

FAR EAST HOLDINGS BERHAD (14809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**For the Three-Months Ended 31 March 2010**

	As at 31-Mar-10 RM'000 Unaudited	As at 31-Dec-09 RM'000 Unaudited and not restated (see Note 2)
Non Current Assets		
Property, plant and equipment	254,613	252,772
Prepaid land lease payments	228,693	229,474
Land held for development	29,280	29,264
Deferred tax assets	405	405
Associates	179,585	172,477
Investments, at cost	-	45,329
FIFVPL Investment	11,366	-
Held to maturity investments	31,946	-
	<u>735,888</u>	<u>729,721</u>
Current Assets		
Non current asset held for disposal	11,168	11,167
Inventories	6,309	11,360
Short term investment	-	10,137
Short term held to maturity investment	10,200	-
Receivables, deposits and prepayments	30,109	28,183
Tax recoverable	6,217	6,217
Deposits, bank and cash balances	72,392	57,701
	<u>136,395</u>	<u>124,765</u>
Less: Current Liabilities		
Payables	31,060	31,216
Hire Purchase liabilities	113	134
	<u>31,173</u>	<u>31,350</u>
Net Current assets	<u>105,222</u>	<u>93,415</u>
Non Current Liabilities		
Hire purchase liabilities	28	28
Deferred tax liabilities	78,218	78,868
	<u>78,246</u>	<u>78,896</u>
	<u>762,864</u>	<u>744,240</u>
Capital and reserves attributable to equity holders of the parent		
Share capital	136,229	136,229
Share premium	16,198	16,198
Other reserves	182,002	181,352
Retained earnings	368,638	351,975
	<u>703,067</u>	<u>685,754</u>
Minority Interest	59,797	58,486
Total equity	<u>762,864</u>	<u>744,240</u>
Net assets per share attributable to equity holders of the Company (RM)	5.16	5.03

The condensed consolidated balance sheet 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 Three-Months Ended 31 March 2010**

	3 months and year-to-date ended	
	31-Mar-10	31-Mar-09
	RM'000	RM'000
	Unaudited	Unaudited and not restated (see Note 2)
Revenue	92,801	74,117
Other income	1,373	281
	<hr/>	<hr/>
	94,174	74,398
Operating expenses	(77,701)	(58,216)
	<hr/>	<hr/>
Profit from operations	16,473	16,182
Finance income	258	254
Finance interest	(3)	(10)
Share of profit of associates	7,108	3,344
	<hr/>	<hr/>
Profit before taxation	23,836	19,770
Taxation	(4,182)	(4,106)
	<hr/>	<hr/>
Net profit for the period	19,654	15,664
	<hr/>	<hr/>
Attributable to:		
Equity holders of the parent	18,343	14,276
Minority interest	1,311	1,388
	<hr/>	<hr/>
Net profit for the period	19,654	15,664
	<hr/>	<hr/>
Earnings per share attributable to equity holder of the parent (sen):		
Basic	13.46	10.52
	<hr/>	<hr/>
Diluted	13.45	10.52
	<hr/>	<hr/>

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 Three-Months Ended 31 March 2010

	3 months and year-to-date ended	
	31-Mar-10	31-Mar-09
	RM'000	RM'000
	Unaudited	Unaudited and not restated (see Note 2)
Net profit for the period	19,654	15,664
Transfer from deferred tax	650	650
Total comprehensive income	20,304	16,314
Total comprehensive income attributable to:		
Equity holders of the parent	18,993	14,926
Minority interest	1,311	1,388
	20,304	16,314

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 CHANGES IN EQUITY**For The Period Ended 31 March 2010**

[The figures have not been audited]

	----- Attributable to Equity Holders of the Parent -----					Minority Interest	Total Equity
	-----Non-Distributable -----			Distributable			
	Shares capital RM'000	Share premium RM'000	Revaluation Reserve and Other Reserves RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2009	135,649	13,203	178,904	316,574	644,330	58,873	703,203
Total comprehensive income for the period	-	-	650	14,276	14,926	1,388	16,314
At 31 March 2009	135,649	13,203	179,554	330,850	659,256	60,261	719,517
At 1 January 2010 :	136,229	16,198	181,352	351,975	685,754	58,486	744,240
Effect arising from adoption of FRS 139 (Note 2)	-	-	-	(1,680)	(1,680)	-	(1,680)
At 1 January 2010, as restated	136,229	16,198	181,352	350,295	684,074	58,486	742,560
Total comprehensive income for the period	-	-	650	18,343	18,993	1,311	20,304
At 31 March 2010	136,229	16,198	182,002	368,638	703,067	59,797	762,864

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)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**For the Three-Months Ended 31 March 2010**

	3 months and year-to-date ended	
	31-Mar-10	31-Mar-09
	RM'000	RM'000
	Unaudited	Unaudited and not restated (see Note 2)
Net cash generated from operating activities	15,166	24,539
Net cash used in investing activities	(454)	(3,257)
Net cash used in financing activities	(21)	(10,235)
Net increase in cash and cash equivalents	<u>14,691</u>	<u>11,047</u>
Cash and cash equivalent at 1 January 2010/2009:		
Cash and bank balances	57,701	72,666
Cash and cash equivalent at 31 March 2010/2009	<u>72,392</u>	<u>83,713</u>
Cash and cash equivalent comprise :		
Cash and bank balances	72,392	83,713
	<u>72,392</u>	<u>83,713</u>

The condensed consolidated cash flow 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)

1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention.

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 Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's financial statement 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 financial 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 and Interpretations with effect from 1 January 2010.

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

FRSs, Amendments to FRS and Interpretations

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
Amendment to FRS 2	Share - based Payment - Vesting Conditions and Cancellations

FAR EAST HOLDINGS BERHAD (14809-W)
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

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
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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

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

(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.

(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 at the balance sheet date 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(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.

(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 Instrument 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 and subsequently with unrealised gain or loss recognised in the profit and loss.

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.)

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 in the balance sheet as at 1 January 2010.

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

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

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 31 March 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 31 March 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 31 March 2010.

8. DIVIDEND PAID

Dividend paid is as follow:

	3 months and year-to-date ended	
	31.3.2010	31.3.2009
	RM'000	RM'000
Special interim dividend	-	10,174 ¹
Total dividend paid	-	10,174

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.

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.

FAR EAST HOLDINGS BERHAD (14809-W)
(Incorporated 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 31 March 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 31 March 2010.

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 2010.

14. REVIEW OF PERFORMANCE

	3 months and year-to-date ended	
	31.3.2010	31.3.2009
	RM'000	RM'000
Revenue	92,801	74,117
Profit before taxation	23,836	19,770
Net profit for the period	19,654	15,664

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 RM2,497 per mt and RM1,416 per mt respectively for the cumulative quarter 2010 as compared to RM1,925 per mt and RM863 per mt respectively for the corresponding cumulative quarter 2009.
- (b) Higher share of profits from associated companies by RM3.76 million.

FAR EAST HOLDINGS BERHAD (14809-W)
(Incorporated in Malaysia)

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Current Quarter 31.3.2010 RM'000	Preceding Quarter 31.12.2009 RM'000
Revenue	92,801	108,960
Profit before taxation	23,836	26,544
Net profit for the period	19,654	22,511

For the current quarter ended 31 March 2010, the Group recorded lower revenue as compared to the last quarter 31 December 2009. This is due to the lower FFB production of 32,941 mt for the current quarter ended 31 March 2010.

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:

	As at 31.3.2010 (RM'000)	As at 31.3.2009 (RM'000)
Property, plant and equipment	12,890	15,445
Oil palm development,	7,971	20,089
Acquisition of shares	-	10,200
Acquisition of land	30,000	-
Total	50,861	45,734

18. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

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

FAR EAST HOLDINGS BERHAD (14809-W)
(Incorporated in Malaysia)

19. TAXATION

	3 months and year-to-date ended	
	31.3.2010	31.3.2009
	RM'000	RM'000
Company tax	4,182	4,106

The Group effective tax rate for the cumulative quarter ended 31 March 2010 and 31 March 2009 was 25%.

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 31.3.2010 RM'000	As at 31.3.2009 RM'000
Current		
Hire purchase liabilities (secured)	113	234
Non Current		
Hire purchase liabilities (secured)	28	179

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the current quarter and cumulative quarter ended 31 March 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 case has been referred to the Kuala Lumpur Regional Centre for Arbitration and is scheduled for Arbitrator proceedings on the 22 to 24 June 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 2,860 hectares and as at 31 March 2009 a total of 1,370 hectares of 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 RM206,371 for the current cumulative quarter ended 31 March 2010.

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 in 2010. As to date FPSB had recorded a loss of RM257,430 for the current cumulative quarter ended 31 March 2010.

27. DIVIDEND

No interim dividend was declared for the financial period ended 31 March 2010.

(31 March 2009: Nil)

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 and year-to-date ended	
	31.3.2010	31.3.2009
	RM’000	RM’000
Profit attributable to equity holder of parent (RM’000)	18,343	14,276
Weighted average number of ordinary shares in issue (‘000)	136,229	135,649
Basic EPS (sen)	13.46	10.52

(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	
	31.3.2010	31.3.2009
	RM’000	RM’000
Profit attributable to equity holder of parent (RM’000)	18,343	14,276
Weighted average number of ordinary shares in issue (‘000)	136,229	135,649
Adjusted weighted average number of ordinary shares in issue and issuable (‘000)	136,354	135,649
Diluted EPS (sen)	13.45	10.52

29. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue on 19 May 2010 by the Board of Directors in accordance with a resolution of the Directors.