAR PROSPECTS

The Group's FFB ("Fresh Fruit Bunches") production in the financial year 2009 is expected to be slightly higher than the production in the financial year 2008. 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 31.3.2009 (RM'000)	As at 31.3.2008 (RM'000)
Property, plant and equipment	15,445	5,243
Oil palm development,	20,089	18,541
Acquisition of shares	10,200	2,000
Biodiesel and glycerin project	-	20,000
Total	45,734	45,784

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 and year-to-date ended	
	31.3.2009	31.3.2008
	RM'000	RM'000
Company tax	4,106	10,177

The Group effective tax rate for the cumulative quarter ended 31 March 2009 was 25% and 26% for the corresponding cumulative quarter ended 31 March 2008.

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:

	As at 31.3.2009 RM'000	As at 31.3.2008 RM'000
Current		
Hire purchase liabilities (secured)	234	426
Non Current		
Hire purchase liabilities (secured)	179	276

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the current quarter and cumulative quarter ended 31 March 2009, 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 (“MUIP”) - vs -

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

Second pre-hearing meeting was held on 21 January 2009 at the Kuala Lumpur Regional Centre of Arbitration of which the time line for parties to exchange and file the respective bundle of documents, next mention date before the Arbitration and date of full trial was highlighted in the discussion. The full trial of the matter at the Kuala Lumpur Regional Centre for Arbitration is on the 22 to 24 July 2009.

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 31 March 2009 a total of 331 hectares the areas had been declared mature. The joint venture company i.e. Far East Delima Plantations Sdn Bhd had recorded a profit before tax of RM45,840 for the current cumulative quarter ended 31 March 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 for commissioning by November 2009. As to date FPSB had recorded a loss of RM145,904 for the current cumulative quarter ended 31 March 2009.

27. STATUS ON THE SHAREHOLDING SPREAD

The public shareholdings spread as at 31 March 2009 was 24.31%. Bursa Malaysia in its letter dated 1 April 2009 had rejected the Company’s application for recognition of lower percentage spread. However, Bursa Securities had granted the Company an extension of time of six (6) months from 1 April 2009, for the Company to comply with the 25% public shareholding spread.

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28. DIVIDEND

No interim dividend was declared for the financial period ended 31 March 2009.

(31 March 2008: Nil)

29. 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 and year-to-date ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Profit attributable to equity holder of parent (RM'000)	14,276	33,129
Weighted average number of ordinary shares in issue ('000)	135,649	135,089
Basic EPS (sen)	10.52	24.52

(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 and year-to-date ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Profit attributable to equity holder of parent (RM'000)	14,276	33,129
Weighted average number of ordinary shares in issue ('000)	135,649	135,089
Effect of dilution ('000)	-	290
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	135,649	135,379
Diluted EPS (sen)	10.52	24.47

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30. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue on 28 May 2009 by the Board of Directors in accordance with a resolution of the Directors.