

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Three - Months Ended 31 March 2023**  
 (The figures have not been audited)

	<b>Cummulative Quarter 3 months ended</b>	
	<b>31-Mar-23 RM'000</b>	<b>31-Mar-22 RM'000</b>
Revenue	109,757	187,069
Other operating income	377	1,109
Fair value gain on other financial assets - unquoted shares	581	-
Fair value (loss)/gain on biological assets	(1,359)	3,806
Depreciation and amortisation	(8,690)	(8,124)
Operating expenses	(87,830)	(129,531)
Finance income	410	389
Finance cost	(971)	(809)
Share of profit after tax of associates	7,665	19,718
Profit before tax	<u>19,940</u>	<u>73,627</u>
Tax expense	(5,186)	(13,970)
<b>Net profit for the period</b>	<b><u>14,754</u></b>	<b><u>59,657</u></b>
<b>Attributable to:</b>		
Owners of the Company	<b>15,859</b>	57,290
Non-controlling interests	<b><u>(1,105)</u></b>	<u>2,367</u>
	<b><u>14,754</u></b>	<b><u>59,657</u></b>
<b>Earnings per share attributable to owners of the Company (sen):</b>		
Basic	<b><u>2.67</u></b>	<u>9.65</u>
Diluted	<b><u>2.67</u></b>	<u>9.65</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 31 March 2023**

(The figures have not been audited)

	Note	As at 31/3/2023 RM'000 Unaudited	As at 31/12/2022 RM'000 Audited
<b>Non-current assets</b>			
Property, plant and equipment		306,394	310,543
Investment property		61,000	61,000
Investments in associates		603,597	595,932
Other financial assets - Bond		1,969	-
Right-of-use assets		440,811	443,014
Biological assets		877	688
		1,414,648	1,411,177
<b>Current assets</b>			
Inventories		8,350	9,536
Biological assets		7,116	8,475
Receivables		64,090	64,771
Tax recoverable		3,790	3,562
Deposits, cash and bank balances		186,510	244,150
		269,856	330,494
<b>Total assets</b>		<b>1,684,504</b>	<b>1,741,671</b>
<b>Equity</b>			
Share capital		197,946	197,946
Fair value reserve		(4)	-
Retained earnings		1,190,612	1,174,753
Equity attributable to Owners of the Company		1,388,554	1,372,699
Non-controlling interests		46,873	47,978
<b>Total equity</b>		<b>1,435,427</b>	<b>1,420,677</b>
<b>Non current liabilities</b>			
Deferred tax liabilities		73,714	73,714
Lease liabilities		16,158	16,090
Borrowings	24	97,500	101,250
		187,372	191,054
<b>Current liabilities</b>			
Payables		46,548	63,336
Dividend payable		-	47,507
Tax payables		-	3,774
Borrowings	24	15,000	15,000
Lease liabilities		157	323
		61,705	129,940
<b>Total liabilities</b>		249,077	320,994
<b>Total equity and liabilities</b>		<b>1,684,504</b>	<b>1,741,671</b>
Net assets per share attributable to Owners of the Company (RM)		<b>2.42</b>	<b>2.39</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 2022 and the accompanying notes attached to the interim financial statements.

**FAR EAST HOLDINGS BERHAD**

[Registration No. 197301001753 (14809-W )]

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****For the Three - Months Ended 31 March 2023**

(The figures have not been audited)

	----- Attributable to owners of the Company -----			Non-controlling	Total
	Share capital	Fair value reserve	Retained earnings	interests	equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2023	197,946	-	1,174,753	47,978	<b>1,420,677</b>
Profit for the period	-	-	15,859	(1,105)	<b>14,754</b>
Other comprehensive income	-	(4)	-	-	<b>(4)</b>
Total comprehensive income	-	(4)	15,859	(1,105)	14,750
<b>Balance at 31 March 2023</b>	<b>197,946</b>	<b>(4)</b>	<b>1,190,612</b>	<b>46,873</b>	<b>1,435,427</b>
Balance at 1 January 2022	197,946	-	1,052,499	43,990	<b>1,294,435</b>
Profit for the period	-	-	57,290	2,367	<b>59,657</b>
<b>Balance at 31 March 2022</b>	<b>197,946</b>	<b>-</b>	<b>1,109,789</b>	<b>46,357</b>	<b>1,354,092</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

**FAR EAST HOLDINGS BERHAD**  
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**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Three - Months Ended 31 March 2023**  
(The figures have not been audited)

	Quarter ended	
	31-Mar-23 RM'000	31-Mar-22 RM'000
<b>Operating activities</b>		
Profit for the period attributable to owners of the Company	15,859	57,290
Adjustments for:		
Non-controlling interests	(1,105)	2,367
Depreciation and amortisation	8,690	8,124
Gain on disposal of property, plant and equipment	(134)	(19)
Fair value gain on other financial assets - unquoted shares	(581)	-
Fair value loss/(gain) on biological assets	1,359	(3,806)
Share of profit after tax of associates	(7,665)	(19,718)
Finance income	(410)	(389)
Finance cost	971	809
Tax expense	5,186	13,970
Operating profit before working capital	<u>22,170</u>	<u>58,628</u>
Changes in working capital:		
- inventories	1,186	(5,734)
- receivables, deposits and prepayments	681	(48,302)
- payables	<u>(16,788)</u>	<u>20,653</u>
Cash (used in )/from operations	7,249	25,245
Finance cost paid	(971)	(809)
Finance income received	410	389
Tax paid	<u>(9,188)</u>	<u>(7,062)</u>
Net cash flow (used in)/from operating activities	<u><b>(2,500)</b></u>	<u><b>17,763</b></u>
<b>Investing activities</b>		
Property, plant and equipment		
- purchase	(2,338)	(2,576)
- proceed from disposal	134	19
Refund of investment in other financial assets - unquoted shares	581	-
Investment in other financial assets	(1,973)	-
Proceed from sales/(Purchase) of biological assets	<u>(189)</u>	<u>34</u>
Net cash flow used in investing activities	<u><b>(3,785)</b></u>	<u><b>(2,523)</b></u>
<b>Financing activities</b>		
Repayment of lease liabilities	(98)	(80)
Dividend paid	(47,507)	-
Repayment of term loan	<u>(3,750)</u>	<u>(3,750)</u>
Net cash used in financing activities	<u><b>(51,355)</b></u>	<u><b>(3,830)</b></u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(57,640)	11,410
Cash and cash equivalents		
-at start of the period	<u>244,150</u>	<u>148,351</u>
-at end of the period	<u><b>186,510</b></u>	<u><b>159,761</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 2022 and the accompanying notes attached to the interim financial statements.

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

The interim financial statements 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 2022. 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 2022.

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 2022.

The interim financial statements of the Group for the financial period ended 31 March 2023 was prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework.

At the date of authorisation of these interim financial 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 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

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 ended 31 March 2023.

**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 ended 31 March 2023.

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

The audit report of the Group's financial statements for the financial year ended 31 December 2022 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 ended 31 March 2023.

**7. DIVIDEND PAID**

Dividend paid is as follow:-

	3 months ended	
	31.3.2023 RM'000	31.3.2022 RM'000
Interim dividend	47,507	-

An interim single tier dividend of eight (8) sen per share for the financial year ended 31 December 2022 was paid on 10 January 2023. The amount was taken up in the retained earnings for the financial year ended 31 December 2022

**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 ended 31 March 2023.

**13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets as at 31 March 2023.

**14. REVIEW OF PERFORMANCE**

**(A) Current Quarter vs Preceding Corresponding Quarter**

Financial Information	3 months ended			
	31.3.2023 RM'000	31.3.2022 RM'000	Variance RM'000	Variance %
Revenue	109,757	187,069	(77,312)	(41)
Profit before tax	19,940	73,627	(53,687)	(73)
Profit after tax	14,754	59,657	(44,903)	(75)

Production	3 months ended			
	31.3.2023 Mt	31.3.2022 Mt	Variance Mt	Variance %
FFB production	61,693	60,682	1,011	2
CPO production	11,338	11,348	(10)	-
PK production	3,044	2,977	67	2
FFB processed by mills	87,280	88,620	(1,340)	(2)

Yield per hectare	3 months ended			
	31.3.2023 Mt/ha	31.3.2022 Mt/ha	Variance Mt/ha	Variance %
FFB yield	3.41	3.44	(0.03)	(1)
CPO yield	0.63	0.64	(0.01)	(2)

Average Price	3 months ended			
	31.3.2023 RM/Mt	31.3.2022 RM/Mt	Variance RM/Mt	Variance %
Average CPO price/mt	3,989	6,103	(2,114)	(35)
Average PK price/mt	2,051	4,649	(2,598)	(56)

For the current quarter ended 31 March 2023, the Group posted a lower revenue, profit before tax and profit after tax when compared to the corresponding quarter 2022, mainly due to:-

- (a) Lower average CPO and PK prices per metric tonne by 35% and 56% respectively. The average CPO price per metric tonne was RM3,989 (2022: RM6,103) and the average PK price per metric tonne was RM2,051 (2022: RM4,649); and
- (b) Lower share of profit after tax of associates by RM12.05 million (61%).

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

Financial Information	3 months ended			
	31.3.2023 RM'000	31.12.2022 RM'000	Variance RM'000	Variance %
Revenue	109,757	167,254	(57,497)	(34)
Profit before tax	19,940	32,724	(12,784)	(39)
Profit after tax	14,754	27,585	(12,831)	(47)

Production	3 months ended			
	31.3.2023 Mt	31.12.2022 Mt	Variance Mt	Variance %
FFB production	61,693	97,492	(35,799)	(37)
CPO production	11,338	18,273	(6,935)	(38)
PK production	3,044	4,816	(1,772)	(37)
FFB processed by mills	87,280	125,585	(38,305)	(31)

Yield per hectare	3 months ended			
	31.3.2023 Mt/ha	31.12.2022 Mt/ha	Variance Mt/ha	Variance %
FFB yield	3.41	5.48	(2.07)	(38)
CPO yield	0.63	1.02	(0.39)	(38)

Average Price	3 months ended			
	31.3.2023 RM/Mt	31.12.2022 RM/Mt	Variance RM/Mt	Variance %
Average CPO price/mt	3,989	3,919	70	2
Average PK price/mt	2,051	2,086	(35)	(2)

For the current quarter ended 31 March 2023, the Group posted lower revenue, profit before tax and profit after tax as compared to the preceding quarter, mainly due to:-

- (a) Lower FFB production by 35,799 metric tonne (37%); and
- (b) Lower FFB processed by the Group's palm oil mills by 38,305 metric tonne (31%).

**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 ended 31 March 2023.

**17. FOREIGN EXCHANGE GAIN OR LOSS**

The Group does not have any foreign exchange gain or loss for the current quarter ended 31 March 2023.

**18. GAIN OR LOSS ON DERIVATIVES**

The Group does not have any gain or loss on derivatives for the current quarter ended 31 March 2023.



**19. PROSPECTS**

The average selling prices of CPO and PK has weakened since the end of the financial year ended 31 December 2022 and this would have a corresponding effect on the financial performance for the year ending 31 December 2023. However, barring unforeseen circumstances, FFB production is forecasted to be stable in year 2023.

The Group's performance would continue to be challenging due to rising operation costs and higher wages.

**20. CAPITAL COMMITMENTS**

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

	<b>As at 31.3.2023 RM'000</b>	<b>As at 31.3.2022 RM'000</b>
Property, plant and equipment	4,580	5,646
Oil palm estates development	5,983	8,344
Acquisition of land	-	7,550
<b>Total</b>	<b>10,563</b>	<b>21,540</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>31.3.2023 RM'000</b>	<b>31.3.2022 RM'000</b>
Tax expense - current year	<b>5,186</b>	13,970

The effective tax rate of the Group for the financial period ended 31 March 2023 and 31 March 2022 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 ended 31 March 2023.

**24. BORROWING**

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

	<b>31.3.2022</b> <b>RM'000</b>	<b>31.3.2022</b> <b>RM'000</b>
<b>Non-current liability</b>		
Term loan (secured)	97,500	112,500
<b>Current liabilities</b>		
Term loan (secured)	15,000	15,000
<b>Total</b>	<b>112,500</b>	<b>127,500</b>

**25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

During the current quarter ended 31 March 2023, 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 ended 31 March 2023.

**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 loss before tax of RM55,958 for the current quarter ended 31 March 2023. The loss is mainly due to lower prices of CPO and PK by 35% and 56% respectively coupled with lower production of FFB by 21%.

(b) **F.E. Rangkaian Sdn. Bhd. ("FERSB")**

FERSB had recorded an unaudited profit before tax of RM342,185 for the current quarter ended 31 March 2023.

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

FPSB recorded an unaudited profit after tax of RM4.90 million for the financial period ended 31 March 2023 and based on the 47.17% equity held by the Company, a total of RM2.31 million has been recognised in the Group's results.

**29. DIVIDENDS**

No interim dividend was declared in the current quarter ended 31 March 2023 (31 March 2022: NIL).

**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 number of ordinary shares in issue during the period:-

	3 months ended	
	31.3.2023	31.3.2022
Profit attributable to equity holder of the owners of the Company (RM'000)	15,859	57,290
Number of ordinary shares in issue ('000)	593,838	593,838
<b>Basic EPS (sen)</b>	<b>2.67</b>	9.65

**(b) Diluted EPS**

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

**31. AUTHORISED FOR ISSUE**

The unaudited quarterly results were authorised for issue on 25 May 2023 by the Board of Directors in accordance with the resolution of the Directors.