

**FAR EAST HOLDINGS BERHAD**  
**[Registration No. 197301001753 (14809-W )]**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Nine - Months Ended 30 September 2022**  
(The figures have not been audited)

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000	30-Sep-22 RM'000	30-Sep-21 RM'000
Revenue	188,976	193,654	618,405	467,122
Other operating income	1,643	1,668	4,046	3,679
Fair value gain on biological assets	701	4,377	2,419	7,144
Depreciation and amortisation	(8,264)	(7,590)	(24,566)	(22,786)
Operating expenses	(140,243)	(145,014)	(445,854)	(357,825)
Finance income	623	268	1,468	778
Finance cost	(1,157)	(1,159)	(3,039)	(3,562)
Share of profit after tax of associates	35,282	20,476	89,088	49,468
Profit before tax	<u>77,561</u>	<u>66,680</u>	<u>241,967</u>	<u>144,018</u>
Tax expense	(11,955)	(11,760)	(41,639)	(26,118)
<b>Net profit for the period</b>	<b><u>65,606</u></b>	<b><u>54,920</u></b>	<b><u>200,328</u></b>	<b><u>117,900</u></b>
<b>Attributable to:</b>				
Owners of the Company	<b>62,909</b>	51,900	<b>190,376</b>	111,299
Non-controlling interests	<u>2,697</u>	<u>3,020</u>	<u>9,952</u>	<u>6,601</u>
	<b><u>65,606</u></b>	<b><u>54,920</u></b>	<b><u>200,328</u></b>	<b><u>117,900</u></b>
<b>Earnings per share attributable to owners of the Company (sen):</b>				
Basic	<u>10.59</u>	<u>8.74</u>	<u>32.06</u>	<u>18.74</u>
Diluted	<u>10.59</u>	<u>8.74</u>	<u>32.06</u>	<u>18.74</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying notes attached to the interim financial statements.

**FAR EAST HOLDINGS BERHAD**  
**[Registration No. 197301001753 (14809-W )]**  
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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As At 30 September 2022**

(The figures have not been audited)

	Note	As at 30-Sep-22 RM'000 Unaudited	As at 31-Dec-21 RM'000 Audited
<b>Non-current assets</b>			
Property, plant and equipment		311,572	319,610
Investment property		61,000	61,000
Investments in associates		600,166	524,648
Right-of-use assets		434,547	438,758
Biological assets		689	634
		1,407,974	1,344,650
<b>Current assets</b>			
Inventories		15,096	10,528
Biological assets		11,722	9,303
Receivables		95,015	66,688
Tax recoverable		1,539	1,506
Deposits, cash and bank balances		198,533	148,351
		321,905	236,376
<b>Total assets</b>		<b>1,729,879</b>	<b>1,581,026</b>
<b>Equity</b>			
Share capital		197,946	197,946
Retained earnings		1,195,368	1,052,499
Equity attributable to Owners of the Company		1,393,314	1,250,445
Non-controlling interests		47,284	43,990
<b>Total equity</b>		1,440,598	1,294,435
<b>Non current liabilities</b>			
Deferred tax liabilities		74,610	74,610
Lease liabilities		16,404	16,014
Borrowings	24	105,000	116,250
		196,014	206,874
<b>Current liabilities</b>			
Payables		67,376	61,892
Tax payables		10,789	2,549
Borrowings	24	15,000	15,000
Lease liabilities		102	276
		93,267	79,717
<b>Total liabilities</b>		289,281	286,591
<b>Total equity and liabilities</b>		<b>1,729,879</b>	<b>1,581,026</b>
Net tangible assets per share (RM)		<b>2.43</b>	<b>2.18</b>

Note: Total numbers of share capital is 593,837,985 units.

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying notes attached to the interim financial statements.

**FAR EAST HOLDINGS BERHAD**

[Registration No. 197301001753 (14809-W)]

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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****For the Nine - Months Ended 30 September 2022**

(The figures have not been audited)

	----- Attributable to owners of the Company -----			Non-controlling interests	Total equity
	Share capital RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
Balance at 1 January 2022	197,946	1,052,499	1,250,445	43,990	<b>1,294,435</b>
Profit for the period	-	190,376	190,376	9,952	<b>200,328</b>
Dividend		(47,507)	(47,507)	(6,658)	<b>(54,165)</b>
<b>Balance at 30 September 2022</b>	<b>197,946</b>	<b>1,195,368</b>	<b>1,393,314</b>	<b>47,284</b>	<b>1,440,598</b>
Balance at 1 January 2021	197,946	947,474	1,145,420	37,154	<b>1,182,574</b>
Profit for the period	-	111,299	111,299	6,601	<b>117,900</b>
Dividend		(29,692)	(29,692)	(3,658)	<b>(33,350)</b>
<b>Balance at 30 September 2021</b>	<b>197,946</b>	<b>1,029,081</b>	<b>1,227,027</b>	<b>40,097</b>	<b>1,267,124</b>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial

**FAR EAST HOLDINGS BERHAD**  
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**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Nine - Months Ended 30 September 2022**  
(The figures have not been audited)

	Quarter ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000
<b>Operating activities</b>		
Profit for the period attributable to owners of the Company	190,376	111,299
Adjustments for:		
Non-controlling interests	9,952	6,601
Depreciation and amortisation	24,566	22,786
Gain on disposal of property, plant and equipment	(52)	(129)
Loss on disposal of property, plant and equipment	-	60
Fair value gain on biological assets	(2,419)	(7,144)
Share of profit after tax of associates	(89,088)	(49,468)
Finance income	(1,468)	(778)
Finance cost	3,039	3,562
Tax expense	41,639	26,118
Operating profit before working capital	<u>176,545</u>	<u>112,907</u>
Changes in working capital:		
- inventories	(4,568)	(5,679)
- receivables, deposits and prepayments	(29,409)	(19,402)
- payables	5,484	31,642
Cash from operations	<u>148,052</u>	<u>119,468</u>
Finance cost paid	(3,039)	(3,562)
Finance income received	1,468	778
Tax paid	<u>(33,432)</u>	<u>(25,307)</u>
Net cash flow from operating activities	<u><b>113,049</b></u>	<u><b>91,377</b></u>
<b>Investing activities</b>		
Property, plant and equipment		
- purchase	(10,762)	(16,798)
- proceed from disposal	52	130
Dividend received from associates	13,570	7,707
Purchase of biological assets	(55)	(80)
Net cash flow from/(used in) investing activities	<u><b>2,805</b></u>	<u><b>(9,041)</b></u>
<b>Financing activities</b>		
Repayment of lease liabilities	(257)	(232)
Repayment of term loan	(11,250)	(11,250)
Dividend paid	(54,165)	(33,350)
Net cash used in financing activities	<u><b>(65,672)</b></u>	<u><b>(44,832)</b></u>
<b>Net increase in cash and cash equivalents</b>		
Cash and cash equivalents	50,182	37,504
-at start of the period	148,351	79,123
-at end of the period	<u><b>198,533</b></u>	<u><b>116,627</b></u>

The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying notes attached to the interim financial statements.

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The interim financial statements of the Group for the financial period ended 30 September 2022 are unaudited and have been prepared in accordance with the requirements of MFRS 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 audited financial statements for the year ended 31 December 2021. 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 2021.

The accounting policies applied in this interim financial report is the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021.

The interim financial statements of the Group for the financial period ended 30 September 2022 was prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework.

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

Effective for financial period beginning on or after 1 January 2023

MFRS 17 and Amendments to MFRS 17	Insurance contracts
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 - Comparative information
Amendments to MFRS 101	Classification of liabilities as current or non-current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of accounting policies
Amendments to MFRS 108	Definition of accounting estimates
Amendments to MFRS 112	Deferred tax related to assets and liabilities arising from a single transaction

Effective date has been deferred and yet to be announced

Amendments to MFRS 10 and MFRS 128	Sale or contribution of assets between an investor and its associate or joint venture
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**2. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group's plantations business is affected by seasonal crop production, weather condition, fluctuating commodity prices, labour supplies and the impact of COVID-19 endemic.

**3. 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 2022.

**4. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts that have any material effect in the current quarter and cumulative quarter ended 30 September 2022.

**5. DISCLOSURE ON QUALIFICATION ON AUDIT REPORT**

The audit report of the Group's financial statements for the financial year ended 31 December 2021 was not qualified.

**6. 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 quarter and cumulative quarter ended 30 September 2022.

**7. DIVIDEND PAID**

Dividend paid is as follow:-

	3 months ended		9 months ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Final dividend	47,507 <sup>1</sup>	-	47,507 <sup>1</sup>	29,692 <sup>2</sup>

Note:

- 1 A final single tier dividend of five (5) sen per share and a special single tier dividend of three (3) sen per share for the financial year ended 31 December 2021 was paid on 6 July 2022.
- 2 A final single tier dividend of five (5.00) sen per share for the financial year ended 31 December 2020 was paid on 30 June 2021.

**8. SEGMENTAL REPORTING**

No segmental reporting has been prepared as the Group activities are predominantly in plantation activity, which is mainly carried out in Malaysia.

**9. PROPERTY, PLANT AND EQUIPMENT**

The Group upon the adoption of MFRS has elected to use the cost model from previous revaluation policy by using the last revaluation as deemed cost.

**10. INVESTMENT PROPERTY**

The Group owns a piece of land at Bandar Indera Mahkota, Kuantan, Pahang. The asset was classified under investment property based on a fair value model under MFRS 140.

**11. SUBSEQUENT MATERIAL EVENTS**

There was no subsequent material event after the balance sheet date.

**12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no other changes in the composition of the Group during the current quarter and cumulative quarter ended 30 September 2022.

**13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets as at the date of this report.

**14. REVIEW OF PERFORMANCE**

Financial Information	3 months ended			9 months ended		
	30.9.2022 RM'000	30.9.2021 RM'000	Variance %	30.9.2022 RM'000	30.9.2021 RM'000	Variance %
Revenue	188,976	193,654	(2)	618,405	467,122	32
Profit before tax	77,561	66,680	16	241,967	144,018	68
Profit after tax	65,606	54,920	19	200,328	117,900	70

Production	3 months ended			9 months ended		
	30.9.2022 Mt	30.9.2021 Mt	Variance %	30.9.2022 Mt	30.9.2021 Mt	Variance %
FFB production	100,400	77,033	30	230,277	204,906	12
CPO production	18,878	14,600	29	43,325	38,810	12
PK production	4,947	3,698	34	11,334	10,012	13
FFB processed by mills	134,000	116,368	15	327,970	311,980	5

Yield per hectare	3 months ended			9 months ended		
	30.9.2022 Mt/ha	30.9.2021 Mt/ha	Variance %	30.9.2022 Mt/ha	30.9.2021 Mt/ha	Variance %
FFB yield	5.77	4.61	25	13.21	12.02	10
CPO yield	1.09	0.88	24	2.49	2.28	9

**Current Quarter vs Preceding Corresponding Quarter**

For the current quarter ended 30 September 2022, the Group posted higher profit before tax and profit after tax when compared to the corresponding quarter 2021, mainly due to:-

- (a) Higher share of profit after tax of associates by RM14.81 million (72%); and
- (b) Higher FFB production by 23,367 metric tonne (30%).

**Current Year-to-date vs Preceding Year-to-date**

The Group posted a higher revenue, profit before tax and profit after tax for the cumulative current quarter when compared to the corresponding cumulative quarter 2021, mainly due to:-

- (a) Higher average CPO and PK prices per metric tonne by 33% and 29% respectively.  
 The average CPO price per metric tonne was RM5,309 (2021: RM3,985) and the average PK price per metric tonne was RM3,321 (2021: RM2,568);
- (b) Higher share of profit after tax of associates by RM39.62 million (80%); and
- (c) Higher FFB production by 25,371 metric tonne (12%).

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

Financial Information	3 months ended			
	30.9.2022 RM'000	30.6.2022 RM'000	Variance RM'000	Variance %
Revenue	188,976	242,360	(53,384)	(22)
Profit before tax	77,561	90,779	(13,218)	(15)
Profit after tax	65,606	75,065	(9,459)	(13)

Production	3 months ended			
	30.9.2022 Mt	30.6.2022 Mt	Variance Mt	Variance %
FFB production	100,400	69,195	31,205	45
CPO production	18,878	13,099	5,779	44
PK production	4,947	3,410	1,537	45
FFB processed by mills	134,000	105,350	28,650	27

Yield per hectare	3 months ended			
	30.9.2022 Mt/ha	30.6.2022 Mt/ha	Variance Mt/ha	Variance %
FFB yield	5.77	4.00	1.77	44
CPO yield	1.09	0.76	0.33	43

Average Price	3 months ended			
	30.9.2022 RM/Mt	30.6.2022 RM/Mt	Variance RM/Mt	Variance %
Average CPO price/mt	3,979	6,540	(2,561)	(39)
Average PK price/mt	2,413	3,481	(1,068)	(31)

For the current quarter ended 30 September 2022, the Group posted lower revenue, profit before tax and profit after tax when compared to the preceding quarter, mainly due to:-

- (a) Lower average CPO and PK prices per metric tonne by 39% and 31% respectively. The average CPO price per metric tonne was RM3,979 (30.6.2022: RM6,540) and the average PK price per metric tonne was RM2,413 (30.6.2022: RM3,481); and
- (b) The overall impact to revenue, profit before tax and profit after tax was lower than reduction in average prices due to higher FFB production and FFB processed by mills by 45% and 27% respectively.

**16. GAIN OR LOSS ON DISPOSAL OF QUOTED OR UNQUOTED INVESTMENT OR PROPERTIES**

There were no gain or loss on disposal of quoted or unquoted investment or properties for the current quarter and cumulative quarter ended 30 September 2022.

**17. FOREIGN EXCHANGE GAIN OR LOSS**

The Group does not have any foreign exchange gain or loss for the current quarter and cumulative quarter ended 30 September 2022.

**18. GAIN OR LOSS ON DERIVATIVES**

The Group does not have any gain or loss on derivatives for the current quarter and cumulative quarter ended 30 September 2022.

**19. PROSPECTS**

The Group's performance for the current financial year would continue to be challenging due to the rising operation costs, higher wages, volatility of CPO prices and labour shortages.

FFB production is expected to be stable in year 2022 and the Group's financial result for year 2022 is anticipated to be higher than preceding year in view of higher CPO prices in the first six months of the period.

**20. CAPITAL COMMITMENTS**

The amount of capital commitments not provided for in the financial statements is as follow:-

	<b>As at 30.9.2022 RM'000</b>	<b>As at 30.9.2021 RM'000</b>
Property, plant and equipment	806	6,286
Oil palm estates development	4,611	5,457
Acquisition of land	7,550	7,950
<b>Total</b>	<b>12,967</b>	<b>19,693</b>

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

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

**22. TAXATION**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2022 RM'000</b>	<b>30.9.2021 RM'000</b>	<b>30.9.2022 RM'000</b>	<b>30.9.2021 RM'000</b>
Current year	11,955	11,760	41,994	26,828
Over accrued previous year	-	-	(355)	(710)
<b>Tax expense</b>	<b>11,955</b>	<b>11,760</b>	<b>41,639</b>	<b>26,118</b>

The effective tax rate of the Group for the financial period ended 30 September 2022 and 30 September 2021 is calculated at Malaysian statutory tax rate of 24% based on the assessable profit for the period.

**23. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals for the current quarter and cumulative quarter ended 30 September 2022.

**24. BORROWING**

Particular of the Group's borrowing is as follow:-

	<b>30.9.2022 RM'000</b>	<b>30.9.2021 RM'000</b>
<b>Non-current liability</b>		
Term loan (secured)	105,000	120,000
<b>Current liabilities</b>		
Term loan (secured)	15,000	15,000
<b>Total</b>	<b>120,000</b>	<b>135,000</b>

**25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

During the current quarter and cumulative quarter ended 30 September 2022, the Group did not enter into any contract involving off balance sheet instruments.

**26. STATUS OF THE MATERIAL LITIGATIONS**

There was no material litigation of the Group during the current quarter and cumulative quarter ended 30 September 2022.

**27. STATUS ON THE JOINT VENTURE PROJECTS**

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

**(a) Far East Delima Plantations Sdn. Bhd. (“FEDP”)**

FEDP had recorded an unaudited profit before tax of RM7.24 million for the cumulative quarter ended 30 September 2022.

**(b) F.E. Rangkaian Sdn. Bhd. (“FERSB”)**

FERSB had recorded an unaudited profit before tax of RM8.70 million for the cumulative quarter ended 30 September 2022.

**28. INVESTMENT IN FUTURE PRELUDE SDN. BHD. (“FPSB”)**

FPSB recorded an unaudited profit before tax of RM54.83 million for the cumulative quarter ended 30 September 2022.

**29. DIVIDENDS**

**(a) Current quarter for the financial period ended 30 September 2022**

The Board had approved an interim single tier dividend of eight (8.00) sen per share be declared in respect of the financial year ending 31 December 2022. The payment will be made on 10 January 2023 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 20 December 2022.

**(b) Current quarter for the financial period ended 30 September 2021**

The Board had approved an interim single tier dividend of five (5) sen per share be declared in respect of the financial year ending 31 December 2021. The payment had been made on 23 December 2021 to the shareholders whose name appear in Record of Depositors of the Company at the close of business on 10 December 2021.

**30. 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 owners of the Company by the weighted average number of ordinary shares in issue during the period:-

	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Profit attributable to equity holder of the owners of the Company (RM'000)	<b>62,909</b>	51,900	<b>190,376</b>	111,299
Weighted average number of ordinary shares in issue ('000)	<b>593,838</b>	593,838	<b>593,838</b>	593,838
<b>Basic EPS (sen)</b>	<b>10.59</b>	8.74	<b>32.06</b>	18.74

**(b) Diluted EPS**

There was no diluting factor to earnings per share for the current and cumulative quarter.

**31. AUTHORISED FOR ISSUE**

The financial statements were authorised for issue on 25 November 2022 by the Board of Directors in accordance with the resolution of the Directors.